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**Fourth Revised Sheet No. 1** East Tennessee Natural Gas Company: Second Revised Volume No. 1  
Fourth Revised Sheet No. 1 : Superseded  
Superseding: Third Revised Sheet No. 1

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**Twentieth Revised Sheet No. 4** Twentieth Revised Sheet No. 4 : Superseded  
 Superseding: Nineteenth Revised Sheet No. 4

NOTICE OF RATES AND OTHER TARIFF RATE CHANGES  
 (Rates Per Dekatherm)

Rate Schedule	Base Tariff Rate 4/	Adjustments Under Articles					Rate After Current Adjustments	Fuel and Loss Retention Percentage Summer
		* * * * *	25	* * * *	33	34		
Winter								
-----								
Monthly Demand Rates							1/	2/ 2/
FT-A - Max (High)	\$7.21	(\$0.05)	\$0.00	\$0.090		\$7.250		
FT-A - Max (Low)	\$7.21	(\$0.05)	\$0.00	\$0.055		\$7.215		
- Min	\$0.00					\$0.00		
FT-A (Rocky Top)								
- Max (High)	\$10.201			\$0.090		\$10.291		
- Max (Low)	\$10.201			\$0.055		\$10.256		
- Min	\$0.000			\$0.000		\$0.000		
DDS	\$2.66					\$2.66		
LNGS 3/ 1.66%	\$0.5988					\$0.5988	15.69%	
Daily Demand Rates 5/								
FT-A	\$0.2370	(\$0.0016)	\$0.0000			\$0.2354		
FT-A (Rocky Top)	\$0.3354					\$0.3354		
Commodity Rates								
FT-A - Max 2.22%	\$0.0011	\$0.0000	\$0.0000	\$0.0070	\$0.0021	\$0.0102	1.58%	
- Min	\$0.0011				\$0.0021	\$0.0032		
FT-A (Rocky Top)								
- Max 0.31%	\$0.0000			\$0.0070	\$0.0021	\$0.0091	0.31%	
- Min	\$0.0000				\$0.0021	\$0.0021		
FT-GS- Max 2.22%	\$0.6784	(\$0.0047)	\$0.0000	\$0.0110	\$0.0021	\$0.6868	1.58%	
- Min	\$0.0011				\$0.0021	\$0.0032		
IT - Max 2.22%	\$0.2381	(\$0.0016)		\$0.0070	\$0.0021	\$0.2456	1.58%	
- Min	\$0.0011				\$0.0021	\$0.0032		

1/ Pursuant to Article 33 of the General Terms and Conditions, the Gas Research Institute (GRI) Surcharge is not applicable to service for other interstate pipelines who are members of GRI, but shall be added to the other charges under Transporter's Rate Schedules. High load factor is defined as load factor > 50%. Low load factor is defined as load factor <= 50%.

Pursuant to Article 34 of the General Terms and Conditions, the Annual Charge Adjustment (ACA) Surcharge per dekatherm shall be added to other charges under Transporter's Rate Schedules.

2/ Fuel and Losses Retention Percentages shall be applicable to all transportation rate schedules.

Transportation Fuel and Loss Retention Percentages are inclusive of .6% for Gas Lost and Unaccounted For. Transportation entirely by Backhaul will incur only the .6% Gas Lost and Unaccounted For

factor.

- 3/ Liquefaction and Vaporization Fuel and Loss Retention Percentages of 15.69% and 1.66%, respectively, shall be applicable to the LNGS Service.
- 4/ The Base Tariff Rate is inclusive of Demand Transportation by Others Costs : FT-A = \$.05.
- 5/ The maximum Volumetric Firm Rate for Capacity Release is \$.2457.

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**First Revised Sheet No. 5** First Revised Sheet No. 5 : Superseded  
 Superseding: Original Sheet No. 5

DEMAND SURCHARGE LIABILITY  
 ARTICLE 37

PURCHASER -----	TOTAL SURCHARGE -----
ALGOOD	\$9,935
ATHENS	\$123,135
CITIZENS	\$11,516
COOKEVILLE	\$140,417
DUNLAP	\$56,328
ELK RIVER	\$302,438
ENGLEWOOD	\$8,572
ETOWAH	\$56,255
FAYETTEVILLE	\$96,132
GAINESBORO	\$19,259
GALLATIN	\$120,974
HARRIMAN	\$57,271
JAMESTOWN	\$60,309
KNOXVILLE	\$1,500,179
LAWRENCEBURG	\$54,007
LENOIR CITY	\$54,575
LEWISBURG	\$108,014
LIVINGSTON	\$43,585
LOUDON	\$183,623
MADISONVILLE	\$20,993
MONTEAGLE	\$6,580
MT PLEASANT	\$59,416
MTUD	\$795,095
OAK RIDGE	\$159,860
POWELL CLINCH	\$133,936
ROCKWOOD	\$96,158
SOUTH PITTS	\$93,995
SWEETWATER	\$50,852
UNITED CITIES - 1	\$957,714
UNITED CITIES - 2	\$1,972,332
UNITED CITIES - 3	\$1,120,905
HAWKINS	\$146,342
JEFF COCKE	\$174,423
SEVIER	\$165,855
UNICOI	\$87,131
PULASKI	\$10,801
ATLANTA	\$1,860,223
CHATTANOOGA	\$1,350,162
ROANOKE	\$607,258



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**First Revised Sheet No. 6** First Revised Sheet No. 6 : Superseded  
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DIRECT ALLOCATION  
 ARTICLE 23

PURCHASER -----	DIRECT ALLOCATION	MONTHLY CHARGE _1/ -----
ALGOOD	\$9,366	\$1,588
ATHENS	\$78,521	\$13,317
ATLANTA	\$63,900	\$10,837
BOWATER	\$23,752	\$4,028
CHATTANOOGA	\$55,494	\$9,412
CITIZENS	\$9,094	\$1,542
COOKEVILLE	\$90,148	\$15,289
DEPARTMENT OF ENERGY	\$120,337	\$20,409
DUNLAP	\$43,033	\$7,298
ELK RIVER	\$215,683	\$36,579
ENGLEWOOD	\$8,680	\$1,472
ETOWAH	\$33,900	\$5,749
FAYETTEVILLE	\$61,343	\$10,403
GAINESBORO	\$14,324	\$2,429
GALLATIN	\$84,265	\$14,291
GENERAL SHALE	\$7,878	\$1,336
GREENBACK	\$7,915	\$1,342
HARRIMAN	\$5,135	\$871
HAWKINS	\$62,678	\$10,630
ICI AMERICAS	\$5,543	\$940
JAMESTOWN	\$45,650	\$7,742
JEFFERSON-COCKE	\$115,733	\$19,628
KNOXVILLE	\$627,281	\$106,384
LAWRENCEBURG	\$20,281	\$3,440
LENIOR CITY	\$61,968	\$10,509
LEWISBURG	\$69,585	\$11,801
LIVINGSTON	\$37,314	\$6,328
LOUDON	\$96,909	\$16,435
MADISONVILLE	\$19,383	\$3,287
MARION	\$55,178	\$9,358
MEAD PAPER	\$1,585	\$269
MTUD	\$349,771	\$59,320
MONSANTO	\$2,372	\$402
MONTEAGLE	\$7,516	\$1,275
MT PLEASANT	\$36,202	\$6,140
OAK RIDGE	\$17,324	\$2,938
OCCIDENTAL	\$2,372	\$402
OLIN	\$2,372	\$402
POWELL CLINCH	\$89,719	\$15,216
PULASKI	\$6,770	\$1,148
RHONE-POULENC BASIC CHEMICALS	\$11,120	\$1,886
RHONE-POULENC CHEMICAL	\$1,546	\$262
ROANOKE	\$62,481	\$10,596
ROCKWOOD	\$56,642	\$9,606
SEVIER	\$73,328	\$12,436
SWEETWATER	\$5,074	\$861
TENNESSEE AIR NATIONAL GUARD	\$5,936	\$1,007
TENNESSEE EASTMAN	\$25,337	\$4,297
UNICOI	\$56,770	\$9,628
UNITED CITIES	\$412,013	\$69,876

\_1/ Payment based on 6 monthly payments at 0.50% monthly interest rate.

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**First Rev Fifth Revised Sheet No. 9** First Rev Fifth Revised Sheet No. 9 : Superseded  
Superseding: First Rev Fourth Revised Sheet No. 9

FT-A RATE SCHEDULE  
TRANSPORTATION SERVICE

3.4 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 entered via PASSKEY. 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 Maximum Daily Quantity for that Primary Point, but less than or equal to the Transportation Quantity under the FT-A Agreement. A firm shipper's rights to use a Secondary Receipt or Delivery Point shall be superior to all interruptible shippers' use of that point, but inferior to the rights of all firm shippers using that point as a Primary Delivery or Receipt Point. Shipper's total receipts or deliveries on any day shall not exceed the Transportation Quantity stated in the FT-A Agreement, and, if the capacity at a Secondary Receipt or Delivery Point is insufficient to serve all shippers requesting the point, the receipt or delivery quantities for that point shall be allocated in accordance with Section 15 of the General Terms and Conditions.

4. RATES AND CHARGES

4.1 Transportation Rates:

The applicable rates for service under this FT-A Rate Schedule are the applicable maximum Reservation and Commodity Rates shown on the effective Tariff Sheet No. 4; provided, however, Transporter has the right at any time and from time to time to adjust the Reservation and Commodity Rates applicable to any service upon notice to Shipper to any level not less than the minimum nor more than the maximum Reservation and Commodity Rates established for this Rate Schedule and set forth on the effective Tariff Sheet No. 4. By mutual agreement between Transporter and Shipper, discounts may be limited consistent with the provisions of Section 6.1 of the pro forma service agreement applicable to this Rate Schedule FT-A.

Effective through September 30, 2002, or any later date established by the Commission, the rate for any capacity release transaction with a term of less than one (1) year may exceed the maximum tariff rate for this rate schedule.

In the event Transporter and Shipper agree to establish a fixed rate to be charged for the duration of the transportation service, said rate will be set forth either in the applicable FT-A Agreement or in a letter agreement that corresponds to the applicable FT-A Agreement. Transporter shall file with the Commission the required reports of any adjustment below the maximum Reservation and/or Commodity Rates for service under this Rate Schedule.

In the event that Transporter interrupts or curtails service for any reason, other than Operational Flow Orders and events of force majeure as described in Sections 14 and 24 respectively of Transporter's General Terms and Conditions, and Shipper has previously paid for such service, Transporter shall credit to Shipper's next monthly bill an amount equal to the daily demand charge multiplied by the number of days of interruption or curtailment.

4.2 New Facilities: In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to reimburse 100% of the cost (including a gross-up for the income tax effects of reimbursement) of facilities constructed at the Shipper's request in order to provide transportation service under this Rate Schedule. Further, Transporter shall

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**Third Revised Sheet No. 10** Third Revised Sheet No. 10 : Superseded  
Superseding: Second Revised Sheet No. 10

FT-A RATE SCHEDULE  
FIRM TRANSPORTATION SERVICE

charge Shipper an amount to reimburse 100% of the cost (including a gross-up for the income tax effects of reimbursement) of all electronic custody transfer equipment, metering facilities, gravitometers, calorimeters, flow controllers or other measuring or metering facilities. The applicable new facilities charges shall be reflected in the FT-A Agreement.

- 4.3 Incidental Charges: In addition to the charges pursuant to Sections 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to 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. Transporter shall not use the amounts of incidental charges so collected as either costs or revenues in establishing its general system rates. The applicable incidental charges shall be stated in the FT-A Agreement.
- 4.4 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-A Agreement, then such quantity shall constitute an authorized overrun quantity. All Shipper requests for Authorized Overruns must be nominated via PASSKEY. For all such authorized overrun volumes, Shipper shall pay Transporter a rate equal to the volumetric derivative of the maximum transportation charge applicable to the service under its agreement and this Rate Schedule designed on a 100% load factor basis times the excess quantities delivered to Shipper, unless the parties mutually agree otherwise.
- 4.5 Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges or credits for service under this Rate Schedule that differ from those rates, rate components, charges or credits that are otherwise prescribed, required, established or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. If Transporter agrees to such differing rates, rate components, charges or credits ("Negotiated Rates") then the Negotiated Rate(s) shall be effective only for the period agreed upon by Transporter. During such period, the Negotiated Rate shall govern and apply to the Shipper's service and the otherwise applicable rate, rate component, charge or credit, which the parties have agreed to replace with the Negotiated Rate, shall not apply to, or be available to, the Shipper. At the end of such period, the otherwise applicable maximum rates or charges shall govern the service provided to Shipper. Only those rates, rate components, charges or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges or credits prescribed, required, established or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

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FERC Docket: RP98-350-000

**Third Revised Sheet No. 11** Third Revised Sheet No. 11 : Superseded  
Superseding: Second Revised Sheet No. 11

FT-A RATE SCHEDULE  
FIRM TRANSPORTATION SERVICE

5. FUEL AND LOSSES

Shipper shall furnish the quantity of gas required for fuel and losses associated with rendering transportation service pursuant to this Rate Schedule. GISB Standard 1.3.16 (Version 1.2) states: Where fuel reimbursement is in kind, the standard fuel calculation mechanism, as this is related to the nomination process, should be  $(1 - \text{fuel}\%/100)$  multiplied by receipt quantity = delivery quantity. In accordance with this GISB Standard, the quantity of gas retained by Transporter for fuel and losses shall equal the quantity of gas tendered at the receipt point multiplied by the applicable fuel and loss retention percentage shown on the effective Tariff Sheet No. 4 of Transporter's effective Tariff. Once each calendar year, Transporter shall have the right to file with the Commission to change the quantity of gas required for fuel and losses based on system average fuel and loss requirements.

6. MONTHLY BILL

The Monthly Bill for service shall be equal to:

- (a) Reservation Charge: A reservation rate determined under Section 4.1 multiplied by the Transportation Quantity as specified in the FT-A Agreement; however, consistent with the Stipulation and Agreement in Docket No. RP90-111 and approved by the Commission on October 2, 1991, for Shippers that meet the requirements of subsections (i) - (iii) below, beginning on the Implementation Date and continuing until November 30, 1996, the reservation charge shall be determined by multiplying the rate specified under Section 4.1 hereof by an amount equal to the greatest number of dekatherms delivered under the Shipper's FT-A Agreement in any one day during the twelve month period ending with the billing month but which shall not exceed the Transportation Quantity set forth in the Shipper's FT-A Agreement.

In order to be eligible for the adjusted reservation charge set forth in the preceding paragraph, a Shipper must:

- (i) have an effective FT-A Agreement with Transporter; and
- (ii) have been purchasing gas from Transporter pursuant to Transporter's former G Rate Schedule as of April 30, 1990; and
- (iii) not have received Authorized Overrun Service from Transporter, Supplemental Winter Service from Transporter, any other storage service or gas not delivered through Transporter's system from April 30, 1990 until the Implementation Date.

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*FERC Docket: RS92- 33-002*

**Sheet Nos. 15 Through 19** Sheet Nos. 15 Through 19 : Superseded

Sheet Nos. 15 Through 19  
Are Reserved for Future Use

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**Third Revised Sheet No. 20** Third Revised Sheet No. 20 : Superseded  
Superseding: Second Revised Sheet No. 20

RATE SCHEDULE FT-GS  
FIRM TRANSPORTATION SERVICE

to Transporter by the twentieth of the month preceding the month for which the change is desired. Primary Receipt and Delivery Point amendments pursuant to this section shall be given priority over all interruptible service requested through such points. The amendment shall not have priority over any outstanding requests for firm transportation service requesting such points as primary points. Shipper shall lose its priority at previously designated Primary Receipt and Delivery Points to the extent that the amendment reduces the Maximum Daily Quantity at any point. Both the total quantity specified for all Primary Receipt Points and the total quantity specified for all Primary Delivery Points shall equal the Transportation Quantity stated in Shipper's FT-GS Agreement.

- 3.4 Secondary Receipt and Delivery Points: FT-GS Shippers may not use Secondary Delivery Points. Shipper may use as a Secondary Receipt Point any other receipt point on Transporter's system by notifying Transporter in Shipper's nomination entered via PASSKEY. A Shipper may also use a Primary Receipt Point as a Secondary Point to the extent that Shipper nominates quantities at the Primary Point in excess of the Shipper's Maximum Daily Quantity at that Primary Point, but less than or equal to the Transportation Quantity under the FT-GS Agreement. A firm shipper's rights to use a Secondary Receipt Point shall be superior to all interruptible shippers' use of that point, but inferior to the rights of all firm shippers using that point as a Primary Receipt Point. A Shipper's total receipts on any day shall not exceed the Transportation Quantity stated in its FT-GS contract. If the capacity at a Secondary Receipt Point is insufficient to serve all shippers requesting the point, the receipt quantities for that point shall be allocated in accordance with Section 15 of the General Terms and Conditions.

4. RATES AND CHARGES

- 4.1 Applicable Rates: The applicable rate for service under the FT-GS Rate Schedule is shown on the effective Tariff Sheet No. 4. By mutual agreement between Transporter and Shipper, discounts may be limited consistent with the provisions of Section 6.1 of the pro forma service agreement applicable to this Rate Schedule FT-GS.
- 4.2 New Facilities: In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to reimburse 100% of the cost (including a gross-up for the income tax effects of 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 amount to reimburse 100% of the cost (including a gross-up for the income tax effects of reimbursement) of all electronic custody transfer equipment, metering facilities, gravimeters, calorimeters, flow controllers or other measuring or metering facilities. The applicable new facilities charges shall be reflected in the FT-GS Agreement.

RATE SCHEDULE FT-GS  
FIRM TRANSPORTATION SERVICE

- 4.3 Incidental Charges: In addition to the charges pursuant to Section 4.1 and 4.2 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, which Transporter incurs in establishing or rendering service. Transporter shall not use the amounts of incidental charges so collected as either costs or revenues in establishing its general system rates. The applicable incidental charges shall be reflected in the FT-GS Agreement.
- 4.4 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 Transportation Contract, then such quantity shall constitute an authorized overrun quantity. If Transporter has complete and unrestricted control over gas deliveries to Shipper, Shipper shall be deemed to have received the advance approval of Transporter for such excess takes. All Shipper requests for Authorized Overruns must be nominated via PASSKEY. For all such authorized overrun volumes, Shipper shall pay Transporter the applicable Maximum Rates under this Rate Schedule, unless the parties mutually agree otherwise.
- 4.5 Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges or credits for service under this Rate Schedule that differ from those rates, rate components, charges or credits that are otherwise prescribed, required, established or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. If Transporter agrees to such differing rates, rate components, charges or credits ("Negotiated Rates"), then the Negotiated Rate(s) shall be effective only for the period agreed upon by Transporter. During such period, the Negotiated Rate shall govern and apply to the Shipper's service and the otherwise applicable rate, rate component, charge or credit, which the parties have agreed to replace with the Negotiated Rate, shall not apply to, or be available to, the Shipper. At the end of such period, the otherwise applicable maximum rates or charges shall govern the service provided to Shipper. Only those rates, rate components, charges or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges or credits prescribed, required, established or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

5. ELIGIBLE INTERRUPTIBLE DELIVERIES

- 5.1 FT-GS Shippers may receive gas transported under an IT Agreement for re-delivery to a Qualified End-user if such gas is for ultimate re-delivery by the FT-GS Shipper to the Qualified End-user. In order for an FT-GS Shipper to receive gas at its Delivery Point(s) under an IT Agreement for re-delivery to a Qualified End-user, in addition to satisfying the requirements of each sub-section of this Section 5, Shipper must submit to Transporter a written application, which shall:

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FERC Docket: RP00-245-000

**Third Revised Sheet No. 30A** Third Revised Sheet No. 30A : Superseded  
Superseding: Second Revised Sheet No. 30A

LNGS RATE SCHEDULE  
LIQUIFIED NATURAL GAS STORAGE SERVICE

imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

4. INJECTIONS INTO STORAGE

- 4.1 Unless otherwise agreed by Transporter all injections must be nominated via PASSKEY pursuant to Shipper's LNGS Agreement and Section 15 of the General Terms and Conditions of Transporter's Tariff, and Shipper must separately nominate (via PASSKEY) transportation of gas to storage under an FT-A, FT-GS or IT Agreement.



Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Fourth Revised Sheet No. 31** Fourth Revised Sheet No. 31 : Superseded  
Superseding: Third Revised Sheet No. 31

LNGS RATE SCHEDULE  
LIQUIFIED NATURAL GAS STORAGE SERVICE

- 4.2 Shipper shall inject gas into its LNGS Account only during the months of April through October ("Summer Season"), unless otherwise agreed to by Transporter. Transporter shall, by March 15 of each year, post a tentative Summer Season Injection Schedule on PASSKEY and thereafter shall update the Injection Schedule monthly or more often, as necessary. All injections must be in accordance with Transporter's current Injection Schedule. Shipper must conform to all aspects of Transporter's Injection Schedule within any applicable deadlines posted by Transporter.
  - 4.3 Transporter may, within its sole discretion, allow injections during the Winter Season on a best efforts basis if operating conditions permit.
  - 4.4 Transporter may, within its sole discretion, allow injections into the LNG facility for a Shipper's account by tank truck. For all such injections Transporter shall charge a usage rate equal to the quantity of gas injected times the Authorized Overrun rate under Transporter's FT-A Rate Schedule.
5. WITHDRAWAL FROM STORAGE
- 5.1 All withdrawals must be nominated via PASSKEY pursuant to Shipper's LNGS Agreement. Shipper must separately nominate (via PASSKEY) transportation of gas from storage under an FT-A or IT Agreement.
  - 5.2 Shipper may withdraw gas from storage only during the Winter Season unless otherwise agreed to by Transporter pursuant to Section 9 or Section 5.4 hereof.
  - 5.3 Withdrawals of gas hereunder must be requested by Shipper on a daily basis. Shipper may take quantities above the Maximum Daily LNGS Quantity provided Shipper has received advance approval from Transporter. Granting of such approval shall be within Transporter's sole discretion. The nomination stating the specific volume of withdrawals desired must be made via PASSKEY pursuant to Section 15.2(a) of the General Terms and Conditions of Transporter's Tariff. The requested volume may be changed pursuant to Sections 15.2(b), (d) and (e) of the General Terms and Conditions of Transporter's Tariff, provided the maximum quantity for the remainder of the day does not exceed the ratio of the remaining hours of the day to twenty-four (24) multiplied by the Maximum Daily LNGS Quantity.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 33** Second Revised Sheet No. 33 : Superseded  
Superseding: First Revised Sheet No. 33

LNGS RATE SCHEDULE  
LIQUIFIED NATURAL GAS STORAGE SERVICE

8.2 At least one business day prior to the effective date of the proposed in-place transfer, the Shipper and transferee will notify Transporter of the proposed sale. Notification will be via PASSKEY during business hours and contain the names of both parties, the effective date of the proposed transfer, the volume of gas to be transferred, and a statement that the conditions of section 8.1 have been met. Such notice via PASSKEY shall be followed by written notification signed by both parties. Title transfer of LNGS storage gas will occur at the beginning of the designated effective day of the transfer.

9. EXTENSION OF THE WINTER SEASON

Upon Shipper's request on or before April 1, the Winter Season may be extended to April 15, provided, in Transporter's sole judgment, withdrawals and redeliveries to be made during such extended periods will not adversely affect Transporter's operations. Withdrawals and redeliveries pursuant to this extension of the Winter Season shall be used to reduce Shipper's current Winter Season LNGS Balance.

10. MONTHLY BILL

The Monthly Bill for each month of the Winter Season for service under this Rate Schedule shall consist of the effective LNGS Winter Rate multiplied by the dekatherm equivalent of the Winter Season LNGS Quantity.

11. WAIVER

Transporter may waive any rights hereunder or any obligations of Shipper hereunder on a basis that is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.

12. TERMINATION OF CONTRACT

Shipper must withdraw or transfer its Storage Balance on or before the date of expiration of its storage contract. To the extent that Shipper fails to dispose of its entire Storage Balance, Transporter shall retain and take title to Shipper's remaining Storage Balance, at no cost to Transporter.

Effective Date: 11/30/1998 Status: Effective  
FERC Docket: RP99-109-000

**Second Revised Sheet No. 41** Second Revised Sheet No. 41 : Superseded  
Superseding: Original Sheet No. 41

IT RATE SCHEDULE  
INTERRUPTIBLE TRANSPORTATION SERVICE

- (b) Transporter shall not deliver gas pursuant to this Rate Schedule to a Delivery Point that is named as a Primary Delivery Point on an FT-GS Agreement unless the FT-GS Shipper at that point has complied with the provisions of Section 5 of Transporter's FT-GS Rate Schedule.
- (c) 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 or (2) the total quantity of gas scheduled for delivery at such point is less than that required to operate existing compression facilities necessary to deliver gas to such point.

4. RATES AND CHARGES

- 4.1 Transportation Rates: The Transportation Rate is the maximum IT rate shown on the effective Tariff Sheet No. 4, unless otherwise mutually agreed; provided, however, Transporter has the right at any time and from time to time to adjust the rate applicable to any transportation service upon notice to Shipper to any level not less than the minimum nor more than the maximum rates established for this Rate Schedule and set forth on the effective Tariff Sheet No. 4. By mutual agreement between Transporter and Shipper, discounts may be limited consistent with the provisions of Section 4.1 of the pro forma service agreement applicable to this IT Rate Schedule.

In the event Transporter and Shipper agree to establish a rate that is not subject to change and that is to be charged for the duration of the transportation service, said rate will be set forth in the applicable IT Agreement. Transporter shall file with the Commission the required reports of any adjustment below the maximum rate(s) for service under this Rate Schedule.

- 4.2 New Facilities: In addition to the charges pursuant to Section 4.1 of this Rate Schedule, Transporter shall charge Shipper an amount to reimburse 100% of the cost (including a gross up for the income tax effects of 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 amount to reimburse 100% of the cost (including a gross-up for the income tax effects of reimbursement) of all electronic custody transfer equipment, metering facilities, gravitometers, calorimeters, flow controllers and other measurement or metering facilities. The applicable new facilities charge shall be reflected on the IT Agreement.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Fifth Revised Sheet No. 51** Fifth Revised Sheet No. 51 : Superseded  
Superseding: Fourth Revised Sheet No. 51

Rate Schedule LMS-MA  
Load Management (Market Area) Service

- 1.3 The source for Transporter's DDS shall be the swing capability provided to Transporter by its upstream transporter, Tennessee Gas Pipeline Company, pursuant to Tennessee's LMS-MA Rate Schedule. Transporter will make DDS service available on a pro rata basis to delivery point operators not qualifying under 1.2 (a) and (b) above to the extent Transporter can obtain such service from Tennessee.
- 1.4 A Balancing Party electing DDS shall pay a monthly demand charge equal to the DDQ elected by the Balancing Party multiplied by the effective DDS demand rate shown in Transporter's Tariff Sheet No. 4. In the event of a change in Tennessee's DDS rate, Transporter shall revise its DDS rates accordingly.

2. APPLICABILITY

The terms, conditions, and charges set forth in this Rate Schedule governing daily variances and monthly balancing shall apply to all gas flowing through meters covered by an OBA. A delivery point OBA may cover an unlimited number of points designated as Primary Delivery Points under an FT-GS Agreement(s) or an unlimited number of points designated as Primary Delivery Points under an FT-A Agreement. However, a single OBA may not cover points designated as Primary Delivery Points under an FT-GS Agreement and points designated as Primary Delivery Points under an FT-A Agreement.

3. SCHEDULING AND CONFIRMATION BY BALANCING PARTY

The Balancing Party will submit confirmations to Transporter via PASSKEY by Transporter's confirmation deadline each month. The Balancing Party's confirmation shall specify the quantity to be transported by each Shipper to Balancing Party's delivery point(s).

4. IMBALANCE RESOLUTION OPTION ELECTION

Balancing Party shall be subject to the "Cashout Option" established in Section 8 of this Rate Schedule unless Balancing Party, excluding a supply aggregator under Rate Schedule SA, elects instead the "Storage Swing Option" established in Section 9 of this Rate Schedule. Balancing Party may make such election (or may change an election currently in effect) by notifying Transporter in writing five (5) business days prior to the beginning of a calendar month. Elections shall remain in effect throughout the month and continue on a month-to-month basis unless changed by Balancing Party.

5. DAILY VARIANCES

The daily variance shall be the aggregate of the differences between the Scheduled Quantities at all delivery points covered by the OBA and the actual quantity of gas delivered by Transporter at all such points within the time period that the Scheduled Quantities were in effect during any day.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Fifth Revised Sheet No. 52** Fifth Revised Sheet No. 52 : Superseded  
Superseding: Fourth Revised Sheet No. 52

Rate Schedule LMS-MA  
Load Management (Market Area) Service

6. BALANCING OBLIGATION

Based upon the best information available, a Balancing Party shall take action to correct any imbalances occurring during the month by making adjustments in nominations or deliveries. If Balancing Party fails to take such corrective action, then Transporter may, upon 48 hours notice, adjust Balancing Party's scheduled deliveries over the remainder of the calendar month in order to maintain a balance of deliveries and nominations, provided Transporter determines that such action is necessary to maintain the operational integrity of the system or to enable Transporter to meet its firm obligation to its other shippers.

7. UNAUTHORIZED OVERRUN

7.1 On any day, Transporter may, based on a good faith belief that such action is necessary and appropriate to protect system integrity and ensure firm deliveries, upon 8 hours prior notice via PASSKEY, invoke its right to assess Unauthorized Overrun Charges in accordance herewith. Transporter shall provide fax or telephone notification of its intent to invoke its right to assess Unauthorized Overrun Charges, for all customers that have provided Transporter with a 24 hour telephone or fax number. Transporter shall have the right to assess an Unauthorized Overrun Charge of fifteen dollars (\$15) per DTH on quantities taken in excess of a Balancing Party's Maximum Allowed Deliveries ("MAD") plus a 2% allowable variation or 50 DTH, whichever is greater. A Balancing Party's MAD shall be calculated as follows:

Rate Schedule LMS-MA  
Load Management (Market Area) Service (Continued)

[A+B] - C = Balancing Party's MAD

- where A = the sum of the MDQs at all Primary Delivery Points for all firm contracts covered by the Balancing Party's Balancing Agreements (excluding any firm rights from Transporter's LNG facility at Kingsport, Tennessee and/or from Primary Receipt Points on Transporter's system at which Transporter does not have swing capability)
- B = any other quantities scheduled by Transporter at a point covered by the Balancing Party's Balancing Agreement (including any firm quantities scheduled for delivery from Transporter's LNG facility at Kingsport, Tennessee and/or from Primary Receipt Points on Transporter's system at which Transporter does not have swing capability)
- C = quantities scheduled at Secondary Delivery Points under firm contracts that name a point covered by the Balancing Party's Balancing Agreement as a Primary Delivery Point (excluding any firm rights from Transporter's LNG facility at Kingsport, Tennessee and/or from Primary Receipt Points on Transporter's system at which Transporter does not have swing capability)

Transporter shall post on PASSKEY the sum of the MDQs at all Primary Delivery Points for all firm contracts covered by each Balancing Party's Balancing Agreement (excluding any firm rights from Transporter's LNG facility at Kingsport, Tennessee and/or from Primary Receipt Points on Transporter's system at which Transporter does not have swing capability).

- 7.2 Balancing Party shall not be subject to Unauthorized Overrun Charges under this Section 7 where Balancing Party is able to demonstrate that it is prevented from compliance with this Section 7 due to an event excusing performance as defined in Section 24 of Transporter's General Terms and Conditions. Balancing Party shall notify Transporter immediately if it believes that it is excused from compliance, and shall provide Transporter with documentation sufficient to support its basis for non-compliance.
- 7.3 In addition to the remedy set forth in Section 7.1 above, in the event a Balancing Party takes gas in excess of the MAD, and Transporter believes it is necessary to take actions (i.e., buying or selling gas, etc.) to maintain system integrity or to prevent interrupting firm service, Transporter shall have the right, but not the obligation, to take such remedial actions as it deems necessary. If Transporter takes these actions, it shall be made whole by the Balancing Party that failed to observe the MAD for all costs that Transporter incurs.
- 7.4 In addition to Balancing Party's rights set forth in Section 7.2 above, Balancing Party may elect the Storage Delivery Option ("SDO"). SDO enables Balancing Party to resolve quantities taken in excess of Balancing Party's MAD TQ by allocating those excess quantities to Balancing Party's storage account up to the lesser of Balancing Party's daily transportation MDQ on a designated FT-A transportation agreement(s) or Balancing Party's storage MDWQ on a designated storage agreement(s). If Balancing Party nominates and Transporter schedules any volumes on the designated FT-A Agreement(s) and/or designated storage agreement(s), Balancing Party's daily transportation MDQ and/or storage MDWQ available for SDO shall be reduced accordingly to reflect those scheduled volumes. Under SDO, once Transporter has allocated quantities to Balancing Party's storage account up to the lesser of Balancing Party's daily transportation MDQ, storage MDWQ or storage balance, any excess quantities will be subject to Unauthorized Overrun Charges. SDO will be available at all delivery points covered by an OBA, and for receipts from Transporter's LNG facilities and/or Third Party Provider ("TPP") storage points which are attached to Transporter's system and are covered by a Balancing Agreement under Rate Schedule LMS-PA and a TPP amendment.

Rate Schedule LMS-MA  
Load Management (Market Area) Service (Continued)

- (a) Requirements: Balancing Party must provide at least eight (8) hours prior notice to Transporter of its election of SDO, to be effective the next gas day or concurrent with Transporter's notification of its intent, pursuant to Section 7.1 above, to invoke its right to assess Unauthorized Overrun Charges. Balancing Party must hold contracts for transportation under Transporter's Rate Schedule FT-A and contracts for storage attached to Transporter's system. At the time of its notice of its election, Balancing Party must rank consecutively the storage contracts designated for SDO if more than one contract is to be used. Balancing Party's election of SDO shall remain in effect until termination of SDO pursuant to Section 7.4(c) of this Rate Schedule, or Balancing Party has exceeded its storage balance available for SDO whichever is earlier.
- (b) Nominations for SDO:
- (i) Under SDO, Transporter will nominate Balancing Party's designated FT-A Agreement(s) from the storage receipt(s) to the delivery point(s) covered by Balancing Party's OBA and at which the excess takes occurred.
- (ii) Transporter will nominate a quantity up to the lesser of Balancing Party's transportation MDQ or storage MDWQ. Any volumes nominated by Balancing Party and scheduled by Transporter on the designated FT-A Agreement(s) and/or the designated storage agreements will reduce the transportation MDQ and/or storage MDWQ available for SDO.
- (iii) Balancing Party must verify the quantity of gas scheduled for delivery at the delivery point(s) within two (2) business days from the day the gas was delivered. Transporter will nominate the quantities to be withdrawn from the storage account for SDO after Balancing Party has verified the quantities delivered, but no later than five days after the last day of the month. Balancing Party's failure to provide accurate verifications of quantities of gas delivered may result in termination of SDO after eight (8) hours' prior notice from Transporter.
- (iv) Any Balancing Party electing SDO and utilizing Transporter's LNG facilities shall pay to Transporter the applicable LNGS rate(s) as set forth in the LNGS Rate Schedule and Sheet No. 4 of this Tariff for the withdrawals from storage. In addition, any Balancing Party electing SDO shall pay to Transporter a "Transportation Component." The Transportation Component for SDO shall be equal to the applicable commodity rate, plus fuel, under Transporter's FT-A Rate Schedule, multiplied by the volumes in excess of the MAD TQ.
- (c) Upon eight (8) hours' prior notice to Balancing Party, Transporter has the right to terminate SDO for Balancing Party's violation of any provisions of this Section 7.4. Balancing Party has the right, at its sole discretion, to terminate SDO with eight (8) hours prior notice to Transporter, effective at the beginning of the next gas day.
- (d) Balancing Party may only utilize a TPP storage point(s) for SDO upon the TPP's execution of both a Balancing Agreement under Rate Schedule LMS-PA and a TPP Amendment.

8. CASHOUT OPTION

- 8.1 Unauthorized Overrun: A Balancing Party that has elected the Cashout Option may also be subject to an Unauthorized Overrun Charge as set forth in Section 7.

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FERC Docket: RP00-556-000

**Third Revised Sheet No. 52C** Third Revised Sheet No. 52C : Superseded  
Superseding: Second Revised Sheet No. 52C

Rate Schedule LMS-MA  
Load Management (Market Area) Service (Continued)

- 8.2 Imbalance Trading: Balancing Parties electing the Cashout Option will be allowed to trade imbalances occurring during the month. Supply aggregators under Rate Schedule SA will be allowed to trade imbalances occurring during the month with other supply aggregators within the same pooling area that are subject to this Rate Schedule. All mid-month imbalance trading must be effectuated through the nomination of mid-month make-up volumes. To facilitate imbalance trading, Transporter will provide for posting of Balancing Party's imbalances on LINK®. Balancing Parties will also be allowed to trade offsetting end-of-month imbalances in the month following the month during which the imbalance occurred; provided that the Balancing Party notifies Transporter of the identities of the Balancing Parties agreeing to the trade, and the volumes to be traded, no later than ten business days after the end of the month during which the imbalances occurred.



Effective Date: 10/01/1999 Status: Effective  
FERC Docket: RP99-488-000

**Fourth Revised Sheet No. 53** Fourth Revised Sheet No. 53 : Superseded  
Superseding: Third Revised Sheet No. 53

Rate Schedule LMS-MA  
Load Management (Market Area) Service (Continued)

8.3 Monthly Imbalances: The Balancing Party's monthly imbalance shall be the net total of daily variances from all points covered by the OBA adjusted for make-up quantities and imbalance trades. For supply aggregators under Rate Schedule SA, the daily variance shall be the difference, by pooling area, between actual deliveries under the Supply Aggregation Service Agreement and the actual quantities received at all points covered by such Agreement. In addition, unless Transporter and the Balancing Party mutually agree to correct the imbalance in kind on a nondiscriminatory basis, each month Transporter and the Balancing Party shall "cashout" any imbalance between Scheduled Quantities and actual deliveries. Transporter shall divide the lesser of the monthly imbalance based on Operational Data or the actual monthly imbalance by the total scheduled volumes for the month for all applicable points, then multiply by 100, to determine the % monthly imbalance.

- (a) If the monthly imbalance is due to an excess of scheduled quantities relative to actual deliveries, then the monthly imbalance shall be considered a "positive" imbalance and Balancing Party shall sell to Transporter, and Transporter shall buy from the Balancing Party, in accordance with the formula listed in Section 8.3(c) below. If the monthly imbalance is due to an excess of actual deliveries relative to scheduled quantities, then the monthly imbalance shall be considered a "negative" imbalance and Transporter shall sell to the Balancing Party, and Balancing Party shall buy from Transporter, in accordance with the formula listed in Section 8.3(c) below. In addition to the cash out of the monthly imbalance: (A) Balancing Party shall pay to Transporter the "Transportation Component" if total actual quantities delivered are greater than scheduled quantities, or (B) Transporter shall pay to the Balancing Party the "Transportation Component" if total actual quantities delivered are less than scheduled quantities. The "Transportation Component" shall be equal to (1) the commodity rate pursuant to Tennessee Gas Pipeline Company's Rate Schedule FT-A for transportation from Tennessee's Zone 1 to Transporter's system multiplied by the monthly imbalance plus, (2) Transporter's commodity rate under Rate Schedule FT-A or FT-GS, as applicable, multiplied by the monthly imbalance, plus (3) an additional amount to cover Transporter's cost of gas for the system fuel and use and lost and unaccounted for gas. The additional amount shall be calculated by multiplying (1) the amount of fuel necessary to transport the imbalance on the systems of both Tennessee and Transporter by (2) the Average Price as defined in Section 8.3(c) (i) below.

Effective Date: 08/01/1999 Status: Effective

FERC Docket: RP99-428-000

**Fifth Revised Sheet No. 54** Fifth Revised Sheet No. 54 : Superseded  
Superseding: Fourth Revised Sheet No. 54

Rate Schedule LMS-MA  
Load Management (Market Area) Service

- (b) The Index Price shall be the Region Price for the Market Area set forth in Tennessee's tariff pursuant to its Rate Schedule LMS-MA.

The Balancing Party shall pay the applicable percentage of the index price only on the volumes within the corresponding imbalance range.

The amounts due hereunder shall be paid in accordance with Section 16 of the General Terms and Conditions of Transporter's Tariff.

- (c) Access to Information - GISB Standard 2.3.21 (Version 1.3) states: The timing for reporting daily operational allocations after the gas has flowed is within one business day after end of gas day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation. Therefore, upon request, Transporter will make available within one business day following the production day the best information it has concerning the total physical deliveries. Transporter will also make available by electronic means the best information it has concerning the scheduled and allocated deliveries at all delivery points by the end of the third business day after each delivery day. This information will include electronic gas measurement data at meters where such data is used for billing purposes (Electronic Data). Transporter will designate the points where Electronic Data is available. Balancing Parties will be entitled to rely on the Electronic Data for purposes of correcting imbalances during the month. Balancing Parties will not be entitled to rely on the data from other delivery points for purposes of correcting imbalances during the month and will be responsible for verifying the actual deliveries at delivery points where no Electronic Data is available. Imbalances will be cashed out on the basis of actual deliveries and Scheduled Quantities; provided that the penalty level associated with imbalances that are associated with Delivery Points where Electronic Data is available will be based upon the lesser of (1) the monthly imbalance reported by Transporter for the last day of the month based upon the Electronic Data or (2) the monthly imbalance based upon actual deliveries at such locations; provided however, if the monthly imbalance reported by Transporter as of the 20th day of the calendar month based upon Electronic Data is subsequently adjusted during the remainder of the month and (1) such adjustments materially increase the level of the imbalance and (2) the Balancing Party did not have adequate time to correct the imbalance by adjusting nominations, or deliveries, then the penalty level associated with imbalances at points where Electronic Data is available will be based upon the lesser of (a) the imbalance reported as of the 20th day of the calendar month plus the imbalance reported for each subsequent day in the calendar month or (b) the

Rate Schedule LMS-MA  
 Load Management (Market Area) Service (Continued)

The Parties' actual imbalance volumes shall be "cashed out" according to the following formula:

- (A) If I > or = zero then:
- Price for negative imbalances and imbalances less than or equal to 1,000 Dth = AP
  - Price for positive imbalances = 
$$\frac{(\text{abv}(I) \times LP) + (N \times AP)}{P}$$

- (B) If I < zero then:
- Price for negative imbalances = 
$$\frac{(\text{abv}(I) \times HP) + (P \times AP)}{N}$$
  - Price for positive imbalances and imbalances less than or equal to 1,000 Dth = AP

(iii) For all Parties whose % monthly imbalance is greater than 5% (as calculated according to Section 8.3 of this Rate Schedule) and greater than 1,000 Dth, the actual negative imbalance volumes shall be "cashed out" according to the following formula:

Imbalance Tier				Price
	0	-	5%	100% of HP
>	5%	-	10%	115% of HP
>	10%	-	15%	130% of HP
>	15%	-	20%	140% of HP
>	20%	-		150% of HP

For purposes of determining the tier at which an imbalance will be cashed out, the price will apply only to volumes within a tier. For example, if there is a 7% imbalance, volumes that make up the first 5% of the imbalance are priced at 100% of the HP. Volumes making up the remaining 2% of the imbalance are priced at 115% of the HP.

(iv) For all Parties whose % monthly imbalance is greater than 5% (as calculated according to Section 8.3 of this Rate Schedule) and greater than 1,000 Dth, the actual positive imbalance volumes shall be "cashed out" according to the following formula:

	0	-	5%	100% of LP
>	5%	-	10%	85% of LP
>	10%	-	15%	70% of LP
>	15%	-	20%	60% of LP
>	20%	-		50% of LP

For purposes of determining the tier at which an imbalance will be cashed out, the price will apply only to volumes within a tier. For example, if there is a 7% imbalance, volumes that make up the first 5% of the imbalance are priced at 100% of the LP. Volumes making up the remaining 2% of the imbalance are priced at 85% of the LP.

Rate Schedule LMS-MA  
Load Management (Market Area) Service (Continued)

- (e) Limitation on Penalties - Any imbalances caused by an event of force majeure as set forth in Section 24 of the General Terms and Conditions of Transporter's Tariff or caused by Transporter's actions (1) will not be included in the calculation of the total monthly imbalance for purposes of determining the appropriate cash-out level and (2) will be cashed out at the 0-5% tolerance level, as set forth in Section 8.3.
- (f) Disposition of Charges: At the conclusion of each annual period, Transporter will determine the net cashout activity under its LMS Rate Schedules. In the event that charges collected by Transporter under its cashout provisions exceed the actual cost of providing service, Transporter shall credit such excess revenues to all eligible Balancing Parties. Credits shall be applied based on (1) volumes shipped during each month that the Balancing Party used the Cashout Option during the past year and (2) a pro rata portion of volumes shipped by Balancing Parties which elect the Storage Swing Option but who also resolve imbalances pursuant to this Cashout Option. Such proration shall be based on the imbalances cashed out versus imbalances swung to storage. Any credits due hereunder shall be made within 45 days following approval by the Federal Energy Regulatory Commission of Transporter's report and refund plan concerning such credits. To the extent that the cashout activity in any annual period results in a negative balance, such balance will be carried forward and applied to the next annual determination of cashout activity. Within 150 days after each anniversary of the Implementation Date, Transporter will file a report and refund plan with the Commission.

8.4 Operational Integrity - Nothing in this Section 8 shall limit Transporter's right to take action as may be required to adjust deliveries of gas in order to alleviate conditions that threaten the integrity of its system.

9. STORAGE SWING OPTION

- 9.1 A Balancing Party meeting the requirements set forth in this Section 9 may elect to resolve daily variances (as defined in Section 5 of this LMS-MA Rate Schedule) through the Storage Swing Option. The Storage Swing Option is designed to allow Balancing Parties who also hold contracts with Tennessee Gas Pipeline Company ("Tennessee") for service pursuant to Tennessee's Rate Schedule FS and for firm transportation on Tennessee, to use up to two FS contracts and any number of firm transportation contracts at a time for balancing of daily variances, consistent with Section 9 of the LMS-MA Rate Schedule of Tennessee's FERC Gas Tariff.
- 9.2 Requirements: A Balancing Party electing the Storage Swing Option must hold firm storage and transportation on Tennessee and firm transportation on Transporter. Balancing Party must provide Transporter with the following no later than five (5) business days prior to the beginning of the month in which the Storage Swing Option is to be effective:

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 60** Second Revised Sheet No. 60 : Superseded  
Superseding: First Revised Sheet No. 60

Rate Schedule LMS-PA  
Load Management (Pooling Area) Service

1. AVAILABILITY

1.1 Transporter shall provide a monthly balancing service to parties (herein referred to as "Balancing Parties") who have executed an Operational Balancing Agreement (OBA) for use at receipt points. A Receipt Point OBA will be available to:

- (a) the operator of connecting facilities at a receipt point(s) on Transporter's system;
- (b) a pipeline operator whose facilities interconnect with Transporter's system;
- (c) A supply aggregator ("Aggregator") who has obtained consent from two or more receipt point operators authorizing the Aggregator to operate such points, which authorization shall include, but not be limited to, changing physical flow at receipt points; provided however that the sum of all MDQ of all points covered by one Aggregator's Balancing Agreement shall not exceed 5,000 DTH.

2. APPLICABILITY

The terms, conditions, and charges set forth in this Rate Schedule governing daily variances and monthly balancing shall apply to all gas flowing through meters covered by a Receipt Point OBA.

3. SCHEDULING AND CONFIRMATION BY BALANCING PARTY

The Balancing Party will submit confirmations to Transporter via PASSKEY by Transporter's confirmation deadline each month. The Balancing Party's confirmation shall specify the quantity to be transported by each Shipper to or from Balancing Party's receipt point.

4. DAILY VARIANCES

4.1 The daily variance shall be the difference between the total Scheduled Quantity at that point and the actual quantity delivered into Transporter's system at that point on any day.

Effective Date: 10/15/2000 Status: Effective  
FERC Docket: RP00-556-000

**Sixth Revised Sheet No. 61** Sixth Revised Sheet No. 61 : Superseded  
Superseding: Fifth Revised Sheet No. 61

Rate Schedule LMS-PA  
Load Management (Pooling Area) Service (Continued)

4.2 A Balancing Party may be subject to an Unauthorized Overrun Charge for quantities delivered above the Daily Limit as set forth in Section 5.

4.3 Based upon the best information available, a Balancing Party shall take action to correct any imbalances occurring during the month by making adjustments in nominations or receipts. If Balancing Party fails to take such corrective action, then Transporter may, upon 48 hours notice, adjust Balancing Party's scheduled receipts over the remainder of the calendar month in order to maintain a balance of receipts and nominations.

5. UNAUTHORIZED OVERRUN

5.1 On any day on which Transporter has issued an Operational Flow Order ("OFO") affecting Balancing Party's point pursuant to Section 14 of Transporter's General Terms and Conditions, and Balancing Party delivers gas in excess of the Daily Limit applicable to the receipt point, such Balancing Party shall be subject to an Unauthorized Overrun Charge as set forth in Section 14.8 of Transporter's General Terms and Conditions for each dth of excess quantities delivered beyond a two percent allowable variation. The Daily Limit shall be stated in the OFO.

5.2 In addition to the remedy set forth in 5.1 above, in the event Balancing Party delivers gas in excess of the Daily Limit applicable to the receipt point and Transporter believes it is necessary to take actions (i.e., buying or selling gas, etc.) to maintain system integrity or to prevent interrupting firm service, Transporter shall have the right, but not the obligation, to take such remedial actions as it deems necessary. If Transporter takes these actions, it shall be made whole by the Balancing Party that failed to observe the Daily Limit for all costs that Transporter incurs.

6. IMBALANCE TRADING

Balancing Parties will be allowed to trade imbalances occurring during the month. All mid-month imbalance trading must be effectuated through the nomination of mid-month make-up volumes. To facilitate imbalance trading, Transporter will provide for posting of Balancing Party's imbalances on LINK®. Balancing Parties will also be allowed to trade offsetting end-of-month imbalances in the month following the month during which the imbalance occurred; provided that the Balancing Party notifies Transporter of the identities of the Balancing Parties agreeing to the trade, and the volumes to be traded, no later than ten business days after the end of the month during which the imbalances occurred.

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FERC Docket: RP00-556-000

**Third Revised Sheet No. 62** Third Revised Sheet No. 62 : Superseded  
Superseding: Second Revised Sheet No. 62

Rate Schedule LMS-PA  
Load Management (Pooling Area) Service (Continued)

7. MONTHLY IMBALANCES

- 7.1 The Balancing Party's monthly imbalance shall be the net total of daily variances from all points covered by the OBA adjusted for make-up quantities and imbalance trading transactions. Unless Transporter and the Balancing Party mutually agree to correct the imbalance in kind on a nondiscriminatory basis, each month Transporter and the Balancing Party shall "cash out" any imbalance between Scheduled Quantities and actual receipts. To determine the % monthly imbalance, Transporter shall divide the lesser of the monthly imbalance based on Operational Data or the actual monthly imbalance by the total scheduled quantities for all days of the month for all points covered by the Balancing Agreement, then multiply by 100.
- 7.2 (a) If the monthly imbalance is due to an excess of actual receipts relative to scheduled quantities, then the monthly imbalance shall be considered a "positive" imbalance and Balancing Party/Shipper shall sell to Transporter, and Transporter shall buy from the Balancing Party/Shipper, in accordance with the formula listed in Section 7.2(a) of this Rate Schedule. If the monthly imbalance is due to a deficiency in actual receipts relative to scheduled quantities, then the monthly imbalance shall be considered a "negative" imbalance and Transporter shall sell to the Balancing Party/Shipper, and Balancing Party/Shipper shall buy from Transporter, in accordance with the formula listed in Section 7.2(a)(ii).

The amounts due hereunder shall be paid in accordance with Section 16 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

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FERC Docket: RP99-428-000

**Fifth Revised Sheet No. 63** Fifth Revised Sheet No. 63 : Superseded  
Superseding: Fourth Revised Sheet No. 63

Rate Schedule LMS-PA  
Load Management (Pooling Area) Service

- (b) The Index Price shall be the Region Price for the Market Area set forth in Tennessee's tariff pursuant to its Rate Schedule LMS-MA.

The Balancing Party shall pay the applicable percentage of the index price only on volumes within the corresponding imbalance range.

The amounts due hereunder shall be paid in accordance with Article 16 of the General Terms and Conditions of Transporter's Tariff.

- (c) Access to Information - GISB Standard 2.3.21 (Version 1.3) states: The timing for reporting daily operational allocations after the gas has flowed is within one business day after end of Gas Day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation. Therefore, upon request, Transporter will make available within one business day following the production day the best information it has concerning the total physical deliveries. Transporter will also make available by electronic means the best information it has concerning the scheduled and allocated receipts at all receipt points by the end of the third business day after each delivery day. This information will include electronic gas measurement data at meters where such data is used for billing purposes (Electronic Data). Transporter will designate the points where Electronic Data is available. Balancing Parties will be entitled to rely on the Electronic Data for purposes of correcting imbalances during the month. Balancing Parties will not be entitled to rely on the data from other receipt points for purposes of correcting imbalances during the month and will be responsible for verifying the actual receipts at receipt points where no Electronic Data is available. Imbalances will be cashed-out on the basis of actual receipts and quantities scheduled; provided that the penalty level associated with imbalances that are associated with Receipt Points where Electronic Data is available will be based upon the lesser of (1) the monthly imbalance reported by Transporter for the last day of the month based upon the Electronic Data or (2) the monthly imbalance based upon actual receipts at such locations; provided however, if the monthly imbalance reported by Transporter as of the 20th day of the calendar month based upon Electronic Data is subsequently adjusted during the remainder of the month and (1) such adjustments materially increase the level of the imbalance and (2) the Balancing Party did not have adequate time to correct the imbalance by adjusting nominations or receipts, then the penalty level associated with imbalances at points where Electronic Data is available will be based upon the lesser of (a) the imbalance reported as of the 20th day of the calendar month plus the imbalance reported for each subsequent day in the calendar month or (b) the monthly imbalance



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**First Revised Sheet No. 64** First Revised Sheet No. 64 : Superseded  
Superseding: Sub Original Sheet No. 64

Rate Schedule LMS-PA  
Load Management (Pooling Area) Service

based upon actual deliveries at such points to the extent the Balancing Party documents the situation. Notwithstanding anything to the contrary, if the Electronic Data at any point is inaccurate, through no fault of Transporter, but rather as the result of the action or inaction of third parties, then the penalty level associated with monthly imbalances occurring at such points will be based upon actual deliveries.

- (d) Limitation on Penalties - Any imbalances caused by an event of force majeure as set forth in Article 24 of the General Terms and Conditions of Transporter's Tariff or caused by Transporter's actions (1) will not be included in the calculation of the total monthly imbalance for purposes of determining the appropriate cash-out level and (2) will be cashed out at the 0-5% tolerance level, as set forth in 6.2(a) above.
- (e) Operational Integrity - Nothing in this Section 6 shall limit Transporter's right to take action as may be required to adjust receipts and deliveries of gas in order to alleviate conditions that threaten the integrity of its system.

7. DISPOSITION OF CHARGES

At the conclusion of each annual period, Transporter will determine the net cashout activity. In the event that charges collected by Transporter hereunder exceed the actual cost of providing service under this Rate Schedule, Transporter shall credit such excess revenues to all Balancing Parties. Credits shall be applied based on volumes shipped during the past year. Any credits due hereunder shall be made within 90 days following each anniversary of the Implementation Date. To the extent that the cashout activity in any annual period results in a negative balance, such balance will be carried forward and applied to the next annual determination of cashout activity. At the end of each annual period, Transporter will file a report and refund plan with the Commission.

8. GENERAL TERMS AND CONDITIONS

- 8.1 Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter by regulation, rule, and/or order by any duly authorized agency. Furthermore, any terms or conditions not specified in this Rate Schedule shall be determined consistent with the General Terms and Conditions of Transporter's Tariff, which are incorporated into this Rate Schedule.
- 8.2 In the event of a conflict between the provisions of this Rate Schedule and Transporter's General Terms and Conditions, the provisions of Transporter's General Terms and Conditions shall govern.

Rate Schedule SA  
Supply Aggregation Service

1. AVAILABILITY

This Rate Schedule is available for any Party (Aggregator) which has (i) requested supply aggregation service by East Tennessee Natural Gas Company (Transporter); (ii) has met the conditions for qualification for receipt of service under Sections 5 and 6 of the General Terms and Conditions of Transporter's FERC Gas Tariff; (iii) and after review and acceptance of such request by Transporter, has executed a supply aggregation service agreement with Transporter for service under Rate Schedule SA.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule permits Aggregator to aggregate supply pursuant to this Rate Schedule SA from any and all receipt points within pooling area(s) as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff. Aggregator will assume the responsibility of balancing, by pooling area, the scheduled receipts of gas into the applicable supply aggregation service agreement with scheduled quantities delivered out of the supply aggregation service agreement.

2.2 Receipts into a supply aggregation service agreement can be from a physical receipt point(s) or from transportation or other supply aggregation services at a "paper" pooling point for the designated pooling area(s). Deliveries from a supply aggregation service agreement can be to transportation or other supply aggregation services at a "paper" pooling point for the designated pooling area(s). "Paper" pooling points will be identified on PASSKEY.

3. NOMINATIONS

3.1 Aggregator shall nominate quantities into and out of the relevant supply aggregations service agreement(s).

3.2 In addition to daily nomination rights and obligations as set forth in Section 15.2 of the General Terms and Conditions, Aggregator shall have the right to make intra-day and hourly nomination changes as provided in and subject to the conditions set forth in Section 15.2(d) and (e) of the General Terms and Conditions.

3.3 Within each pooling area, nominations for quantities received into a supply aggregation service agreement shall balance with deliveries nominated out of the supply aggregation service agreement. Aggregator shall maintain a balance between actual receipts and actual deliveries by pooling area, provided that where differences occur between daily scheduled receipts and scheduled deliveries, Transporter shall allow quantities to be scheduled out of balance up to pipeline operating conditions and limitations. In the event of an operational constraint on its system, Transporter may adjust by pooling area(s) scheduled receipts into, or deliveries out of, Aggregator's supply aggregation service agreement. Aggregator will assume the responsibility for any scheduled imbalances or for any imbalances resulting from allocation(s) at receipt meter(s) where no balancing agreement is in effect.

Effective Date: 06/01/1997 Status: Effective

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**First Revised Sheet No. 100** First Revised Sheet No. 100 : Superseded  
Superseding: Original Sheet No. 100

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GENERAL TERMS AND CONDITIONS

1. DEFINITION OF TERMS

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

- 1.1 The term "Bidder" shall mean any person that submits a bid for released transportation or storage capacity pursuant to the terms of Section 17 or 18 of Transporter's 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.
- 1.3 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.
- 1.4 The term "Confirmation" shall mean an electronic communication that reflects the quantity of gas to be received or delivered on behalf of each Shipper at a receipt or delivery point.
- 1.5 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 .33 pounds per square inch above an assumed atmospheric pressure of 14.4 pounds per square inch (14.73 pounds per square inch absolute (psia)).
- 1.6 The term "Daily Limit" shall mean the quantity specified in an Operational Flow Order at a receipt or delivery point.
- 1.7 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.
- 1.8 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, and gigajoules per Gas Day in Canada. (For reference 1 dekatherm = 1,000,000 Btu's; and 1 gigajoule.) For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm. The standard Btu is the International Btu, which is also called the Btu (IT); the standard joule is the joule specified in the SI system of units.
- 1.9 The term "Delegated Quantities" shall mean quantities operated by a Shipper's Representative pursuant to Section 19 of Transporter's General Terms and Conditions.

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**Fourth Revised Sheet No. 103** Fourth Revised Sheet No. 103 : Superseded  
Superseding: Third Revised Sheet No. 103

GENERAL TERMS AND CONDITIONS

- 1.10 The term "LNG" shall mean liquified natural gas that is stored in Transporter's facility pursuant to Transporter's LNGS Rate Schedule.
- 1.11 The term "Implementation Date" shall mean November 1, 1993.
- 1.12 The term "Injection Schedule" shall mean the schedule for injection of gas into Transporter's LNG storage facility during the Summer Season, which shall be posted on PASSKEY.
- 1.13 The term "load factor" for any given period of time shall mean the percentage obtained by dividing the amount of the average dth delivery of gas during said period by the Transportation Quantity during said period.
- 1.14 The term "Maximum Allowed Delivery" ("MAD") shall mean the maximum quantity of gas that a Balancing Party is permitted to take on any day when Transporter has invoked its right to assess Unauthorized Overrun Charges and shall be calculated in accordance with Section 5 of Transporter's Rate Schedule LMS-MA.
- 1.15 The term "Maximum Daily Quantity," or "MDQ" where used herein or in a gas service agreement shall mean the maximum daily quantity of natural gas that Transporter shall be obligated to deliver under a firm transportation agreement at a particular delivery point each billing day or the maximum daily quantity of gas that Transporter shall be obligated to receive at a particular receipt point each billing day.
- 1.16 The term "Maximum Interruptible Quantity" or "MIQ" shall mean the maximum quantity that a shipper may nominate under its IT Agreement.
- 1.17 The term "Mcf" shall mean 1,000 cubic feet of gas.
- 1.18 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.
- 1.19 The term "Monthly Cash Out" shall mean payment pursuant to Section 6 of Transporter's LMS-MA or LMS-PA Rate Schedules.

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**First Revised Sheet No. 104** First Revised Sheet No. 104 : Superseded  
Superseding: Original Sheet No. 104

GENERAL TERMS AND CONDITIONS (Continued)

- 1.20 The term "Balancing Party" shall mean any party that has executed a Balancing Agreement with Transporter pursuant to Rate Schedules LMS-MA or LMS-PA.
- 1.21 The term "Operational Flow Order(s)" or "OFO" shall mean any actions required of any Shipper or Shippers or Balancing Party, in Transporter's sole opinion and in accordance with Section 14 of Transporter's General Terms and Conditions, in order to ensure deliveries of gas to all Shippers in accordance with their Scheduled Quantities or as required to maintain system integrity.
- 1.22 The term "Qualified End-user" shall mean an industrial user of gas that meets the criteria set forth in Section 5 of Transporter's FT-GS Rate Schedule.
- 1.23 The term "Release Quantity" shall mean the maximum quantity that a Shipper releases under Sections 17 and/or 18 of Transporter's General Terms and Conditions, whether for temporary or permanent assignment. The Release Quantity shall be stated in dth per day for released transportation and in dth per day and Winter Season Quantity released for LNG storage service.
- 1.24 The term "Releasing Shipper" shall mean any shipper that releases capacity pursuant to the provisions of Section 17 or 18 of Transporter's General Terms and Conditions.
- 1.25 The term "Replacement Shipper" shall mean any shipper that purchases temporarily or permanently released capacity pursuant to Section 17 or 18 of Transporter's General Terms and Conditions.
- 1.26 The term "Scheduled Quantity" shall mean the quantity of natural gas that (1) Shipper nominates for receipt at a receipt point (including fuel) or the quantity that Transporter redelivers to Shipper at a delivery point, and that (2) the Balancing Party confirms pursuant to Section 3 of Transporter's LMS-MA or LMS-PA Rate Schedules, and that (3) Transporter schedules for receipt and/or delivery.
- 1.27 The term "Shipper" shall mean any party receiving service pursuant to any of Transporter's Rate Schedules.
- 1.28 The term "Shipper's Facilities" shall mean all Shipper's pipes, pipelines, and equipment used for physically handling, transporting, and distributing natural gas to be transported by Transporter.
- 1.29 The term "Shipper's Representative" shall mean any party operating a Shipper's service agreement(s) pursuant to Section 19 of Transporter's General Terms and Conditions.

GENERAL TERMS AND CONDITIONS (Continued)

- 1.30 The term "Summer Season" shall mean the months of April through October.
- 1.31 The term "PASSKEY" or "System" shall mean Transporter's computer information and scheduling system, accessed through Transporter's interactive Internet website or through Electronic Data Interchange. "Electronic Data Interchange" or "EDI" shall mean electronic communication through means other than Transporter's System, that complies with the Electronic Delivery Mechanism Standards of the Gas Industry Standards Board (GISB).
- 1.32 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.
- 1.33 The term "Transportation Quantity" shall mean the volume of natural gas specified in Shipper's firm transportation agreement that Transporter obligates itself to be ready to transport each day on behalf of Shipper.
- 1.34 The term "Transporter" shall mean East Tennessee Natural Gas Company.
- 1.35 The term "Unauthorized Overrun Charge" shall mean the charge prescribed in Section 5 of Transporter's LMS-MA or LMS-PA Rate Schedules assessed against receipts or deliveries in excess of the Daily Limit at a given receipt or delivery point.
- 1.36 The term "Underlying Agreement(s)" shall mean any service agreement(s) that are operated by a Shipper's Representative pursuant to the provisions of Section 19 of Transporter's General Terms and Conditions.
- 1.37 The term "Winter Season" shall mean the months of November through March.
- 1.38 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.
- 1.39 The term "business day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the United States, and similar holidays for transactions occurring in Canada and Mexico.
- 1.40 The term "pooling area" shall mean the following points:
- 1) The West Pooling Area: all points of receipt on the 3100 Line beginning at the suction side of Compressor Station 3101 and ending at the suction side of Compressor Station 3107; and all points of receipt on the 3200 Line beginning at the suction side of Compressor Station 3201 and ending at the suction side of Compressor Station 3210;
  - 2) The Central Pooling Area: all points of receipt beginning at the discharge side of Compressor Station 3107 and ending at the suction side of Compressor Station 3302; and beginning at the discharge side of Compressor Station 3210 and ending at the suction side of Compressor Station 3302; and
  - 3) The East Pooling Area: all points of receipt downstream of the discharge side of Compressor Station 3302.



GENERAL TERMS AND CONDITIONS (Continued)

- 4.5 Correction of metering errors - failure of meters: In the event a meter is out of service or registering inaccurately, the volume of gas delivered shall be determined:
- (a) by using the registration of any check meter or meters, if installed and accurately registering; or, in the absence of (a);
  - (b) by correcting the error if the percentage of error is ascertainable by calibration, tests, or mathematical calculation; or, in the absence of both (a) and (b), then;
  - (c) by estimating the quantity of delivery by deliveries during periods under similar conditions when the meter was registering accurately.
- 4.6 Correction of metering errors - adjustments: A measurement data correction shall become a prior period adjustment (PPA) after the fifth (5th) business day following the production month. Measurement data corrections should be processed within six (6) months from the production month, unless (i) Transporter, Shipper and Balancing Party mutually agree otherwise or (ii) the correction is the result of a deliberate omission or misrepresentation by a Party or a mutual mistake of fact. In all instances where a correction is made, Shipper, Transporter or Balancing Party, as applicable, has 90 days to dispute the correction. In the case of corrections made under (i) or (ii) above, the period for resolving corrections will be tolled until the correction is settled.
- 4.7 Preservation of metering records: Transporter and Shipper shall each preserve for a period of at least one year all test data, charts and other similar records.

5. QUALIFICATION FOR SERVICE

- 5.1 All Shippers/Balancing Parties requesting firm transportation service, interruptible transportation service, LNG storage service, supply aggregation service, or load management service to commence on or after the implementation of restructured services on Transporter's system pursuant to Docket No. RS92-33-000, must provide, via PASSKEY or by facsimile, if necessary, the information required by this Section 5 and on Transporter's Service Request Form included in this FERC Gas Tariff, in order to qualify for service. No request for service will be processed or entered on Transporter's log or scheduled for receipt and delivery until the required information has been provided. If Transporter determines that Shipper's request is incomplete or deficient, Transporter shall so notify Shipper. Shipper may supplement the request within 10 working days after such notice. Specific requests for information concerning service(s) should be directed to:

East Tennessee Natural Gas Company  
Contract Administration  
P.O. Box 1642  
Houston, Texas 77251-1642  
(713) 627-4781  
Telecopy: (713) 627-5041

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**Original Sheet No. 111A** Original Sheet No. 111A : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

Any modification of an existing service shall be requested by Shipper/Balancing Party's submission of a request for change via PASSKEY or by facsimile if necessary. Such request for change, after having been fully processed and accepted by Transporter, shall be deemed to have the full force and effect of the underlying service agreement. Transporter shall maintain a log of all firm transportation requests.

Upon receipt of such request and after the request has been fully processed and approved by Transporter, pursuant to the terms and conditions of the applicable rate schedule and the General Terms and Conditions of Transporter's FERC Gas Tariff, Transporter shall approve on-line or by facsimile if necessary, the applicable Service Agreement, as set forth in Transporter's FERC Gas Tariff with the agreed upon terms and conditions contained therein. Shipper shall execute on-line or execute and return via facsimile, if necessary, the Service Agreement within the time period specified by the applicable service tariff provision. Except as provided in Section 7 of the General Terms and Conditions below, Shippers execution on-line shall consummate a binding contract between the parties.

- 5.2 Any request shall include the information listed below. Shipper/Balancing Party shall provide any additional information required by Transporter to process the request; provided, that the request for additional information shall not affect the priority of Shipper/Balancing Party's request.

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**Third Revised Sheet No. 115** Third Revised Sheet No. 115 : Superseded  
Superseding: Second Revised Sheet No. 115

GENERAL TERMS AND CONDITIONS (Continued)

sales contract entitlement under the SG or SGS Contract to firm transportation and shall execute either an FT-A or an FT-GS Agreement at Shipper's option, in accordance with the provision of Transporter's Rate Schedule FT-A or FT-GS. In the event that a former shipper under Transporter's SG or SGS Rate Schedule elects new service under Rate Schedule FT-A, such shipper shall have a one-time option to be effective one year from the Implementation Date to terminate the FT-A agreement and enter into an FT-GS agreement for the same Transportation Quantity for a term commensurate with that of the FT-A agreement. Shipper shall give Transporter three (3) months prior notice of such election.

- 7.2 The Contract Demand under converting Shippers' former sales contracts was stated in cubic feet and the Transportation Quantity for the converted FT-A and FT-GS Agreements shall be stated in dekatherms. For purposes of this conversion, Transporter will use the current heating value of 1.03 DTH per million cubic feet of gas. However, in the event of a significant decline in the heating value of gas on Transporter's system, Transporter shall not be obligated to deliver more cubic feet of gas to any Shipper than the quantity calculated using a heating value of 1.03 DTH per million cubic feet, and at such time, Transporter shall meet with shippers to discuss an appropriate resolution.
- 7.3 Termination of Long Term Firm Service Agreements. If a Shipper, pursuant to the terms of an FT-A, FT-GS, or LNGS Service Agreement, elects to terminate its agreement or exercise its right of first refusal thereunder, the capacity under such agreement shall be made available in accord with the following:
- (a) If Shipper elects, pursuant to the applicable notice requirement included in Shipper's Service Agreement, to terminate its service agreement, whether such termination is applicable to the full or only a volumetric portion of the Transportation Quantity of the service agreement, the availability of the capacity will be posted on PASSKEY and will be awarded on a first come/first served basis for all requesting Shippers. Any such volumetric termination shall reduce the MDQ rights specified in Shipper's service agreement based on the ratio of the volumetric quantities to be terminated and the Transportation Quantity in effect immediately prior to the termination, effective on the date such reduction is effective. In the event that Shipper elects to terminate, either at the end of the stated primary term or any extension thereof, pursuant to the applicable terms and notice requirements included in the service agreement, only a volumetric portion of its Transportation Quantity included in such service agreement, then Shipper's prior written notification to Transporter of its intention to partially terminate such service agreement must expressly state (i) the volumetric quantity of the Transportation Quantity Customer is terminating; and (ii) the volumetric quantity of the Transportation Quantity Customer is retaining. To the extent that Shipper delivers to Transporter a valid notice pursuant to this Section 7.3(a), Shipper thereafter shall have no right of first refusal pursuant to Section 7.3(b) below with respect to the volumetric portion of the Transportation Quantity terminated pursuant to this Section 7.3(a). Shipper will continue to have a right of first refusal for that volumetric portion of the Transportation Quantity not terminated pursuant to this Section 7.3(a).

GENERAL TERMS AND CONDITIONS (Continued)

- (b) The right of first refusal shall be applicable only to (i) firm service agreements requiring the payment of the maximum applicable tariff rate with a primary term of at least twelve (12) months of consecutive service, or (ii) firm service agreements requiring the payment of the maximum applicable tariff rate with a primary term of more than one (1) year for service which is not available for twelve (12) consecutive months. Service agreements which include negotiated rates and/or discounted rates shall not be eligible for the right of first refusal, with the exception that any service agreement executed prior to October 1, 2000, shall be granted a one-time exemption and the right of first refusal provisions described in this section shall apply; provided, however, that the right of first refusal shall be applicable to a service agreement entered into or re-executed to supersede a contract grandfathered under the prior provision only if the new service agreement meets the requirements of (i) and (ii) above.

If Shipper elects to exercise its right of first refusal and has so notified Transporter of that election in accord with the provisions of the applicable service agreement, then the following procedures will apply:

- (1) Transporter shall post the capacity for bidding on PASSKEY 180 days prior to the termination of the service agreement. The capacity will remain posted on PASSKEY for a minimum of 20 days with such posting containing the following information with respect to the capacity:
- (i) daily and other applicable quantity limitations of capacity available;
  - (ii) primary receipt and delivery points;

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

GENERAL TERMS AND CONDITIONS (Continued)

- (iii) maximum reservation charge as set forth in the Summary of Rates and Charges in Transporter's Tariff;
- (iv) any applicable restrictions; and
- (v) the last day of the Bidding Period.

- (2) Upon conclusion of the Bidding Period, Transporter shall evaluate the bids in accord with the present value formula set forth in Section 17.7(b) for firm transportation or Section 18.7(b) for LNGS service for the evaluation of bids under Transporter's capacity release mechanisms; provided that the term used for purposes of the formula will be the lesser of the term proposed by the Bidder or twenty years; and provided further that any bid rate higher than the maximum applicable rate shall be deemed to be a bid equal to the maximum applicable rate.
- (3) Within 5 days of the close of the Bidding Period, Transporter shall notify Shipper of the bid having the highest present value to Transporter ("Highest Bid"). Shipper shall have 25 days after receiving notice to notify Transporter as to whether it will match the highest bid. If the Shipper elects to match the highest bid, prior to the termination of its existing long term firm service agreement, it must execute a new service agreement that contains the terms of that Bid; provided, however, that Shipper shall not be required to pay any rate higher than the maximum applicable rate.
- (4) If Transporter receives no bids on the capacity, then Shipper may continue to receive service at the maximum rate on a month-to-month basis or such other rate and/or term as Transporter and Shipper mutually agree. A Shipper who continued service under such basis shall retain its right of first refusal.

8. ALLOCATION OF UPSTREAM STORAGE CAPACITY

- 8.1 All storage capacity on Tennessee Gas Pipeline Company ("Tennessee") previously held by Transporter under Rate Schedule FSS ("Tennessee Storage"), and all storage capacity on Consolidated Natural Gas Company ("CNG") previously held under Rate Schedule GSS-I ("CNG Storage") shall be allocated and assigned to Shippers that were firm sales customers of Transporter on July 1, 1992.
- 8.2 Determination of Storage Allocation Factor: Each Shipper's Storage Allocation Factor ("SAF") will be determined as follows:
  - (a) For Shippers that are not directly connected to any interstate pipeline other than Transporter, the SAF will be determined according to the following formula:

GENERAL TERMS AND CONDITIONS (Continued)

- i) Shipper's full name and address and the name of the principal contact for purposes of the request;
  - ii) the quantity and type of capacity (CNG Storage, Receipt Point Capacity on Transporter's system, etc.), if any, that the Shipper wants to give up;
  - iii) a description of the quantity and type of capacity, that the Shipper would like to acquire, if any.
- (b) If the party does not have an existing transportation agreement with Transporter, then the party shall provide, in addition to the information required in Section 13.1 (a) above, demonstration of credit-worthiness under the standards set forth in Section 6 of the General Terms and Conditions of Transporter's Tariff.
- (c) If a Shipper or Shippers have agreed among themselves to a capacity trade, they may submit a detailed description of the pre-arranged deal to Transporter.
- 13.2 Transporter will notify the requesting party of whether Transporter is able to grant the request. Transporter shall have no obligation to honor a request for an increase unless firm capacity is available, and no obligation to honor a request for a decrease unless another qualified party agrees to take the relinquished capacity. Transporter shall accord Shippers who were sales customers of Transporter on July 1, 1992 priority with respect to the granting of changes in capacity allocation hereunder.

14. OPERATIONAL FLOW ORDERS

- 14.1 Circumstances Warranting Issuance: Transporter shall have the right to issue Operational Flow Orders (OFOs) as specified in this Section that require actions by Shippers/Balancing Parties in order (1) to alleviate conditions that threaten the integrity of Transporter's system, (2) to maintain pipeline operations at the pressures required to provide efficient and reliable transportation services, (3) to have adequate gas supplies in the system to deliver on demand, (4) to maintain service to all firm shippers and for all firm services, (5) to accommodate LNG storage injection, (6) to accommodate compressor operation requirements at Transporter's compressor Station 3401 (Nora), (7) to ensure adequate nominations at the Roanoke Interconnect in order for Transporter to make properly nominated deliveries to all Shippers at other points on the system and (8) to maintain the system in balance for the foregoing purposes.
- 14.2 Preliminary Notifications/Follow-up Reports: Transporter shall provide, via posting on PASSKEY, prior notice to all Shippers and Balancing Parties of upcoming system events such as anticipated weather patterns and

GENERAL TERMS AND CONDITIONS (Continued)

operational problems that may necessitate the issuance of an OFO. On a quarterly basis, Transporter will provide every Shipper and Balancing Party that was affected by an OFO during the previous quarter a written report that details the underlying causes that warranted the issuance of the OFO during the quarter and explains why the actions required by the OFO were necessary to alleviate the identified problems.

- 14.3 Applicability of OFO: Transporter shall make an OFO as localized as is reasonably practicable based on Transporter's good faith and reasonable judgment concerning the situations requiring remediation such that an OFO will be directed (1) first to Shippers/Balancing Parties causing the problem necessitating the OFO or transporting gas in the area of the system in which there is an operational problem, and (2) second to those Shippers/Balancing Parties transporting gas in the area of the system where action is required to correct the problem necessitating the OFO. Transporter will tailor the OFO to match the severity of the known or anticipated operational problem requiring remediation as more fully set forth in subsections 14.5 and 14.6.
- 14.4 Notice: All OFO's will be issued via telephone to be followed by a facsimile to the affected Shipper/Balancing Party, with subsequent posting on PASSKEY. The OFO will set forth (1) the time and date of issuance, (2) the actions Shipper/operator is required to take, (3) the time by which Shipper/Balancing Party 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 and Balancing Party must designate one or more persons, but not more than three 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/Balancing Party because that Shipper/Balancing Party has failed to designate a contact person or Shipper's/Balancing Party'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/Balancing Party.
- 14.5 Action Alerts: In the event that Transporter determines that due to (1) an ongoing or anticipated weather event, (2) a known equipment problem, or (3) the anticipated continuation of a current system operational problem, action is necessary to avoid a situation in which the system integrity is jeopardized or Transporter's ability to render firm service is threatened, Transporter may issue an Action Alert as set out herein to forestall the development of the situation.

GENERAL TERMS AND CONDITIONS (Continued)

- (a) Issuance of Alerts: Action Alerts will be noticed in accord with the procedures set forth in Section 14.4 and will be issued in two stages. A minimum of 48 hours prior to the time that a Shipper/Balancing Party must take the action specified in the Alert, Transporter will issue a notice informing the Shipper/Balancing Party of the known or anticipated problem on the system, the action it will be required to take, and the anticipated time at which it will be required to take the action. Shipper/Balancing Party will be expected to take preliminary actions to assist Transporter in avoiding a system problem. A minimum of 30 hours prior to the time that the Shipper/Balancing Party is required to take the designated action, Transporter will issue specified action instructions. Conformance with these instructions will be mandatory. Transporter, to the greatest extent feasible, will issue the action instructions such that the time of mandatory conformance will correspond with the beginning of the gas day.
  - (b) Requested Actions: Upon issuance of an Action Alert, Transporter can request that a Shipper/Balancing Party take any of the following actions, or other similar actions, to the extent that such actions would alleviate the situation:
    - (i) increase or decrease deliveries of gas into the system at specified receipt points;
    - (ii) bring the nominations across all delivery points or, if necessary, at specified delivery points within designated balancing tolerances.
- 14.6 Balancing Alerts: In the event that, in Transporter's judgment, the Action Alerts under Section 14.5 are not sufficient to address the situation fully or under circumstances in which the operational integrity of the system is more severely threatened, Transporter may issue Balancing Alerts.
- (a) Issuance of Alerts: Balancing Alerts will be noticed in accord with the procedures set forth in Section 14.4 and will be issued a minimum of eight hours prior to the required action by the Shipper/Balancing Party.
  - (b) Required Actions: Balancing Alerts can be issued to effect any of the following:
    - (i) curtailment of interruptible services;
    - (ii) restrictions of deliveries to a specific point or points covered by a Balancing Agreement to the aggregate Transportation Quantity under the firm transportation agreements with primary delivery points at the affected locations; and/or



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**First Revised Sheet No. 126** First Revised Sheet No. 126 : Superseded  
Superseding: Substitute Original Sheet No. 126

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- (iii) forced balancing such that Balancing Parties will be required to assure that nominations equal flows or that receipts and deliveries fall within the tolerance level designated in the Alert.
- 14.7 Shipper/Balancing Party Compliance: A Shipper/Balancing Party must comply with an Action Alert and/or Balance Alert (referred to collectively as OFOs) within the time period set forth therein unless the Shipper/Balancing Party is able to demonstrate that such compliance (1) is not within the Shipper's/Balancing Party's physical control or capability; (2) is prevented by operating conditions on a third party system that are beyond the Shipper's/Balancing Party's control; (3) is precluded by contractual restrictions with persons other than Transporter; and/or (4) is prevented due to a force majeure event as defined in Article X of Transporter's General Terms and Conditions. Provided that the Shipper/Balancing Party 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/Balancing Party 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.
- 14.8 Penalties: If a Shipper/Balancing Party fails to comply with an Action Alert, it shall be subject to a penalty of \$0.98 per dth for any volume of gas by which it deviated from the requirements of the Action Alert. If a Shipper/Balancing Party fails to comply with a Balancing Alert, it will be subject to an Unauthorized Overrun Charge of \$15.00, plus an index price based on the Henry Hub Spot Price published in Gas Daily's "Gas Price Report" for each dekatherm of gas by which it deviated from the requirements of the Balancing Alert. A Shipper/Balancing Party shall not incur any charges or penalties if such charges or penalties would not have been incurred but for Shipper's/Balancing Party's compliance with an Action Alert or Balancing Alert, including any preliminary action taken by Shipper/Balancing Party in response to a warning issued by Transporter as a precondition to an Action Alert. A Shipper/Balancing Party shall not incur any penalties if the Action or Balancing Alert was necessitated exclusively by Transporter's negligence or willful misconduct.

GENERAL TERMS AND CONDITIONS (Continued)

14.9 Liability of Transporter: Transporter shall not be liable for any costs incurred by any Shipper/Balancing Party in complying with an OFO. Transporter shall not be responsible for any damages that result from any interruption in Shipper's/Balancing Party's service that is a result of a Shipper's/Balancing Party's failure to comply promptly and fully with an OFO, and the non-complying Shipper/Balancing Party shall indemnify Transporter against any claims of responsibility. However, Transporter shall use reasonable efforts to minimize any such costs or damages.

14.10 Unilateral Action: In the event that (1) Shipper(s)/Balancing Party(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 Action Alerts or Balancing Alerts, Transporter may periodically take unilateral action, including the curtailment of firm service, to maintain the operational integrity of Transporter's system (or any portion thereof). 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.

15. SCHEDULING OF RECEIPTS AND DELIVERIES

15.1 Receipts and Deliveries.

All Receipt and Delivery Points must be covered by an OBA pursuant to Transporter's LMS-MA or LMS-PA Rate Schedules. All imbalances occurring at a point shall be allocated to the OBA covering that point.

15.2 Scheduling and Allocation

- (a) GISB Standard 1.3.2 (Version 1.3) states: The standard nominations timeline should be as follows: 11:30 A.M. for nominations leaving control of the nominating party; 11:45 A.M. for receipt of nominations by the transporter; noon for quick response; 3:30 P.M. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 P.M. for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).

Initial Service: For purposes of scheduling commencement of transportation service, no later than 11:30 A.M. CCT on the day prior to the beginning of the day in which the transportation or storage service is requested to commence, Shipper will send its nomination to Transporter via PASSKEY. Transporter shall receive such complete nomination information by no later than 11:45 A.M. CCT (12:00 P.M. CCT for an Electronic Data Interchange quick response from Transporter) on the day prior to the day service commences. The upstream/downstream connected party will provide Transporter with final completed confirmation that Shipper's nominated quantities will be received and delivered no later than 3:30 P.M. CCT on the day prior to the commencement of the service.

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**Third Revised Sheet No. 128** Third Revised Sheet No. 128 : Superseded  
Superseding: Second Revised Sheet No. 128

GENERAL TERMS AND CONDITIONS (Continued)

No transportation, or storage service will commence unless or until (1) Transporter has received the nomination via PASSKEY, including a specification of the volumes to flow; (2) all applicable upstream/downstream connected parties have submitted to Transporter the information required by Section 3 of Transporter's LMS-MA or LMS-PA Rate Schedules, including a specification of the quantities to flow; and (3) Shipper has been advised by Transporter's gas dispatcher that quantities have been scheduled pursuant to Shipper's service agreement. In the event of a discrepancy between the quantity nominated by a Shipper and the corresponding quantity nominated by the upstream/downstream connected party for receipt or delivery at the upstream/downstream connected party's point, Transporter shall schedule the lesser of the two nominations. Commencement of service will occur at the beginning of the Gas Day unless otherwise mutually agreed by Shipper and Transporter.

- (b) Change in Service: For purposes of scheduling any change in transportation service, Shipper will send its nomination changes to Transporter, no later than 11:30 A.M. CCT on the day prior to the requested commencement of the revised service, via PASSKEY indicating the changes requested to be made to the service and the date the revised service is requested to commence. A copy of a completed customer nomination form shall be provided to the upstream/downstream connected party(s) at the receipt and delivery points through which Shipper receives service pursuant to procedures established by Shipper and such upstream/downstream connected party(s).

Completed customer nomination information must be received by Transporter via PASSKEY no later than 11:45 A.M. CCT (12:00 P.M. CCT for Electronic Data Interchange quick response from Transporter) on the day prior to the requested commencement of the revised service.

GENERAL TERMS AND CONDITIONS (Continued)

Except in the instance of a force majeure condition as defined in Section 24 of the General Terms and Conditions, no change in service will commence unless or until Transporter has received completed customer nomination information via PASSKEY and the Shipper has been advised by Transporter's gas dispatcher that the revised service may commence. Shipper shall advise Transporter via PASSKEY with respect to any force majeure, OFO or adverse conditions affecting its service. Commencement of any revised service will occur at the beginning of the Gas Day unless otherwise mutually agreed by Shipper and Transporter. The Balancing Party will provide final completed confirmation no later than 3:30 p.m. CCT on the day prior to the commencement of the nominated service. In the absence of such final, completed confirmation, and if Transporter is unable to contact the Operator and/or designated producer, Transporter shall schedule the lesser of the requested change in service or the previously scheduled service.

- (c) Scheduling Duration: The scheduled service shall be effective commencing at 9:00 a.m. CCT on the beginning day and terminating at 9:00 a.m. CCT on the ending day, as specified in the Customer Nomination Form, provided that the requested time period is wholly within the term of the applicable service agreement pursuant to which the nomination is submitted.
- (d) Intra-day Nomination Change: GISO Standard 1.3.2 (Version 1.3) states: All Transportation Service Providers should support the following standard nomination cycles:
- (i) The Timely Nomination Cycle: 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by the Transporter; noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).
  - (ii) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by the Transporter; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 10:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the day prior to flow).  
  
Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 a.m. on gas day; and when an Evening Nomination causes another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on gas day.
  - (iii) The Intra-day 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by the Transporter; 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 2:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the gas day). Scheduled quantities resulting from Intra-day 1 Nominations should be effective at 5:00 p.m. on gas day.

GENERAL TERMS AND CONDITIONS (Continued)

- (iv) The Intra-day 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by the Transporter; 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators (central clock time on the gas day). Scheduled quantities resulting from Intra-day 2 Nominations should be effective at 9:00 p.m. on gas day. Bumping is not allowed during the Intra-day 2 Nomination Cycle.

Transporter shall schedule Intra-day Nomination changes subject to the restrictions set forth in Subsection (f), (g), (h) and (i) hereof. Upon receipt of nomination, Transporter agrees to adjust gas flow in advance of the next intra-day effective time subject to the restrictions set forth in subsections (f), (g), (h) and (i) below provided that Transporter, Shipper and the upstream/downstream connected parties mutually agree in advance to the adjusted gas flow.

- (e) Hourly Nomination Changes: A customer under Rate Schedules FT-A, LMS-MA, LMS-PA, FT-GS, SA, LNGS or IT may change its nomination sixty minutes in advance to be effective on any hour of the day between 10:00 p.m. CCT and 8:00 a.m. CCT by making a nomination via PASSKEY. For Electronic Data Interchange, Transporter shall receive such nomination no later than forty-five minutes in advance of the effective time. Hourly Nomination Changes must be nominated and confirmed via telephone to Transporter's Gas Control as well via PASSKEY. Transporter shall schedule Hourly Nomination Changes subject to the restrictions set forth in subsections (f), (g), (h) and (i) below. Upon receipt of nomination, Transporter agrees to adjust gas flow in advance of the next hourly effective time subject to the restrictions set forth in subsections (f), (g), (h) and (i) below provided that Transporter, Shipper and the upstream/downstream connected parties mutually agree in advance to the adjusted gas flow.
- (f) All nominations, including intra-day and hourly 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 maximum daily quantity permitted under the service agreement pursuant to which service is requested or which would require Transporter to provide an unreasonably excessive change in the hourly flow rate contrary to Section 15.5. Provided that Transporter shall not be required to schedule any intra-day or hourly change for a quantity that is less than the quantity of gas that has actually been scheduled to flow on such day prior to the effective time of the intra-day or hourly change; and provided further that the last intra-day or hourly nomination received on a given day shall be deemed to be a valid nomination for such day and shall supersede any previous nomination for such day. An intra-day or hourly nomination shall terminate at the end of the day for which it was submitted, and the nomination in effect prior to the submission of any intra-day or hourly nomination for such day shall continue in effect for the time period stated in the nomination.
- (g) Bump Protection: Transporter shall not schedule an intra-day or hourly nomination change, if the result of scheduling such nomination would be to bump flowing and/or scheduled transportation under any firm primary or secondary service. Transporter shall give an intra-day nomination submitted by a firm shipper priority over nominated and scheduled volumes for shippers flowing volumes with a priority below secondary firm service. Transporter shall provide bump notice to bumped shippers by 2:00 p.m. CCT as to intra-day nominations submitted at the Intra-day 1 Nomination Cycle and by 10:00 p.m. CCT as to intra-day nominations submitted at the Evening Nomination Cycle. Transporter shall provide bump notice to the bumped shippers by the notice procedures set forth in Section 14.4 of the General Terms and Conditions. Transporter will not permit bumping for intra-day nominations submitted by the Intra-day 2 Nomination Cycle.

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**First Revised Sheet No. 129B** First Revised Sheet No. 129B : Superseded  
Superseding: Original Sheet No. 129B

GENERAL TERMS AND CONDITIONS (Continued)

- (h) Notification of Scheduling: The upstream/downstream connected party(s) of all applicable receipt and delivery points shall make a Confirmation, via PASSKEY confirming that Shipper's nominated quantities will be received or delivered. Nominations other than intra-day or hourly nominations must be confirmed by the upstream/downstream connected party(s) in accordance with Subsections (a) and (b) of this Section 15.2. Shipper and the applicable upstream/downstream connected party(s) will receive notice from Transporter no later than 4:30 p.m. CCT on the day prior to the commencement of the nominated service via PASSKEY, of scheduled quantities, if any nomination made by Shipper is not scheduled or if any Scheduled Quantity is changed by Transporter. Transporter shall also make available at the end of the day information on any intra-day nomination made by Shipper that is scheduled or not scheduled for delivery, or if any scheduled nomination is amended or changed by Transporter.
  - (i) Any nomination, including intra-day and hourly nominations, received by Transporter after the nomination deadlines provided in Subsections 15.2 (a), (b), (c) and (d) above shall be scheduled by Transporter provided that i) Transporter and all affected parties mutually agree to schedule the late nomination and ii) the scheduling of such late nomination does not bump a nomination received prior to the nomination deadlines referenced above.
- 15.3 Scheduling Priority: Transporter shall schedule receipts and deliveries of gas in the following sequence and/or in accordance with the supply/market rankings provided in a Shipper's Customer Nomination Form:
- (a) First among LNGS, FT-A, and FT-GS Shippers using Primary Receipt or Delivery Points according to the quantities of gas scheduled by such Shippers;
  - (b) Pro-rata among FT-A, FT-GS, and LNGS Shippers using Secondary Receipt or Delivery Points according to the quantities of gas scheduled by such Shippers;
  - (c) Current month make up quantities to balance flows under an OBA;

GENERAL TERMS AND CONDITIONS (Continued)

- (c) No Bump: No Shipper receiving interruptible transportation service may be curtailed during a month due to a capacity limitation that is the result of a change in interruptible transportation service for other interruptible transportation Shippers; provided, however, that interruptible transportation service may be curtailed due to an OFO, an event of force majeure that prevents the Shipper from tendering gas or in order to correct a previous scheduling error by Transporter.
  - (d) Correction of Allocations: GISB Standard 2.3.26 (Version 1.2) states: The time limitation for disputes of allocations should be 6 months from the date of the initial month-end allocation with a 3-month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.
- 15.5 Uniform Quantities: Shipper shall deliver and receive gas in uniform daily quantities during any month, except for changes in service as provided in Section 15.2 of these General Terms and Conditions, and in uniform hourly quantities during any day with no significant fluctuation to the extent practicable. Transporter shall not be obligated to deliver to Shipper in any single hour more than 6% of the sum of Shipper's Transportation Quantities under Shipper's FT-A or FT-GS Agreement(s); however, to the extent that, in Transporter's sole judgment, it can do so without impairment to its other service obligations, Transporter will make available hourly deliveries to Shippers without regard to the foregoing limitation.
- 15.6 Supply Deficiencies: If Transporter experiences a supply short fall due to the under delivery 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 Transporter will localize the smallest affected area and, at the corresponding delivery point, will curtail interruptible service first in reverse scheduling order and then firm service pro rata; provided that verifiable receipt point quantities will not be subject to a supply short fall curtailment.
- 15.7 Shipper Duty to Control Imbalances:
- (a) A Shipper receiving any transportation or storage 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 are equal to the Scheduled Quantities. A Shipper receiving service from Transporter at a receipt and/or delivery point(s) not covered by a Balancing Agreement shall also be responsible for controlling, and if necessary, adjusting receipts and deliveries of gas to maintain a balance between such receipts, deliveries, and Scheduled Quantities. To the extent a Shipper is out of balance at a point not covered by a Balancing Agreement, such Shipper will be subject to the daily and monthly balancing provisions contained in the LMS-MA Rate Schedule for delivery points or Transporter's LMS-PA Rate Schedule for receipts points. Imbalances at such points will be allocated pro rata based on Scheduled Quantities.

GENERAL TERMS AND CONDITIONS (Continued)

- (b) Outstanding Imbalances: Shippers shall remain responsible for imbalances accrued before Implementation Date. Within thirty days of the Implementation Date, Shipper shall be required to "cash out" any outstanding imbalances effective on the day before the Implementation Date in accordance with the procedures established in Transporter's Tariff that was in effect on the day before the Implementation Date unless the parties mutually agree otherwise.
- (c) Balancing at Contract Termination: Following the termination of the service agreement, Shipper shall be required to "cash out" any remaining excess or deficiency in receipts and deliveries in accordance with the procedures established in the LMS Rate Schedules, unless the parties mutually agree otherwise.

15.8 Unauthorized Delivery Imbalance Charge: Unauthorized deliveries are deliveries of gas for transportation made to Transporter at the Receipt Point(s) prior to execution of a Balancing Agreement or submission of customer nomination information via PASSKEY as provided in Section 15.2 above. For any unauthorized deliveries, Transporter shall assess a charge equal to three times the daily demand rate pursuant to Transporter's FT-A Rate Schedule. Transporter shall have the right to retain unauthorized deliveries at Receipt Point(s) that have not been cured in accordance with the above after 30 days notice to the responsible party.

16. INVOICING AND PAYMENTS

- 16.1 Monthly invoicing date: Transporter shall prepare invoices (including imbalance statements) on or before the 9th business day of each month following the month of delivery. Invoices may be rendered by mail or electronic communication.
- 16.2 Right of examination: 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.
- 16.3 Monthly payment date: Shipper (or other payor) shall pay Transporter, at a bank designated by Transporter, so that payment is received and Transporter has available funds within ten (10) calendar days from the receipt of the invoice, for the gas service purchased by Shipper during the preceding month and invoiced by Transporter pursuant to this Tariff or the gas service agreement. Shipper (or other payor) shall provide Transporter with 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.



GENERAL TERMS AND CONDITIONS (Continued)

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

17.1 Applicability - This Section 17 implements Section 284.8 of the FERC's regulations and is applicable to any Shipper that holds rights to firm transportation that elects to temporarily release or permanently assign all or a portion of such firm transportation rights ("Releasing Shipper"). For purposes hereof, the term "transportation," "transportation service" or "transportation rights" shall include firm transportation service offered under Rate Schedule FT-A, and 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 17, that executes either a Released Transportation Service Agreement for a temporary release or a Pre-Assignment Agreement for a permanent assignment. 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 17 shall be known as a "Bidder."

For the purpose of this Section 17, effective through September 30, 2002, or any later date established by the Commission, a Releasing Shipper, a Replacement Shipper or a Bidder may specify a rate in excess of the applicable maximum tariff rate if the term of the release is less than one (1) year.

17.2 Releasing Shipper's Request - A Releasing Shipper that desires to release its rights to transportation on a basis that does not qualify for an exemption from posting pursuant to Section 17.11 hereof, may post directly via PASSKEY, a Release Request containing the following information:

- (a) Releasing Shipper's name and transportation service agreement number;
- (b) the maximum daily quantity to be released ("Release Quantity") (including any minimum acceptable Released Quantity);
- (c) the proposed commencement date and term of the release (including any minimum acceptable term);
- (d) the Primary Receipt and Delivery Points for the released capacity and the amount of the firm capacity to be released at each such point (the total receipt point capacity released shall equal the total delivery point capacity released);
- (e) the reservation and/or usage rates and all other applicable rates, charges, and surcharges for the released transportation, including any applicable minimum rate(s);
- (f) whether the transportation rights are to be subject to recall or reput, and if so, the specific conditions for recall or reput;

GENERAL TERMS AND CONDITIONS (Continued)

- (m) whether the Releasing Shipper wants to permanently assign all rights to the capacity;
- (n) the manner in which any refunds in rates and charges ordered by FERC with respect to the released capacity will be allocated by Transporter between the Releasing Shipper and the Replacement Shipper;
- (o) whether the Releasing Shipper will require an indemnity from the Replacement Shipper;
- (p) any other conditions of the release including (i) whether Releasing Shipper will require Replacement Shipper to execute a contract with respect to the release, in which case a copy of the contract shall be provided by Releasing Shipper to transporter upon request; or (ii) date when Releasing Shipper would like bid releases posted for bidding.

17.3 Replacement Shippers Request for Assignment

A Shipper that desires to acquire rights to transportation service may post on PASSKEY a Replacement Request, which shall contain the following information:

- (a) Replacement Shipper's name;
- (b) the maximum daily quantity desired;
- (c) the desired commencement date and term of the transportation service;
- (d) the desired primary receipt and primary delivery point capacity for the transportation service;
- (e) the maximum rate(s) that Replacement Shipper will pay for the transportation service; and
- (f) whether Replacement Shipper will accept a release with recall rights, and if so, what recall rights would be acceptable;
- (g) whether Replacement Shipper's request is contingent, and if so, the basis for the contingency

17.4 Posting of Release and Replacement Requests

- a) Releasing Shipper shall post all applicable information required by Section 17.2 hereof, on PASSKEY, which shall automatically assign an individual release number to the Release Request. The period of time for Transporter's posting of the information ("Posting Period"), and the period of time during which bids will be received on such Release Request ("Bidding Period"), shall be set forth in Section 17.6.

GENERAL TERMS AND CONDITIONS (Continued)

- (b) Replacement Shipper shall post all applicable information required by Section 17.3 on PASSKEY. Such requests shall remain posted for a period of four weeks or until a transaction is effected, whichever is shorter.
- (c) A Releasing Shipper may withdraw its Release Request, by written or electronic notice of withdrawal, up to the close of the applicable Bidding Period where unanticipated circumstances justify and no minimum bid has been submitted.
- (d) Transporter makes no representation or warranty to any party concerning the accuracy or completeness of any posted information or concerning the willingness or ability of any Releasing Shipper to release transportation rights hereunder or of any Bidder to accept transportation rights hereunder. Transporter undertakes no obligation to any party by its posting of any information pursuant to this Section 17 and Transporter shall not be liable to any party for any damages, of any nature whatsoever, including without limitation any special, incidental or consequential damages, or any other kind that may arise in connection with the posting of information hereunder, except as provided in the System License Agreement or the Trading Partner Agreement entered into between Transporter and each user of its System.

17.5 Bidding on Transportation Rights

- (a) Persons that desire to bid on released transportation must pre-qualify with Transporter by entering into a Released Transportation Service Agreement (for a temporary release) or a Pre-Assignment Agreement (for a permanent assignment) with Transporter and by demonstrating credit-worthiness, in the same manner and subject to the same standards and procedures as required for firm shippers under Section 6 of Transporter's General Terms and Conditions. The credit-worthiness requirement shall be continuing in nature in the same manner and to the same extent as prescribed for firm shippers under Section 6 of Transporter's General Terms and Conditions. Transporter will waive the credit-worthiness requirement on a non-discriminatory basis for Bidders on a Release Request, and permit them to submit bids, if the Releasing Shipper provides Transporter with a guarantee satisfactory to Transporter of all financial obligations of the Replacement Shipper under its Released Transportation Service Agreement prior to the commencement of service to the Replacement Shipper.

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- (b) Pre-qualified Bidders may submit bids during the Bidding Period applicable to a Release Request. All bids must be submitted via PASSKEY. In transmitting a bid, Bidders recognize that such bid will be accessible by other Bidders via PASSKEY; however PASSKEY will identify bids by bid number only and the name of the Bidder will not be posted.
- (c) Bidding will be an iterative process in that a Bidder may submit any number of Bids during the Bidding Period; provided that each new submission of a Bid effects the withdrawal of the previous one such that a Bidder may not have more than one Bid in contention for the capacity at the same time. If a Bidder withdraws its Bid, resubmitting a new one, such new Bid must be at a higher rate. A Bidder retains the right to withdraw its Bid by resubmitting a new bid or with written or electronic notice of withdrawal, until the close of the Bidding Period at which time such Bid shall become binding.
- (d) Bids must contain the information on the Bid Form, in particular, a Bid must state:
  - i) the identity of the Bidder (which will be concealed during the Bid Period);
  - ii) the transportation service agreement number of the Releasing Shipper and Release Request number to which the Bid relates;
  - iii) the bid rate(s) that the Bidder is willing to pay for the released transportation rights, which must be no less than any minimum bid rate(s) specified in the Release Request;
  - iv) the Released Transportation Quantity for the Bid, which must equate to the Released Transportation Quantity specified in the Release Request or be no less than any minimum Released Transportation Quantity specified in the Release Request;
  - v) the term for which the Bidder wishes to obtain the transportation rights, which must be the same as the term specified in the Release Request or be no less than any minimum term specified in the Release Request; and

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- vi) whether the bid is contingent, and if so, the basis for the contingency.

17.6 Applicable Deadlines

- (a) For releases, GISB Standard 5.3.2 (Version 1.2) provides the following Bidding Periods:

For short-term releases (less than 5 months):

- offers should be tendered by 1 P.M. on the business day before nominations for short-term releases (less than 5 months);
- open season ends no later than 2 P.M. on the business day before nominations are due (evaluation period begins at 2 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends at 3 P.M.;
- match or award is communicated by 3 P.M.;
- match response by 4 P.M.;
- award posting by 5 P.M.;
- posting of pre-arranged deals not subject to bid by 9 A.M. the day of nominations;
- contract tendered with contract number by 10 A.M.; contract executed; nomination possible for next day gas flow (Central Clock Time).

For longer term releases (five months or more):

- offers should be tendered by 1 P.M. four business days before award for long-term releases;
- open season ends no later than 2 P.M. on the business day before nominations are due (open season is three business days);
- evaluation period begins at 2 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- evaluation period ends at 3 P.M.;
- match or award is communicated by 3 P.M.;
- match response by 4 P.M.;
- award posting by 5 P.M.;
- posting of pre-arranged deals not subject to bid by 9 A.M. the day of nominations;
- contract tendered with contract number by 10 A.M.; contract executed; nomination possible for next day gas flow (Central Clock Time).

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- (b) The deadlines set forth in this Section 17.6 are only applicable if (i) all the information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be creditworthy before the capacity release bid is tendered; and (ii) there are no special terms or conditions of the release. Nominations by the winning bidder may be submitted for the next gas flow day or at the times otherwise specified for intra-day or hourly nominations.

17.7 Determination of Successful Bidder of Transportation Rights

- (a) Bid Evaluation Methodologies: The Releasing Shipper shall specify in the Release Request one of the following bid evaluation methodologies: (i) highest rate, (ii) net revenue, or (iii) present value. A Release Request submitted specifying one of these methods shall be accorded the timeline treatment described in Section 17.6. However, the Releasing Shipper may choose another bid evaluation method. This request shall be accorded the timeline treatment described in Section 17.6. Transporter shall apply the method chosen to determine the successful Bidder. Transporter's application of Releasing Shipper's bid evaluation method shall result in as many successful bidders as mandated thereby, provided that the volumes released to each successful bidder shall be no less than one dekatherm. If the Releasing Shipper desires to award to more than one winner, the Releasing Shipper should allow for the acceptance of partial TQ bids.
- (b) If the present value method is chosen, then Transporter shall determine the bid or bids having the highest net present value ("PV") based on the following formula:

$$PV = (\text{Bid Rate}) \times (\text{Bid Quantity}) \times \frac{1 - (1+i)^{-N}}{i}$$

where

Bid Rate = for firm releases, the reservation charge that the Bidder has agreed to pay; for recallable releases, the usage charge that the Bidder has agreed to pay.

Bid Quantity = the Released Transportation Quantity stated in the Bid.

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i = interest rate per month, which shall be the then current maximum yield on five year U.S. Government Treasury Notes divided by 12. (Transporter will post current Treasury Note rate on PASSKEY; and

N = the lesser of the term proposed by the Bidder, expressed in number of months or 60 months.

- (c) If the net revenue method is chosen, Transporter shall determine the bid or bids having the highest net revenue (NR) using the following formula:

$$NR = (\text{Bid Rate}) \times (\text{Bid Term}) \times (\text{Bid TQ})$$

where

Bid Rate = the daily charge which the Bidder has agreed to pay; for reservation rate bids, the charge is calculated by dividing the bid rate received from the Bidder by 30.4 days per month (average days per month in a 365-day year).

Bid Term = the term proposed by the Bidder, in days.

Bid TQ = the TQ stated in the Bid, measured in dekatherms.

- (d) If a Release Request includes a Pre-arranged Bidder, then the released transportation rights shall be awarded to the Pre-arranged Bidder if:
- i) the Pre-arranged Bidder's Bid equals or exceeds the Bid with the highest economic value under the standard submitted by the Releasing Shipper; or
  - ii) the Pre-arranged Bidder's Bid has a net present value determined in accordance with this Section 17.7 that is equal to or higher than the highest net present value of the Bids submitted by all other Bidders; or
  - iii) the Pre-arranged Bidder agrees to match any Bid having a greater economic value or a higher net present value, as applicable, within the time period provided by Section 17.6(c).

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- (e) If only one Bidder has submitted a Bid that reflects the greatest economic value or the highest net present value, as applicable, the released transportation on Transporter's system shall be awarded to that Bidder, subject to any Pre-arranged Bidder's exercise of its matching rights as set forth in Section 17.7(d) (iii) above.
- (f) If two or more Bidders have submitted Bids that each reflect the greatest economic value or highest net present value, as applicable, then, subject to any Pre-arranged Bidder's exercise of its matching rights, the released transportation will be awarded according to any method specified by the Releasing Shipper in the Release Request as an alternative means for awarding the released capacity as between two or more equal bids ("Alternative Tie Breaker"). If the Releasing Shipper did not specify an Alternative Tie Breaker, the released capacity will be awarded to the Bidder that was transporting gas on a firm basis during the previous month, if any. Otherwise, the released transportation capacity shall be awarded based on a lottery which is limited to such Bidders. Transporter will conduct the lottery or the alternative tie breaker in a non-discriminatory manner.
- (g) For informational purposes only, Transporter shall post on PASSKEY the identity of the winning bidder and the terms of the successful bid, as well as the identity of all the Bidders on the applicable release request.
- (h) GISB Standard 5.3.9 (Version 1.3) states: If the transportation service provider requires amendments for each release, the transportation service provider should automate the process of amending contracts and this may be the subject of a global agreement between the parties. Therefore, pursuant to this GISB standard, prior to the commencement of service pursuant to a temporary release, Transporter shall prepare and transmit to the successful Bidder an Exhibit "R-1" to its Released Transportation Service Agreement stating the Released Transportation Quantity, rates, term, Maximum Daily Quantities at all Primary Receipt Points and Maximum Daily Quantities at all Primary Delivery Points, governing rate schedule, and any special terms and conditions for each awarded release. An identical Exhibit "R-1" shall be added to the Releasing Shipper's transportation service agreement, to reflect that the Releasing Shipper has released all or a portion of its transportation rights and the terms of such release. A Replacement Shipper that subsequently obtains additional transportation rights by



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successfully bidding on a subsequent Release Request is not required to execute an additional Released Transportation Service Agreement; rather, each such additional successful bid shall be the subject of an additional exhibit (designated sequentially "Exhibit R-2", "Exhibit R-3", etc.) to be added to such Replacement Shipper's Released Transportation Service Agreement. Transporter shall prepare all exhibits for Releasing Shippers and Replacement Shippers based on the information in the applicable Release Request and the successful bid, and each such exhibit shall be deemed incorporated in the transportation agreement to which it relates and shall thereby amend such agreement effective upon commencement of service to the Replacement Shipper. Such exhibits shall not require execution by the Releasing Shipper or Replacement Shipper to become effective.

- (i) Prior to the commencement of service pursuant to any Release Request, the Replacement Shipper shall submit to Transporter, in accordance with Section 5 of Transporter's General Terms and Conditions, a check equal to the lesser of \$10,000 or the total reservation charges under its Released Transportation Service Agreement (or corresponding exhibit) applicable to the released service for a three month period.
- (j) Prior to the commencement of service pursuant to a permanent assignment, Transporter shall prepare and transmit to the successful Bidder a Firm Transportation Service Agreement stating the Transportation Quantity, rates, term, Maximum Receipt Quantities at all Primary Receipt Points and Maximum Delivery Quantities at all Primary Delivery Points, and governing rate schedule. Transporter shall send to the Releasing Shipper a revised Exhibit A to Releasing Shipper's FT-A Agreement in the event of a partial assignment. Releasing Shipper shall sign and return to Transporter within three days of the date of its transmittal a new Exhibit A for a partial release or a request for termination for a full assignment of the entire Transportation Quantity. No permanent assignment shall become effective until the Releasing Shipper has signed and returned a new Exhibit A or a written request for termination.

- 17.8 Failure of Bidder to Honor Winning Bid - In the event a Bidder is successful but does not accept the capacity attained by such successful bid, (provided that such non-acceptance is not excused by a pre-stated contingency), then such Bidder shall forfeit the pre-payment required under Section 5 and shall be barred from bidding for released capacity for a one-year period.
- 17.9 Reassignment of Released Capacity - A Replacement Shipper shall be allowed to release the capacity under its Transportation Service Agreement, provided that the original release was not volumetrically based.
- 17.10 Submission of Release Documents - Parties shall submit all necessary information, Release Requests and bids via PASSKEY.

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17.11 Releases Permitted Without Prior Posting - A Releasing Shipper may elect to release some or all of its transportation rights without prior competitive bidding if its proposed release qualifies under this Section 17.11.

- (a) Short-Term Release Election - Prior posting on PASSKEY, or competitive bidding will not be required if:
  - i) the release term is thirty-one days or less; and
  - ii) either the Releasing Shipper acts as agent for the Replacement Shipper with respect to the Released capacity and agrees to remain directly liable for all demand charges associated with the released capacity; or, prior to the commencement of service, the Replacement Shipper enters into a Released Transportation Service Agreement with Transporter incorporating the information required by Section 17.2 in an appropriate exhibit and establishes credit-worthiness, subject to the same standards and procedures as are provided for Bidders in Section 17.5(a); and
  - iii) the release is not rolled-over, renewed or otherwise extended beyond 28 days from the effective date unless (a) the proposed roll-over is at the maximum rate, (b) the Releasing Shipper follows the prior posting and bidding procedures set forth in Section 17.4 hereof; or (c) the release does not contain the same capacity as, or overlaps the capacity contained in, the original release; provided, however, through September 30, 2002, or any later date established by the Commission, the foregoing requirements shall apply to any capacity release transaction for any period of thirty-one (31) days or less, regardless of the rate applicable to the release.
- (b) Maximum Rate Pre-arranged Bidder: Additionally, prior posting on PASSKEY and competitive bidding will not be required, subject to the conditions set forth in Section 17.11(b)(iii) below, if a Prearranged Bidder has agreed to Transporter's maximum applicable rate stated in the Release Request, provided that:
  - i) the Releasing Shipper provides Transporter with the information specified in Section 17.2 (a), (b), (c), (d), (e), (f), (k), (m), (n), (o), and (p); and

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- ii) prior to the commencement of service, the Pre-arranged Bidder enters into a Released Transportation Service Agreement with Transporter incorporating the information required by Section 17.11(b)(i) and establishing credit worthiness in accord with the same standards and procedures as provided for Bidders in Section 17.5.
- 17.12 Marketing of Released Capacity - Transporter shall have no obligation to market any capacity available to be released by a Releasing Shipper. Transporter, however, 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.
- 17.13 Further Conditions on Release of Transportation.
- (a) Persons participating in this 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 non-discriminatory.
  - (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 rates for any release shall be the applicable maximum reservation charge and usage charge, as well as all other applicable rates, charges, and surcharges set forth in this Tariff, notwithstanding any discount to such rates, charges or surcharges then in effect for the Releasing Shipper.
  - (e) All terms and conditions of all releases must be consistent with the terms and conditions of the Releasing Shipper's transportation service agreement and with this Tariff, including the provisions on nominations and scheduling of transportation and curtailment of service.

Effective Date: 05/01/2000 Status: Effective

FERC Docket: RP00-245-000

**Fifth Revised Sheet No. 145** Fifth Revised Sheet No. 145 : Superseded  
Superseding: Fourth Revised Sheet No. 145

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- (f) GISE Standard 5.3.6 (Version 1.3) states: If the Releasing Shipper wishes to recall capacity to be effective for a Gas Day, the notice should be provided to the transportation service provider and the acquiring shipper no later than 8 A.M. Central Clock Time on nomination day. The Releasing Shipper may not effect a partial day recall of capacity. Such notification will confirm that the conditions of recall have been met and will be accompanied by the scheduling information required by Section 15. A Releasing Shipper may specify in the Release Request whether the recalled capacity is to be reput to the original Replacement Shipper and the terms of the reput. These terms may be either: (i) reput must be accepted by the original Replacement Shipper for the original terms of the release or (ii) reput may be accepted at the option of the original Replacement Shipper for the original terms of the release. The Releasing Shipper may effect a reput by notifying Transporter and Replacement Shipper by 8:00 A.M. Central Clock Time on the day of the nomination deadline on the day prior to the effective date of the reput of entitlements to Replacement Shipper.
- (g) Transporter may invalidate any Release Request or any Bid subsequent to its posting on PASSKEY that does not conform in any material respect, within Transporter's sole discretion, to the requirements of this Section 17 and such invalidated Release Request or Bid shall be deemed null and void.
- (h) Notwithstanding anything herein to the contrary, all Releasing Shippers that release capacity on a temporary basis shall remain responsible for payment of all demand charges for released transportation; provided, however, that Transporter and Shipper may, in connection with their agreement to a Negotiated Rate under a firm transportation rate schedule, agree upon Releasing Shipper payment obligations and crediting mechanisms in the event of a capacity release that vary from or are in addition to those set forth herein and in Subsection (i) of this Section; provided that nothing in the foregoing proviso shall authorize Transporter or Shipper to violate the FERC's policy with respect to negotiation of terms and conditions of service. 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 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.
- (i) Transporter shall bill Replacement Shipper in accordance with Section 16 of the General Terms and Conditions based upon the rates, charges, and surcharges incorporated in the Released Transportation Service Agreement. 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 accord with (h) above. Releasing Shipper shall submit the payment within ten days of

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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. However, Transporter shall not be relieved of liability for its own negligent actions or wrongful conduct.

- (m) Replacement Shippers may not change Primary Delivery Points or otherwise alter the underlying agreement. Replacement Shippers may use Secondary Delivery Points.
- (n) All transportation rights released hereunder shall be scheduled and curtailed as firm transportation service under Section 15 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.
- (o) The rate paid by a Replacement Shipper in any capacity release transaction with a term of less than one (1) year during the period from March 27, 2000, through September 30, 2002, or any later date established by the Commission, which is not subject to the maximum rate cap will be deemed to be a final rate and is not subject to refund.

18. TEMPORARY RELEASE OR PERMANENT ASSIGNMENT OF RIGHTS TO LNGS SERVICE

- 18.1 Applicability - This Section 18 implements Section 284.8 of the FERC's regulations and is applicable to any Shipper that holds rights to LNGS Service pursuant to Transporter's Rate Schedule LNGS, that elects to temporarily release or permanently assign all or a portion of such storage rights ("Releasing Shipper"). A Releasing Shipper shall have the right to release any portion of its storage rights but only to the extent that the rights so released are acquired by another party pursuant to the provisions of this Section 18, that executes either a Released Storage Service Agreement for a temporary release or a Pre-Assignment Agreement for a permanent assignment. Such party shall be referred to herein as "Replacement Shipper". A person that desires to bid on and obtain storage rights released under the provisions of this Section 18 shall be known as a "Bidder."
- 18.2 Releasing Shipper's Request - A Releasing Shipper that desires to release its rights to LNG storage in a manner that does not qualify for an exemption to posting pursuant to Section 18.11, may post directly on PASSKEY, a Release Request, containing the following information:
  - (a) Releasing Shipper's name and LNGS service agreement number;
  - (b) the Maximum Daily LNGS Quantity and Winter Season Quantity to be released (including any minimum acceptable quantity);

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- (k) any other conditions of the release including (i) whether Releasing Shipper will require Replacement Shipper to execute a contract with respect to the release, in which case a copy of the contract shall be provided by Releasing Shipper to Transporter upon request; or (ii) date when Releasing Shipper would like bid release posted for bidding.

18.3 Replacement Shipper's Request for Assignment

A Shipper that desires to acquire rights to LNGS service shall submit to Transporter a Replacement Shipper Request which shall contain the following information:

- (a) Replacement Shipper's name;
- (b) the Maximum Daily LNGS Quantity and Winter Season LNGS Quantity desired;
- (c) the desired commencement date and term of the storage service;
- (d) the maximum rate(s) that Replacement Shipper will pay for the storage service.

18.4 Posting of Release and Replacement Requests

- (a) Releasing Shipper shall post all applicable information required by Section 18.2 hereof, on PASSKEY, which shall automatically assign an individual release number to the Release Request. The period of time for Transporter's posting of the information ("Posting Period"), and the period of time during which bids will be received on such Release Request ("Bidding Period"), shall be as set forth in Section 18.6.
- (b) A Shipper may withdraw its Release Request up to the close of the applicable Bidding Period where unanticipated circumstances justify and no minimum bid has been submitted.
- (c) Replacement Shipper shall post all applicable information required by Section 18.3 on PASSKEY. Such requests shall remain posted for a period of four weeks or until a transaction is effected, whichever is shorter.

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- (d) Transporter makes no representation or warranty to any party concerning the accuracy or completeness of any posted information or concerning the willingness or ability of any Releasing Shipper to release storage rights hereunder or of any Bidder to accept storage rights hereunder. Transporter undertakes no obligation to any party by its posting of any information pursuant to this Section 18 and Transporter shall not be liable to any party for any damages, of any nature whatsoever, including without limitation any special, incidental or consequential damages, or any other kind that may arise in connection with the posting of information hereunder, except as provided in the System License Agreement or Trading Partner Agreement entered into between Transporter and each user of its System.

18.5 Bidding for Storage Rights

- (a) Persons that desire to bid on released storage rights must pre-qualify with Transporter by entering into a Released Storage Service Agreement (for a temporary release) or a Pre-Assignment Agreement (for a permanent assignment) with Transporter and by demonstrating credit-worthiness, in the same manner and subject to the same standards and procedures as required for firm shippers under Section 6 of Transporter's General Terms and Conditions. The credit-worthiness requirement shall be continuing in nature in the same manner and to the same extent as prescribed for shippers in Section 6 of Transporter's General Terms and Conditions. Transporter will waive the credit-worthiness requirement on a non-discriminatory basis for Bidders on a Release Request, and permit them to submit Bids, if the Releasing Shipper provides Transporter with a guarantee satisfactory to Transporter of all financial obligations of the Replacement Shipper under its Released Storage Service Agreement prior to the commencement of service to the Replacement Shipper.
- (b) Pre-qualified Bidders may submit Bids during the Bidding Period applicable to a Release Request. All bids must be submitted via PASSKEY. In transmitting a bid, Bidders recognize that such bid will be accessible by other Bidders via PASSKEY; however, PASSKEY will identify bids by bid number and the name of the Bidder will not be posted.
- (c) Bidding will be an iterative process in that a Bidder may submit any number of Bids during the Bidding Period; provided that each new submission of a Bid effects the withdrawal of the previous one such that a Bidder may not have more than one Bid in contention for the capacity at the same time. If a Bidder withdraws its Bid, resubmitting a new one, such new Bid must be at a higher rate. A Bidder retains the right to withdraw its Bid until the close of the Bidding Period.

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18.7 Determination of Successful Bidder for Storage Rights

- (a) Bid Evaluation Methodologies: The Releasing Shipper shall specify in the Release Request one of the following bid evaluation methodologies: (i) highest rate, (ii) net revenue, or (iii) present value. A Release Request submitted specifying one of these methods may be accorded the timeline treatment described in Section 18.6. However, the Releasing Shipper may choose another bid evaluation method. This request shall be accorded the timeline treatment described in Section 18.6. Transporter shall apply the method chosen to determine the successful Bidder. Transporter's application of Releasing Shipper's bid evaluation method shall result in as many winning bidders as mandated thereby; provided that the volumes released to each successful bidder shall be no less than one dekatherm. If the Releasing Shipper desires to award to more than one winner, the Releasing Shipper should allow for the acceptance of partial TQ bids.
- (b) If the present value method is chosen, then Transporter shall determine the bid or bids having the highest present value in the same manner set forth in Section 17.7(b) of the General Terms and Conditions, except that Bid Maximum Daily LNGS Quantities shall be substituted for Bid Quantity in the formula provided.
- (c) If the net revenue method is chosen, then Transporter shall determine the bid or bids having the highest present value in the same manner set forth in Section 17.7(c) of the General Terms and Conditions, except that Bid Maximum Daily LNGS Quantities shall be substituted for Bid Quantity in the formula provided.
- (d) The awarding of the released LNGS service, including the award of such rights to a Pre-arranged Bidder, shall be done pursuant to the procedures established in Section 17.7 of Transporter's General Terms and Conditions for the awarding of released transportation rights.
- (e) GISB Standard 5.3.9 (Version 1.2) states: If the transportation service provider requires amendments for each release, the transportation service provider should automate the process of amending contracts and this may be the subject of a global agreement between the parties. Therefore, pursuant to this GISB standard, prior to the commencement of service pursuant to a temporary release, Transporter shall prepare and transmit to the successful Bidder an Exhibit "R-1" to its Released Storage Service Agreement stating the Released Maximum Daily LNGS Quantity and Winter Season Quantity, rates, term, and Maximum Daily Quantities at all Primary Delivery Points, governing rate schedule, and any special terms and conditions for each awarded release. An identical Exhibit "R-1" shall be added to the Releasing Shipper's Storage Service Agreement, to reflect that the Releasing Shipper has released all or a portion of its storage rights and the terms of such release. A Replacement Shipper that subsequently obtains additional storage rights by successfully bidding on a subsequent Release Request is not required to execute an additional Released Storage Service Agreement; rather, each such additional successful bid shall be the subject of an additional exhibit (designated sequentially "Exhibit R-2", "Exhibit R-3", etc.) to be added to such Replacement Shipper's Released Storage Service Agreement. Transporter shall prepare all exhibits for Releasing Shippers and Replacement Shippers based on the information in the applicable Release Request and the successful bid, and each such exhibit shall be deemed incorporated in the agreement to which it relates and shall thereby amend such agreement effective upon commencement of service to the Replacement Shipper. Such exhibits shall not require execution by the Releasing Shipper or Replacement Shipper to become effective.



GENERAL TERMS AND CONDITIONS (Continued)

- (f) For informational purposes only, Transporter shall post on PASSKEY the identity of the winning Bidder as well as the identity of all Bidders on the applicable Release Request.
  - (g) Prior to the commencement of service pursuant to a permanent assignment, Transporter shall prepare and transmit to the successful Bidder a LNGS Service Agreement stating the Maximum Daily LNGS Quantity and Winter Season Quantity, rates, term, Maximum Delivery Quantities at all Primary Delivery Points, and governing rate schedule. Transporter shall send to the Releasing Shipper a revised Exhibit A to Releasing Shipper's LNGS Agreement in the event of a partial assignment. Releasing Shipper shall sign and return to Transporter within three days of the date of its transmittal either new Exhibit A for a partial assignment or a request for termination for a full assignment of the entire LNGS Agreement. No permanent assignment shall become effective until the Releasing Shipper has signed and returned either a new Exhibit A or a written request for termination.
- 18.8 Failure of Bidder to Honor Winning Bid - In the event a Bidder is successful but does not accept the capacity attained by such successful bid, then such Bidder shall forfeit the pre-payment required under Section 5 and shall be barred from bidding for released capacity for a three-year period.
- 18.9 Reassignment of Released Capacity - A Replacement Shipper shall be allowed to release the capacity under its Storage Service Agreement unless specifically precluded by the Releasing Shipper.
- 18.10 Submission of Release Documents - Parties shall submit all necessary information, Release Requests, and bids to Transporter via PASSKEY.
- 18.11 Releases Permitted Without Prior Posting - Prior posting on PASSKEY and competitive bidding will not be required if a Pre-arranged Bidder has agreed to Transporter's maximum applicable rates and to the maximum term and Release Quantity stated in the Release Request provided that:
- a) the Releasing Shipper provides Transporter with the information specified in Section 18.2(a), (b), (c), (d), (e), (f), (g), and (j) of Transporter's General Terms and Conditions; and
  - b) prior to the commencement of service the Pre-arranged Bidder enters into a Released Storage Service Agreement with Transporter incorporating the information required by this Section 18.11 and establishing creditworthiness subject to the same standards and procedures as are provided for Bidders in Section 18.5.

Effective Date: 05/01/2000 Status: Effective

FERC Docket: RP00-245-000

**Fifth Revised Sheet No. 154** Fifth Revised Sheet No. 154 : Superseded

Superseding: Fourth Revised Sheet No. 154

GENERAL TERMS AND CONDITIONS (Continued)

- 18.12 Marketing of Released Capacity - Transporter shall have no obligation to market any capacity available to be released by a Releasing Shipper. Transporter, however, 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.
- 18.13 Further Conditions on Release of Storage Rights.
- (a) Persons participating in Transporter's storage release program are subject to the same conditions applicable to participants in Transporter's transportation release program set forth in Section 17.13 (a), (b), (e), (g), (l), (m), and (n) of Transporter's General Terms and Conditions.
  - (b) The minimum term for release of LNGS Service shall be one year, commencing on November 1 and ending on the following October 31, and the maximum term shall be the remaining term of the Releasing Shipper's LNGS Service Agreement.
  - (c) The maximum rates for any release shall be the applicable maximum reservation charge, as well as all other applicable rates, charges, and surcharges set forth in this Tariff, notwithstanding any discount to such rates, charges or surcharges then in effect for the Releasing Shipper.
  - (d) Transporter may invalidate any Release Request or any Bid subsequent to its posting on PASSKEY that does not conform in any material respect within Transporter's sole discretion to the requirements of this Section 18 and such invalidated Release Request or Bid shall be deemed null and void.
  - (e) GISB Standard 5.3.6 (Version 1.3) states: If the Releasing Shipper wishes to recall capacity to be effective for a Gas Day, the notice should be provided to the transportation service provider and the acquiring shipper no later than 8 A.M. Central Clock Time on nomination day. The Releasing Shipper may not effect a partial day recall of capacity. Such notification will confirm that the conditions of recall have been met and will be accompanied by the scheduling information required under Section 15. Upon such notification, Replacement Shipper must arrange with the Releasing Shipper to transfer the storage balance back to the Releasing Shipper. A Releasing Shipper may specify in the Release Request whether the recalled capacity is to be reput to the original Replacement Shipper and the terms of the reput. These terms may be either: (i) reput must be accepted by the original Replacement Shipper for the original terms of the release or (ii) reput may be accepted at the option of the original Replacement Shipper for the original terms of the release. The Releasing Shipper may effect a reput by notifying Transporter and Replacement Shipper by 8:00 A.M. Central Clock Time on the day of the nomination deadline on the day prior to the effective date of the reput of entitlements to Replacement Shipper.

Effective Date: 11/01/1996 Status: Effective  
FERC Docket: RP97- 13-000

**First Revised Sheet No. 155** First Revised Sheet No. 155 : Superseded  
Superseding: Original Sheet No. 155

GENERAL TERMS AND CONDITIONS (Continued)

Conditions based upon the rates, charges, and surcharges incorporated in the Released Storage Service Agreement. 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. Releasing Shipper shall submit the payment within ten days of receipt of Transporter's invoice.

Releasing Shipper shall be responsible for obtaining reimbursement for any such payment from Replacement Shipper. Failure of either the Replacement Shipper or Releasing Shipper to pay bills shall entitle Transporter to exercise the remedies available under the applicable service agreements and this Tariff, including suspension of service to the Releasing Shipper and the Replacement Shipper, as well as any other remedies available to Transporter.

- (f) Except in case of permanent assignment, the Replacements Shipper's service under a Released Storage Service Agreement shall be subject to and governed by the terms and conditions of the Releasing Shipper's LNGS Agreement, the LNGS Rate Schedule, and the Released Storage Service Agreement.
- (g) Except in case of permanent assignment, any increase in Transporter's rates, charges, and surcharges shall remain 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 storage 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 FERC shall be paid by Transporter to the party that paid the amounts that were subject to refund, subject to Transporter's right to seek relief from such refunds at the FERC or in the courts.

19. AGENCY RIGHTS

- 19.1 A Shipper may delegate, for a term of one or more calendar months starting on the first day of a month, to as many third parties as it deems necessary (Shipper's Representatives) responsibility for submitting and receiving notices, making nominations, or performing other administrative duties under any agreement under Rate Schedules FT-A, FT-GS, or LNGS, ("Underlying Agreements") subject to the following conditions:

GENERAL TERMS AND CONDITIONS (Continued)

conditions of the respective Agency Authorization Agreement and the terms and conditions of the underlying Delegated Agreements. A Shipper may not delegate to more than one third party the same rights and/or obligations for a Delegated Agreement(s), pursuant to the terms and conditions of the applicable Agency Authorization Agreement.

- (a) Transporter, Shipper and Shipper's Representative to whom Shipper is delegating its responsibilities must enter into an Agency Authorization Agreement in one of the forms provided in this Tariff: (i) Agency Authorization Agreement; or (ii) Agency Authorization Agreement for Electronic Data Interchange. Such Agency Authorization Agreement must be submitted to Transporter, via PASSKEY at least two (2) days prior to the requested effective date. Any changes to the Agreement must be submitted (i) via PASSKEY to Transporter and (ii) in writing to Balancing Parties at the receipt and delivery points through which the delegated service is received two (2) days prior to the effective date of the requested change. Shipper's Representative shall have all rights and obligations under the Delegated Agreements as set forth on the Agency Authorization Agreement. Shipper's delegation to its Representative(s) pursuant to this Section 19 shall not confer to either Shipper or Shipper's Representative(s) rights outside of or in contravention of the terms and conditions of the Delegated Agreements.
- (b) Transporter may rely on communications and actions of Shipper's Representative that are within the scope of the applicable Agency Authorization Agreement. Such communications with, and actions by, the Shipper's Representative that are within the scope of the applicable Agency Authorization Agreement shall be deemed communications with or actions by Shipper. Shipper shall indemnify and hold Transporter harmless from suits, actions, costs, losses and expenses (including, without limitation, attorney's fees) arising from claims associated with Transporter's reliance on such communications and actions of Shipper's Representative. If Shipper's Representative fails to meet such obligations under the Delegated Agreements, then, without Transporter being obligated to proceed against Shipper's Representative, Shipper shall be liable for all obligations under the Delegated Agreements.
- (c) A Shipper's Representative may administer and aggregate rights under multiple Delegated Agreements as the designated agent for one or more Shippers provided however, that such Shipper's Representative (1) shall separately administer and account for each such Delegated Agreement(s), including without limitation submitting nominations and calculating any imbalances, (2) shall utilize such Delegated Agreement(s) for the transportation, storage, supply aggregation or balancing of gas for only those Shippers that have delegated the rights and obligations under their Delegated Agreement(s), and (3) shall utilize a Transportation Contract authorized under Rate Schedule FT-GS for the transportation of gas solely for the delegating FT-GS Shipper.

Effective Date: 11/01/1993 Status: Effective

FERC Docket: RS92- 33-003

Original Sheet No. 158 Original Sheet No. 158 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

22. WARRANTY OF TITLE TO GAS

This Section 22 shall apply to all transportation service unless otherwise provided in the applicable Rate Schedule or transportation contract. Shipper and Transporter both warrant 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, the breaching party shall indemnify the other 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 the breaching party will indemnify the other 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 Transporter's system fuel and uses and gas lost and unaccounted for, which shall pass to Transporter upon delivery at the Receipt Point(s).

23. BILLING OF UNRECOVERED PURCHASED GAS COSTS

23.1 Applicability: This article shall govern the recovery of:

- (a) Amounts reflected in Transporter's Unrecovered Gas Cost Account pursuant to the terms of Transporter's previously effective Purchased Gas Cost Adjustment clause in Section 21 of Volume 1 of Transporter's formerly effective Tariff ("Transporter Gas Costs"); and
- (b) Amounts billed by Tennessee Gas Pipeline Company to Transporter pursuant to Section XIX of Tennessee's General Terms and Conditions contained in its Tariff that becomes effective upon the implementation of restructured services in Docket No. RS-92-23-000 ("Tennessee Gas Costs").

23.2 Recovery of Transporter Gas Costs: Transporter will terminate its Purchased Gas Cost Adjustment clause effective on the Implementation Date. The Unrecovered Gas Cost Account balance shall be billed/refunded to Shippers that were firm sales customers of Transporter under Transporter's Rate Schedules CD, SG, and SGS on the Implementation Date. Transporter will bill/refund Shippers for Transporter Gas Costs attributable to each Shipper as follows:

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FERC Docket: RS92- 33-003

Original Sheet No. 159 Original Sheet No. 159 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

(a) Each Shipper will be allocated a portion of Transporter's demand and commodity Unrecovered Purchased Gas Cost Account balance on the Implementation Date, plus adjustments to reflect changes in the accruals and estimates for billing dispute settlements, carrying charges and other amounts that are known and measurable within the six month period following termination.

(b) Each Shipper will have allocated to it an amount of the total Unrecovered Purchased Gas Cost Account demand balance according to the following formula:

$$(X/Y) (Z) = \text{Shipper's allocated share of Unrecovered Purchased Gas Costs Account demand balance.}$$

where

X= the Shipper's effective sales contract demand effective immediately prior to the Implementation Date; and

Y= the total of the effective sales contract demands under all of Transporter's CD, SG, and SGS sales contracts effective immediately prior to the Implementation Date; and

Z= the total Unrecovered Purchased Gas Cost Account demand balance.

(c) Each Shipper will have an allocated share of the total Unrecovered Purchased Gas Cost Account commodity balance according to the following formula:

$$(A/B) (C) = \text{Shipper's allocated share of Unrecovered Purchased Gas Costs Account commodity balance.}$$

where

A= Shipper's actual gas purchases pursuant to its sales contract for the 12 months prior to the Implementation Date; and

B= the total purchases of all customers under Transporter's Rate Schedules CD, SG, and SGS during the 12 months prior to the Implementation Date.

C= the total Unrecovered Purchased Gas Cost Account Commodity balance.

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FERC Docket: RS92- 33-003

Original Sheet No. 160 Original Sheet No. 160 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

- (d) Upon conclusion of the six-month period following termination, Transporter shall (a) issue a check for any amounts due to Shipper or submit an invoice for any amounts due to Transporter with the Shipper having the option of paying such invoice either in a lump sum or in 12 monthly installments including interest on the unpaid balance calculated pursuant to Section 154.305(h) of the Commission's Regulations; and (b) file a report with the FERC detailing the final balance in Account No. 191, with adjustments. At the end of the amortization period, Transporter shall file a report with the FERC showing the actual amount billed (or refunded) to each customer.
- 23.3 Recovery of Tennessee Gas Costs: Tennessee Gas Costs shall be billed/refunded to all Shippers that were firm sales customers of Transporter on the Implementation Date. Transporter will bill Shippers for Tennessee Gas Costs attributable to Shippers as follows:
- (a) Each Shipper will be allocated a portion of Tennessee Gas Costs as of the effective date of termination of Tennessee's Purchased Gas Adjustment clause ("Tennessee Termination Date") plus adjustments to reflect changes in the accruals and estimates for billing dispute settlements, carrying charges and other amounts which are known and measurable within the six-month period following the Tennessee Termination Date.
- (b) Each Shipper will have allocated to it an amount of Tennessee Gas Cost balance according to the following formula:
- $$(X/Y) (Z) = \text{Shipper's allocated share of Tennessee Gas Cost balance.}$$
- where
- X= the Shipper's effective sales contract demand effective immediately prior to the Implementation Date; and
- Y= the total of the effective sales contract demands under all of Transporter's sales contracts effective immediately prior to the Implementation Date; and
- Z= the total Tennessee Gas Cost balance.
- (d) Upon conclusion of the six-month period following termination, Transporter shall (a) issue a check for any amounts due to Shipper or submit an invoice for any amounts due to Transporter with the Shipper having the option of paying such invoice either in a lump sum or in 12 monthly installments including interest on the unpaid balance calculated pursuant to Section 154.305(h) of the Commission's Regulations; and (b) file a

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FERC Docket: RP94-271-001

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

GENERAL TERMS AND CONDITIONS (Continued)

report with the FERC detailing the final balance in Account No. 191, with adjustments. At the end of the amortization period, Transporter shall file a report with the FERC showing the actual amount billed (or refunded) to each customer. To the extent Transport is billed for additional gas costs by Tennessee, Transporter shall allocate such costs in accordance with subsection (b) hereof and bill affected shippers within 60 days of the date Tennessee files its final report.

24. EXCUSE OF PERFORMANCE AND REMEDIES

24.1 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 an 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 gas service contract 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. In addition, a Balancing Party shall be exempted from liability for any Daily Variance Charge incurred as a result of freezing or failure of third party lines of pipe or facilities, or as a result of an unexpected breakdown of the Balancing Party's facilities. Transporter and Shipper shall schedule routine maintenance in a manner that minimizes service interruptions and shall not schedule routine maintenance during periods of peak demand. Any routine maintenance that is scheduled during a period of peak demand shall not be considered an event of force majeure hereunder. 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.

24.2 Liabilities not relieved: Such causes or contingencies affecting the performance of said gas 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



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FERC Docket: RP00-245-000

**Second Revised Sheet No. 165** Second Revised Sheet No. 165 : Superseded  
Superseding: First Revised Sheet No. 165

GENERAL TERMS AND CONDITIONS (Continued)

26. NOTICES

Except when Transporter's General Terms and Conditions require notice via PASSKEY, any communication, notice, request, demand, statement or bill provided for in this Tariff or in a gas 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 mailed by postpaid registered or ordinary mail or when sent by electronic medium or such other method mutually agreed upon between the parties. The material so sent shall be addressed to the pertinent party at its last known post office address, or at such other address as either party may designate.

27. MODIFICATION

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

28. NONWAIVER AND FUTURE DEFAULT

No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provision of a gas 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.

29. APPLICABLE REGULATIONS

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

30. OPERATING INFORMATION AND ESTIMATES

At Transporter's request, any Shipper shall furnish to Transporter estimates of peak day, monthly and annual quantities of natural gas (by classification of customers as required by the Federal Energy Regulatory Commission's Regulations). In addition, Shipper shall furnish Transporter with comparable actual gas sales and enduse data relating to the ultimate consumer(s) on Transporter's system.

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FERC Docket: RP00-245-000

**Third Revised Sheet No. 168** Third Revised Sheet No. 168 : Superseded  
Superseding: Second Revised Sheet No. 168

GENERAL TERMS AND CONDITIONS (Continued)

(b) Filing Procedure: At least thirty days prior to the effective date of adjustment, Transporter shall file with the Federal Energy Regulatory Commission and post, as defined in Section 154.16 of the Commission's Regulations, revised Tariff Sheet No. 4 of Transporter's Tariff, reflecting the Current Annual Charge Rate Adjustment.

34.3 Current Annual Charge Rate Adjustment: The Current Annual Charge Rate Adjustment shall be the unit amount, adjusted as necessary for heating value and pressure base that the Federal Energy Regulatory Commission orders to be effective for the fiscal year commencing on the effective date of adjustment.

34.4 Retention of Revenues Collected under Annual Charge Rate Adjustment: Transporter shall retain all revenues collected under this Section 34. Except as provided by this Section 34, Transporter shall not have the right to seek to recover in any proceeding under Section 4(e) of the Natural Gas Act any Annual Charges recorded in its FERC Account No. 928.

35. INFORMATION AND COMMUNICATIONS REGARDING TRANSPORTATION SERVICES

This article describes the information and procedures Transporter will make available pursuant to Orders 497, 497-A, 636, 636-A, and 636-B.

35.1 Access to PASSKEY

(a) A Shipper may communicate with Transporter via PASSKEY by:

- i) acquiring compatible PC capability;
- ii) executing the System License Agreement with Transporter; and
- iii) receiving a user identification number for accessing the system.

(b) A Shipper may communicate with Transporter via Electronic Data Interchange (EDI) by executing a Trading Partner Agreement with Transporter.

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 FERC Docket: RP00-245-000

**Sixth Revised Sheet No. 169** Sixth Revised Sheet No. 169 : Superseded  
 Superseding: Fifth Revised Sheet No. 169

GENERAL TERMS AND CONDITIONS (Continued)

35.2 PASSKEY Information

Transporter shall provide the following information on PASSKEY, updated as indicated.

Transaction	Post	Update	Remove
(a) Capacity Reallocation			
- Pre-arranged transfers	Shippers provide on line	As necessary	Upon deal completion
- Regular releases	Shippers provide on line	As necessary	Upon deal completion, notification by shipper or after one year subject to re-posting.
(b) Unused Firm Capacity*	Daily as required	Daily as required	Permanent feature
(c) Maintenance Schedules	One month in advance	Weekly update as required	Project completion
(d) Capacity Restriction*	Immediately upon occurrence	As necessary	End of one month
(e) Imbalances	Shippers/Balancing Parties	As necessary	After trade completion
(f) Prior Notices of System events warranting OFOs*	As applicable	As necessary	Upon termination of the event
(g) Notice of Meetings, Deadlines, Etc.*	One year in advance, if possible	As necessary	End of one year
(h) Discounts	As applicable	As necessary	Two months
(i) Tariff Rates*	As tariff changes	As necessary	When change occurs
(j) Tariff*	As tariff changes	As necessary	When change occurs

GISB Standard 5.3.18 (Version 1.3) states: System-wide notices should have a separate category for notices that are not critical. In addition to FERC Order No. 566 affiliated marketer information and Transporter's Index of Customers, information marked by an asterisk (\*) shall also be provided on Transporter's HTML page, accessible via the Internet's World Wide Web, at [www.epenergy.com](http://www.epenergy.com).

GENERAL TERMS AND CONDITIONS (Continued)

35.3 System and Service Information

Any person desiring information on the availability, pricing, or other terms of the transportation services can call Contract Administration (713) 627-4781.

35.4 Service Complaints

Customers are encouraged to resolve any disputes informally with their designated customer representatives. Complaints concerning any of Pipeline's Order Nos. 497, et seq., or 566 compliance procedures should be directed to the Office of the General Counsel at (713) 627-5368 or by fax to Transporter's Legal Department at (713) 989-3190. Transporter will respond initially to the complaint within forty-eight (48) hours, and in writing within thirty (30) days. A complainant dissatisfied with a response should resubmit the complaint in writing to the Duke Energy Gas Transmission Legal Department, Attorney for East Tennessee Natural Gas Company, P.O. Box 1642, Houston, Texas 77251-1642.

35.5 Common Operating Facilities and Personnel

Transporter shares no operating facilities or operating personnel with any of its marketing or brokering affiliates.

36. CONSTRUCTION OF FACILITIES

36.1 Transporter will construct, at a Shipper's or Balancing Party's request, only those facilities to render requested services that interconnect with facilities that either cross or are immediately adjacent to Transporter's existing facilities; provided, however, Transporter shall not be obligated to construct facilities hereunder that will result in the expansion or diminishment of Transporter's pipeline system. In the event that Transporter determines that it will construct facilities that will result in the expansion of its pipeline system, Transporter shall offer the proposed expansion capacity to all Shippers on a non-discriminatory basis. Transporter will own and operate all facilities constructed. Before designating an interconnection as a Receipt or Delivery Point for service under any of Transporter's Rate Schedules, Transporter shall require a Balancing Agreement with the operator of the connecting facility pursuant to either Rate Schedule LMS-MA or LMS-PA as applicable.

36.2 Except as provided in Section 36.3 herein, Shippers or Balancing Parties that request service that requires construction of facilities by Transporter shall reimburse Transporter for the costs of such facilities according to the provisions of the applicable Rate Schedule. Transporter shall not use the reimbursement amounts so collected as either costs or revenues in establishing its general system rates. Shipper or the Balancing Party shall pay the new facilities charge by lump sum payment, based upon Transporter's estimated cost, prior to any construction activity unless another

GENERAL TERMS AND CONDITIONS (Continued)

form of payment is otherwise mutually agreed upon. Such payment shall be applied to the actual cost of such new facilities; provided, however, any excess shall be returned to the Shipper or Balancing Party and any amounts still owing shall be paid by the Shipper or the Balancing Party to Transporter within thirty days after final determination.

37. FLOW THROUGH OF TRANSITION COSTS

- (a) Except as otherwise mutually agreed to by Transporter and Shipper, Sections 37.1 through 37.9 hereof establish the procedures under which Transporter recovers from each Shipper under Transporter's Rate Schedules that Shipper's allocable share of the transition costs (Transition Costs) assessed to and paid by Transporter to Tennessee Gas Pipeline Company (Tennessee) by any means other than by a volumetric surcharge consistent with the terms and conditions of the Stipulation and Agreement filed by Transporter on March 20, 1992 in Docket No. RP91-79, et al.
- (b) The Affected Services subject to Transition Cost recovery shall be Transporter's firm transportation services under Rate Schedules FT-A and FT-GS.

37.1 Direct Billing of Transition Costs

Transporter shall recover the Transition Costs in part through a direct billing of its jurisdictional customers. The Transition Costs to be directly billed have been offset in part on a customer-by-customer basis by the amounts specified in Article I, Section 3 of the Stipulation in Docket No. RP91-79, et al., and have been increased in part on a customer-by-customer basis in resolution of the remanded proceeding in Docket No. RP85-47, as provided by Article III of the aforesaid Stipulation in Docket No. RP91-79, et al.

37.2 Payment or Refund of Direct Bill Amounts

- (a) The net direct bill amounts specified in Section 37.1, plus interest calculated in accordance with Section 154.67(c)(2) of the Commission's regulations, will be amortized and collected by Transporter over a 12-month period commencing on the date the Stipulation in Docket No. RP91-79, et al., becomes effective in accordance with Article IV thereof.

GENERAL TERMS AND CONDITIONS (Continued)

37.8 Lump Sum Payment

In lieu of the amortization of direct bill and Demand Surcharge Amount, as specified in Sections 37.1, 37.2, 37.3, 37.4, 37.5 and 37.6, respectively, Shipper may at any time elect to pay the unamortized direct bill and/or Demand Surcharge amount(s) in one lump sum payment.

37.9 Reduction in Transition Cost Responsibility

In the event Transporter commences new firm service to a customer traditionally served by a wholesale distributor customer of Transporter during the 12-month period during which Transition Costs will be billed pursuant to Sections 37.2(a) and 37.4(b), as may be modified by Section 37.5, the Transition Cost responsibility of the wholesale distributor customer under Section 37, et seq., shall be reduced pursuant to the terms set forth in Article II of the Stipulation in Docket No. RP91-79. Such reduction shall not be effective unless and until Transporter and its wholesale distributor customer amend all applicable contract(s) and service agreement(s) in a mutually satisfactory manner in order to reduce the firm capacity entitlement of the wholesale customer in an amount commensurate to the new firm capacity of the customer, and to allocate such reduction over Shipper's service agreement(s) and contract(s) with Transporter.

38. INCORPORATION IN RATE SCHEDULES AND SERVICE AGREEMENTS

These General Terms and Conditions are incorporated in and are a part of Transporter's Rate Schedules and Service Agreements. To the extent that any provision of a gas 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 gas service agreement or a Rate Schedule conflicts with any of Transporter's General Terms and Conditions, Transporter's General Terms and Conditions shall govern.

39. DISPOSITION OF EXCESS GAS

Transporter may make interruptible sales of gas from time to time pursuant to the cash-out procedures of Rate Schedules LMS-MA and LMS-PA, Section 6 and to provide fuel and use quantities to Shippers. Further, under the cash-out procedures of Rate Schedules LMS-MA and LMS-PA, Section 6 and in order to alleviate conditions that threaten the integrity of its system, Transporter may periodically acquire quantities of gas that are excess to system needs. Transporter shall have the right to make interruptible sales of such excess gas and gas for cash-outs from time to time at system receipt points pursuant to the terms of the blanket certificate of public convenience and necessity granted to Transporter

GENERAL TERMS AND CONDITIONS (Continued)

41. DISCOUNTING POLICY

Transporter may, from time to time, selectively adjust any or all of the rates charged to any individual shipper for service under Part 284 of the Commission's regulations for which maximum and minimum rates are stated in this FERC Gas Tariff. Discounting of rates and charges shall, however, be done in the following order:

Demand	Commodity*
1. GRI Surcharge	1. GRI Surcharge
2. Base Rate	2. Base Rate
3. TCRA Surcharge	3. TCRA Surcharge

\* ACA surcharge is non-discountable.

42. PERIODIC REPORTS

The following is a list of periodic reports that Transporter must make pursuant to Commission order or to a settlement initiated under Parts 154 or 284 of the Commission's regulations:

1. TCRA Report: This report reflects the cost of maintaining Commission approved transportation agreements on other interstate pipelines and must be filed with the Commission annually. For more information, see Article 25 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
2. OFO Report: This report provides details regarding OFOs if issued during the previous quarter and must be provided to all Shippers and Balancing Parties quarterly. For more information, see Article 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

43. GAS INDUSTRY STANDARDS BOARD (GISB) STANDARDS

Pursuant to Order Nos. 587, et al. promulgated by the FERC in Docket No. RM96-1, for GISB Standards that do not otherwise require implementing tariff provisions, the following GISB Standards are hereby incorporated, by reference to the GISB Standard Number and version, into Transporter's FERC Gas Tariff.

GISB Standards (Version 1.3) 1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.3.2(v) and (vi), 1.3.3, 1.3.7, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7, 2.2.1, 2.3.8, 2.3.9, 2.3.10, 2.3.12, 2.3.13, 2.3.15, 2.3.16, 2.3.18, 2.3.20, 2.3.23, 2.3.24, 2.3.25, 2.3.27, 2.3.31, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 3.1.2, 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.16, 3.3.20, 3.3.21, 3.3.22, 3.4.1, 3.4.2, 3.4.3, 4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.20, 4.1.21, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.3.1, 4.3.2, 4.3.3, 4.3.5, 4.3.6, 4.3.7, 4.3.8, 4.3.9, 4.3.10, 4.3.11, 4.3.12, 4.3.13, 4.3.14, 4.3.15, 4.3.16, 4.3.17, 4.3.18, 4.3.19, 4.3.20, 4.3.21, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 5.2.1, 5.3.5, 5.3.10, 5.3.11, 5.3.12, 5.3.17, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.26, 5.3.27, 5.3.28, 5.3.29, 5.3.30, 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.5, 5.4.6, 5.4.7, 5.4.8, 5.4.9, 5.4.10, 5.4.11, 5.4.12, 5.4.13, 5.4.14, 5.4.15, 5.4.16, 5.4.17.

Effective Date: 06/04/2001 Status: Effective

FERC Docket: RP01-408-000

**Third Revised Sheet No. 177** Third Revised Sheet No. 177 : Superseded  
Superseding: Second Revised Sheet No. 177

GENERAL TERMS AND CONDITIONS (Continued)

44. POOLING OF GAS SUPPLIES

Any party may aggregate nominations for receipt points within Pooling Areas for delivery to confirmed transportation or other supply aggregation service pursuant to the terms and conditions of Transporter's Rate Schedule SA. Shippers who choose to receive supplies from a supply aggregator may elect to return to nominating point-to-point transportation service at the next applicable nomination deadline.

45. NON-CONFORMING AGREEMENTS

1. Johns Manville International Inc. FT-A Agreement dated August 15, 1997.
2. Archer Daniels Midland Company. FT-A Agreement dated March 30, 1999.

46. OFF-SYSTEM PIPELINE CAPACITY

From time to time, Transporter may enter into transportation and/or storage agreements with other interstate or intrastate pipeline companies ("off-system pipeline"), or lease or similar arrangements with an off-system pipeline. In the event that Transporter acquires capacity on an off-system pipeline, Transporter will use such capacity for operational reasons and/or will only render service to Shippers on the acquired capacity pursuant to Transporter's FERC Gas Tariff and subject to Transporter's approved rates, as such tariff and rates may change from time to time. For purposes of transactions entered into subject to this Section 46, the "shipper must have title" requirement is waived.



Effective Date: 11/01/1993 Status: Effective  
FERC Docket: RS92- 33-003

**Original Sheet No. 180** Original Sheet No. 180 : Superseded

FIRM TRANSPORTATION AGREEMENT  
(For Use Under Rate Schedules FT-A and FT-GS)

THIS AGREEMENT is made, entered into and effective as of this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between East Tennessee Natural Gas Company, a Tennessee corporation hereinafter referred to as "Transporter", and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as "Shipper". Transporter and Shipper shall be referred to herein individually as "Party" and collectively as "Parties."

ARTICLE I - DEFINITIONS

The definitions found in Section 1 of Transporter's General Terms and Conditions are incorporated herein by reference.

ARTICLE II - SCOPE OF AGREEMENT

Transporter agrees to accept and receive daily, on a firm basis, at the Receipt Point(s) listed on Exhibit A attached hereto, from Shipper such quantity of gas as Shipper makes available up to the applicable Transportation Quantity stated on Exhibit A attached hereto and deliver for Shipper to the Delivery Point(s) listed on Exhibit A attached hereto an Equivalent Quantity of gas. The Rate Schedule applicable to this Agreement shall be stated on Exhibit A.

Effective Date: 11/01/1993 Status: Effective  
FERC Docket: RS92- 33-007

**Substitute Original Sheet No. 182** Substitute Original Sheet No. 182 : Superseded

FIRM TRANSPORTATION AGREEMENT  
(For Use Under Rate Schedules FT-A and FT-GS)

ARTICLE VII - RESPONSIBILITY DURING TRANSPORTATION

As between the Parties hereto, it is agreed that from the time gas is delivered by Shipper to Transporter at the Receipt Point(s) and prior to delivery of such gas to or for the account of Shipper at the Delivery Point(s), Transporter shall be responsible for such gas and shall have the unqualified right to commingle such gas with other gas in its system and shall have the unqualified right to handle and treat such gas as its own. Prior to receipt of gas at Shipper's Receipt Point(s) and after delivery of gas at Shipper's Delivery Point(s), Shipper shall have sole responsibility for such gas.

ARTICLE VIII - BILLINGS AND PAYMENTS

Billings and payments under this Agreement shall be in accordance with Section 16 of Transporter's General Terms and Conditions as they may be revised or replaced from time to time.

ARTICLE IX - RATE SCHEDULES AND  
GENERAL TERMS AND CONDITIONS

This Agreement is subject to the effective provisions of Transporter's FT-A or FT-GS Rate Schedule, as specified in Exhibit A, or any succeeding rate schedule and Transporter's General Terms and Conditions on file with the FERC, or other duly constituted authorities having jurisdiction, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate Schedule and General Terms and Conditions are incorporated by reference and made a part hereof for all purposes.

ARTICLE X - TERM OF CONTRACT

10.1 This Agreement shall be effective as of \_\_\_\_\_, 19\_\_\_\_, and shall remain in force and effect until \_\_\_\_\_, 19\_\_\_\_ ("Primary Term"); provided, however, that if the Primary Term is one year or more, then the contract shall remain in force and effect and the contract term will automatically roll-over for additional five year increments ("Secondary Term") unless Shipper, one year prior to the expiration of the Primary Term or a Secondary Term, provides written notice to Transporter of either (1) its intent to terminate the contract upon expiration of the then current term or (2) its desire to exercise its right-of-first-refusal in accord with Section 7.3 of Transporter's General Terms and Conditions. Provided further, if the FERC or other governmental body having jurisdiction over the service rendered pursuant to this Agreement authorizes abandonment of such service, this Agreement shall terminate on the abandonment date permitted by the FERC or such other governmental body.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 185** Second Revised Sheet No. 185 : Superseded  
Superseding: First Revised Sheet No. 185

FIRM TRANSPORTATION AGREEMENT  
(For Use Under Rate Schedules FT-A and FT-GS)

ARTICLE XIV - MISCELLANEOUS

- 14.1 Except for changes specifically authorized pursuant to this Agreement, no modification of or supplement to the terms and conditions hereof shall be or become effective until Shipper has submitted a request for change via PASSKEY and Shipper has been notified via PASSKEY of Transporter's agreement to such change.
- 14.2 No waiver by any Party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 14.3 Except when notice is required via PASSKEY, pursuant to Transporter's FT-A or FT-GS Rate Schedule, as applicable, or pursuant to Transporter's General Terms and Conditions, any notice, request, demand, statement or bill provided for in this Agreement or any notice that either Party may desire to give to the other shall be in writing and mailed by registered mail to the post office address of the Party intended to receive the same, as the case may be, to the Party's address shown on Exhibit A hereto or to such other address as either Party shall designate by formal written notice to the other. Routine communications, including monthly statements and payments, may be mailed by either registered or ordinary mail. Notice shall be deemed given when sent.
- 14.4 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TENNESSEE, WITHOUT REGARD TO CHOICE OF LAW DOCTRINE THAT REFERS TO THE LAWS OF ANOTHER JURISDICTION.
- 14.5 The Exhibit(s) attached hereto is/are incorporated herein by reference and made a part of this Agreement for all purposes.
- 14.6 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at Transporter's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

Effective Date: 11/01/1993 Status: Effective

FERC Docket: RS92- 33-003

Original Sheet No. 187 Original Sheet No. 187 : Superseded

Date: \_\_\_\_\_

EXHIBIT A TO THE  
FIRM TRANSPORTATION AGREEMENT  
DATED \_\_\_\_\_

Shipper: \_\_\_\_\_  
Rate Schedule: \_\_\_\_\_  
Transportation Quantity: \_\_\_\_\_  
Proposed Commencement Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_  
Transportation Service will be provided under Part \_\_\_\_\_, Subpart \_\_\_\_\_ of FERC  
Regulations.

Primary Receipt Point(s): Name	Meter No.	Maximum Daily Quantity	Interconnect Party	Location County, State
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Primary Receipt Point(s): Name	Meter No.	Maximum Daily Quantity	Interconnect Party	Location County, State
_____	_____	_____*	_____	_____
_____	_____	_____*	_____	_____
_____	_____	_____*	_____	_____

Name of entity(s) to deliver gas to  
Transporter: \_\_\_\_\_

Name of entity(s) to receive gas from Transporter:  
\_\_\_\_\_  
\_\_\_\_\_

\* Transporter shall not be obligated to deliver more cubic feet of gas to any Shipper than the quantity calculated using 1.03 dth per million cubic feet.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 188** Second Revised Sheet No. 188 : Superseded  
Superseding: First Revised Sheet No. 188

EXHIBIT A TO THE  
FIRM TRANSPORTATION AGREEMENT  
DATED \_\_\_\_\_

Notices not made via PASSKEY shall be made to:

Shipper

\_\_\_\_\_

Attn: \_\_\_\_\_

Invoices

\_\_\_\_\_

Attn: \_\_\_\_\_

New Facilities Required:

\_\_\_\_\_

\_\_\_\_\_

New Facilities Charge:

\_\_\_\_\_

\_\_\_\_\_

(This Exhibit A supersedes and cancels Exhibit A dated \_\_\_\_\_ to the Firm  
Transportation Agreement dated \_\_\_\_\_.)

EAST TENNESSEE NATURAL GAS COMPANY

(SHIPPER)

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

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

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

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

Effective Date: 11/01/1993 Status: Effective

FERC Docket: RS92- 33-003

**Original Sheet No. 189** Original Sheet No. 189 : Superseded

LIQUIFIED NATURAL GAS STORAGE AGREEMENT

THIS AGREEMENT is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_ by and between EAST TENNESSEE NATURAL GAS COMPANY, a Tennessee corporation, hereinafter referred to as "Transporter", and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter called "Shipper." Transporter and Shipper shall be referred to herein individually as "Party" and collectively as "Parties."

ARTICLE I - DEFINITIONS

The definitions found in Section 1 of Transporter's General Terms and Conditions are incorporated herein by reference.

Effective Date: 11/01/1993 Status: Effective

FERC Docket: RS92- 33-003

Original Sheet No. 191 Original Sheet No. 191 : Superseded

LIQUIFIED NATURAL GAS STORAGE AGREEMENT

ARTICLE VI - RESPONSIBILITY DURING STORAGE

As between the Parties hereto, it is agreed that from the time gas is injected by Shipper into Transporter's LNG facility and prior to withdrawal of such gas for the account of Shipper at Shipper's Delivery Point(s), Transporter shall be responsible for such gas and shall have the unqualified right to commingle such gas with other gas in its system and shall have the unqualified right to handle and treat such gas as its own. Prior to receipt of gas at Shipper's receipt point(s) and after delivery of gas at Shipper's Delivery Point(s), Shipper shall have sole responsibility for such gas.

ARTICLE VII - BILLINGS & PAYMENTS

Billings and payments under this Agreement shall be in accordance with Section 16 of Transporter's General Terms and Conditions as they may be revised or replaced from time to time.

ARTICLE VIII - RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

- 8.1 This Agreement is subject to the effective provisions of Transporter's LNGS Rate Schedule and Transporter's General Terms and Conditions on file with the FERC, or other duly constituted authorities having jurisdiction, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate Schedule(s) and General Terms and Conditions are incorporated by reference and made a part hereof for all purposes. In the event of a conflict between the provisions of this Agreement and Transporter's LNGS Rate Schedule, the provisions of Transporter's LNGS Rate Schedule shall govern.
- 8.2 In the event of a conflict between the provisions of this Agreement and Transporter's General Terms and Conditions, the provisions of Transporter's General Terms and Conditions shall govern.

ARTICLE IX - TERM OF AGREEMENT

- 9.1 This Agreement shall be effective as of \_\_\_\_\_, 19\_\_\_\_, and shall remain in force and effect until \_\_\_\_\_. 19\_\_\_\_ ("Primary Term"); provided, however,, that if the Primary Term is one year or more, then the contract shall remain in force and effect and the contract term will automatically roll-over for additional five year increments ("Secondary Term") unless Shipper, one year prior to the expiration of the Primary Term or a Secondary Term, provides written notice to Transporter of

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 194** Second Revised Sheet No. 194 : Superseded  
Superseding: First Revised Sheet No. 194

LIQUIFIED NATURAL GAS STORAGE AGREEMENT

ARTICLE XIII - MISCELLANEOUS

- 13.1 Except for changes specifically authorized pursuant to this Agreement, no modification of or supplement to the terms and conditions hereof shall be or become effective until Shipper has submitted a request for change via PASSKEY and Shipper has been notified via PASSKEY of Transporter's agreement to such change.
- 13.2 No waiver by any Party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 13.3 Except when notice is required via PASSKEY, pursuant to Transporter's LNGS Rate Schedule, or in Transporter's General Terms and Conditions, any notice, request, demand, statement or bill provided for in this Agreement or any notice that either Party may desire to give to the other shall be in writing and mailed by registered mail to the post office address of the Party intended to receive the same, as the case may be, to the Party's address shown on Exhibit A hereto or to such other address as either Party shall designate by formal written notice to the other. Routine communications, including monthly statements and payments, may be mailed by either registered or ordinary mail.
- 13.4 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TENNESSEE, WITHOUT REGARD TO CHOICE OF LAW DOCTRINE THAT REFERS TO THE LAWS OF ANOTHER JURISDICTION.
- 13.5 The Exhibit(s) attached hereto is/are incorporated herein by reference and made a part of this Agreement for all purposes.
- 13.6 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at Transporter's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 13.7 This Agreement supersedes and cancels the SWS Gas Sales Agreement or the LNGS Agreement between Shipper and Transporter dated \_\_\_\_\_.



Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

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

Date: \_\_\_\_\_

EXHIBIT A TO LNGS AGREEMENT  
DATED \_\_\_\_\_

Shipper: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Termination Date: \_\_\_\_\_

Maximum Daily LNGS Quantity: \_\_\_\_\_ \*

Winter Season LNGS Quantity: \_\_\_\_\_ \*

Notices not made via PASSKEY shall be made to:

Transporter  
East Tennessee Natural Gas  
P.O. Box 1642  
Houston, TX 77251-1642

Shipper  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Invoices  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

New Facilities Required:

\_\_\_\_\_  
\_\_\_\_\_

New Facilities Charge:

\_\_\_\_\_  
\_\_\_\_\_

\* Transporter shall not be obligated to deliver more cubic feet of gas to any Shipper than the quantity calculated using a heating value of 1.03 dth per million cubic feet.

Effective Date: 11/01/1993 Status: Effective  
FERC Docket: RS92- 33-003

**Original Sheet No. 198** Original Sheet No. 198 : Superseded

INTERRUPTIBLE TRANSPORTATION AGREEMENT  
(For Use Under Rate Schedule IT)

THIS Agreement is made, entered into and effective as of this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between East Tennessee Natural Gas Company, a Tennessee corporation hereinafter referred to as "Transporter," and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall be referred to herein individually as "Party or collectively as "Parties."

WITNESSETH:

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, Transporter and Shipper agree as follows:

ARTICLE I - DEFINITIONS

The definitions found in Section 1 of Transporter's General Terms and Conditions are incorporated herein by reference.

ARTICLE II - SCOPE OF AGREEMENT

Transporter agrees to accept and receive daily, on an interruptible basis, at any available receipt point(s) on Transporter's system, from Shipper such quantity of gas as Shipper makes available up to the Maximum Interruptible Quantity ("MIQ"), which shall be \_\_\_\_\_ dth per day and deliver such gas for Shipper to any available delivery point(s) on Transporter's System.

INTERRUPTIBLE TRANSPORTATION AGREEMENT  
(For Use Under Rate Schedule IT)

ARTICLE XII - ASSIGNMENTS

- 12.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument that it has executed or may execute hereafter as security for indebtedness; otherwise, Shipper shall not assign this Agreement or any of its rights and obligations hereunder.
- 12.2 Any person or entity that shall succeed by purchase, transfer, merger, or consolidation to the properties, substantially or as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XIII - WARRANTIES

In addition to the warranties set forth in Section 22 of Transporter's General Terms and Conditions Shipper warrants the following:

- 13.1 Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service. Shipper agrees to indemnify and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- 13.2 Shipper agrees to indemnify and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorneys fees) arising from or out of breach of any warranty, express or implied, by Shipper herein.
- 13.3 Shipper warrants that it will have title or the right to acquire title to the gas delivered to Transporter under this Agreement.
- 13.4 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty; provided, Transporter shall give Shipper and the FERC thirty days notice prior to any termination of service. Service will continue if, within the thirty day notice period, Shipper cures the breach of warranty.

ARTICLE XIV - MISCELLANEOUS

- 14.1 Except for changes specifically authorized pursuant to this Agreement, no modification of or supplement to the terms and conditions hereof shall be or become effective until Shipper has submitted a request for change via PASSKEY and Shipper has been notified via PASSKEY of Transporter's agreement to such change.

INTERRUPTIBLE TRANSPORTATION AGREEMENT  
(For Use Under Rate Schedule IT)

- 14.2 No waiver by any Party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 14.3 Except when notice is required via PASSKEY pursuant to Transporter's IT Rate Schedule, or pursuant to Transporter's General Terms and Conditions, any notice, request, demand, statement or bill provided for in this Agreement or any notice that either Party may desire to give to the other shall be in writing and mailed by registered mail to the post office address of the Party intended to receive the same as follows:

Transporter  
East Tennessee Natural Gas  
P. O. Box 1642  
Houston, TX 77251-1642

Shipper  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Invoices  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

or such other address as either Party shall designate by formal written notice to the other. Routine communications, including monthly statements and payments, may be mailed by either registered or ordinary mail.

- 14.4 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TENNESSEE, WITHOUT REGARD TO CHOICE OF LAW DOCTRINE THAT REFERS TO THE LAWS OF ANOTHER JURISDICTION.
- 14.5 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at Transporter's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

Effective Date: 11/01/1993 Status: Effective  
FERC Docket: RS92- 33-007

**Substitute Original Sheet No. 205** Substitute Original Sheet No. 205 : Superseded

BALANCING AGREEMENT  
(For Use Under Rate Schedule LMS-PA)

THIS Agreement is made, entered into and effective as of this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between East Tennessee Natural Gas Company, a Tennessee corporation hereinafter referred to as "Transporter", and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as "Balancing Party". Transporter and Balancing Party shall be referred to herein collectively as "Parties".

WITNESSETH:

WHEREAS, Transporter receives gas for transportation at the receipt point(s) specified in Exhibit A attached hereto ("Receipt Point(s)");and

WHEREAS, the gas actually delivered at the Receipt Point(s) is at times different than the quantities scheduled to be transported by Transporter from those points;

WHEREAS, Transporter and Balancing Party desire to allocate the transportation of natural gas from the Receipt Point(s) based upon Scheduled Quantities and to allocate any difference between such Scheduled Quantities and actual deliveries at the Receipt Point(s) (Operational Imbalance) to this Agreement;

WHEREAS, Transporter and Balancing Party desire to resolve Operational Imbalance in subsequent periods in cash;

NOW, THEREFORE, Transporter and Balancing Party covenant and agree as follows:

ARTICLE I - DEFINITIONS

The definitions found in Section 1 of Transporter's General Terms and Conditions are incorporated herein by reference.

OPERATIONAL BALANCING AGREEMENT  
(For Use Under Rate Schedule LMS-PA)

- 4.3 Changes in Rates and Charges - Balancing Party agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule LMS-PA, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedule. Transporter agrees that Balancing Party may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE V - TERM

- 5.1 Duration of Agreement - Subject to the other termination rights provided herein, this Agreement shall be in full force and effect from \_\_\_\_\_, 19\_\_\_\_, for a term commensurate with the underlying converted firm transportation agreement(s) and shall continue thereafter on a month-to-month basis unless terminated by either Party giving thirty days' prior written notice, with the termination to be effective at the end of a calendar month. Notwithstanding the above, if any material problems arise as a result of the provisions of this Agreement, then the Parties will enter into good faith negotiations to amend this Agreement to resolve such problems. If the Parties are unable to resolve such problems as a result of such negotiations, then either Party may terminate this Agreement upon forty eight (48) hours' prior written notice with the termination to be effective at the end of a calendar month.
- 5.2 Continuing Obligations - Following the termination of this Agreement, and remaining Operational Imbalance shall be resolved in cash in accordance with Rate Schedule LMS-PA of Transporter's FERC Gas Tariff, unless the parties mutually agree otherwise; provided, however, that Transporter has notified Balancing Party of such imbalance no later than twelve months after the termination of this Agreement.
- 5.3 This Agreement will terminate automatically upon written notice from Transporter in the event that Balancing Party fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with the terms and conditions of Article 16 of the General Terms and Conditions of Transporter's Tariff.

ARTICLE VI - MISCELLANEOUS

- 6.1 Warranties - Balancing Party warrants (i) that as to any gas that it delivers or causes to be delivered to Transporter hereunder to correct an Operational Imbalance that such gas will be free and clear of all liens, encumbrances and claims whatsoever; (ii) that it will at the time of delivery have the right to deliver or cause to be delivered such gas; and (iii) that it will indemnify and save Transporter harmless from suits, actions, debts, accounts, damages, costs, to said gas or to royalties, overriding royalties, taxes, or other charges thereon or with regard to

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 211** Second Revised Sheet No. 211 : Superseded  
Superseding: First Revised Sheet No. 211

BALANCING AGREEMENT  
(For Use Under Rate Schedule LMS-PA)

TRANSPORTER:

NOTICES: East Tennessee Natural Gas Company  
P. O. Box 1642  
Houston, TX 77251-1642

BILLINGS: East Tennessee Natural Gas Company  
P. O. Box 1642  
Houston, TX 77251-1642

Attn: Revenue Billing

BALANCING PARTY:

NOTICES:

BILLINGS:

(With regard to operational matters, Balancing Party shall have the right to designate different personnel or locations to receive notices from Transporter for different periods of the week.)

- 6.7 Receipt Points - Subject to the provisions of Transporter's FERC Gas Tariff and the other provisions of this Agreement, Balancing Party may add or delete Receipt Points to Exhibit A at its sole option, subject to one day prior written notice to Transporter. However, if a Receipt Point is deleted pursuant to Section 2.1, it may not be added to Exhibit A without Transporter's written consent.
- 6.8 Conflicts - If there is any conflict or discrepancy between this Agreement and any other Agreement between Transporter and Balancing Party with regard to allocations of deliveries at Receipt Points, the terms of this Agreement shall govern and control.
- 6.9 Unless otherwise expressly provided in this Agreement or Transporter's Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective until Balancing Party has submitted a request for change via PASSKEY and Balancing Party has been notified via PASSKEY of Transporter's agreement to such change.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**First Revised Sheet No. 213A** First Revised Sheet No. 213A : Superseded  
Superseding: Sub Original Sheet No. 213A

Exhibit B

TPP Amendment

The individual facilities owned/operated by Transporter and by Third Party Provider ("TPP") interconnect at \_\_\_\_\_ (the "TPP Receipt Point") and TPP has entered into agreements with its customers providing for delivery of gas by TPP at the TPP Receipt Point.

TPP further desires to provide for the delivery of gas at the TPP Receipt Point for its customers who have elected or may elect the Storage Delivery Option ("SDO") on Transporter's system pursuant to Section 7.4 of Transporter's LMS-MA Rate Schedule. In recognition of this desire, TPP and Transporter further agree as follows:

1. Flow Control - The TPP Receipt Point is subject to flow control (which may be owned by either TPP or Transporter) and TPP has the ability to verify changes in flow by real time validation to Transporter through electric telemetry equipment.
2. Confirmation of Balancing Parties - During each gas day that SDO is used by TPP's customers, TPP shall confirm with Transporter, either through Transporter's EBB, Web site or via fax, the identities of the Balancing Parties using TPP to provide the gas volumes as part of SDO pursuant to Section 7.4 of Transporter's LMS-MA Rate Schedule.
3. Confirmation of Nominations - In addition to the provisions of Article II of the Balancing Agreement, each day that SDO is being used, the TPP and Transporter shall reconcile and confirm, via PASSKEY or fax, the quantities of gas scheduled for receipt by Transporter at the TPP Receipt Point through SDO on a prospective basis as well as the quantities of gas allocated to the TPP Receipt Point through SDO on a retroactive basis. Two (2) business days after actual flow, Transporter shall provide to TPP, via PASSKEY or fax, its best available data as to the quantities allocated to the TPP Receipt Point under SDO. Any changes to the quantities shall be effective only if agreed to by TPP and Transporter. Such communication shall be substantially in the form mutually agreeable to TPP and Transporter.
4. Duration of Amendment - This TPP Amendment shall be in full force and effect from this date of \_\_\_\_\_ and shall remain in full force and effect on a month-to-month basis unless terminated upon thirty (30) days written notice by either TPP or Transporter.
5. Force Majeure - In the event that Transporter declares force majeure in accordance with Section 24 of the General Terms and Conditions of Transporter's Tariff, Transporter's obligations hereunder shall be suspended in accordance with such Section 24 until the end of the force majeure event. In the event that TPP declares force majeure in accordance with Section 24 of the General Terms and Conditions of Transporter's Tariff, Transporter shall suspend SDO utilizing the TPP Receipt Point(s) until the force majeure event has ended.



Effective Date: 12/01/1996 Status: Effective  
FERC Docket: RP97- 34-000

**First Revised Sheet No. 216** First Revised Sheet No. 216 : Superseded  
Superseding: Substitute Original Sheet No. 216

BALANCING AGREEMENT (continued)

- 2.3 Allocation of Variances - The difference on any day between the Scheduled Quantities and the actual quantity delivered at the Delivery Point(s) shall be the Daily Variance and shall be allocated to this Agreement. The difference between the sum of the Scheduled Quantities during a calendar month and the total actual quantity delivered at the Delivery Point(s) during the calendar month shall be the Monthly Operational Imbalance. Any Monthly Operational Imbalances will be resolved in accordance with Article III.
- 2.4 Unauthorized Overruns - On any day which Balancing Party takes gas in excess of the daily variance tolerance for the delivery point as established in an operational Flow order issued pursuant to Transporter's General Terms and Conditions, the Balancing Party shall be subject to an Unauthorized Overrun Charge for all such excess volumes in accord with Section 14.8 of General Terms and Conditions of Transporter's FERC Gas Tariff.
- 2.5 Reports on Actual Deliveries - Should Transporter not have the ability to monitor actual deliveries at any Delivery Point on a daily basis, Balancing Party shall provide to Transporter the best available information compiled on a daily basis on the actual deliveries at such Delivery Point(s) within two business days after the date of delivery. Nothing in this section will require Balancing Party to install metering devices where none currently exist.

ARTICLE III

CORRECTION OF OPERATIONAL IMBALANCES

- 3.1 Corrections in Flow Rates During a Day - Balancing Party will be able to request adjustments to actual deliveries at its Delivery Points at any time during the production day by coordinating with Transporter's gas dispatchers. Transporter will use reasonable efforts to accommodate those changed quantities when the operating conditions on Transporter's system permits, taking into consideration the nominations made by firm customers on Transporter's system.

Effective Date: 12/01/1996 Status: Effective  
FERC Docket: RP97- 34-000

**First Revised Sheet No. 217** First Revised Sheet No. 217 : Superseded  
Superseding: Substitute Original Sheet No. 217

BALANCING AGREEMENT (continued)

(For Use at Points of Delivery)

- 3.2 Corrections During the Month - Estimated metered quantities, or actual metered quantities where available, may be used by Transporter for purposes of adjustments under this section on a daily basis during the production month to determine the estimated Operational Imbalance at all of the Delivery Point(s). Transporter shall make the estimated Daily Variances and Monthly Operational Imbalance at each Delivery Point available to Balancing Party on or before the third business day after each production day. Adjustments in nominations and actual deliveries will be made by Balancing Party during the production month to adequately control imbalance levels. If Balancing Party fails to take such corrective action, Transporter may, upon 48 hours' notice, adjust the scheduled Quantities and actual deliveries during the remainder of the production month to adequately control imbalance levels. Any such adjustments will be e incorporated in the daily nominations confirmed between Transporter and Balancing Party.
- 3.3 Corrections in Subsequent Periods - As soon as practicable following the close of each month, Transporter will send Balancing Party a statement setting forth the Operational Imbalance existing at the end of the prior month. Any Monthly Imbalance shall be collected in cash in accordance with Rate Schedule LMS-MA, unless the Parties mutually agree otherwise.
- 3.4 Measurement of Operational Imbalance - Measurement of gas for all purposes shall be in accordance with Transporter's Tariff.
- 3.5 Operational Integrity - Nothing in this Article III shall limit Transporter's right to take action as may be required to adjust deliveries of gas in order to alleviate conditions that threaten the integrity of its system.

ARTICLE IV

TERM

- 4.1 Duration of Agreement - Subject to the other termination rights provided herein, this Agreement shall be in full force from \_\_\_\_\_, 19\_\_, for a primary term commensurate with that of the underlying converted firm Transportation Agreements and shall continue thereafter on a month-to-month basis unless canceled by either Party upon thirty days' prior written notice with the termination to be effective at the end of a calendar month. Notwithstanding the above, if any material problems arise as a result of the provisions of this Agreement, then the Parties will enter into good faith negotiations to amend this Agreement to resolve such problems. If the Parties are unable to resolve such problems as a result of such negotiations, then either Party may terminate this Agreement upon forty-eight (48) hours' prior written notice, with the termination to be effective at the end of a calendar month.

Effective Date: 11/01/1993 Status: Effective

FERC Docket: RS92- 33-003

**Original Sheet No. 220** Original Sheet No. 220 : Superseded

BALANCING AGREEMENT (continued)

(For Use at Points of Delivery)

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

TRANSPORTER:

NOTICES:

East Tennessee Natural Gas Company  
P. O. Box 2511  
Houston, Texas 77252-2511

Attention: Volume Control

BILLINGS:

East Tennessee Natural Gas Company  
P. O. Box 2511  
Houston, Texas 77252-2511

Attention: Accounting

BALANCING PARTY:

NOTICES:

BILLINGS:

(With regard to operational matters, Balancing Party shall have the right to designate different personnel or locations to receive notices from Transporter for different periods of the week.)

6.7 Conflicts - If there is any conflict or discrepancy between this Agreement and any other Agreement between Transporter and Balancing Party with regard to allocations of deliveries at Delivery Points, the terms of this Agreement shall govern and control.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 221** Second Revised Sheet No. 221 : Superseded  
Superseding: First Revised Sheet No. 221

BALANCING AGREEMENT (continued)

(For Use at Points of Delivery)

6.8 Unless otherwise expressly provided in this Agreement or Transporter's Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective until Balancing Party has submitted a request for change via PASSKEY and Balancing Party has been notified via PASSKEY of Transporter's agreement to such change.

The Parties' signatures below will evidence their agreement to this Balancing Agreement.

TRANSPORTER:

East Tennessee Natural Gas Company

BY: \_\_\_\_\_  
Agent and Attorney-in-Fact

BALANCING PARTY: \_\_\_\_\_

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

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

Effective Date: 11/01/1993 Status: Effective  
FERC Docket: RS92- 33-007

**Substitute Original Sheet No. 223** Substitute Original Sheet No. 223 : Superseded

BALANCING AGREEMENT  
(For Use by Aggregator at Points of Delivery)

This Agreement is made, entered into and effective as of this \_\_\_ day of \_\_\_\_\_, 19\_\_\_, by and between East Tennessee Natural Gas Company, a Tennessee corporation (hereinafter referred to as "Transporter"), and \_\_\_\_\_, a \_\_\_\_\_ Corporation hereinafter referred to as "Balancing Party". Transporter and Balancing Party shall be referred to collectively herein as "Parties."

WITNESSETH:

WHEREAS, Transporter transports natural gas to the delivery point(s) specified in Exhibit "A" attached hereto (Delivery Points);

WHEREAS, the gas actually received at the Delivery Point(s) is at times different than the quantities scheduled to be transported by Transporter to those points;

WHEREAS, Transporter and Balancing Party desire to aggregate all quantities delivered at all of the Delivery Points for balancing purposes and to allocate the transportation of natural gas from the Delivery Point(s) based upon Scheduled Quantities and to allocate any difference between such Scheduled Quantities and actual deliveries at the Delivery Point(s) (Operational Imbalance) to this Agreement;

WHEREAS, Transporter and Balancing Party desire to correct the Operational Imbalances in subsequent periods in cash, unless the Parties mutually agree otherwise;

WHEREAS, Transporter and Balancing Party desire to implement operating rules designed to encourage conduct that maintains Transporter's system balances in a manner that facilitates the movement of gas for transportation purposes;

WHEREAS, Balancing Party has all requisite legal authority to perform balancing and scheduling at the delivery points on Exhibit A attached and such authority does/does not include authority to use DDS service;

NOW, THEREFORE, Transporter and Balancing Party covenant and agree as follows:

ARTICLE I  
DEFINITIONS

The definitions found in Section 1 of Transporter's General Terms and Conditions are incorporated herein by reference.

Effective Date: 12/01/1996 Status: Effective  
FERC Docket: RP97- 34-000

**First Revised Sheet No. 224** First Revised Sheet No. 224 : Superseded  
Superseding: Substitute Original Sheet No. 224

BALANCING AGREEMENT  
(For Use by Aggregator at Points of Delivery)

ARTICLE II  
NOMINATIONS AND CONFIRMATIONS

- 2.1 Confirmation of Nominations - Prior to the beginning of the month in which service is to commence, Transporter and Balancing Party shall confirm or cause to be confirmed the quantities nominated to be transported by Transporter to the Delivery Point(s) commencing on the first day of the month following the confirmation. The quantities confirmed through this process shall become the "Scheduled Quantities". Balancing Party shall reconfirm any modification to such confirmations or cause such modification to be re-confirmed prior to the commencement of the revised service. Transporter shall notify Balancing Party or Balancing Party's designee of any problem(s) regarding the scheduling of gas in accordance with confirmations made hereunder within one business day after such confirmation, unless mutually agreed to otherwise. Balancing Party shall notify Transporter or cause Transporter to be notified of any errors in the quantities scheduled pursuant to its confirmation within one business day of receipt of such information from Transporter. If Balancing Party fails to confirm the quantities to be transported to any Delivery Point(s) in accordance with the above, and such failure continues for two days or more (whether or not such days are consecutive) after 24-hour written notice to the Balancing Party by Transporter at the end of that calendar month.
- 2.2 Allocation Based on Scheduled Quantities - The Parties intend that the quantity actually delivered at Delivery Point(s) will equal the Scheduled Quantities. Unless prohibited by applicable law or regulation, all transportation services by Transporter shall be allocated each day based upon the Scheduled Quantities or by such other methods as may be mutually agreed to by both Parties.
- 2.3 Allocations of Variances - The difference on any day between the Scheduled Quantities set forth in Section 1.1 above and the actual quantity delivered at the Delivery Point(s) shall be the Daily Variance and shall be allocated to this Agreement. The difference between the sum of the Scheduled Quantities during a calendar month and the total actual quantity delivered at the Delivery Point(s) during the calendar month shall be the Monthly Operational Imbalance. Any Operational Imbalances will be corrected in accordance with Article II.
- 2.4 Unauthorized Overruns - Balancing Party may not take gas in excess of the adjusted daily variance tolerance applicable to the Delivery Point(s) as specified in an Operational Flow Order issued pursuant to Article 14 of the General Terms and Conditions. Any such takes will be treated as unauthorized overruns and shall be subject to Unauthorized Overrun Charges in accord with Section 14.8 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 228** Second Revised Sheet No. 228 : Superseded  
Superseding: First Revised Sheet No. 228

BALANCING AGREEMENT  
(For Use by Aggregator at Points of Delivery)

(With regard to operational matters, Balancing Party shall have the right to designate different personnel or locations to receive notices from Transporter for different periods of the week.)

- 6.6 Conflicts If there is any conflict or discrepancy between this Agreement and any other Agreement between Transporter and Balancing Party with regard to allocations of deliveries at Delivery Points, the terms of this Agreement shall govern and control.
- 6.7 Unless otherwise expressly provided in this Agreement or Transporter's Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective until Balancing Party has submitted a request for change via PASSKEY and Balancing Party has been notified via PASSKEY of Transporter's agreement to such change.

The Parties' signatures below will evidence their agreement to this Balancing Agreement.

EAST TENNESSEE NATURAL GAS COMPANY

BY: \_\_\_\_\_  
Agent and Attorney-in-Fact

BALANCING PARTY

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

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 229** Second Revised Sheet No. 229 : Superseded  
Superseding: First Revised Sheet No. 229

BALANCING AGREEMENT  
(For Use by Aggregator at Points of Delivery)

EXHIBIT A  
TO THE BALANCING AGREEMENT  
DATED \_\_\_\_\_, BETWEEN  
\_\_\_\_\_  
(Balancing Party) AND  
EAST TENNESSEE NATURAL GAS COMPANY (TRANSPORTER)

Delivery Point	Balancing Party	DDS Quantity
_____	_____	_____
_____	_____	_____

Notices not made via PASSKEY shall be made to:

Transporter

East Tennessee Natural Gas Company  
P. O. Box 1642  
Houston, Texas 77251-1642

Shipper

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notices

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Billings

With regard to operational matters, Balancing Party shall have the right to designate different personnel or locations to receive notices from Transporter for different periods of the week.



Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 241** Second Revised Sheet No. 241 : Superseded  
Superseding: First Revised Sheet No. 241

FORM OF RELEASED TRANSPORTATION SERVICE AGREEMENT  
(Applicable to firm transportation rights released pursuant to  
Section 17 of Transporter's General Terms and Conditions.)

ARTICLE VIII - MISCELLANEOUS PROVISIONS

- 8.1 No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 8.2 The headings of the articles of this Agreement are inserted for convenience of reference only and shall not affect the meaning or construction thereof.
- 8.3 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TENNESSEE, WITHOUT REGARD TO CHOICE OF LAW DOCTRINE THAT REFERS TO THE LAWS OF ANOTHER JURISDICTION.
- 8.4 This Agreement, including all provisions expressly incorporated by reference, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, representations, and understandings, written or oral, pertaining thereto. Except as otherwise provided herein, any modifications, amendments or changes to this Agreement shall be binding upon the parties only if agreed upon in a written instrument executed by both Parties which expressly refers to this Agreement.
- 8.5 Except for changes specifically authorized pursuant to this Agreement, no modification of or supplement to the terms and conditions hereof shall be or become effective until Shipper has submitted a request for change via PASSKEY and Shipper has been notified through via PASSKEY of Transporter's agreement to such change.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 244** Second Revised Sheet No. 244 : Superseded  
Superseding: First Revised Sheet No. 244

Date: \_\_\_\_\_

EXHIBIT R-1  
to the  
Released Transportation Service Agreement  
between East Tennessee Natural Gas Company (Transporter)  
and \_\_\_\_\_ (Replacement Shipper)  
dated \_\_\_\_\_

Additional Conditions of Release: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notices not made via PASSKEY shall be made to:

East Tennessee Natural Gas Company  
P.O. Box 1642  
Houston, TX 77251-1642

Replacement Shipper:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Releasing Shipper:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 248** Second Revised Sheet No. 248 : Superseded  
Superseding: First Revised Sheet No. 248

FORM OF RELEASED STORAGE SERVICE AGREEMENT  
(Applicable to firm storage rights  
released pursuant to Section 18 of Transporter's  
General Terms and Conditions.)

ARTICLE VIII - MISCELLANEOUS PROVISIONS

- 8.1 No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 8.2 The headings of the Articles of this Agreement are inserted for convenience of reference only and shall not affect the meaning or construction thereof.
- 8.3 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TENNESSEE, WITHOUT REGARD TO CHOICE OF LAW DOCTRINE THAT REFERS TO THE LAWS OF ANOTHER JURISDICTION.
- 8.4 This Agreement, including all provisions expressly incorporated by reference, constitutes the entire agreement between the parties pertaining to the subject matter thereof and supersedes all prior agreements, representations, and understandings, written or oral, pertaining thereto. Except as otherwise provided herein, any modifications, amendments or changes to this Agreement shall be binding upon the parties only if agreed upon in a written instrument executed by both Parties which expressly refers to this Agreement.
- 8.5 Except for changes specifically authorized pursuant to this Agreement, no modification of or supplement to the terms and conditions hereof shall be or become effective until Shipper has submitted a request for change via PASSKEY and Shipper has been notified via PASSKEY of Transporter's agreement to such change.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 251** Second Revised Sheet No. 251 : Superseded  
Superseding: First Revised Sheet No. 251

Date: \_\_\_\_\_

EXHIBIT R-1  
to the  
Released Storage Service Agreement between  
East Tennessee Natural Gas Company (Transporter) and  
\_\_\_\_\_ (Replacement Shipper)  
dated \_\_\_\_\_

Additional Conditions of Release: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notices not made via PASSKEY shall be made to:

East Tennessee Natural Gas Company  
P.O. Box 1642  
Houston, TX 77251-1642

Replacement Shipper:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Releasing Shipper:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 253** Second Revised Sheet No. 253 : Superseded  
Superseding: First Revised Sheet No. 253

PRE-ASSIGNMENT AGREEMENT  
(Applicable to permanent assignment of  
firm transportation rights pursuant to  
Section 17 of  
Transporter's General Terms and Conditions)

ARTICLE III - GOVERNING TERMS AND CONDITIONS

- 3.1 This Agreement shall be subject to, shall be governed by, and shall incorporate the applicable provisions of Transporter's Tariff, including, without limitation, Section 17 of Transporter's General Terms and Conditions, and the Governing Rate Schedule.
- 3.2 Transporter expressly reserves all rights granted to it by any Governing Rate Schedule and the applicable provisions of its Tariff to file for at the FERC and place into effect unilaterally such changes as Transporter deems necessary or desirable from time to time in the rates, charges, terms, and conditions applicable to service under the Tariff or Governing Rate Schedule, in order to assure Transporter just and reasonable rates, charges, and terms and conditions of service. In the event of a conflict between the provisions of the Governing Rate Schedule and this Agreement and Transporter's General Terms and Conditions, the provisions of Transporter's General Terms and Conditions shall govern. In the event of a conflict between the provisions of this Agreement and the Governing Rate Schedule, the provisions of the Governing Rate Schedule shall govern.

ARTICLE IV - TERM

This Agreement shall become effective on the date first written above and shall remain in force and effect until the later of (a) the date that Assignment Bidder returns to Transporter an executed FT-A or FT-GS Agreement, as applicable, in the form in which it was sent to Assignment Bidder or (b) thirty days following written notice by either Party of its intent to terminate this Agreement.

ARTICLE V - NOTICES

Notice given under this Agreement shall be given in accordance with Section 17 of Transporter's General Terms and Conditions. Written notice shall be considered as having been given if delivered personally, or if sent by confirmed facsimile or by mail with all postage and charges pre-paid to either Replacement Shipper or Transporter at the place designated. Routine communications shall be considered as duly delivered when mailed by ordinary mail. Normal operating instructions shall be made via PASSKEY unless otherwise indicated in Transporter's General Terms and Conditions or the Governing Rate Schedule. Unless changed by written notice to the other party, the addresses of the Parties are as follows:

Effective Date: 11/01/1993 Status: Effective  
FERC Docket: RS92- 33-003

**Original Sheet No. 254** Original Sheet No. 254 : Superseded

PRE-ASSIGNMENT AGREEMENT  
(Applicable to permanent assignment of  
firm transportation rights pursuant to  
Section 17 of  
Transporter's General Terms and Conditions)

Transporter: East Tennessee Natural Gas Company  
P.O. Box 2511  
Houston, TX 77252-2511  
Attn: Transportation Marketing

Assignment Bidder: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ARTICLE VI - ASSIGNMENT

- 6.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument that it has executed or may execute hereafter as security for indebtedness; otherwise, Shipper shall not assign this Agreement or any of its rights and obligations hereunder.
- 6.2 Any person or entity that shall succeed by purchase, transfer, merger, or consolidation to the properties, substantially or as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE VII - REGULATION

- 7.1 This Agreement shall be subject to all applicable governmental statutes, orders, rules, and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval or authorization is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations. Further, if any governmental body having jurisdiction over the service provided for herein authorizes abandonment of such service on a date other than the Termination Date as defined in Article IV herein, then the Termination Date shall nevertheless be the abandonment date so authorized.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 255** Second Revised Sheet No. 255 : Superseded  
Superseding: First Revised Sheet No. 255

PRE-ASSIGNMENT AGREEMENT  
(Applicable to permanent assignment of  
firm transportation rights pursuant to  
Section 17 of  
Transporter's General Terms and Conditions)

ARTICLE VIII - MISCELLANEOUS PROVISIONS

- 8.1 No waiver by any Party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 8.2 The headings of the Articles of this Agreement are inserted for convenience of reference only and shall not affect the meaning or construction thereof.
- 8.3 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TENNESSEE, WITHOUT REGARD TO CHOICE OF LAW DOCTRINE THAT REFERS TO THE LAWS OF ANOTHER JURISDICTION.
- 8.4 This Agreement, including all provisions expressly incorporated by reference, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, representations and understandings, written or oral, pertaining thereto. Except as otherwise provided herein, any modifications, amendments or changes to this Agreement shall be binding upon the Parties only if agreed upon in a written instrument executed by both Parties hereto which expressly refers to this Agreement.
- 8.5 Except for changes specifically authorized pursuant to this Agreement, no modification of or supplement to the terms and conditions hereof shall be or become effective until Shipper has submitted a request for change via PASSKEY and Shipper has been notified via PASSKEY of Transporter's agreement to such change.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first set forth above.

\_\_\_\_\_  
(Assignment Bidder) EAST TENNESSEE NATURAL GAS COMPANY  
(Transporter)

By \_\_\_\_\_ By \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 257** Second Revised Sheet No. 257 : Superseded  
Superseding: First Revised Sheet No. 257

PRE-ASSIGNMENT AGREEMENT  
(Applicable to permanent assignment of  
firm storage rights pursuant to  
Section 18 of  
Transporter's General Terms and Conditions)

ARTICLE III - GOVERNING TERMS AND CONDITIONS

- 3.1 This Agreement shall be subject to, shall be governed by, and shall incorporate the applicable provisions of Transporter's Tariff, including, without limitation, Section 18 of Transporter's General Terms and Conditions, and Transporter's LNGS Rate Schedule.
- 3.2 Transporter expressly reserves all rights granted to it by its LNGS Rate Schedule and the applicable provisions of its Tariff to file for at the FERC and place into effect unilaterally such changes as Transporter deems necessary or desirable from time to time in the rates, charges, terms, and conditions applicable to service under the Tariff or the LNGS Rate Schedule, in order to assure Transporter just and reasonable rates, charges, and terms and conditions of service. In the event of a conflict between the provisions of this Agreement and Transporter's LNGS Rate Schedule, the provisions of Transporter's LNGS Rate Schedule shall govern. In the event of a conflict between the provisions of this Agreement and Transporter's LNGS Rate Schedule and Transporter's General Terms and Conditions, the provisions of Transporter's General Terms and Conditions shall govern.

ARTICLE IV - TERM

This Agreement shall become effective on the date first written above and shall remain in force and effect until the later of (a) the date that Assignment Bidder returns to Transporter an executed LNGS Agreement in the form in which it was sent to Assignment Bidder or (b) thirty days following written notice by either Party of its intent to terminate this Agreement.

ARTICLE V - NOTICES

Notice given under this Agreement shall be given in accordance with Section 18 of Transporter's General Terms and Conditions. Written notice shall be considered as having been given if delivered personally, or if sent by confirmed facsimile or by mail with all postage and charges pre-paid to either Replacement Shipper or Transporter at the place designated. Routine communications shall be considered as duly delivered when mailed by ordinary mail. Normal operating instructions shall be made via PASSKEY unless otherwise indicated in Transporter's General Terms and Conditions or Transporter's LNGS Rate Schedule. Unless changed by written notice to the other party, the addresses of the Parties are as follows:



Effective Date: 11/01/1993 Status: Effective  
FERC Docket: RS92- 33-003

Original Sheet No. 258 Original Sheet No. 258 : Superseded

PRE-ASSIGNMENT AGREEMENT  
(Applicable to permanent assignment of  
firm storage rights pursuant to  
Section 18 of  
Transporter's General Terms and Conditions)

Transporter: East Tennessee Natural Gas Company  
P.O. Box 2511  
Houston, TX 77252-2511  
Attn: Transportation Marketing

Assignment Bidder: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ARTICLE VI - ASSIGNMENT

- 6.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument that it has executed or may execute hereafter as security for indebtedness; otherwise, Shipper shall not assign this Agreement or any of its rights and obligations hereunder.
- 6.2 Any person or entity that shall succeed by purchase, transfer, merger, or consolidation to the properties, substantially or as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE VII - REGULATION

- 7.1 This Agreement shall be subject to all applicable governmental statutes, orders, rules, and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval or authorization is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations. Further, if any governmental body having jurisdiction over the service provided for herein authorizes abandonment of such service on a date other than the Termination Date as defined in Article IV herein, then the Termination Date shall nevertheless be the abandonment date so authorized.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 259** Second Revised Sheet No. 259 : Superseded  
Superseding: First Revised Sheet No. 259

PRE-ASSIGNMENT AGREEMENT  
(Applicable to permanent assignment of  
firm storage rights pursuant to  
Section 18 of  
Transporter's General Terms and Conditions)

ARTICLE VIII - MISCELLANEOUS PROVISIONS

- 8.1 No waiver by any Party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 8.2 The headings of the Articles of this Agreement are inserted for convenience of reference only and shall not affect the meaning or construction thereof.
- 8.3 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TENNESSEE, WITHOUT REGARD TO CHOICE OF LAW DOCTRINE THAT REFERS TO THE LAWS OF ANOTHER JURISDICTION.
- 8.4 This Agreement, including all provisions expressly incorporated by reference, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, representations and understandings, written or oral, pertaining thereto. Except as otherwise provided herein, any modifications, amendments or changes to this Agreement shall be binding upon the Parties only if agreed upon in a written instrument executed by both Parties hereto which expressly refers to this Agreement.
- 8.5 Except for changes specifically authorized pursuant to this Agreement, no modification of or supplement to the terms and conditions hereof shall be or become effective until Shipper has submitted a request for change via PASSKEY and Shipper has been notified via PASSKEY of Transporter's agreement to such change.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first set forth above.

\_\_\_\_\_  
(Assignment Bidder) EAST TENNESSEE NATURAL GAS COMPANY  
(Transporter)

By \_\_\_\_\_ By \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97- 58-002

**First Revised Sheet No. 260** First Revised Sheet No. 260 : Superseded  
Superseding: Original Sheet No. 260

FORM OF RELEASE REQUEST

East Tennessee Natural Gas Company  
P.O. Box 2511  
Houston, TX 77252-2511

FOR TRANSPORTER'S USE:  
RELEASE REQUEST NO. \_\_\_\_\_

Attention: Transportation Services

Re: Request to Release Rights to Firm Transportation Service

\_\_\_\_\_ ("Releasing Shipper") hereby submits its request to release rights held by Releasing Shipper under its Firm Transportation Service Agreement/Liquified Natural Gas Storage Agreement ("Service Agreement") with East Tennessee Natural Gas Company ("Transporter"). Releasing Shipper proposes to release such rights pursuant to the terms and conditions of Section 17 or 18, as applicable of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission. The terms of the proposed release are as follows:

1. Releasing Shipper's Service Agreement number and responsible contact person for this Release Request:
  
  
  
  
  
  
  
  
  
  
2. Quantity of firm service rights to be released ("Release Quantity") (may be stated as minimum/maximum range, and must be expressed in Dth per day for release of firm transportation and in Dth per day and Winter Season Quantity for release of storage):
  
  
  
  
  
  
  
  
  
  
3. Commencement Date and term of release (may be stated as range of acceptable terms):

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 262** Second Revised Sheet No. 262 : Superseded  
Superseding: First Revised Sheet No. 262

FORM OF RELEASE REQUEST

8. If Releasing Shipper has already obtained a Bidder that is prepared to accept all terms and conditions of this Release Request ("Pre-arranged Bidder"), Releasing Shipper must provide the following information:
  - a) the complete legal name of the Pre-arranged Bidder, type of legal entity and state of incorporation:
  
  
  
  
  
  
  
  
  
  
  - b) the rates and charges that the Pre-arranged Bidder agrees to pay for the Release Request:
  
  
  
  
  
  
  
  
  
  
  - c) the term and the Release Quantity agreed to by the Pre-arranged Bidder:  
  
Term:  
Release Quantity:
  
  
  - d) other conditions of the release

Releasing Shipper understands that Transporter reserves the right to invalidate any Release Request within three (3) days of its posting on PASSKEY to the extent it is incomplete or fails to conform in any manner to the requirements of Transporter's Tariff.

Releasing Shipper, by the signature of its authorized representative, represents and certifies to Transporter that 1) the individual signing below is authorized to sign this Release Request for Releasing Shipper; 2) the information above is true, complete and correct; 3) Releasing Shipper agrees irrevocably to release the transportation rights described herein on the terms and conditions set forth herein if this Release Request is accepted by a Bidder to the successful Bidder; and 4) if this Release Request includes a Pre-arranged Bidder, the Pre-arranged Bidder has agreed irrevocably to accept the transportation rights described herein on the terms and conditions set forth herein.

Effective Date: 11/01/1993 Status: Effective

FERC Docket: RS92- 33-003

**Original Sheet No. 263** Original Sheet No. 263 : Superseded

FORM OF RELEASE REQUEST

Submitted this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
(Shipper)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 264** Second Revised Sheet No. 264 : Superseded  
Superseding: First Revised Sheet No. 264

BID FORM FOR  
RELEASED TRANSPORTATION/STORAGE SERVICE

East Tennessee Natural Gas Company  
P.O. Box 2511  
Houston, TX 77252-2511

Attention: Transportation Services

Re: Bid on Released Rights to Transportation or Storage Service

("Bidder") hereby submits its Bid to obtain transportation/storage rights specified in the Release Request identified below. The terms of this Bid are as follows:

1. Complete legal name of Bidder, type of legal entity and state of incorporation:
  
2. Transportation/storage contract number of Releasing Shipper and Release Request number to which the Bid relates:
  
3. Quantity of service desired by Bidder (must be expressed in Dth per day for bid for firm transportation service and in terms of Dth per day and Winter Season Quantity for bid for storage service):
  
4. The rate Bidder proposes to pay for the released transportation/storage rights:
  
5. Term for which Bidder desires to obtain the released transportation/storage rights:

Bidder understands that Transporter reserves the right to invalidate any Bid within three (3) days of its posting on PASSKEY to the extent it is incomplete or fails to conform in any manner to the requirements of Transporter's Tariff.

Effective Date: 11/01/1993 Status: Effective

FERC Docket: RS92- 33-003

**Original Sheet No. 265** Original Sheet No. 265 : Superseded

BID FORM FOR  
RELEASED TRANSPORTATION/STORAGE SERVICE

Bidder, by the signature of its authorized representative, represents and certifies to Transporter that 1) the individual signing below is authorized to sign this Bid for Bidder; 2) the information above is true, complete and correct; and 3) Bidder accepts all terms and conditions of the Release Request.

Submitted this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

\_\_\_\_\_  
(Bidder)

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

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

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 266** Second Revised Sheet No. 266 : Superseded  
Superseding: First Revised Sheet No. 266

SYSTEM LICENSE AGREEMENT

This System License Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between East Tennessee Natural Gas Company ("Pipeline") and \_\_\_\_\_ ("Subscriber"). Pipeline and Subscriber shall be collectively referred to as the "Parties."

ARTICLE I - SCOPE OF AGREEMENT

Pipeline shall make available for use by Subscriber Pipeline's interactive computer system, ("the System"). Subscriber shall use the System to (1) request new services under applicable rate schedules; (2) request and execute amendments of existing service agreements; (3) nominate quantities for receipt and delivery by Pipeline pursuant to an existing service agreement under any of Pipeline's rate schedules; (4) effect changes in nominations of quantities for receipt and delivery by Pipeline pursuant to an existing service agreement in accord with the rate schedule pursuant to which service is rendered; (5) participate in Pipeline's capacity release program (e.g., post release requests, bid on capacity) in accord with provisions of the General Terms and Conditions of Pipeline's FERC Gas Tariff; and (6) use the Pipeline Mapping System. Subscriber may also use the System to request and receive from Pipeline such other information as Pipeline may from time to time make available to Subscriber through the System.

ARTICLE II - TERMS AND CONDITIONS OF AUTHORIZED USE

- 2.1 Upon Subscriber's request, Pipeline will make available to Subscriber any software necessary to operate the System. Pipeline and Subscriber will agree on the number of copies which Pipeline will make available to Subscriber, not to exceed five (5) copies. Subscriber is not authorized to make any additional copies without the express written consent of Pipeline. Any System software remains the property of Pipeline, and Subscriber shall return to Pipeline any software issued by Pipeline within five (5) days of the expiration or termination of this Agreement or within five (5) days of any demand by Pipeline for the return of such software upon breach by Subscriber of its obligations hereunder.
- 2.2 Subscriber recognizes that the System will operate properly only if Subscriber utilizes the hardware and software as posted on Pipeline's web site under "Notices."



SYSTEM LICENSE AGREEMENT (continued)

- 2.3 Pipeline will provide Subscriber with a User ID and a unique password for each authorized user within Subscriber. To prevent unauthorized access, Subscriber shall be responsible for securing physical access to the System and to keep confidential its User ID and all passwords provided by Pipeline. During any period when a User ID or password is not in effect, Pipeline shall accept nominations by fax.
- 2.4 Subscriber shall identify one or more of its employees and/or officers to perform the contracting function and thereby legally bind Subscriber to any service agreement or amended service agreement entered into with Pipeline. Subscriber represents and warrants to Pipeline that the person(s) which have been designated for the contracting function have been duly authorized by the Subscriber to enter into service agreements or amended service agreements with Pipeline.
- 2.5 Liability - Subscriber shall be solely responsible for any and all unauthorized or otherwise improper use of User ID and passwords issued by Pipeline to Subscriber, including, but not limited to the use of such User ID and passwords by Subscriber's personnel who at some point are no longer in Subscriber's employment or control. Upon evidence of unauthorized or improper use of a User ID or password, Pipeline reserves the right to invalidate upon 72 hours prior notice any password or User ID. Upon invalidation of a password or User ID, Pipeline will immediately issue a new password or ID unless the previous unauthorized or improper use resulted from Subscriber's negligence or inability to prevent unintended use.

Subscriber shall defend and indemnify Pipeline from and against any and all claims, demands and actions, and any resulting loss, costs, damages and expenses (including court costs and reasonable attorneys fees) of any nature whatsoever which may be asserted against or imposed upon Pipeline by any person as a result of the unauthorized or otherwise improper use of any User ID or password issued by Pipeline to Subscriber, when such unauthorized or improper use is the result of negligent or wrongful conduct on the part of the Subscriber.

SYSTEM LICENSE AGREEMENT (continued)

ARTICLE III - INITIATION/MODIFICATION OF SERVICE

- 3.1 Following transmittal of Subscriber's request for service or amendment of existing service, such request shall be evaluated and accepted or rejected by Pipeline in accord with the General Terms and Conditions of its FERC Gas Tariff. If such request is accepted by Pipeline, Subscriber will be notified by Pipeline of such acceptance via the System and Subscriber shall execute on-line the requested new service or amendment of existing service.
- 3.2 With respect to requests for new transportation or storage service, Subscriber, at the time that it executes on-line its request in accord with Section 3.1 above, agrees to be bound by the terms and conditions of the pro-forma service agreement contained in Pipeline's FERC Gas Tariff which corresponds to the Rate Schedule under which the Shipper is seeking service, as modified to incorporate the terms of the service request. Such agreement will remain in effect for fifteen days following the date of Subscriber's confirmation of the requested service. The confirmation date for each particular System service request shall be deemed to be the date of execution for the purposes of the pro forma contract as well as the subsequently issued gas transportation or storage contract which Pipeline tenders to Subscriber.
- 3.3 With respect to requests for modifications to meters in an existing service agreement between Subscriber and Pipeline, the Subscriber agrees to be bound by the terms and conditions of the pro forma contract amendment contained in Pipeline's FERC Gas Tariff, as modified to incorporate the meter modifications executed on-line by Shipper. The term of this contract amendment will be for 15 days following the date of Subscriber's confirmation for that particular System service request change. The confirmation date for each particular System service request change shall be deemed to be the effective date for purposes of the pro forma contract amendment as well as the subsequent written amendment tendered by Pipeline to Subscriber.
- 3.4 With respect to each new service request or request for amended service, the contract or amendment (as applicable) and any service initiated thereunder shall terminate at the end of the fifteen day period unless the Shipper has executed a written service agreement or written amendment to the existing service agreement, as applicable, with Pipeline. Pipeline agrees to send the Subscriber either the written agreement or the written amendment within 7 days of Subscriber's request and Subscriber shall return the executed document within 7 days of receipt.

SYSTEM LICENSE AGREEMENT (continued)

ARTICLE IV - RELEASE AND DISCLAIMER OF LIABILITY/INDEMNIFICATION

- 4.1 Except for the negligence, bad faith, fraud or willful misconduct of Pipeline, Pipeline expressly disclaims any and all liability for loss or damage to Subscriber or to any third parties associated with Subscriber's use of the System, including but not limited to any loss or damage resulting from any one or more of the following: (1) Subscriber's negligent or otherwise improper use of the System; (2) any unauthorized use of the System, by Subscriber, Subscriber's employees or former employees; (3) any acts of God or force majeure, as defined in Article X of Transporter's General Terms and Conditions, and also including electrical shortage and/or power outages; (4) any defects in computer software or hardware or defective programming; (5) any interruption in or malfunction of electronic communication or transmission. Such causes or contingencies affecting the performance of this Agreement shall not relieve Pipeline of liability in the event (a) it fails to use due diligence to remedy the situation and remove the causes or contingencies affecting performance of this Agreement or (b) it fails to give Subscriber notice and full particulars of the same in writing or by telegraph or facsimile as soon as possible after the event or situation arises.
- 4.2 Subscriber agrees to protect, defend, indemnify, and hold harmless Pipeline against any and all loss, costs, damages, and expenses of any nature whatsoever (including court costs and reasonable attorney's fees), resulting from or otherwise related to any claim, demand, or action asserted against Pipeline, arising from or in any manner directly or indirectly connected with Subscriber's use of the System except for claims involving rights in the System or those involving the negligence, bad faith, fraud or willful misconduct of Pipeline.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**Second Revised Sheet No. 270** Second Revised Sheet No. 270 : Superseded  
Superseding: First Revised Sheet No. 270

SYSTEM LICENSE AGREEMENT (continued)

ARTICLE V - TERM

This Agreement shall be and continue in full force and effect from the date of execution hereof until \_\_\_\_\_ and thereafter on a month to month basis unless terminated by either Party upon at least thirty (30) days notice. Subscriber agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes in the rates, charges, terms and conditions applicable to service pursuant to this agreement or (b) any provisions of the General Terms and Conditions applicable to this Agreement. Pipeline agrees that Subscriber may protest or contest the aforementioned filings and that Subscriber does not waive any rights it may have with respect to such filings.

ARTICLE VI - NOTICE

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

Pipeline: East Tennessee Natural Gas Company  
P. O. Box 1642  
Houston, Texas 77251-1642

SUBSCRIBER:

Attention:

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

Effective Date: 09/03/1998 Status: Effective  
FERC Docket: RP98-367-000

**First Revised Sheet No. 271** First Revised Sheet No. 271 : Superseded  
Superseding: Original Sheet No. 271

SYSTEM LICENSE AGREEMENT (continued)

ARTICLE VII - MISCELLANEOUS

- 7.1 Conformance with Tariff -- Subscriber's use of the System shall be in accordance with and subject to Pipeline's currently effective FERC Gas Tariff, including any and all applicable provisions of the General Terms and Conditions and the terms and conditions of any relevant rate schedules, all of which terms and conditions are incorporated herein by reference. In the event of a conflict between the terms and conditions of this Agreement and any other applicable terms and conditions set forth in Pipeline's FERC Gas Tariff, such other terms and conditions shall govern. For Subscriber's convenience, the terms and provisions of Pipeline's FERC Gas Tariff are available on the System. In the event of a conflict between what is displayed on the System and Pipeline's currently effective FERC Gas Tariff on file with the Federal Energy Regulatory Commission (FERC), Pipeline's currently effective tariff on file with FERC shall govern.
- 7.2 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO ITS CONFLICTS OF LAWS AND PROVISIONS.
- 7.3 This Agreement and the obligations of the Parties are subject to all present and future valid laws with respect to the subject matter either State or Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.
- 7.4 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 7.5 Unless otherwise expressly provided in this Agreement or in Pipeline's FERC Gas Tariff, no modification of or supplement to the terms and provisions hereof shall be or become effective, except by the execution of by both parties of a written amendment.
- 7.6 This Agreement, as of the date of its execution, shall supersede and cancel any previously executed agreements between Pipeline and Subscriber with respect to the use of the System.

Effective Date: 09/03/1998 Status: Effective  
FERC Docket: RP98-367-000

**First Revised Sheet No. 272** First Revised Sheet No. 272 : Superseded  
Superseding: Substitute Original Sheet No. 272

SYSTEM LICENSE AGREEMENT (continued)

7.7 Pipeline reserves the right to modify or replace the System at any time.

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

TENNESSEE GAS PIPELINE COMPANY  
MIDWESTERN GAS TRANSMISSION COMPANY  
EAST TENNESSEE NATURAL GAS COMPANY

By: \_\_\_\_\_  
Agent and Attorney-in-Fact

Accepted and Agreed to this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_

SUBSCRIBER

By: \_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Effective Date: 09/03/1998 Status: Effective  
FERC Docket: RP98-367-000

**First Revised Sheet No. 272A** First Revised Sheet No. 272A : Superseded  
Superseding: Original Sheet No. 272A

EXHIBIT A to  
SYSTEM LICENSE AGREEMENT dated \_\_\_\_\_  
BETWEEN TENNESSEE GAS PIPELINE COMPANY  
MIDWESTERN GAS TRANSMISSION COMPANY  
EAST TENNESSEE NATURAL GAS COMPANY  
AND \_\_\_\_\_

Entities that have authorized Subscriber to exercise the System rights under all of  
Entity's Contract(s).

Company Name	Address	Contact Person	Phone/Fax
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EACH ENTITY LISTED ABOVE MUST EXECUTE A BLANKET AUTHORIZATION AGREEMENT OR  
CONFIRMATION AUTHORIZATION AGREEMENT AUTHORIZING SUBSCRIBER TO EXERCISE ALL RIGHTS  
UNDER THE ENTITY'S CONTRACTS.

TENNESSEE GAS PIPELINE COMPANY  
MIDWESTERN GAS TRANSMISSION COMPANY  
EAST TENNESSEE NATURAL GAS COMPANY  
SUBSCRIBER

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

(This Exhibit A Supersedes and cancels Exhibit A dated \_\_\_\_\_ to the System  
License Agreement dated \_\_\_\_\_).

Effective Date: 11/01/1993 Status: Effective  
FERC Docket: RS92- 33-003

**Original Sheet No. 273** Original Sheet No. 273 : Superseded

SERVICE REQUEST FORM

East Tennessee Natural Gas Company  
P.O. Box 2511  
Houston, TX 77252-2511

Attention: Transportation Marketing

Re:  New Service  Rate Schedule FT-A  
 Modification of service  Rate Schedule FT-GS  
 under Agreement No.   Rate Schedule IT  
  Rate Schedule LNGS  
  Rate Schedule LMS-PA  
  Rate Schedule LMS-MA

\_\_\_\_\_ (Shipper) hereby requests service as specified above from  
East Tennessee Natural Gas Company (East Tennessee) and concurrently provides the  
following information in connection with this request:

1. Complete legal name of Shipper:

\_\_\_\_\_  
\_\_\_\_\_

2. Type of legal entity and state of incorporation:

\_\_\_\_\_  
\_\_\_\_\_

3. Type of company:

Local Distribution Company  
 Intrastate Pipeline  
 Interstate Pipeline  
 Producer  
 End-User  
 Marketer  
 Broker  
 Other (fill in)



Effective Date: 09/03/1998 Status: Effective  
FERC Docket: RP98-367-000

**First Revised Sheet No. 279** First Revised Sheet No. 279 : Superseded  
Superseding: Original Sheet No. 279

BLANKET AUTHORIZATION AGREEMENT

This Agreement is entered into on this \_\_\_\_ day of \_\_\_\_, by and between \_\_\_\_\_, ("Contract Holder"), \_\_\_\_\_, ("Blanket Agent") and Tennessee Gas Pipeline Company, and/or Midwestern Gas Transmission Company and/or East Tennessee Natural Gas Company ("Transporter"). Contract Holder, Blanket Agent, and Transporter shall collectively be referred to herein as "Parties".

WITNESSETH:

WHEREAS Contract Holder and Transporter have entered into certain agreements for the transportation, storage, and/or balancing of natural gas;

WHEREAS Contract Holder has expressed its desire to transfer certain rights and obligations, pursuant to all of the above-referenced agreements to Blanket Agent(s);

NOW THEREFORE, Contract Holder, Transporter, and Blanket Agent agree as follows:

1. Authorization: Contract Holder hereby authorizes Blanket Agent to exercise all rights and perform all obligations set forth in all agreements entered into between Contract Holder and Transporter pursuant to Transporter's Tariff as set forth in paragraph 3 hereof ("Contracts"). Contract Holder understands and agrees that this authorization includes the right to freely amend the Contracts, including but not limited to the right to change primary receipt or delivery points. Blanket Agent understands and agrees that this authorization obligates it to perform all duties required pursuant to the Contracts, any Governing Rate Schedules and Transporter's Tariff, including, but not limited to the obligation to provide Transporter with all required information, and to nominate through the Electronic Bulletin Board.
2. Financial Responsibility: Responsibility for all payments due Transporter under Contracts, all applicable rate schedules, and Transporter's General Terms and Conditions \_\_ shall/ \_\_ shall not (choose one \_\_) remain with Contract Holder.

IN THE EVENT THAT CONTRACT HOLDER RETAINS FULL FINANCIAL LIABILITY UNDER THE CONTRACTS, CONTRACT HOLDER HEREBY AGREES AND UNDERSTANDS THAT, (a) PURSUANT TO SECTION 1 ABOVE, BLANKET AGENT WILL HAVE THE UNRESTRICTED RIGHT TO ALTER AND AMEND THE CONTRACT IN ANY MANNER ACCEPTABLE TO TRANSPORTER; AND (b) CONTRACT HOLDER WILL HAVE NO RIGHT TO MAKE NOMINATIONS OR DIRECT TRANSPORTER IN ANY MANNER WITH RESPECT TO THE CONTRACTS.

BLANKET AUTHORIZATION AGREEMENT (continued)

In the event that Contract Holder does not retain full financial liability under the contracts, Blanket Agent understands and agrees that this Agreement obligates it to make all payment pursuant to the Contracts, any governing rate schedules and Transporter's General Terms and Conditions.

- 3. Contracts: Contract Holder represents and warrants that the contracts listed below constitute a full and complete list of all contracts between Contract Holder and Transporter that have been entered into pursuant to Transporter's Tariff. Contract Holder further represents and warrants that it has provided to Blanket Agent or will provide within ten (10) days of the effective date of this Agreement, complete copies of all contracts listed below.

Type of Contract	Contract Number	Effective Date
------------------	-----------------	----------------


- 4. Indemnity: Pipeline will rely on communications and actions of Blanket Agent for all purposes related to the Contracts. Contract Holder agrees to indemnify and hold Transporter harmless against any and all claims arising from Transporter's actions in reliance on communications with Blanket Agent. Blanket Agent agrees to indemnify and hold Transporter harmless against any and all claims, (including costs of court and reasonable attorney[s fees), losses, liabilities, injuries, or damages of any kind, including but not limited to claims of damage to property or the environment that are brought by Contract Holder or any third party, against Transporter and that arise from or relate to this Blanket Authorization Agreement or the Contracts provided, however, nothing herein shall relieve Transporter of liability for its own gross negligence or willfull misconduct. It is the expressed intention of the Parties that indemnity obligations pursuant hereto be without limit and without regard to the cause thereof, liability or negligence of any Party whether such negligence be sole joint, concurrent, active or passive.
- 5. Term: The term of this Agreement shall be for one month beginning \_\_\_ and will continue in full force month-to-month thereafter unless terminated by Blanket Agent, Contract Holder or Transporter.

Effective Date: 11/01/1993 Status: Effective

FERC Docket: RS92- 33-007

Original Sheet No. 281 Original Sheet No. 281 : Superseded

BLANKET AUTHORIZATION AGREEMENT (continued)

- 6. Regulation: This Agreement shall be subject to all applicable governmental statutes, orders, rules, and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval or authorization is not so obtained or continued.
- 7. Waiver: No waiver by any Party of one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.
- 8. THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO CHOICE OF LAW DOCTRINE THAT REFERS TO THE LAWS OF ANOTHER JURISDICTION.

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

Contract Holder: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Blanket Agent: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Tennessee Gas Pipeline Company  
Midwestern Gas Transmission Company  
East Tennessee Natural Gas Company

By: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 11/01/1997 Status: Effective  
FERC Docket: RP97- 58-008

**First Revised Sheet No. 282** First Revised Sheet No. 282 : Superseded  
Superseding: Original Sheet No. 282

NOMINATION FORM  
East Tennessee Natural Gas Company  
Houston, Texas

Service Requestor Contract: \_\_\_\_\_ Type of Service:  
\_\_\_\_\_  
Company Name: \_\_\_\_\_ Attention:  
\_\_\_\_\_

RECEIPT							DELIVERY								
Trans. Type	Nomn. Date	PI Ref/ Meter #	Begin Time	Duns # (Int.)	U/S Nomn. Cont. End Time	Dth	Rank	Fuel Dth	PI Ref/ Meter #	Duns # (Int.)	D/S Cont.	Dth	Rank	Pkg. ID	Cap. Type
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

Notes: One-sided nominations only require receipt or delivery Customer Contact: \_\_\_\_\_

meter data (i.e. confirmation agreements, injection/ withdrawal storage nominations, receipt/delivery operator). Date: \_\_\_\_\_

Duns Number is required at pipeline interconnects. Phone #: \_\_\_\_\_

Transaction Type (optional-defaults to 01)	Capacity Type (optional)	Fax #:
01-Current Business	PP -Primary to Primary	
02-Authorized Overrun	PS -Primary to Secondary	
03-Imbalance Payback from Pipeline	SS -Secondary to Secondary	
04-Imbalance Payback to Pipeline	SP -Secondary to Primary	
09-Imbalance Trading		
12-Injection with Auth. Overrun		
13-Withdrawal with Auth. Overrun		

Effective Date: 06/01/1997 Status: Effective

FERC Docket: RP97-314-000

Original Sheet No. 283 Original Sheet No. 283 : Superseded

Supply Aggregation Service Agreement  
(For Use Under Rate Schedule SA)

THIS AGREEMENT is made and entered into as of \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between EAST TENNESSEE NATURAL GAS COMPANY, a Delaware Corporation, hereinafter referred to as "Transporter" and \_\_\_\_\_, a \_\_\_\_\_ Corporation, hereinafter referred to as "Aggregator." Transporter and Aggregator shall collectively be referred to herein as the "Parties."

ARTICLE I

SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule SA, Transporter agrees to permit Aggregator to aggregate nominations for all receipt points within pooling area(s) for delivery to confirmed transportation or supply aggregation service(s).

ARTICLE II

CHARGES FOR SUPPLY AGGREGATION SERVICE

- 2.1 IMBALANCE CASH-OUTS - Commencing upon the date of execution hereof, any charges related to monthly imbalances to be paid by Aggregator to Transporter for the supply aggregation service provided herein shall be in accordance with Transporter's Rate Schedules SA and LMS-MA as well as the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 2.2 CHANGES IN CHARGES - Aggregator agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the charges applicable to service pursuant to Transporter's Rate Schedule SA, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules or this Agreement. Transporter agrees that Aggregator may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE III

BILLINGS AND PAYMENTS

Transporter shall bill and Aggregator shall pay all charges in accordance with Articles V and VI, respectively, of the General Terms and Conditions of Transporter's Gas Tariff.

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97-314-000

**Original Sheet No. 285** Original Sheet No. 285 : Superseded

Supply Aggregation Service Agreement (continued)

(For Use Under Rate Schedule SA)

6.4 Transporter may, in its sole discretion, suspend or terminate this Agreement in the event Aggregator fails to comply with any of the provisions of this Agreement or with any of the terms and conditions of Transporter's FERC Tariff. Transporter shall give Aggregator 30 days prior notice of Aggregator's failure to so comply.

ARTICLE VII

NOTICE

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

Transporter: East Tennessee Natural Gas Company  
P. O. Box 2511  
Houston, Texas 77252-2511  
Attention: Transportation Services

Aggregator:

Notices: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

BILLING: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

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

ARTICLE VIII

ASSIGNMENTS

8.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument it has executed or may execute hereafter as security for indebtedness. Either Party may, without relieving itself of its obligation under this Agreement, assign any of its rights hereunder to a company with which it is affiliated.

Effective Date: 05/01/2000 Status: Effective  
FERC Docket: RP00-245-000

**First Revised Sheet No. 286** First Revised Sheet No. 286 : Superseded  
Superseding: Original Sheet No. 286

Supply Aggregation Service Agreement (continued)

(For Use Under Rate Schedule SA)

- 8.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE IX

MISCELLANEOUS

- 9.1 The interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Texas, without regard to the doctrines governing choice of law.
- 9.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 9.3 Unless otherwise expressly provided in this Agreement or Transporter's Gas Tariff, no modification or supplement to the terms and provisions stated in this Agreement shall be or become effective until Aggregator has submitted a request for change via PASSKEY and Aggregator has been notified via PASSKEY of Transporter's agreement to such change. Such modifications or supplements shall be set forth on Exhibit A attached to this Agreement.

Effective Date: 06/01/1997 Status: Effective

FERC Docket: RP97- 58-003

Original Sheet No. 289 Original Sheet No. 289 : Superseded

ELECTRONIC DATA INTERCHANGE  
TRADING PARTNER AGREEMENT

THIS ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT (the "Agreement") is made as of \_\_\_\_\_, 19\_\_\_\_, by and between Tennessee Gas Pipeline Company ("TGPC"), a corporation with offices at 1001 Louisiana, Houston, Texas, and \_\_\_\_\_ ("Trading Partner"), a(n) \_\_\_\_\_ corporation with offices at \_\_\_\_\_ (together, the "parties").

RECITALS

WHEREAS, for the mutual benefit of the parties, the parties desire to facilitate transactions, reports, and other information exchanged ("Transactions") by use of available means of electronic communication and linkage services ("Third Party Services") which electronically transmit and receive data in agreed formats in substitution for on-line transmittal and/or conventional paper-based documents;

WHEREAS, Third Party Services will be provided by a third party provider;

WHEREAS, the parties desire to enter into this Agreement to govern their relationship with respect to electronic data interchange ("EDI") Transactions; and

WHEREAS, the parties desire to assure that such Transactions are not legally invalid or unenforceable as a result of there not being a handwritten, original signature of an authorized agent of one of the parties attesting to the validity of such Transactions.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits to be derived and the representations and warranties, conditions and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

Section 1. Definitions.

If not elsewhere defined in this Agreement, capitalized terms used in this Agreement shall have the meaning ascribed to them below:

"Acceptance Document" is defined in Section 3.3.

"Affiliate" means any person that, directly or indirectly, controls, or is controlled by, or under common control with, another person. For the purposes of this definition, "control" (including the terms "controlled by" and "under common control with"), as used with respect to any person, means the power to direct or cause the direction of the management and policies of such person, directly or indirectly, whether through the ownership of voting securities or by contract or otherwise.

"Agent" means an employee of a party which the party has authorized to sign EDI Agreements on behalf of such party.

"Agreement" is defined in the recitals above.

"Documents" is defined in Section 2.1.

"EDI" is defined in the recitals above.

"EDMs" is defined in Section 2.4.



ELECTRONIC DATA INTERCHANGE  
TRADING PARTNER AGREEMENT (Continued)

"EDM Site" is the business unit responsible for sending and receiving all EDI Transactions to a party.

"Emergency Notice" is defined in Section 2.4.1.

"Emergency Situations" is defined in Section 2.4.1.

"Functional Acknowledgment" is defined in Section 3.2.2.

"GISB Standards" means those Gas Industry Standards Board proposed industry commercial standards in the form promulgated as regulatory requirements by the Federal Energy Regulatory Commission ("FERC") from time to time.

"ISA Identifier" is defined as exchanging parties identifiers.

"Provider" is defined in Section 2.2.1.

"Receipt Computer" is the computer in one party's control which receives information or data transmitted by the other party.

"Response Document" is defined in Section 3.2.3.

"Retransmission Timeframe" is defined in the Appendix.

"Signature Code(s)" is defined in Section 2.5.

"Signed Documents" is defined in Section 5.3.2.

"TGPC" is defined in the recitals above.

"Third Party Services" is defined in the recitals above.

"Trading Partner" is defined in the recitals above.

"Transactions" is defined in the recitals above.

Section 2. Prerequisites.

2.1. Documents: Standard. Each party may electronically transmit to, or receive from, the other party any of the transaction sets ("Transaction Sets") listed in the Exhibit(s) of the Appendix, together with Transaction Sets that the parties may by written agreement add to the Appendix (collectively "Documents"). Any transmission of data which is not a Document shall have no force or effect between the parties unless justifiably relied upon by the receiving party. All documents shall be transmitted in accordance with the standards and published industry guidelines set forth in the Appendix. The Appendix to this Agreement is attached hereto and made a part hereof; the Appendix and Exhibit(s) thereto hereafter are referred to as the "Appendix". In the event of a conflict between the provisions in the body of this Agreement and the Appendix, the Appendix will govern.

2.2. Third Party Service Providers.

2.2.1. Documents will be transmitted electronically to each party, as specified in the Appendix, either directly or through a third party service provider ("Provider") with whom either party may contract. Either party may modify its election to use, not use or change a Provider upon 30 days prior written notice.

2.2.2. Each party shall be responsible for the costs of any Provider with which it contracts, unless otherwise set forth in the Appendix. Unless otherwise stated in the Appendix, the sending party shall pay all costs to deliver its data to the receiving party's Receipt Computer and the receiving party shall pay all costs to retrieve the data.

Effective Date: 06/01/1997 Status: Effective

FERC Docket: RP97- 58-003

Original Sheet No. 291 Original Sheet No. 291 : Superseded

ELECTRONIC DATA INTERCHANGE  
TRADING PARTNER AGREEMENT (Continued)

2.2.3. Neither party controls or warrants the performance of a Provider to the other. One party shall not be liable to the other for the acts or omissions of a Provider while that Provider is transmitting, receiving, storing or handling Documents or data, or performing related activities. This provision does not limit any claim of a party against a Provider in respect to any act or omission.

2.3. System Operations. Each party, at its own expense, shall provide and maintain equipment, software, services and testing necessary to effectively and reliably transmit and receive Documents. Any special data retention requirements shall be set forth in the Appendix.

2.4. Security Procedures. Each party shall properly use those security procedures, including those specified in the GISB standards, if any, which are reasonably sufficient to ensure that all transmissions of Documents are authorized and to protect its business records and data from improper access. When Electronic Delivery Mechanisms ("EDMs") on the Internet are used, both the manner in which public encryption keys are to be changed or exchanged, and the procedures required for changing and exchanging public encryption keys when a Provider is elected, will be specified in the Appendix.

2.4.1. Security Key Exchanges. The parties shall inform each other of the routine scheduled frequency with which they intend to change their public key. The noticed party will make the key change within a reasonable period commencing on a date of which the noticed party has informed the requesting party. However, in emergency situations in which it is necessary to change a key immediately ("Emergency Situations"), each party shall effect a key change within 24 hours from the time which the party first receives notice of the Emergency Situation ("Emergency Notice") from the other party. The parties agree that such Emergency Notice will only be given when reasonably necessary to protect significant assets of the party seeking the key change. Each party shall provide the other party with their "public key" in one of the two manners outlined below:

- a. via a certified or receipted mail service using a diskette with the public key contained in an ASCII text file, or
- b. via an SMTP mail message with the public key contained in the body.

Under either of the above options, known representatives of the party making the key change must orally verify the public key by checking the fingerprint of the key. The oral verification may be accomplished via phone, or by other, comparable, means.

2.5. Signatures. Each party shall adopt, as its signature, an electronic identification consisting of symbol(s) or code(s) which are to be affixed to or contained, where required, in the Document transmitted by such party ("Signature Code(s)"). Such Signature Code(s) shall be specified in the Appendix. In such cases where a Signature Code(s) is required for one or more Transaction Set(s), the requirement shall be specified in the Appendix applicable to such Transmission Set(s). Each party agrees that the Signature Code(s) of such party affixed to or contained in any transmitted Document shall be sufficient to verify such party originated such Document(s). Neither party shall disclose to any unauthorized person the Signature Code(s) of the other party.

Section 3. Transmissions.

3.1. Proper Receipt. Documents shall not be deemed to have been properly received, and no Document shall give rise to any obligation, until accessible to the receiving party at such party's Receipt Computer designated in the Appendix, subject to the exception set forth in section 4.1. Where the parties employ the services of Providers to transmit and receive Documents, the Receipt Computer shall be defined in the Appendix as the receiving party's electronic mailbox or URL provided by the receiving party's Provider.

ELECTRONIC DATA INTERCHANGE  
TRADING PARTNER AGREEMENT (Continued)

3.1.1. Date and time of receipt of a Transaction such as a nomination is defined in a data element in the HTTP response. Such data element is called "time-c", and indicates completion of processing at the receiving Internet server.

3.2. Verification.

3.2.1. Upon proper receipt of any Document, the receiving party shall promptly and properly transmit a Functional Acknowledgment (defined below) in return, unless otherwise specified in the Appendix.

3.2.2. For the purposes of this Agreement, a "Functional Acknowledgment" means an ASCX12 Transaction Set 997, which confirms a Document (in the format specified by such acknowledgment) has been received and whether all required portions of the Document are syntactically correct, but which does not confirm the substantive content(s) of the related Document.

3.2.3. By mutual agreement, the parties may designate in the Appendix a "Response Document" Transaction Set as a substitute for, or in addition to, an ASCX12 Transaction Set 997. A "Response Document" is a document which confirms that a Document (in the format specified by such acknowledgment) has been received, and whether all required portions of the Document are syntactically correct, and contains data sent by the receiving party to the sending party in response to the substantive content of the related Document at the time of the transmission of the related Document. If the parties designate a Response Document as a substitute for a Functional Acknowledgment, the time requirements in the Appendix applicable to Functional Acknowledgments shall apply to such Response Documents.

3.2.4. A Functional Acknowledgment, or a Response Document that has been designated in the Appendix as a substitute for a Functional Acknowledgment, shall constitute conclusive evidence a Document has been properly received.

3.3. Acceptance. If acceptance of a Document is required by the Appendix, any such Document which has been properly received shall not give rise to any obligation unless and until the party initially transmitting such Document has properly received in return an "Acceptance Document" (as specified in the Appendix).

3.4. Garbled Transmission. If any transmitted Document is received in an unintelligible or garbled form, the receiving party shall promptly notify the originating party (if identifiable from the received Document) in a reasonable manner. In the absence of such a notice and where a Functional Acknowledgment or Response Document resulted, the originating party's records of the contents of such Document shall control.

3.5. Retransmissions. If the originating party of a Document has not properly received a corresponding Functional Acknowledgment or Response Document within the Retransmission Timeframe indicated in the Appendix, the originating party shall retransmit the Document.

Section 4. System Failure. Communications Failure: In the event of an electronic communication failure which prevents transmission of Documents by a party (the "Affected Party"), the parties will follow the following backup procedure:

a. the Affected Party will immediately notify the other parties of the failure by telephone, telegraph, or by the most rapid means then available;

b. the Affected Party will deliver a copy of the Document, physically signed by an authorized agent of the Affected Party, the signature being written over the area of the document in which the Signature Code would otherwise have been electronically affixed, or, if no such location is visibly apparent, next to the sending party's agent's name (for the purposes of this subsection, a fax transmission of a physically signed document qualifies as being a copy of the Document);

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FERC Docket: RP97- 58-003

**Original Sheet No. 293** Original Sheet No. 293 : Superseded

ELECTRONIC DATA INTERCHANGE  
TRADING PARTNER AGREEMENT (Continued)

c. if requested by the receiving party, the Affected Party shall deliver a copy of the Documents to the receiving party, saved on a computer storage diskette, and identified in a manner which will allow the receiving party to attribute the copy to the associated Transaction; and

d. when the communication failure has been corrected, the Affected Party may send notice to the other parties (the "Noticed Parties") in the manner prescribed in this Agreement, informing the Noticed Parties of the Affected Party's intention to resume EDM Transactions. Within twenty-four (24) hours of the Noticed Parties' receipt of this notice, the parties agree to resume normal EDM Transactions.

If the above procedure is followed, a binding contractual relationship will have formed immediately upon the receipt by the Affected Party of an acknowledgment accepting the Affected Party's offered terms, according to ordinary contract principles.

Section 5. Transaction Terms.

5.1. Terms and Conditions. This Agreement is to be considered part of any other written agreement referencing it or referenced in the Appendix. In the absence of any other written agreement applicable to any Transaction made pursuant to this Agreement, such Transaction (and any related communication) also shall be subject to one of the following (CHECK ONE):

those terms and conditions, including any terms for payment, included in the Appendix.

the terms and conditions included on each party's standard printed applicable forms attached to or identified in the Appendix [as the same may be amended from time to time by either party upon written notice to the other]. The parties acknowledge that the terms and conditions set forth on such forms may be inconsistent, or in conflict, but agree that any conflict or dispute that arises between the parties in connection with any such Transaction will be resolved as if such Transaction had been effected through the use of such forms.

such additional terms and conditions as may be determined in accordance with applicable law.

The terms of this Agreement shall prevail in the event of any conflict with any other terms and conditions applicable to any Transaction. Notwithstanding the foregoing and Section 6.1 of this Agreement, if any party determines that this Agreement is in conflict with either that party's existing tariff or an obligation imposed by a governmental entity exercising jurisdiction over that party, then the affected party shall give immediate notice defining which terms of this Agreement are affected, and the reasons therefor, and may provide notice of termination of this Agreement as provided in Section 6.3, effective immediately upon receipt of such notice by the other party to this Agreement.

5.2. Confidentiality. No information contained in any Document or otherwise exchanged between the parties shall be considered confidential except to the extent provided in sections 2.4 and 2.5, by written agreement between the parties, or by applicable law.

5.3. Validity; Enforceability.

5.3.1. This Agreement has been executed by the parties to evidence their mutual intent to create binding obligations pursuant to the electronic transmission and receipt of Documents specifying certain of the applicable terms.

5.3.2. Any Documents properly transmitted pursuant to this Agreement shall be considered in connection with (i) any Transaction, (ii) any other written agreement described in Section 5.1, or (iii) this Agreement, to be a "writing" or "in writing"; and any such Document when containing, or to which there is affixed, a Signature Code ("Signed Documents") shall be deemed for all purposes to have been "signed" and to

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97- 58-007

**Substitute Original Sheet No. 294** Substitute Original Sheet No. 294 : Superseded  
Superseding: Original Sheet No. 294

ELECTRONIC DATA INTERCHANGE  
TRADING PARTNER AGREEMENT (Continued)

constitute an "original" when printed from electronic files or records established and maintained in the normal course of business.

5.3.3. The conduct of the parties pursuant to this Agreement, including the use of Signed Documents properly transmitted pursuant to this Agreement, shall, for all legal purposes, evidence a course of dealing and a course of performance accepted by the parties in furtherance of this Agreement, any Transaction and any other written agreement described in Section 5.1.

5.3.4. Documents Hierarchy. It is the express intent of the parties that Documents which are transacted and maintained according to this Agreement be given the same evidentiary weight as the physically signed originals of corresponding documents related to the same Transaction.

5.3.5. The parties agree not to contest the validity or enforceability of Signed Documents under the provisions of any applicable law relating to whether certain agreements are to be in writing or signed by the party to be bound thereby. Signed Documents, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of Signed Documents under either the hearsay rule, or the best evidence rule on the basis that the Signed Documents were not originated or maintained in documentary form.

Section 6. Miscellaneous.

6.1. Term. This Agreement shall be effective as of the date first set forth above and shall remain in effect until terminated by either party with not less than 30 days prior written notice specifying the effective date of termination; provided, however, that written notice for purposes of this paragraph shall not include notice provided pursuant to an EDI transaction; further provided, however, that any termination shall not affect the respective obligations or rights of the parties arising under any Documents or otherwise under this Agreement prior to the effective date of termination. Notwithstanding any other provision of this Agreement, a party shall be entitled to immediately terminate this Agreement, upon delivery of notice of termination, if the other party (i) breaches the covenants of Section 5.2, (ii) uses the EDI for purposes other than those Transactions contemplated by the parties when entering into this Agreement unless by mutual agreement of the parties, or (iii) uses the EDI either illegally or for illegal purposes.

6.2. Exclusion of Certain Damages. Neither party shall be liable to the other for any special, incidental, exemplary, or consequential damages arising from or as a result of any delay, omission or error in the electronic transmission or receipt of any Documents pursuant to this Agreement, even if either party has been advised of the possibility of such damages and REGARDLESS OF FAULT. Any limitation on direct damages to software and hardware arising from this Agreement shall be set forth in the Appendix.

6.3. Notice. Any notice provided or permitted to be given under this Agreement must be in writing, but may be served by deposit in the mail, addressed to the party to be notified, postage prepaid, and registered or certified, with a return receipt requested. Notice given by registered mail shall be deemed delivered and effective on the date of delivery shown on the return receipt. Notice may be served in any other written manner, including telex, telecopy, telegram, Email, etc., but shall be deemed delivered and effective as of the time of actual delivery. Either party may change its address for the purpose of notice hereunder by giving the other party no less than five (5) days prior written notice of such new address in accordance with the preceding provisions. For purposes of notice, the addresses of the parties shall be as set forth in the Appendix.

Effective Date: 06/01/1997 Status: Effective

FERC Docket: RP97- 58-003

Original Sheet No. 295 Original Sheet No. 295 : Superseded

ELECTRONIC DATA INTERCHANGE  
TRADING PARTNER AGREEMENT (Continued)

6.4. Assignment. No party shall assign its rights and obligations in and under this Agreement without first obtaining prior written consent of the other party. The consent of the other party may be withheld in the sole discretion of the non-assigning party. However, any assignment or transfer, whether by merger or otherwise, to a party's Affiliate or successor in interest shall be permitted without prior consent if the party's Affiliate or successor assumes this Agreement.

6.5. Limitation on Liability. In no event shall either party be liable to the other party for consequential, incidental or punitive loss, damages or expenses (including lost profits or savings) even if advised of their possible existence.

6.6. Force Majeure. Neither party shall be liable for any delays or failures in performance due to circumstances beyond its control.

6.7. Survival of Covenants. The covenants, representations and agreements of Sections 2.2.3, 4, 5, 6.2, 6.5, 6.7, 6.9, 6.10, 6.15, 6.16, and 6.19 of this Agreement are of a continuing nature and shall survive the expiration, termination or cancellation of this Agreement, regardless of reason.

6.8. Waiver. The failure of a party to insist upon strict performance of any provision of this Agreement shall not constitute a waiver of, or estoppel against asserting, the right to require performance in the future. A waiver or estoppel in any one instance shall not constitute a waiver or estoppel with respect to a later breach.

6.9. Severability. If any of the terms and conditions of this Agreement are held by any court of competent jurisdiction to contravene, or to be invalid under, the laws of any political body having jurisdiction over this subject matter, that contravention or invalidity shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as reformed to the extent necessary to render valid the particular provision or provisions held to be invalid, consistent with the original intent of that provision and the rights and obligations of the parties shall be construed and enforced accordingly, and this Agreement shall remain in full force and effect as reformed.

6.10. Applicable Law. As Trading Partners are accessing TGPC's and/or TGPC's Affiliates' information on servers in Houston, Texas, and TGPC's and TGPC's Affiliates' information shall be deemed provided in Texas, this Agreement shall be deemed governed by and construed in accordance with the internal law, and not the law of conflicts, of the State of Texas.

6.11. Construction. The headings in this Agreement are inserted for convenience and identification only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any other provision hereof. Whenever the context requires, the gender of all words used in this Agreement shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

6.12. Counterpart Execution. This Agreement may be executed in any number of counterparts with the same effect as if all the parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument when executed by the contractual binding point of contact for each party.

6.13. Successors and Assigns. Except as otherwise provided, this Agreement shall apply to, and shall be binding upon, the parties hereto, their respective successors and permitted assigns, and all persons claiming by, through, or under any of these persons.

6.14. Reliance. All factual recitals, covenants, agreements, representations and warranties made herein shall be deemed to have been relied on by the parties in entering into this Agreement.

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97- 58-003

**Original Sheet No. 296** Original Sheet No. 296 : Superseded

ELECTRONIC DATA INTERCHANGE  
TRADING PARTNER AGREEMENT (Continued)

6.15. No Third Party Beneficiary. Any agreement to pay an amount or any assumption of liability herein contained, express or implied, shall be only for the benefit of the undersigned parties and their permitted successors and assigns, and such agreements and assumption shall not inure to the benefit of the obligees of any other party, whomsoever, it being the intention of the undersigned that no one shall be deemed to be a third party beneficiary of this Agreement.

6.16. Drafting Party. This Agreement expresses the mutual intent of the parties to this Agreement. Accordingly, the rule of construction against the drafting party shall have no application to this Agreement.

6.17. Incorporation of Exhibits. All exhibits attached to this Agreement are incorporated into this Agreement as fully as if stated within the body of this Agreement.

6.18. No Partnership or Joint Venture. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture or other entity or combination among the parties and each party shall remain solely responsible for the actions of its own employees and representatives.

6.19. Good Faith Dispute Resolution Procedures. If a disagreement under this Agreement arises between TGPC and/or TGPC's Affiliates and Trading Partner, prior to sending a formal demand letter from counsel or filing a lawsuit, TGPC and/or TGPC's Affiliates and Trading Partner will seek in good faith to resolve the dispute by agreement. Agreement will not be considered unachievable until the matter has been turned over to an officer of TGPC and/or TGPC's Affiliates and Trading Partner respectively and they are unable to resolve the matter. Unreasonable delay on the part of an officer to attend to a dispute will indicate that agreement is unachievable. Agreement between TGPC and/or TGPC's Affiliates and Trading Partner in a dispute may include disposition of the matter, agreement to submit the dispute to arbitration or agreement upon a conciliatory method.

EXECUTED effective as provided above.

TENNESSEE GAS PIPELINE COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

TRADING PARTNER

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97- 58-003

Original Sheet No. 297 Original Sheet No. 297 : Superseded

APPENDIX (Page 1)  
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT  
DATE \_\_\_\_\_  
TO BE EFFECTIVE \_\_\_\_\_ (DATE)  
[Applies across all transaction set types]

COMPANY NAME: Tennessee Gas Pipeline Companies  
STREET ADDRESS: 1001 Louisiana, Houston, TX 77002  
ATTENTION: \_\_\_\_\_  
PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_  
OTHER NOTICE METHOD & ADDRESS: Email address via Internet: \_\_\_\_\_

LEGAL ENTITY COMMON CODE  
1  
(D-U-N-S Number ): [ ] Tennessee Gas Pipeline  
[Please check which business [ ] Midwestern Gas Transmission  
unit your company will [ ] East Tennessee Natural Gas  
trade with]

BUSINESS REPRESENTATIVE CONTACT:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

EDI CONTACT:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PGP KEY EXCHANGE CONTACT:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1  
A registered trademark of Dun & Bradstreet Corporation.





Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97- 58-003

**Original Sheet No. 298** Original Sheet No. 298 : Superseded

APPENDIX (Page 2)  
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT  
DATE \_\_\_\_\_  
TO BE EFFECTIVE \_\_\_\_\_ (DATE)  
[Applies across all transaction set types]

COMPANY NAME: \_\_\_\_\_  
[Trading Partner Name]

STREET ADDRESS: \_\_\_\_\_

ATTENTION: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

OTHER NOTICE METHOD & ADDRESS:  
\_\_\_\_\_

COMPANY NAME: \_\_\_\_\_  
[Third Party Service Provider, if any]

STREET ADDRESS: \_\_\_\_\_

ATTENTION: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

OTHER NOTICE METHOD & ADDRESS:  
\_\_\_\_\_

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97- 58-003

**Original Sheet No. 299** Original Sheet No. 299 : Superseded

APPENDIX (Page 3)  
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT  
DATE \_\_\_\_\_  
TO BE EFFECTIVE \_\_\_\_\_ (DATE)  
[Applies across all transaction set types]

1. COMPANY COMMUNICATION INFORMATION:

COMPANY NAME: \_\_\_\_\_

ISA QUALIFIER: \_\_\_\_\_ ISA ID: \_\_\_\_\_

Uniform Resource Locator (hostname or IP Address, any non-standard port, directory, program name):  
\_\_\_\_\_

Basic Authentication userid and password: \_\_\_\_\_

PGP User ID (alpha, spaces, numbers only - no special characters):  
\_\_\_\_\_

COMPANY NAME: \_\_\_\_\_  
[Third Party Service Provider and/or Trading Partner Name]

ISA QUALIFIER: \_\_\_\_\_ ISA ID: \_\_\_\_\_

Uniform Resource Locator (hostname or IP Address, any non-standard port, directory, program name):  
\_\_\_\_\_

Basic Authentication userid and password: \_\_\_\_\_

PGP User ID (alpha, spaces, numbers only - no special characters):  
\_\_\_\_\_

<sup>1</sup>  
Legal Entity Common Code (D-U-N-S Number ) to be used in envelope tags for Internet EDM:  
\_\_\_\_\_

Backup Uniform Resource Locator (hostname or IP Address, any non-standard port, directory, program name) (optional):  
\_\_\_\_\_

Backup Basic Authentication userid and password (optional):  
\_\_\_\_\_  
\_\_\_\_\_

<sup>1</sup>  
A registered trademark of Dun & Bradstreet Corporation.

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97- 58-003

Original Sheet No. 300 Original Sheet No. 300 : Superseded

APPENDIX (Page 4)  
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT  
DATE \_\_\_\_\_  
TO BE EFFECTIVE \_\_\_\_\_ (DATE)  
[Applies across all transaction set types]

2. STANDARDS: 18 C.F.R. 284.10, as approved by FERC, and as changed by FERC, from time to time, and Tennessee Gas Pipeline Companies EDI implementation guides, as those may be changed from time to time.
3. INDUSTRY GUIDELINES: ANSI ASC X12
4. FILE ENCRYPTION PROCEDURES FOR INTERNET ELECTRONIC DELIVERY MECHANISMS (EDM):
  - a) Contact for public key exchange (emergency and scheduled):  
\_\_\_\_\_  
\_\_\_\_\_
  - b) Method of contact and related information such as phone number and/or e-mail address:  
\_\_\_\_\_  
\_\_\_\_\_
  - c) Chosen method of key exchange (examples: public encryption keys must be communicated in electronic form):  
\_\_\_\_\_  
\_\_\_\_\_
  - d) Scheduled public key exchange procedures (if any; also, please include frequency):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - e) Emergency public key exchange procedures:  
\_\_\_\_\_  
\_\_\_\_\_
  - f) Verification procedures to confirm appropriate exchange of public keys:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. TERMS AND CONDITIONS: It is agreed that both parties will conduct a mutual EDI test of the transmission of data by utilizing test documents and a test site ("Test") before implementing transmission of actual processing in the production environment ("Production"). Test of Trading Partners EDI transfers should include data that should be as reflective of the data which will actually be sent by the Trading Partner in the Production. No actual production of documents will be transmitted until notification of the Trading Partner by Pipeline that successful testing has been achieved under Pipeline's requirements.
6. DATA RETENTION: (If no special data retention procedures have been agreed upon, enter "None".)  
\_\_\_\_\_

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97- 58-007

**Substitute Original Sheet No. 301** Substitute Original Sheet No. 301 : Superseded  
Superseding: Original Sheet No. 301

APPENDIX (Page 5)  
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT  
DATE \_\_\_\_\_  
TO BE EFFECTIVE \_\_\_\_\_ (DATE)  
[Applies across all transaction set types]

7. REFERENCED AGREEMENTS:

- (1) Trading Partner's Transportation Service Agreement(s) with Pipeline.
- (2) Any and all agreements between Trading Partner and Pipeline executed subsequent to the execution of this Appendix which relate to transportation service or the aggregation of transportation data.

8. LIMITATION ON DAMAGES: Tennessee Gas Pipeline Companies expressly disclaim any and all warranties, express, implied, or statutory, related to the use of this EDI and Third Party Providers of services used in the EDI to the fullest extent of the General Terms and Conditions of the applicable Pipeline's FERC Gas Tariff.

9. CONFIDENTIAL INFORMATION: ( See Section 3.2. (If no limitation has been agreed upon, enter "None".))

\_\_\_\_\_

\_\_\_\_\_

10. DATE AND TIME OF RECEIPT OF TRANSACTION IS DEFINED in data element in the HTTP response called "time-c".

11. The General Terms and Conditions of the applicable Pipeline FERC Gas Tariff are hereby incorporated into this Appendix, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97- 58-007

**Substitute Original Sheet No. 302** Substitute Original Sheet No. 302 : Superseded  
Superseding: Original Sheet No. 302

APPENDIX (Page 6)  
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT  
DATE \_\_\_\_\_  
TO BE EFFECTIVE \_\_\_\_\_ (DATE)  
[Applies across all transaction set types]

LIST OF EXHIBITS

EXHIBIT NUMBER	TRANSACTION SET NUMBER	DOCUMENT NAME
_____	_____	_____
_____	_____	_____
_____	_____	_____

All Exhibits attached hereto are to be considered attached to the Appendix and made a part thereof. Where there are any provisions specified both in the Exhibit(s) and in the Appendix, those contained in the Exhibit(s) govern.

The undersigned do hereby execute this Appendix, which Appendix is attached to and made a part of the above referenced Trading Partner Agreement. By execution below the parties hereby ratify said Agreement for all purposes set forth in this Appendix and the attached Exhibit(s).

COMPANY NAME:

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

NAME: \_\_\_\_\_

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

on behalf of Tennessee Gas Pipeline, Midwestern Gas Transmission, and East Tennessee Natural Gas

TRADING PARTNER  
COMPANY NAME:

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

NAME: \_\_\_\_\_

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

Effective Date: 06/01/1997 Status: Effective  
FERC Docket: RP97- 58-003

Original Sheet No. 303 Original Sheet No. 303 : Superseded

EXHIBIT A  
ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT  
DATE \_\_\_\_\_  
TO BE EFFECTIVE \_\_\_\_\_ (DATE)

Re: Electronic Data Interchange Trading Partner Agreement by and between  
\_\_\_\_\_ [Trading Partner] and  
\_\_\_\_\_ [Pipeline(s)],  
dated \_\_\_\_\_

Gentlemen:

\_\_\_\_\_ [Provider] hereby ratifies and accepts the  
captioned Electronic Data Interchange Trading Partner Agreement ("Agreement") in its  
role as Third Party Service Provider ("Provider") for \_\_\_\_\_  
[Customer]. Provider will comply with the terms and conditions of the captioned  
agreement as a party thereto. \_\_\_\_\_ ("Pipeline(s)") is  
entitled to rely on the actions of Provider under and with respect to the captioned  
Agreement. Pipeline(s) will be fully protected in relying on Provider action and  
Provider, without limitation, indemnifies and holds harmless Pipeline(s) for its  
reliance on Provider's actions against any and all claims and damages arising as a  
consequence of or in connection with such reliance. Without limiting the foregoing,  
Pipeline(s) has the right to rely on the time indicated in a completed transmission  
(i.e. fully successful and received by Pipeline's internal backend computer system) when  
attempting to schedule timely nominations.

If the forgoing represents your understanding of the agreement between the  
parties, please sign in the signature space provided below.

THIRD PARTY PROVIDER  
COMPANY NAME: \_\_\_\_\_

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

NAME: \_\_\_\_\_

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

TRANSPORTATION CUSTOMER  
COMPANY NAME: \_\_\_\_\_

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

NAME: \_\_\_\_\_

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

PIPELINE  
COMPANY NAME: \_\_\_\_\_

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

NAME: \_\_\_\_\_

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

Effective Date: 06/01/1997 Status: Effective  
 FERC Docket: RP97- 58-007

**Substitute Original Sheet No. 304** Substitute Original Sheet No. 304 : Superseded  
 Superseding: Original Sheet No. 304

EXHIBIT \_\_\_\_\_ (Sequential Number)  
 ELECTRONIC DATA INTERCHANGE TRADING PARTNER AGREEMENT  
 DATED \_\_\_\_\_  
 TO BE EFFECTIVE \_\_\_\_\_ (Date)

Mark Application Transactions Response Sets Transaction Corresponding Number to Exhibit	Transaction Set Number and Name	ANSI Version	Your Company as Sender (S) or Receiver (R)	Document ID to be Included in GS02 (R)	Document ID to be Included in GS03 (S)	Set
	850 Shipper to Transporter Nomination	3040	S		850NM	
	855 Nomination Quick Response	3040	R	855NM		
	865 Scheduled Quantity	3040	R	865SQ		
	850 Request for Confirmation	3040	R	850CR		
	855 Confirmation Response	3040	S		855CR	
	860 Pre-determined Allocation	3040	S		860PA	
	865 Pre-determined Allocation Quick Response	3040	R	865PA		
	811 Shipper Imbalance	3040	R	811SI		
	865 Allocation Statement	3040	R	865AS		
	867 Measurement Information Statement	3040	R	867MI		
	811 Transportation/Sales Invoice	3040	R	811IV		
	820 Payment Remittance	3040	S		820PR	
	822 Statement of Account	3040	R	822SA		
	840 Firm Transportation and Storage-Offer	3040	R	840OF		
	843 Firm Transportation Storage-Bid Review	3040	R	843BR		
	843 Firm Transportation and Storage-Award Notice	3040	R	843AN		
	843 Firm Transportation and Storage-Withdrawal	3040	R	843WD		
	840 Electronic Withdrawal Upload	3040	S		840WD	
	840 Operationally Available and Unsubscribed Capacity	3040	R	840OA		
	846 Upload of Request for Download	3040	S		846RD	
	846 Response to Upload of Request for Download	3040	R	846DR		
	864 System Wide Notices	3040	R	864SN		
	864 Notes/Special Instructions - Outbound	3040	R	864SI		
	864 Notes/Special Instructions - Inbound	3040	S		864NI	
	840 Upload to Pipeline of Prearranged Deal (UPPD)	3040	S		840PD	
	843 UPPD - Validation	3040	R	843PD		
	843 UPPD - Bidder Confirmation	3040	S		843BC	
	824 UPPD - Bidder Confirmation Validation	3040	R	824BV		
	567 UPPD - Final Disposition	3040	R	567FD		

A functional Acknowledgement (Transaction Set 997) is required for each transaction set.  
 \* The version of the Transaction Set shall be as approved by FERC, and as changed by FERC from time to time.

COMPANY NAME: \_\_\_\_\_

TRADING PARTNER  
 COMPANY NAME:

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

BY:

NAME: \_\_\_\_\_

NAME:



---

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

---

TITLE:

on behalf of Tennessee Gas Pipeline,  
Midwestern Gas Transmission, and  
East Tennessee Natural Gas.

