

Table of Contents

First Revised Sheet No. 0	6
First Revised Sheet No. 1	7
First Revised Sheet No. 2	8
Second Revised Sheet No. 3	9
Sub Original Sheet No. 5	10
Original Sheet No. 6	11
Sixteenth Revised Sheet No. 7	12
Original Sheet No. 7A	13
Original Sheet No. 8	14
Original Sheet No. 8A	15
Original Sheet No. 9	16
Original Sheet No. 9A	17
Original Sheet No. 9B	18
Original Sheet No. 9C	19
Original Sheet No. 10	20
Original Sheet No. 11	21
Original Sheet No. 12	22
Original Sheet No. 13	23
Original Sheet No. 14	24
Original Sheet No. 15	25
Original Sheet No. 16	26
Original Sheet No. 17	27
Original Sheet No. 18	28
Original Sheet No. 19	29
Original Sheet No. 20	30
Original Sheet No. 21	31
Original Sheet No. 22	32
Original Sheet No. 23	33
First Revised Sheet No. 24	34
Original Sheet No. 25	35
Original Sheet No. 26	36
Original Sheet No. 27	37
Original Sheet No. 28	38
Original Sheet No. 29	39
First Revised Sheet No. 30	40
Original Sheet No. 31	41
Original Sheet No. 32	42
First Revised Sheet No. 40	43
Original Sheet No. 41	44
Sub First Revised Sheet No. 42	45
Original Sheet No. 43	46
Original Sheet No. 44	47
Original Sheet No. 45	48
Original Sheet No. 46	49
Sub Original Sheet No. 47	50

Original Sheet No. 48	51
Original Sheet No. 49	52
Sub Original Sheet No. 50	53
Sub Original Sheet No. 51	54
First Revised Sheet No. 52	55
Original Sheet No. 52A	56
Original Sheet No. 53	57
Original Sheet No. 54	58
Original Sheet No. 55	59
Original Sheet No. 56	60
Original Sheet No. 57	61
Original Sheet No. 58	62
Original Sheet No. 59	63
Original Sheet No. 60	64
Original Sheet No. 61	65
Original Sheet No. 62	66
First Revised Sheet No. 63	67
Original Sheet No. 64	68
Original Sheet No. 65	69
Original Sheet No. 66	70
Original Sheet No. 67	71
Original Sheet No. 68	72
Sub Original Sheet No. 69	73
Original Sheet No. 70	74
Original Sheet No. 71	75
Original Sheet No. 72	76
Original Sheet No. 73	77
Original Sheet No. 74	78
First Revised Sheet No. 75	79
Second Revised Sheet No. 76	80
First Revised Sheet No. 77	81
Original Sheet No. 78	82
Sub First Revised Sheet No. 79	83
Original Sheet No. 79A	84
Original Sheet No. 80	85
Sub First Revised Sheet No. 81	86
Original Sheet No. 81A	87
First Revised Sheet No. 82	88
First Revised Sheet No. 83	89
Second Revised Sheet No. 84	90
Original Sheet No. 85	91
Sub First Revised Sheet No. 86	92
Original Sheet No. 86A	93
Second Revised Sheet No. 87	94
First Revised Sheet No. 88	95
First Revised Sheet No. 89	96

First Revised Sheet No. 90	97
Original Sheet No. 91	98
Original Sheet No. 92	99
Sub Original Sheet No. 93	100
Original Sheet No. 94	101
Original Sheet No. 95	102
Original Sheet No. 96	103
Original Sheet No. 97	104
Original Sheet No. 98	105
Original Sheet No. 99	106
Original Sheet No. 100	107
First Revised Sheet No. 101	108
Third Revised Sheet No. 102	109
Sub First Revised Sheet No. 102A	110
Original Sheet No. 102B	111
Sub Second Revised Sheet No. 103	112
Original Sheet No. 103A	113
First Revised Sheet No. 104	114
First Revised Sheet No. 105	115
First Revised Sheet No. 105A	116
Second Revised Sheet No. 106	117
Original Sheet No. 106A	118
Original Sheet No. 107	119
Original Sheet No. 108	120
Original Sheet No. 109	121
Original Sheet No. 110	122
Original Sheet No. 111	123
First Revised Sheet No. 112	124
Original Sheet No. 113	125
Original Sheet No. 114	126
Original Sheet No. 115	127
Original Sheet No. 115A	128
Substitute First Revised Sheet No. 116	129
Original Sheet No. 117	130
Original Sheet No. 118	131
Original Sheet No. 119	132
Original Sheet No. 120	133
Original Sheet No. 121	134
Original Sheet No. 122	135
First Revised Sheet No. 123	136
First Revised Sheet No. 124	137
Original Sheet No. 125	138
Second Revised Sheet No. 126	139
Third Revised Sheet No. 127	140
First Revised Sheet No. 128	141
Original Sheet No. 129	142

Original Sheet No. 130	143
Second Revised Sheet No. 131	144
Original Sheet No. 132	145
Original Sheet No. 133	146
Original Sheet No. 134	147
Original Sheet No. 135	148
Original Sheet No. 136	149
Original Sheet No. 137	150
Original Sheet No. 138	151
Original Sheet No. 139	152
Original Sheet No. 140	153
Original Sheet No. 140A	154
First Revised Sheet No. 141	155
First Revised Sheet No. 141A	156
First Revised Sheet No. 142	157
Sub Original Sheet No. 144	158
First Revised Sheet No. 145	159
Seventh Revised Sheet No. 146	160
Original Sheet No. 147	161
Sub Original Sheet No. 150	162
Sub Original Sheet No. 151	163
Sub Original Sheet No. 152	164
Original Sheet No. 153	165
Sub Original Sheet No. 154	166
Original Sheet No. 155	167
Original Sheet No. 156	168
Original Sheet No. 157	169
Original Sheet No. 158	170
Original Sheet No. 159	171
Sub Original Sheet No. 160	172
Original Sheet No. 161	173
Original Sheet No. 162	174
Original Sheet No. 163	175
Original Sheet No. 164	176
Original Sheet No. 165	177
Original Sheet No. 166	178
Original Sheet No. 167	179
Original Sheet No. 168	180
Original Sheet No. 169	181
Original Sheet No. 170	182
Original Sheet No. 171	183
Original Sheet No. 172	184
First Revised Sheet No. 173	185
First Revised Sheet No. 174	186
First Revised Sheet No. 175	187

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First Revised Sheet No. 0 Carnegie Interstate Pipeline Company: Original Volume No. 1

First Revised Sheet No. 0 : Effective

Superseding: Original Sheet No. 0

FERC GAS TARIFF

Original Volume No. 1

of

CARNEGIE INTERSTATE PIPELINE COMPANY

filed with

FEDERAL ENERGY REGULATORY COMMISSION

Sheet Nos. 0 through 175 are Hereby Canceled

Effective Date: 09/27/1997 Status: Effective

FERC Docket: CP96-612-001

First Revised Sheet No. 1 First Revised Sheet No. 1 : Effective
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TABLE OF CONTENTS

Volume No. 1	Sheet No.
Table of Contents	1
Preliminary Statement	4
System Map	5
Transmission System Schematic	6
Currently Effective Rates	7
Rate Schedules	
Rate Schedule FTS Firm Transportation Service	10
Rate Schedule ITS Interruptible Transportation Service	14
Rate Schedule FGS Firm Gathering Service	17
Rate Schedule IGS Interruptible Gathering Service	21
General Terms and Conditions	
INDEX	40
1. APPLICABILITY	41
2. DEFINITIONS	41
3. QUALITY	44
4. PRESSURE	49
5. MEASUREMENT	50

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TABLE OF CONTENTS
(Continued)

Volume No. 1	Sheet No.
6. MEASUREMENT EQUIPMENT	52
7. POSSESSION OF GAS	56
8. WARRANTY OF TITLE TO GAS	57
9. PROCEDURES FOR REQUESTING SERVICE	57
10. RELEASE OF FIRM CAPACITY	74
11. PREGRANTED ABANDONMENT	91
12. ASSIGNMENT OF UPSTREAM CAPACITY	95
13. CREDITWORTHINESS	98
14. FLEXIBLE RECEIPT AND DELIVERY POINTS	99
15. NOMINATIONS, SEQUENCING, AND DELIVERY ALLOCATION	101
16. OPERATIONAL FLOW ORDERS	106A
17. DETERMINATION OF DELIVERIES AND IMBALANCES	112
18. CAPACITY CURTAILMENT	116
19. MARKET CENTERS	121
20. FORCE MAJEURE	122
21. BILLING	123
22. PAYMENT	123
23. MODIFICATION	125
24. ASSIGNMENT	125
25. TERMINATION FOR DEFAULT	125

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Superseding: First Revised Sheet No. 3

TABLE OF CONTENTS

(Continued)

Volume No. 1	Sheet No.
26. GOVERNMENTAL REGULATION	126
27. DESCRIPTIVE HEADINGS	126
28. ORDER 497 COMPLIANCE PROCEDURES	126
29. ELECTRONIC BULLETIN BOARD	128
30. RATE ADJUSTMENTS	131
31. TRANSITION COST RECOVERY	132
32. ACCOUNT NO. 858 COSTS	140A
33. EXIT FEES	145
34. GAS INDUSTRY STANDARDS BOARD ("GISB")	146
35. WAIVERS	146
Forms of Service Agreements	
Service Under Rate Schedule FTS	150
Service Under Rate Schedule ITS	157
Service Under Rate Schedule FGS	163
Service Under Rate Schedule IGS	168
Index of Purchasers	175

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Sub Original Sheet No. 5 Sub Original Sheet No. 5 : Effective

Superseding: Original Sheet No. 5

SYSTEM MAP

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FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 6

TRANSMISSION SYSTEM SCHEMATIC

Effective Date: 10/01/2001 Status: Effective
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Sixteenth Revised Sheet No. 7 Sixteenth Revised Sheet No. 7 : Effective
 Superseding: Fifteenth Revised Sheet No. 7

CURRENTLY EFFECTIVE RATES
 (Applicable to Rate Schedules in FERC Gas Tariff)

Rate Schedule		\$/Dth	
		Max. 1/	Min.
FTS	Reservation Charge	6.8215	0.0000
	Usage Charge	0.0033	0.0033
	Overrun Charge	0.2276	
	Products Extraction Charge	0.0514	
	DCA	0.2243	
ITS	Usage Charge	0.2276	0.0033
	Products Extraction Charge	0.0514	
FGS	Reservation Charge	16.0438	0.0000
	Usage Charge	0.0033	0.0033
	Overrun Charge	0.5308	
	DCA	0.5275	
IGS	Usage Charge	0.5308	0.0033

ACA Surcharge

ACA surcharge applicable to Customers pursuant to Section 30 of the General Terms and Conditions: 0.0021

Applicable Shrinkage

Customer shall provide and CIPCO shall retain Applicable Shrinkage as defined in Section 2(b) of the General Terms and Conditions.

Penalties

Penalties in accordance with Sections 16, 17, and/or 18 of the General Terms and Conditions shall apply.

GSR Surcharge

GSR Demand Surcharge pursuant to Section 31 of the General Terms and Conditions shall apply.

Maximum Rates for Volumetric Releases

The maximum rate for volumetric releases of firm transportation and storage capacity under Rate Schedules FTS and FGS shall be equal to the maximum Usage Charge for interruptible service under rate schedules ITS and IGS, respectively.

1/ The maximum rate ceiling does not apply to capacity release transactions of less than one year until September 30, 2002.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

Original Sheet No. 7A Original Sheet No. 7A : Effective
Superseding: Original Sheet No. 7A

DIRECT BILLING OF ACCOUNT NO. 858 COSTS
PURSUANT TO SECTION 32.1
OF THE GENERAL TERMS AND CONDITIONS

Customer	Total Amount
Columbia Gas of Ohio, Inc.	\$24,185.15
Columbia Gas of Penna., Inc.	\$18,138.82
New Jersey Natural Gas Company	\$32,649.93
UGI Utilities, Inc.	\$12,092.58
	<u>\$87,066.48</u>

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 8 Original Sheet No. 8 : Effective
Superseding: Original Sheet No. 8
INITIAL DIRECT BILLING OF ACCOUNT NO. 191 COSTS
PURSUANT TO SECTION 31.3(a)
OF THE GENERAL TERMS AND CONDITIONS

Customer	Total Principal Amount	Total Monthly Amount	1/
New Jersey Natural Gas Company	\$1,776,080	\$148,007	

1/ Customer may elect to make payments of amounts billed pursuant to an amortization of the total amount over a period not exceeding twelve months, commencing with the initial billing, plus carrying charges of amounts as yet uncollected.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

Original Sheet No. 8A Original Sheet No. 8A : Effective
Superseding: Original Sheet No. 8A

DIRECT BILLING OF ACCOUNT NO. 191 COSTS
PURSUANT TO SECTION 31.3(a)
OF THE GENERAL TERMS AND CONDITIONS

Customer	Total Principal Amount	Total Monthly Amount	1/
New Jersey Natural Gas Company	\$17,833.44	\$1,486.12	

1/ Customer may elect to make payments of amounts billed pursuant to an amortization of the total amount over a period not exceeding twelve months, commencing with the initial billing, plus carrying charges of amounts as yet uncollected.

Effective Date: / / Status: Effective
FERC Docket: CP93-552-003

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Superseding: Original Sheet No. 9
REVISED INITIAL DIRECT BILLING OF ACCOUNT NO. 191 COSTS
PURSUANT TO SECTION 31.3(b)
OF THE GENERAL TERMS AND CONDITIONS

Customer	Revised Direct Bill Amount	Remaining Direct Bill Amt. (Refund)	Total Direct Bill Monthly
Amount 1/			
Columbia Gas of Ohio, Inc.	\$ 635,358.10	\$415,133.74	\$ 51,891.72
Columbia Gas of Pa., Inc.	\$ 476,517.43	\$311,349.59	\$ 38,918.70
New Jersey Natural Gas Co.	\$ 857,732.75	\$(37,115.80)	-0-
UGI Utilities, Inc.	\$ 317,679.05	\$216,900.36	\$ 27,112.55
	\$2,287,287.33	\$906,267.89	\$117,922.97

1/ Customer may elect to make payments of amounts billed pursuant to an amortization of the total amount over a period not exceeding eight months, commencing with the February 1, 1994 billing, plus carrying charges of amounts as yet uncollected.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 9A Original Sheet No. 9A : Effective
Superseding: Original Sheet No. 9A

DIRECT BILLING OF ACCOUNT NO. 191 COSTS
PURSUANT TO SECTION 31.3(b)
OF THE GENERAL TERMS AND CONDITIONS

Customer	Total Principal Amount	Total Monthly Amount	1/
Columbia Gas of Ohio, Inc.	\$ 88,958.14	\$ 7,413.18	
Columbia Gas of Penna., Inc.	\$ 66,718.44	\$ 5,559.87	
New Jersey Natural Gas Company	\$120,093.38	\$10,007.78	
UGI Utilities, Inc.	\$ 44,479.07	\$ 3,706.59	
	<hr/>	<hr/>	
	\$320,249.03	\$26,687.42	

1/ Customer may elect to make payments of amounts billed pursuant to an amortization of the total amount over a period not exceeding twelve months, commencing with the initial billing, plus carrying charges of amounts as yet uncollected.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

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Superseding: Original Sheet No. 9B

DIRECT BILLING OF ACCOUNT NO. 191 COSTS
PURSUANT TO SECTION 31.3(b)
OF THE GENERAL TERMS AND CONDITIONS

Customer	Total Principal Amount	Total Monthly Amount	1/
Columbia Gas of Ohio, Inc.	\$ 32,298.67	\$ 2,691.56	
Columbia Gas of Penna., Inc.	\$ 24,223.94	\$ 2,018.66	
New Jersey Natural Gas Company	\$ 43,603.17	\$ 3,633.60	
UGI Utilities, Inc.	\$ 16,149.34	\$ 1,345.78	
	<hr/>	<hr/>	
	\$116,275.12	\$ 9,689.60	

1/ Customer may elect to make payments of amounts billed pursuant to an amortization of the total amount over a period not exceeding twelve months, commencing with the initial billing, plus carrying charges of amounts as yet uncollected.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

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Superseding: Original Sheet No. 9C

DIRECT BILLING OF ACCOUNT NO. 191 COSTS
PURSUANT TO SECTION 31.3(b)
OF THE GENERAL TERMS AND CONDITIONS

Customer	Total Principal Amount	Total Monthly Amount	1/
Columbia Gas of Ohio, Inc.	\$21,718.08	\$ 1,809.84	
Columbia Gas of Penna., Inc.	\$16,288.52	\$ 1,357.38	
New Jersey Natural Gas Company	\$29,319.39	\$ 2,443.28	
UGI Utilities, Inc.	\$10,859.04	\$ 904.92	
	<hr/>	<hr/>	
	\$78,185.03	\$ 6,515.42	

1/ Customer may elect to make payments of amounts billed pursuant to an amortization of the total amount over a period not exceeding twelve months, commencing with the initial billing, plus carrying charges of amounts as yet uncollected.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 10 Original Sheet No. 10 : Effective
Superseding: Original Sheet No. 10
RATE SCHEDULE FTS
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Open-access Rate Schedule is applicable to firm transportation service provided to all former Rate Schedule CDS and LVWS customers and is available to any Customer which has requested firm transportation service pursuant to Section 9 of the General Terms and Conditions of CIPCO's FERC Gas Tariff and, after review and acceptance of such request by CIPCO, has entered into a Service Agreement with CIPCO for service under this Rate Schedule FTS. Such Service Agreement shall be in the form contained in CIPCO's FERC Gas Tariff, of which this Rate Schedule FTS is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Transportation service hereunder shall be firm, except as provided herein and in the General Terms and Conditions of CIPCO's FERC Gas Tariff.

2.2 CIPCO shall receive for transportation on behalf of Customer, at those primary and/or secondary Receipt Point(s) designated in Section 9.5 of the General Terms and Conditions of CIPCO's FERC Gas Tariff or as set forth in the applicable Service Agreement, quantities of gas tendered by Customer up to Customer's Maximum Daily Transportation Quantity ("MDTQ") plus Applicable Shrinkage. Such MDTQ shall be equal to the existing MDQ of each former Rate Schedule CDS or LVWS customer under its former bundled firm sales service agreement or as specified in the executed Service Agreement under this Rate Schedule FTS. CIPCO shall transport and deliver or cause to be transported and delivered on behalf of Customer to those primary and/or secondary Delivery Point(s) designated in the applicable Service Agreement, such quantities tendered up to such Customer's MDTQ.

2.3 Applicable Shrinkage is set forth in Section 2 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

2.4 CIPCO shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to any Customer pursuant to this Rate Schedule FTS.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 11 Original Sheet No. 11 : Effective
Superseding: Original Sheet No. 11
RATE SCHEDULE FTS
(Continued)

3. RATE

3.1 The applicable rates for service hereunder are set forth in the currently effective Sheet No. 7 of this FERC Gas Tariff and are hereby incorporated herein. The rates in this Rate Schedule FTS are subject to adjustment pursuant to Sections 30, 31, and 32 of the General Terms and Conditions of CIPCO's FERC Gas Tariff. Unless CIPCO and Customer agree in writing upon a lesser rate for service provided hereunder, the rate applicable to a Customer for service hereunder shall be the applicable Maximum Rate(s) as set forth on the effective Sheet No. 7. In the event a rate less than the applicable Maximum Rate(s) and not less than the applicable Minimum Rate(s) is agreed upon, such rate shall be applicable for the period agreed upon by Customer and CIPCO.

3.2 For service rendered hereunder to Customer each month under this Rate Schedule FTS, Customer shall pay CIPCO the sum of the following charges:

(a) Reservation Charge:

The Reservation Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by the Maximum Daily Transportation Quantity; and

(b) Monthly Usage Charge consisting of the sum of the following charges:

(1) The Usage Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by the quantity of gas delivered on each day of such month pursuant to the Service Agreement hereunder, which quantity is not in excess of Customer's MDTQ; and

(2) If CIPCO has delivered, pursuant to the executed Service Agreement hereunder, quantities in excess of 100% of Customer's MDTQ, the Overrun Charge Rate, as set forth on Sheet No. 7, multiplied by all quantities delivered on any day in excess of 100% of Customer's MDTQ.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

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

RATE SCHEDULE FTS
(Continued)

(c) If CIPCO has received gas into its system upstream of its products extraction facilities and has delivered to Customer such gas at Delivery Point(s) downstream of its products extraction facilities, the Products Extraction Charge, as set forth on Sheet No. 7, multiplied by the quantity of gas so delivered to Customer by CIPCO.

3.3 Ninety percent (90%) of revenues received by CIPCO under Rate Schedule ITS during each twelve (12) month period following October 1, 1993, exclusive of products extraction charge revenues, that are in excess of \$358,748, plus applicable surcharge amounts, amounts credited against the gas supply realignment costs allocated to service under Rate Schedule ITS in accordance with Section 31.2(e) of the General Terms and Conditions of CIPCO's FERC Gas Tariff, and any variable costs incurred by CIPCO in rendering service to which the interruptible revenues received by CIPCO during such twelve (12) month period shall apply, shall be credited to Customers receiving service under this Rate Schedule FTS pro rata based on MDTQs in effect during the month to which such excess revenues apply. Such credit shall be applied to the bill for service under this Rate Schedule FTS for the month following the month to which such excess revenues apply.

4. SCHEDULING OF RECEIPTS AND DELIVERIES

If Customer desires transportation of natural gas on any day under this Rate Schedule FTS, Customer shall give notice to CIPCO in accordance with Section 15 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

5. DETERMINATION OF RECEIPTS AND DELIVERIES

Receipts and deliveries of natural gas under this Rate Schedule FTS shall be determined in accordance with the provisions of Section 15 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

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FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 13

RATE SCHEDULE FTS

(Continued)

6. POINTS OF RECEIPT AND DELIVERY

Primary Receipt Point(s) and primary Delivery Point(s) shall be as designated in Section 9.5 of the General Terms and Conditions of CIPCO's FERC Gas Tariff or as specified in the applicable Service Agreement.

7. IMPAIRMENT OF RECEIPTS AND DELIVERIES

Where CIPCO, on any day is unable to receive and/or deliver the total requests of all Customers requesting service hereunder, then CIPCO shall limit receipts and/or deliveries of gas hereunder in accordance with Sections 16, 18, and/or 20 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

8. IMBALANCES

Imbalances shall be governed by the provisions of Section 17 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

9. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of CIPCO's FERC Gas Tariff, of which this Rate Schedule FTS is a part, are applicable to this Rate Schedule FTS and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 14

RATE SCHEDULE ITS
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Open-access Rate Schedule is available to any Customer which has requested interruptible transportation service pursuant to Section 9 of the General Terms and Conditions of CIPCO's FERC Gas Tariff and, after review and acceptance of such request by CIPCO, has entered into a Service Agreement with CIPCO for service under Rate Schedule ITS. Such Service Agreement shall be in the form contained in CIPCO's FERC Gas Tariff, of which this Rate Schedule ITS is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Transportation service hereunder shall be interruptible.

2.2 CIPCO shall receive for transportation on behalf of Customer, at those Receipt Point(s) designated in the applicable Service Agreement, quantities of gas up to Customer's Maximum Daily Transportation Quantity ("MDTQ") plus Applicable Shrinkage. Such MDTQ shall be specified in the executed Service Agreement under this Rate Schedule ITS. CIPCO shall transport and deliver or cause to be transported and delivered on behalf of Customer to those Delivery Point(s) designated in the applicable Service Agreement, such quantities tendered up to such Customer's MDTQ.

2.3 Applicable Shrinkage is set forth in Section 2 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

2.4 CIPCO shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Customer pursuant to this Rate Schedule ITS. CIPCO is free to contract at any time with other parties for new storage or transportation services (whether firm or interruptible) without liability to Customer for any resulting interruption or reduction of transportation service hereunder.

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FERC Docket: CP93-552-003

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

RATE SCHEDULE ITS
(Continued)

3. RATE

3.1 The applicable rates for service hereunder are set forth in the currently effective Sheet No. 7 of this FERC Gas Tariff and hereby incorporated herein. The rates in this Rate Schedule ITS are subject to adjustment pursuant to Sections 30 and 31 of the General Terms and Conditions of CIPCO's FERC Gas Tariff. Unless CIPCO and Customer agree in writing upon a lesser rate for service provided hereunder, the rate applicable to a Customer for service hereunder shall be the applicable Maximum Rate as set forth on the effective Sheet No. 7. In the event a rate less than the applicable Maximum Rate and not less than the applicable Minimum Rate is agreed upon, such rate shall be applicable for the period agreed upon by Customer and CIPCO.

3.2 For service rendered hereunder to Customer each month under this Rate Schedule ITS, Customer shall pay CIPCO a Monthly Usage Charge consisting of the sum of the following charges:

(a) The Usage Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by the quantity of gas delivered on each day of such month pursuant to the Service Agreement; and

(b) If CIPCO has received gas into its system upstream of its products extraction facilities and has delivered to Customer such gas at Delivery Point(s) downstream of its products extraction facilities, the Products Extraction Charge, as set forth on Sheet No. 7, multiplied by the quantity of gas so delivered to Customer by CIPCO.

4. SCHEDULING OF RECEIPTS AND DELIVERIES

If Customer desires transportation of natural gas on any day under this Rate Schedule ITS, Customer shall give notice to CIPCO in accordance with Section 15 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 16 Original Sheet No. 16 : Effective
Superseding: Original Sheet No. 16

RATE SCHEDULE ITS
(Continued)

5. DETERMINATION OF RECEIPTS AND DELIVERIES

Receipts and deliveries of natural gas under this Rate Schedule ITS shall be determined in accordance with the provisions of Section 15 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

6. POINTS OF RECEIPT AND DELIVERY

Receipt Point(s) and Delivery Point(s) shall be specified in the applicable Service Agreement.

7. IMPAIRMENT OF RECEIPTS AND DELIVERIES

Where CIPCO, on any day is unable to receive and/or deliver the total requests of all Customers requesting service hereunder, then CIPCO shall limit receipts and/or deliveries of gas hereunder in accordance with Sections 16, 18, and/or 20 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

8. IMBALANCES

Imbalances shall be governed by the provisions of Section 17 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

9. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of CIPCO's FERC Gas Tariff, of which this Rate Schedule ITS is a part, are applicable to this Rate Schedule ITS and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 17 Original Sheet No. 17 : Effective
Superseding: Original Sheet No. 17
RATE SCHEDULE FGS
FIRM GATHERING SERVICE

1. AVAILABILITY

This Open-access Rate Schedule is available to any Customer which has requested firm gathering service pursuant to Section 9 of the General Terms and Conditions of CIPCO's FERC Gas Tariff and, after review and acceptance of such request by CIPCO, has entered into a Service Agreement with CIPCO for service under Rate Schedule FGS. Such Service Agreement shall be in the form contained in CIPCO's FERC Gas Tariff, of which this Rate Schedule FGS is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Gathering service hereunder will be firm, except as provided herein and in the General Terms and Conditions of CIPCO's FERC Gas Tariff.

2.2 CIPCO shall receive into and transport through CIPCO's gathering system quantities of natural gas tendered by Customer up to Customer's Maximum Daily Gathering Quantity ("MDGQ"), plus Applicable Shrinkage. Such MDGQ shall be specified in the executed Service Agreement under this Rate Schedule FGS. CIPCO shall transport and deliver or cause to be transported and delivered on behalf of Customer to the Delivery Point, such quantities tendered up to such Customer's MDGQ.

2.3 For the purposes of receipts hereunder, gas shall be deemed to be received at any or all receipt points on CIPCO's gathering system. The primary Delivery Point for all such gas shall be the point at which gas is delivered into CIPCO's transmission system at the outlet side of the Waynesburg Compressor Station, unless otherwise specified in the applicable Service Agreement. Customer shall have secondary delivery point capacity at all other delivery points on CIPCO's gathering system, subject to capacity and operational limitations.

2.4 Applicable Shrinkage is set forth in Section 2 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 18

RATE SCHEDULE FGS

(Continued)

2.5 CIPCO shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide gathering service to any Customer pursuant to this Rate Schedule FGS.

3. RATE

3.1 The applicable rates for service hereunder are set forth in the currently effective Sheet No. 7 of this FERC Gas Tariff and are hereby incorporated herein. The rates in this rate schedule are subject to adjustment pursuant to Sections 30 and 31 of the General Terms and Conditions of CIPCO's FERC Gas Tariff. Unless CIPCO and Customer agree in writing upon a lesser rate for service provided hereunder, the rate applicable to a Customer for service hereunder shall be the applicable Maximum Rate(s) as set forth on the effective Sheet No. 7. In the event a rate less than the applicable Maximum Rate(s) and not less than the applicable Minimum Rate(s) is agreed upon, such rate shall be applicable for the period agreed upon by Customer and CIPCO.

3.2 For service rendered hereunder to Customer each month under this Rate Schedule FGS, Customer shall pay CIPCO the sum of the following charges:

(a) Reservation Charge:

The Reservation Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by the Maximum Daily Gathering Quantity; and

(b) Monthly Usage Charge consisting of the sum of the following charges:

(1) The Usage Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by the quantity of gas delivered on each day of such month pursuant to the Service Agreement hereunder, which quantity is not in excess of Customer's MDGQ; and

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FERC Docket: CP93-552-003

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

RATE SCHEDULE FGS
(Continued)

(2) If CIPCO has delivered pursuant to the executed Service Agreement hereunder quantities in excess of 100% of Customer's MDGQ, the Overrun Charge Rate, as set forth on Sheet No. 7, multiplied by all quantities delivered on any day during such month which are in excess of 100% of Customer's MDGQ.

3.3 Ninety percent (90%) of revenues received by CIPCO under Rate Schedule IGS during each twelve (12) month period following October 1, 1993, that are in excess of \$198,000, plus applicable surcharge amounts and any variable costs incurred by CIPCO in rendering service to which the interruptible revenues received by CIPCO during such twelve (12) month period shall apply, shall be credited to Customers receiving service under this Rate Schedule FGS pro rata based on MDGQs in effect during the month to which such excess revenues apply. Such credit shall be applied to the bill for service under this Rate Schedule FGS for the month following the month to which such excess revenues apply.

4. SCHEDULING OF RECEIPTS AND DELIVERIES

If Customer desires delivery of natural gas on any day under this Rate Schedule FGS, Customer shall give notice to CIPCO in accordance with Section 15 of CIPCO's General Terms and Conditions.

5. DETERMINATION OF RECEIPTS AND DELIVERIES

Receipts and deliveries of natural gas under this Rate Schedule FGS shall be determined in accordance with the provisions of Section 15 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 20

RATE SCHEDULE FGS

(Continued)

6. POINTS OF RECEIPT AND DELIVERY

Receipt Point(s) and Delivery Point(s) may be specified in the applicable Service Agreement.

7. IMPAIRMENT OF RECEIPTS AND DELIVERIES

Where CIPCO, on any day, is unable to receive and/or deliver the total requests of all Customers requesting service hereunder, then CIPCO shall limit receipts and/or deliveries of gas hereunder in accordance with Sections 16, 18, and/or 20 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

8. IMBALANCES

Imbalances shall be governed by the provisions of Section 17 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

9. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of CIPCO's FERC Gas Tariff, of which this Rate Schedule FGS is a part, are applicable to this Rate Schedule FGS and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 21 Original Sheet No. 21 : Effective
Superseding: Original Sheet No. 21
RATE SCHEDULE IGS
INTERRUPTIBLE GATHERING SERVICE

1. AVAILABILITY

This Open-access Rate Schedule is available to any Customer which has requested interruptible gathering service pursuant to Section 9 of the General Terms and Conditions of CIPCO's FERC Gas Tariff and, after review and acceptance of such request by CIPCO, has entered into a Service Agreement with CIPCO for service under Rate Schedule IGS. Such Service Agreement shall be in the form contained in CIPCO's FERC Gas Tariff, of which this Rate Schedule IGS is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Gathering service hereunder shall be interruptible.

2.2 CIPCO shall receive into and transport through CIPCO's gathering system quantities of natural gas up to Customer's Maximum Daily Gathering Quantity ("MDGQ"), plus Applicable Shrinkage. Such MDGQ shall be specified in the executed Service Agreement under this Rate Schedule IGS. CIPCO shall transport and deliver or cause to be transported and delivered on behalf of Customer to the Delivery Point such quantities tendered up to such Customer's MDGQ.

2.3 For the purposes of receipt, gas shall be deemed to be received at any or all receipt points on CIPCO's gathering system. The primary Delivery Point for all such gas shall be the point at which gas is delivered into CIPCO's transmission system at the outlet side of the Waynesburg Compressor Station, unless otherwise specified in the applicable Service Agreement. Customer shall have secondary delivery point capacity at all other delivery points on CIPCO's gathering system, subject to capacity and operational limitations.

2.4 Applicable Shrinkage is set forth in Section 2 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

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FERC Docket: CP93-552-003

Original Sheet No. 22 Original Sheet No. 22 : Effective
Superseding: Original Sheet No. 22

RATE SCHEDULE IGS
(Continued)

2.5 CIPCO shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide gathering service to any Customer pursuant to this Rate Schedule IGS.

3. RATE

3.1 The applicable rates for service hereunder are set forth in the currently effective Sheet No. 7 of this FERC Gas Tariff and are hereby incorporated herein. The rates in this Rate Schedule IGS are subject to adjustment pursuant to Sections 30 and 31 of the General Terms and Conditions of CIPCO's FERC Gas Tariff. Unless CIPCO and Customer agree in writing upon a lesser rate for service provided hereunder, the rate applicable to a Customer for service hereunder shall be the applicable Maximum Rate(s) as set forth on the effective Sheet No. 7. In the event a rate less than the applicable Maximum Rate(s) and not less than the applicable Minimum Rate(s) is agreed upon, such rate shall be applicable for the period agreed upon by Customer and CIPCO.

3.2 For service rendered hereunder to Customer each month under this Rate Schedule IGS, Customer shall pay CIPCO a Monthly Usage Charge consisting of the Usage Charge Rate, as determined pursuant to Section 3.1 herein, multiplied by the quantity of gas delivered to Customer on each day of such month pursuant to the Service Agreement.

4. SCHEDULING OF RECEIPTS AND DELIVERIES

If Customer desires transportation of natural gas on any day under this Rate Schedule IGS, Customer shall give notice to CIPCO in accordance with Section 15 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

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FERC Docket: CP93-552-003

Original Sheet No. 23 Original Sheet No. 23 : Effective

Superseding: Original Sheet No. 23

RATE SCHEDULE IGS

(Continued)

5. DETERMINATION OF RECEIPTS AND DELIVERIES

Receipts and deliveries of natural gas under this Rate Schedule IGS shall be determined in accordance with the provisions of Section 15 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

6. POINTS OF RECEIPT AND DELIVERY

Receipt Point(s) and Delivery Point(s) may be specified in the applicable Service Agreement.

7. IMPAIRMENT OF RECEIPTS AND DELIVERIES

Where CIPCO, on any day is unable to receive and/or deliver the total requests of all Customers requesting service here-under, then CIPCO shall limit receipts and/or deliveries of gas hereunder in accordance with Sections 16, 18, and/or 20 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

8. IMBALANCES

Imbalances shall be governed by the provisions of Section 17 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

9. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of CIPCO's FERC Gas Tariff, of which this Rate Schedule IGS is a part, are applicable to this Rate Schedule IGS and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein.

Effective Date: 09/27/1997 Status: Effective

FERC Docket: CP96-612-001

First Revised Sheet No. 24 First Revised Sheet No. 24 : Effective
Superseding: Sheet Nos. 24-29

Notice is hereby given that effective September 27, 1997 Rate
Schedule FMS, constituting Sheet Nos. 24 through 29 of the FERC
Gas Tariff of Carnegie Interstate Pipeline Company is to be
cancelled.

[Sheet Nos. 24 through 29 reserved for future use.]

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 25 Original Sheet No. 25 : Effective
Superseding: Original Sheet No. 25
RATE SCHEDULE FMS
(Continued)

4. CURTAILMENT

4.1 Right to Curtail

In the event unexpected gas supply limitations cause CIPCO to be unable to deliver to all Customers receiving service under this Rate Schedule FMS the quantities of gas CIPCO is obligated to deliver, CIPCO shall have the right to curtail, interrupt, or discontinue service under this Rate Schedule FMS in whole or in part on all or a portion of its system from time to time and at any time.

4.2 Priorities

Available gas supplies shall be allocated proportionately among Customers receiving service under this Rate Schedule FMS so as to fulfill, whenever possible, each such Customer's requirements in each of the priorities of use listed below. CIPCO's deficiency of gas supplies shall be apportioned among each such Customer beginning with the lowest priority, then in sequence to the highest priority, on the basis of the ratio of each such Customer's requirements in the respective priority to the total of all such Customers' requirements in the same priority. Requirements in a higher priority will not be curtailed until all requirements in the lower priorities have been completely curtailed.

(a) Residential, small commercial (less than 50 Dth on a peak day), schools, hospitals, police protection, fire protection, sanitation facility, or correctional facility, or any other use determined to be a high-priority use under Section 401(f) (2) (D) of the Natural Gas Policy Act.

(b) Essential agricultural uses.

(c) Essential industrial process and feedstock uses, including firm industrial requirements for plant protection.

(d) All other requirements not specified above.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

Original Sheet No. 26 Original Sheet No. 26 : Effective

Superseding: Original Sheet No. 26

RATE SCHEDULE FMS

(Continued)

4.3 Definitions

Definitions for terms used in Section 4.2 are as follows:

(a) Residential: Service to customers which consists of direct natural gas use in a residential dwelling, including apartments and other multi-unit buildings, predominately for space heating, air conditioning, cooking, clothes drying, water heating and other residential uses.

(b) Hospital: Service to a facility, the primary function of which is delivering medical care to patients who remain at the facility including nursing and convalescent homes but excluding outpatient clinics or doctors' offices.

(c) Schools: Service to a facility, the primary function of which is to deliver instruction to regularly enrolled students in attendance at such facility. Facilities used for both educational and noneducational activities are not included under this definition unless the latter activities are merely incidental to the delivery of instruction.

(d) Essential Agricultural: Service to customers for natural gas use which is certified by the Secretary of Agriculture as an "essential agricultural use" pursuant to 7 C.F.R. Section 2900, et seq., exclusive of requirements as to which the FERC has determined in 18 C.F.R. Part 281, Subpart C, that an alternative fuel is reasonably available and economically practicable.

(e) Commercial: Service to customers engaged primarily in the sale of goods or services including institutions and local, state, and federal government agencies for uses other than those involving manufacturing or electric power generation.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 27

RATE SCHEDULE FMS

(Continued)

4.3 (Continued)

(f) Industrial: Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.

(g) Firm Service: Service from schedules or contracts under which Seller is expressly obligated to deliver specific volumes within a given time period and which anticipates no interruptions, but which may permit unexpected interruption in case the supply to higher priority customers is threatened.

(i) Plant Protection Gas: The minimum volumes required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel.

This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production. For the purposes of this definition, propane and other gaseous fuels shall not be considered alternate fuels.

(j) Feedstock Gas: Natural gas used as a raw material for its chemical properties in creating an end product.

(k) Process Gas: Gas use for which alternate fuels are not technically feasible such as in applications requiring precise temperature controls and precise flame characteristics. For the purpose of this definition, propane and other gaseous fuels shall not be considered alternate fuels.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

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

RATE SCHEDULE FMS
(Continued)

4.4 Customer Reports

Each Customer receiving service under this Rate Schedule FMS shall promptly furnish such information as CIPCO may request from time to time to implement any curtailment plan under this Section 4, including but not limited to (a) Customer's monthly requirements from CIPCO by the priorities of use listed in Section 4.2 with supporting data, including information for individual industrial customers served by Customer, and (b) the periodic deliveries from CIPCO planned by Customer to implement any allocation of deliveries made effective under this Section 4 during any curtailment period.

4.5 Curtailment Compliance

Without regard to any other remedy provided by law or by the provisions hereof, CIPCO shall be entitled to seek an order from the FERC or any other appropriate tribunal requiring compliance with curtailment or interruption ordered by CIPCO in compliance with this Section 4 or any directive from any governmental authority having jurisdiction.

All quantities tendered to CIPCO and/or taken by Customer in violation of CIPCO's curtailment or interruption orders shall constitute unauthorized receipts or deliveries for which a charge of \$25.00/Dth shall be assessed, in addition to the applicable rates charged to Customer for service(s) provided by CIPCO. CIPCO shall provide Customer reasonable notice of such curtailment or interruption orders, and if Customer adjusts its tenders or takes within such notice period, no additional charge, as provided in this Section 4.5, shall be assessed.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 29

RATE SCHEDULE FMS

(Continued)

4.6 Notice

CIPCO shall provide Customer with notice of a curtailment or interruption at a time and in a manner that is reasonable under then existing conditions, and shall thereafter confirm in writing the notice given if originally provided telephonically.

Customer shall have the responsibility to inform its suppliers, transporters, consumers, and all others involved in the transaction, as to any curtailment or interruption.

4.7 Indemnification

Customer shall indemnify CIPCO from and against any and all losses, damages, or expenses of any kind which such Customer may sustain or be liable for, and will hold CIPCO harmless from any and all damages, claims, suits, actions, or proceedings, either threatened or initiated, as a result of any curtailment or interruption invoked by CIPCO, except for losses, damages, or expenses caused by CIPCO's own negligence or willful misconduct.

5. REPORTING

CIPCO shall comply with the reporting requirements set forth in 18 C.F.R. 284.288, so long as such requirements are applicable to CIPCO.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of CIPCO's FERC Gas Tariff, of which this Rate Schedule FMS is a part, are applicable to this Rate Schedule FMS and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein.

Effective Date: 09/27/1997 Status: Effective

FERC Docket: CP96-612-001

First Revised Sheet No. 30 First Revised Sheet No. 30 : Effective
Superseding: Sheet Nos. 30-31

Notice is hereby given that effective September 27, 1997 Rate
Schedule IMS, constituting Sheet Nos. 30 and 31 of the FERC Gas
Tariff of Carnegie Interstate Pipeline Company is to be
cancelled.

[Sheet Nos. 30 and 31 reserved for future use.]

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 31

RATE SCHEDULE IMS

(Continued)

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of CIPCO's FERC Gas Tariff, of which this Rate Schedule IMS is a part, are applicable to this Rate Schedule IMS and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 32

[Sheet Nos. 32-39 reserved for future use.]

Effective Date: 06/01/1997 Status: Effective

FERC Docket: RP97-173-001

First Revised Sheet No. 40 First Revised Sheet No. 40 : Effective

Superseding: Original Sheet No. 40

INDEX TO GENERAL TERMS AND CONDITIONS
(Continued)

Section No.	Sheet No.
1. APPLICABILITY	41
2. DEFINITIONS	41
3. QUALITY	44
4. PRESSURE	49
5. MEASUREMENT	50
6. MEASUREMENT EQUIPMENT	52
7. POSSESSION OF GAS	56
8. WARRANTY OF TITLE TO GAS	57
9. PROCEDURES FOR REQUESTING SERVICE	57
10. RELEASE OF FIRM CAPACITY	74
11. PREGRANTED ABANDONMENT	91
12. ASSIGNMENT OF UPSTREAM CAPACITY	85
13. CREDITWORTHINESS	98
14. FLEXIBLE RECEIPT AND DELIVERY POINTS	99
15. NOMINATIONS, SEQUENCING, AND DELIVERY ALLOCATION	101
16. OPERATIONAL FLOW ORDERS	106A
17. DETERMINATION OF DELIVERIES AND IMBALANCES	112
18. CAPACITY CURTAILMENT	116
19. MARKET CENTERS	121
20. FORCE MAJEURE	122
21. BILLING	123
22. PAYMENT	123
23. MODIFICATION	125
24. ASSIGNMENT	125
25. TERMINATION FOR DEFAULT	125
26. GOVERNMENTAL REGULATION	126
27. DESCRIPTIVE HEADINGS	126
28. ORDER 497 COMPLIANCE PROCEDURES	126
29. ELECTRONIC BULLETIN BOARD	128
30. RATE ADJUSTMENTS	131
31. TRANSITION COST RECOVERY	132
32. ACCOUNT NO. 858 COSTS	140A
33. EXIT FEES	145
34. GAS INDUSTRY STANDARDS BOARD ("GISB")	146
35. WAIVERS	146

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 41

GENERAL TERMS AND CONDITIONS

1. APPLICABILITY

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

2. DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms, when used herein or in any Rate Schedule or Service Agreement incorporating these General Terms and Conditions, are intended and used and shall be construed to have meanings as follows:

(a) The term "Acquiring Shipper" shall mean any person that acquires firm capacity in accordance with Section 10 of the General Terms and Conditions of this FERC Gas Tariff.

(b) The term "Applicable Shrinkage" shall mean an allowance of 1% for all quantities of gas transported from the outlet side of CIPCO's Waynesburg Compressor Station and shall mean an allowance of 5% for all quantities of gas gathered and/or transported to the suction side of CIPCO's Waynesburg Compressor Station.

(c) The term "British Thermal Unit" (Btu) shall mean the amount of heat required to raise the temperature of one (1) avoirdupois pound of pure water from 58.5F to 59.5F under standard conditions.

(d) The term "CIPCO" shall mean Carnegie Interstate Pipeline Company.

(e) The term "Contract Year" as used in a rate schedule shall mean a consecutive twelve month period as specified in the executed Service Agreement.

Effective Date: 06/01/1997 Status: Effective

FERC Docket: RP97-173-004

Sub First Revised Sheet No. 42 Sub First Revised Sheet No. 42 : Effective

Superseding: Sub Original Sheet No. 42

GENERAL TERMS AND CONDITIONS

(Continued)

2. (Continued)

(f) The term "cubic foot" shall mean the volume of gas which occupies 1 cubic foot of space, measured according to Boyle's and Charles' Laws for the measurement of gas under varying pressures with deviation therefrom as provided in Section 5 hereof and on the measurement basis likewise specified in Section 5 hereof.

(g) The term "Customer" shall mean any person that enters into a Service Agreement or is entitled to receive service under any of CIPCO's Rate Schedules contained in this FERC Gas Tariff.

(h) The term "day" shall mean a period of 24 consecutive hours, beginning and ending at 9:00 a.m. Central Clock Time.

(i) The term "dekatherm" (Dth) shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One "dekatherm" of gas shall mean the quantity of gas which contains one dekatherm of heat energy.

(j) The term "Designated Replacement Shipper" shall mean the person identified by a Releasing Shipper or Secondary Releasing Shipper in Section 10.3(b)(10) as the person who desires to acquire the firm capacity sought to be released by Releasing Shipper or Secondary Releasing Shipper in accordance with Section 10.

(k) The term "FERC" shall mean the United States Federal Energy Regulatory Commission or any successor agency.

(l) The term "gas" or "natural gas" shall mean either natural gas unmixed, or any mixture of natural and artificial gas.

(m) The term "Mcf" shall mean 1,000 cubic feet of gas.

2. (Continued)

(n) The term "month" shall mean the period beginning on the first "day" of the calendar month and ending at the same hour on the first "day" of the next succeeding calendar month.

(o) Except as specifically provided in Section 9.3(e), the term "Net Present Value" shall mean an amount determined in accordance with the following calculation:

$$D \times V \times 12 \times \frac{[\exp(-i \times t_0) - \exp(-i \times t_1)]}{i}$$

where,

- D = the monthly demand charge per unit of quantity;
- V = the quantity;
- i = the discount rate, which shall be CIPCO's overall rate of return as established in CIPCO's then most recent rate case;
- t0 = the start of the period bid, in years;
- t1 = the end of the period bid, in years.

(p) The term "quantity of gas" shall mean the number of units of gas expressed in dekatherms unless otherwise specified.

(q) The term "Releasing Shipper" shall mean any Customer that releases firm capacity in accordance with Section 10 of the General Terms and Conditions of this FERC Gas Tariff. A Secondary Releasing Shipper as defined in Section 10.2(b)(3) shall be a Releasing Shipper for the purposes of Section 10.

(r) The term "Total Heating Value" shall mean the number of British Thermal Units evolved 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° 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.

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FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 44

GENERAL TERMS AND CONDITIONS

(Continued)

3. QUALITY

The provisions of this Section 3 shall apply to all gas received or delivered by CIPCO.

3.1 Natural or Artificial Gas

The gas received or delivered hereunder shall be a combustible gas consisting wholly of, or a mixture of:

(a) Natural gas of the quality and composition produced in its natural state; provided however, prior to delivery by CIPCO to Customer, CIPCO may extract or permit the extraction of any of the constituents thereof except methane and may subject or permit the subjection of the gas to compression, cooling, cleaning, or other processes.

(b) Gas generated by vaporization of Liquefied Natural Gas (LNG).

(c) Manufactured, reformed, or mixed gas consisting essentially of hydrocarbons of the quality and character produced by nature in the petroleum, oil, and gas fields with physical properties such that when the artificial pipeline gas is commingled with natural gas, the two become indistinguishable.

3.2 Heating Value

The heating value of gas received or delivered hereunder shall be as follows:

(a) No gas received or delivered hereunder shall have a total heating value at the Delivery Point(s) below 1000 British Thermal Units (Btu) per cubic foot of dry gas at a temperature of 60F and under a pressure of 14.73 Psia.

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FERC Docket: CP93-552-003

Original Sheet No. 45 Original Sheet No. 45 : Effective
Superseding: Original Sheet No. 45

GENERAL TERMS AND CONDITIONS
(Continued)

3.2 (Continued)

(b) The total heating value shall be determined by a heating value measuring device, or by other methods mutually agreed upon by Customer and CIPCO.

(c) The average total heating value of the gas shall be determined for any billing period by methods mutually agreed upon by Customer and CIPCO.

3.3 Composition

Except as provided in Section 3.4, the gas received or delivered hereunder:

(a) Shall be commercially free under continuous gas flow conditions from objectionable odors (except as provided in Section 3.7), solid matter, dust, gum, and gum-forming constituents which might interfere with its merchantability or cause injury to or interference with proper operations of the pipelines, compressor stations, meters, regulators, or other appliances through which it flows.

(b) Shall not have an uncombined oxygen content in excess of two tenths of one percent (0.2%) by volume, and all parties shall make every reasonable effort to keep the gas free from oxygen.

(c) Shall not contain more than four percent (4%) by volume, of a combined total of carbon dioxide and nitrogen; provided however, the total carbon dioxide content shall not exceed three percent (3%) by volume.

(d) Shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is received and delivered.

(e) Shall not contain more than one half (0.5) grain (8 ppm) of hydrogen sulfide per one hundred (100) cubic feet.

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FERC Docket: CP93-552-003

Original Sheet No. 46 Original Sheet No. 46 : Effective
Superseding: Original Sheet No. 46

GENERAL TERMS AND CONDITIONS
(Continued)

3.3 (Continued)

(f) Shall not contain more than ten (10) grains of total sulfur, excluding any mercaptan sulfur, per one hundred (100) cubic feet.

(g) Shall not have a temperature of more than one hundred twenty degrees (120) Fahrenheit.

(h) Shall not contain in excess of seven (7) pounds of water vapor per million cubic feet.

(i) Shall not contain more than two-tenths (0.2) gallon per thousand cubic feet, of those certain liquefiable hydrocarbons commonly referred to as natural gasoline, as determined by gas chromatographic analysis.

(j) Shall not contain, either in the gas or in any liquids with the gas, any microbiological organism, active bacteria, or bacterial agent capable of contributing to or causing corrosion and/or operational and/or other problems. Microbiological organisms, bacteria, or bacterial agents include, but are not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (APB). Tests for bacteria or bacterial agents shall be conducted on samples taken from the meter run or the appurtenant piping using test methods mutually agreed upon by Customer and CIPCO.

3.4 Composition of Gas from Appalachian Wells

The gas received from Appalachian wells for gathering and/or transportation by CIPCO hereunder:

(a) Shall be commercially free under continuous gas flow conditions from objectionable odors, solid matter, dust, gum, and gum-forming constituents which might interfere with its merchantability or cause injury to or interference with proper operations of the pipelines, compressor stations, meters, regulators, or other appliances through which it flows.

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FERC Docket: CP93-552-005

Sub Original Sheet No. 47 Sub Original Sheet No. 47 : Effective
Superseding: Original Sheet No. 47

GENERAL TERMS AND CONDITIONS
(Continued)

3.4 (Continued)

(b) Shall not have an uncombined oxygen content in excess of two tenths of one percent (0.2%) by volume, and all parties shall make every reasonable effort to keep the gas free from oxygen.

(c) Shall not contain more than four percent (4%) by volume, of a combined total of carbon dioxide and nitrogen; provided however, the total carbon dioxide content shall not exceed three percent (3%) by volume.

(d) Shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is received and delivered.

(e) Shall not contain more than one grain (16 ppm) of hydrogen sulfide per one hundred (100) cubic feet.

(f) Shall not contain more than twenty (20) grains of total sulfur, excluding any mercaptan sulfur, per one hundred (100) cubic feet.

(g) Shall not have a temperature of more than one hundred twenty degrees (120) Fahrenheit.

(h) Shall not contain, either in the gas or in any liquids with the gas, any microbiological organism, active bacteria, or bacterial agent capable of contributing to or causing corrosion and/or operational and/or other problems. Microbiological organisms, bacteria, or bacterial agents include, but are not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (APB). Tests for bacteria or bacterial agents shall be conducted on samples taken from the meter run or the appurtenant piping using test methods mutually agreed upon by Customer and CIPCO.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 48 Original Sheet No. 48 : Effective
Superseding: Original Sheet No. 48

GENERAL TERMS AND CONDITIONS
(Continued)

3.5 Commingling

CIPCO shall have the right to commingle gas transported hereunder. It is specifically understood that gas delivered to or on behalf of Customer may not consist of the same molecules of gas as those received from or on behalf of Customer.

3.6 Failure to Conform to Specifications

If the gas tendered to CIPCO for delivery on behalf of Customer shall fail at any time to conform to any of the specifications set forth in this Section 3, then CIPCO shall have the right, after either written, oral, or telephonic notice to Customer, to refuse to accept all or any portion of such quality deficient gas. In the event CIPCO refuses to accept gas tendered by Customer, Customer shall not be relieved of its obligation to pay any Reservation Charge provided for in Customer's Service Agreement. If the gas tendered by CIPCO for delivery on behalf of Customer shall fail at any time to conform to any of the specifications set forth in this Section 3, then Customer shall notify CIPCO of such deficiency and may, at its option, refuse to accept delivery pending correction by CIPCO.

3.7 Odorization

CIPCO and Customer may agree, or governmental authorities may require, that the gas be odorized by use of a malodorant agent of such character as to indicate, by a distinctive odor, the presence of gas. Whenever odorized gas is delivered, the quality and specifications, as set forth in this Section 3 of such gas shall be determined prior to the addition of malodorant or with proper allowance for changes or additions due to such malodorant. Such odorization of the gas by CIPCO, unless otherwise mutually agreed by Customer and CIPCO, shall be for

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Original Sheet No. 49 Original Sheet No. 49 : Effective
Superseding: Original Sheet No. 49

GENERAL TERMS AND CONDITIONS
(Continued)

3.7 (Continued)

the purpose of detection of the gas only during the time, prior to delivery to the Customer, when in possession of CIPCO. Customer and CIPCO may agree from time to time, to allow Customer to deliver odorized gas to CIPCO. CIPCO shall not be obligated to receive such odorized gas from Customer when such receipt may, in CIPCO's sole discretion, be detrimental to CIPCO's system operations.

4. PRESSURE

4.1 Receipt Pressure Obligations

Customer shall deliver gas or cause gas to be delivered to CIPCO on behalf of Customer at the primary Receipt Point(s) specified in the Service Agreement between Customer and CIPCO or secondary Receipt Point(s) specified in accordance with Section 14 at the pressure necessary to enter CIPCO's facilities at such primary or secondary Receipt Point(s), but not in excess of the maximum receipt pressure obligation specified in such Service Agreement or in excess of the Maximum Allowable Operating Pressure for CIPCO's facilities at such Receipt Point(s); provided, CIPCO shall not be obligated to reduce the pressure in its facilities at such Receipt Point(s) below the pressure which it determines, in its sole discretion, is required from time to time for the operation of its facilities.

4.2 Delivery Pressure Obligations

CIPCO shall deliver gas or cause gas to be delivered to Customer at the primary Delivery Point(s) specified in the Service Agreement between customer and CIPCO or secondary Delivery Point(s) specified in accordance with Section 14 at the pressure existing in CIPCO's facilities from time to time; provided however,

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GENERAL TERMS AND CONDITIONS
(Continued)

4.2 (Continued)

CIPCO shall be obligated to deliver gas at pressures up to, but not in excess of, the maximum delivery pressure obligation specified in such Service Agreement. CIPCO shall not be obligated to deliver gas at any time at a pressure in excess of the Maximum Allowable Operating pressure for CIPCO's facilities at such Delivery Point(s). In addition, Customer and CIPCO may specify in such Service Agreement a minimum delivery pressure obligation at any primary or secondary Delivery Point(s), and CIPCO shall not be obligated to reduce the pressures in its facilities at such Delivery Point(s) below such minimum delivery pressure obligation.

5. MEASUREMENT

5.1 Determination of Quantity

The quantity of gas received and delivered by CIPCO on behalf of Customer hereunder shall be measured according to Boyle's and Charles' Laws for the measurement of gas under varying pressures and temperatures with deviations therefrom as provided in paragraph (i) below and shall be determined as follows:

(a) The unit of measurement for the purpose of service under any of CIPCO's Rate Schedules shall be one (1) dekatherm (Dth), consisting of one million (1,000,000) British Thermal Units. The number of dekatherms delivered shall be determined by multiplying the number of cubic feet of gas received or delivered, measured on the measurement basis hereinafter specified, by the total heating value of such gas, in British Thermal Units per cubic foot, as defined in Section 2 above, and by dividing the product by 1 million (1,000,000).

(b) The unit of quantity for the purpose of measurement shall be one (1) cubic foot of gas at a temperature of 60o Fahrenheit and an absolute pressure of 14.73 pounds per square inch.

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GENERAL TERMS AND CONDITIONS
(Continued)

5.1 (Continued)

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

(d) The average absolute atmospheric pressure shall be assumed to be 14.4 pounds per square inch.

(e) The temperature of the gas passing through the meters shall be determined by the continuous use of a recording thermometer or other temperature measuring device. The arithmetic average of the temperature recorded each chart period shall be used in computing gas volumes or continuous instantaneous temperature measurements may be applied to metering instruments to provide the volume computation. In the absence of a recording thermometer or other temperature measuring device, an assumed flowing temperature of 60ø Fahrenheit shall be used.

(f) The specific gravity of the gas delivered hereunder shall be determined by approved methods at the beginning of delivery of gas and with such reasonable frequency thereafter as is found expedient in practice but not less frequently than once each year, and such determinations shall be used in computing the volume of gas delivered.

(g) When orifice meters are used, the computation of quantities of gas delivered shall be in accordance with the recommendations as published by the American Gas Association's Report No. 3, Revised - 1969, and any subsequent amendments thereof as may be mutually agreed upon by Customer and CIPCO.

(h) The heating value shall be measured as agreed to by the parties concerned by a heating value measuring device or method agreed upon by Customer and CIPCO.

(i) Deviation from Boyle's law shall be determined by tests, or computed by approved methods, based upon the composition of the gas and conditions at the point of measurement, with such reasonable frequency as shall be deemed necessary.

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First Revised Sheet No. 52 First Revised Sheet No. 52 : Effective
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GENERAL TERMS AND CONDITIONS
(Continued)

5.2 Determination of Quantity and Quality of Gas
Delivered by Displacement

Notwithstanding the provisions of Sections 3.2, 5.1, and 6, the quantity and quality of gas delivered by CIPCO to Customer by displacement through interconnecting pipelines shall be determined on the basis of quantities nominated to be delivered by displacement to the transporting pipeline.

5.3 Measurement Cut Off Date

The cutoff for closing of measurement is 5 business days after the business month. A meter adjustment becomes a prior period adjustment after the fifth business day of the month. Measurement prior period adjustments shall be reported with the restated line item with new total quantity for the date and month. Missing or late measurement data shall be estimated, with actual data treated as a prior period adjustment with the measuring party providing the estimate.

6. MEASUREMENT EQUIPMENT

6.1 Measurement Equipment

CIPCO shall install, operate, and maintain, at CIPCO's own expense, at or near the Delivery Point(s), measurement equipment which shall consist of the necessary metering devices, designed and installed in accordance with the current published recommendations of the American Gas Association or as mutually agreed upon by Customer and CIPCO provided that:

(a) Where orifice measurement equipment is to be used, it shall utilize "Flange Tap Connections" and the static pressure shall be measured at the down-stream flange tap connection.

(b) A recording thermometer or other mutually acceptable device shall be installed at the measuring station to continuously measure the flowing gas temperature.

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Original Sheet No. 52A Original Sheet No. 52A : Effective

Superseding: Original Sheet No. 52A

GENERAL TERMS AND CONDITIONS

(Continued)

(c) When Customer and CIPCO mutually agree that computations of metered volumes require the determination of the specific gravity of the gas, a recording gravitometer to continuously measure and record the specific gravity shall be provided at a mutually agreeable location unless alternative specific gravity determination methods are mutually agreed upon by Customer and CIPCO.

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

GENERAL TERMS AND CONDITIONS
(Continued)

6.1 (Continued)

(d) Where the quantity of gas requires the determination of heating value (Btu), a recording calorimeter to continuously measure and record the heating value (Btu) shall be provided at a location which will measure the Btu content of the gas delivered, or at a mutually agreeable location unless alternative heating value (Btu) determination methods are mutually agreed upon by Customer and CIPCO.

6.2 Check Measurement Equipment

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

6.3 Access to Equipment and Records

Each party shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measurement equipment used in measuring deliveries hereunder. The records from such measurement equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) days after receipt thereof.

6.4 Pressure Protection

Pressure regulation, pressure override, and pressure relief valve or other pressure limiting devices installed and operated by CIPCO at the measuring station or near each primary or secondary Delivery Point shall only be for the purpose of operation and protection of CIPCO's measurement equipment and CIPCO's facilities.

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

GENERAL TERMS AND CONDITIONS
(Continued)

6.5 Test of Meters

The accuracy of CIPCO's and Customer's measurement equipment shall be verified by CIPCO and Customer at reasonable intervals, and, if requested, in the presence of representatives of CIPCO and Customer provided that:

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

(b) CIPCO and Customer shall not be required to verify the accuracy of measurement equipment, other than orifice meter equipment, more frequently than once in any ninety (90) day period.

(c) CIPCO and Customer shall not be required to verify the accuracy of the recording calorimeter more frequently than once in any thirty (30) day period.

(d) Any errors or discrepancies found when testing shall be corrected immediately whenever possible or as soon thereafter as procurement of repair parts, materials, and tools can be arranged.

6.6 Measurement Equipment Inaccuracy and Failure

The quantity of gas received and delivered by CIPCO on behalf of Customer during periods when the measurement equipment is out of service or registering inaccurately shall be estimated as follows:

(a) If, upon test, any measurement equipment, the readings of which are used in the registration, integration, or computation of quantities of gas hereunder, is found to be in error to the extent that it introduces not more than two percent (2%)

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FERC Docket: CP93-552-003

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

GENERAL TERMS AND CONDITIONS
(Continued)

6.6 (Continued)

measurement error in the individual measurement equipment affected, previous records of such equipment shall be considered accurate.

(b) If, upon test, any such above measurement equipment is found to be inaccurate to the extent that it causes the registered or computed quantities of the instrument(s) so affected to be in error by an amount exceeding two percent (2%) at a recording corresponding to the average hourly rate of flow through the instrument(s) in the period since the last preceding test, then any registrations, integration, or computed quantities of such instruments affected shall be corrected to zero error for any part of the period since the last test in which such error is known to have existed or which may be agreed upon by representatives of the parties. In case the period of such error is not known definitely or agreed upon, such correction shall be for a period of one-half (1/2) of the elapsed time since the date of the last test, but not exceeding a correction period of sixteen (16) days where orifice measurement equipment is used in the computation of quantity and not exceeding forty-five (45) days where other measurement equipment is used.

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

(1) By using the registration of any existing and agreed upon check equipment considered by parties concerned to be registering accurately, or, in the absence of such facilities;

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

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FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 56

GENERAL TERMS AND CONDITIONS

(Continued)

6.6 (Continued)

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

6.7 Preservation of Records

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

6.8 Flow Control

CIPCO shall have the right to control the flow of gas into and out of its facilities at all measurement facilities, but may allow the following if all of CIPCO's operating standards and requirements are met: (a) CIPCO may allow third parties to control flow into CIPCO's facilities, and (b) CIPCO may allow third parties to control flow out of CIPCO's facilities, but CIPCO reserves the right to override the third party's flow control equipment.

7. POSSESSION OF GAS

7.1 Control of Gas

CIPCO shall be deemed to be in control and possession of the gas upon receipt of such gas until it shall have been delivered to Customer at the primary or secondary Delivery Point(s), and shall not be deemed to be in control and possession of such gas prior to such receipt by CIPCO and after such delivery.

7.2 Responsibility

CIPCO shall have no responsibility with respect to any gas or on account of anything which may be done, happen, or arise with respect to such gas before receipt of such gas by CIPCO or after delivery of such gas, and

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

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

GENERAL TERMS AND CONDITIONS
(Continued)

7.2 (Continued)

Customer shall have no responsibility with respect to any gas or on account of anything which may be done, happen, or arise with respect to such gas while such gas is in CIPCO's possession; provided however, in the event any gas flows through facilities of Customer prior to such delivery, CIPCO shall have no responsibility with respect to any gas or on account of anything which may be done, happen, or arise with respect to such gas while in the facilities of Customer.

8. WARRANTY OF TITLE TO GAS

Customer warrants that Customer will at the time of receipt of the gas by CIPCO have good and merchantable title to all of the gas free and clear of all liens, encumbrances, and claims whatsoever. Title to the gas received by CIPCO on behalf of Customer shall remain in Customer during its transportation by CIPCO. Customer agrees to indemnify and save CIPCO harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses, arising out of adverse claims of any and all persons to the gas prior to its receipt by CIPCO on behalf of Customer and after its delivery by CIPCO on behalf of Customer. CIPCO agrees to indemnify and save Customer harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of adverse claims of any and all persons to the gas during its transportation by CIPCO on behalf of Customer.

9. PROCEDURES FOR REQUESTING SERVICE

9.1 Request For Service

Any potential customer desiring service under any of CIPCO's Rate Schedules must submit a Request For

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

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

Superseding: Original Sheet No. 58

GENERAL TERMS AND CONDITIONS

(Continued)

9.1 (Continued)

Service in writing in the form specified in
Section 9.2 to the following address:

Carnegie Interstate Pipeline Company
800 Regis Avenue
Pittsburgh, PA 15236
Attn: Director of Marketing
Telephone: (412) 655-8510
Telecopier: (412) 655-8519,
Verification: (412) 655-8510
Ext. 203

In addition, any Request For Service for firm
service under CIPCO's Rate Schedule(s) FTS or FGS
must be submitted in the form specified in Section
9.2, and must be accompanied by a refundable security
deposit equal to the lesser of ten thousand dollars
(\$10,000.00) or one month's reservation charges based
on the quantity specified in the Request For Service;
provided however, CIPCO shall not be obligated to
refund interest accrued on any deposit.

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FERC Docket: CP93-552-003

Original Sheet No. 59 Original Sheet No. 59 : Effective
Superseding: Original Sheet No. 59

GENERAL TERMS AND CONDITIONS
(Continued)

9.2 Form of Request For Service

(a) DATE OF
REQUEST: _____

(b) CUSTOMER INFORMATION

Name: _____

Address: _____

Type (check one):
 LDC
 Interstate Pipeline
 Intrastate Pipeline
 End User
 Producer
 Marketer/Broker
 Other (please specify):

(c) REQUESTER INFORMATION

Name: _____

Address: _____

Attn: _____

Telephone: _____

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

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

GENERAL TERMS AND CONDITIONS
(Continued)

9.2 (Continued)

(d) ON BEHALF OF PARTY

If a customer requests service under Part 284, Subpart B (NGPA Section 311), the following information concerning the party on whose behalf transportation shall be performed (ON BEHALF OF PARTY) must be provided with the Request For Service:

Name: _____

Address: _____

Type:

_____ LDC

_____ Intrastate Pipeline

Certification:

The ON BEHALF OF PARTY must certify that the transportation to be provided shall be on its behalf and must specify that the local distribution company or intrastate pipeline company shall (1) at some point have physical custody and transport the gas to be transported hereunder or (2) hold title to the gas for a purpose related to the ON BEHALF OF PARTY'S status and function as a local distribution company or intrastate pipeline company.

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FERC Docket: CP93-552-003

Original Sheet No. 61 Original Sheet No. 61 : Effective
Superseding: Original Sheet No. 61

GENERAL TERMS AND CONDITIONS
(Continued)

9.2 (Continued)

(e) AGENCY INFORMATION

If the customer is acting as agent for another entity, the following information regarding the principal must be provided with the Request for Service.

Name: _____

Address: _____

(f) CONTACTS

(1) For Notice:

Company: _____

Contact: _____

Title: _____

Address: _____

Telephone: _____

Fax: _____

(2) For Scheduling and Nominations:

Company: _____

Contact: _____

Title: _____

Address: _____

Telephone: _____

Fax: _____

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 62 Original Sheet No. 62 : Effective
Superseding: Original Sheet No. 62
GENERAL TERMS AND CONDITIONS
(Continued)

9.2 (Continued)

Hours Outside Normal Business

Company:

Contact:

Title:

Address:

Telephone:

Fax:

(3) For Billing:

Company:

Contact:

Title:

Address:

Telephone:

Fax:

(g) AFFILIATE INFORMATION
(any change to this section at any
time must be communicated to CIPCO)

Is a marketing affiliate of CIPCO
involved in any transaction associated with this
request?

_____ YES _____ NO

If yes, specify which party is
affiliated with CIPCO.

_____ Customer
_____ Requester
_____ Gas Supplier

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First Revised Sheet No. 63 First Revised Sheet No. 63 : Effective
Superseding: Original Sheet No. 63

GENERAL TERMS AND CONDITIONS
(Continued)

9.2 (Continued)

Specify type and extent of affiliation
with CIPCO.

State whether, and by how much, the
cost of the gas to the marketing affiliate
exceeds the price received for the sale of the
gas by the marketing affiliate, after deducting
associated costs, including those incurred for
transportation.

(h) SERVICE INFORMATION

Type:

____ FTS
____ ITS
____ FGS
____ IGS

Term:

Initial Delivery
Date: _____
Termination
Date: _____

Quantity:

Maximum Daily Contract
Quantity: _____
Dth/day
Maximum Quantity
Over Life of Contract: _____ Dth

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

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

GENERAL TERMS AND CONDITIONS
(Continued)

9.2 (Continued)

(i) PRIMARY RECEIPT POINTS

RECEIPT POINT	(COUNTY/STATE)	MAXIMUM QUANTITY (DTH/DAY)	PRODUCER/ SUPPLIER
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(j) PRIMARY DELIVERY POINTS

DELIVERY POINT	(COUNTY/STATE)	MAXIMUM QUANTITY (DTH/DAY)	CONSUMER
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

STATES OF ORIGIN AND CONSUMPTION

States of Origin (On Shore/Offshore): _____

States of Consumption: _____

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

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

GENERAL TERMS AND CONDITIONS
(Continued)

9.2 (Continued)

(1) EXECUTION

ALL INFORMATION PROVIDED ABOVE IS
COMPLETE AND ACCURATE TO THE BEST OF MY
KNOWLEDGE.

_____	_____
Signature	Date
Internal Use Only	
(i) Date and Time Request Received:	_____
(ii) Complete? (Y/N):	_____
(iii) Date Request Deemed to be Valid:	_____
(iv) Agreement Date:	_____
(v) Agreement No:	_____
(vi) Date Requestor Notified of Available Capacity:	_____
(vii) Date Service Began:	_____
(viii) FERC Docket No. Assigned:	_____
_____	to Transaction:
(ix) Request Withdrawn? (Y/N):	_____
_____	If "Yes", Date:
(x) Request Denied? (Y/N):	_____
_____	If "Yes", Why?:

9.3 Acceptance

(a) A Request For Service shall be deemed to be valid only after CIPCO has received in writing at the address listed in Section 9.1 all of the information specified in Section 9.2(a) through 9.2(1).

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

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

GENERAL TERMS AND CONDITIONS
(Continued)

9.3 (Continued)

(b) CIPCO shall evaluate and respond to any valid Request For Service within a reasonable time, but in no event later than ninety (90) days after receipt of such Request For Service. CIPCO shall accept a Request For Service only if the criteria set forth in this Section 9 and the Creditworthiness requirements set forth in Section 13 are satisfied.

(c) CIPCO shall not accept any Request For Service specifying a Maximum Daily Contract Quantity less than 50 Dth/day.

(d) Customer shall make all necessary arrangements with other person(s) at and upstream of the Receipt Point(s) where it tenders gas to CIPCO for service and at and downstream of the Delivery Point(s) where it receives gas from CIPCO, and such arrangements must be compatible with CIPCO's system operations. Customer shall notify CIPCO's dispatchers when such arrangements have been made.

(e) Except as provided in Section 6.1, Customer shall be obligated to reimburse CIPCO for the cost of any facilities which CIPCO acquires or constructs to provide service to Customer; provided however, CIPCO shall have no obligation to construct or acquire facilities or to allow any Customer to construct or acquire facilities for purposes of interconnecting with CIPCO's pipeline in order to enable CIPCO to provide service hereunder. In situations where Customer is required to pay for the total cost of facilities acquired or constructed, Customer's payment for the cost of such facilities shall include the full cost of such facilities, the tax burden created by the payment, as well as the tax-on-tax effect generated by the payment. The allowances for income tax reimbursement shall be computed by taking into consideration three elements: (1) the current taxes on the "contribution in aid of construction ("CIAC"), less (2) the present value (computed using a discount rate equal to CIPCO's overall rate of

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FERC Docket: CP93-552-003

Original Sheet No. 67 Original Sheet No. 67 : Effective
Superseding: Original Sheet No. 67

GENERAL TERMS AND CONDITIONS
(Continued)

9.3 (Continued)

return) of future tax deductions for depreciation that will be available for the constructed facilities, plus (3) the tax-on-tax effect of the first two elements, all of which should be computed through use of tax rates that are in effect when the contributions are received, i.e., Tax Reimbursement = (Tax Rate x (CIAC - Present Value of Tax Depreciation x (1 + (Tax Rate/1 - Tax Rate))). The present value of the tax benefit provided by the future depreciation of plant shall be determined by CIPCO.

In addition, Customer shall reimburse CIPCO for any and all filing fees (including filing, reporting, and application fees) or other costs incurred which are required by the FERC or any other regulatory agency having jurisdiction over service provided hereunder and which are related to the specific transaction. CIPCO shall not include any fees or costs for which it has been reimbursed in its overall cost of service and any reimbursement received for such fees or costs shall not be used to reduce CIPCO's overall cost of service.

(f) No Request For Service from a Receipt Point or to a Delivery Point shall be accepted if to do so would impair CIPCO's ability to render then existing firm service pursuant to CIPCO's Rate Schedule(s) FTS and/or FGS.

(g) Subject to the provisions of Section 9.3(e), if CIPCO informs a customer requesting firm service that firm capacity is not available in the production area and a new gathering line or lateral facility would be necessary to provide requested capacity and the customer agrees to pay all costs associated with construction and operation of such facilities, CIPCO will construct and operate such facilities subject to its ability to obtain all necessary permits and governmental approvals and subject to the conditions of the applicable firm Rate Schedule.

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FERC Docket: CP93-552-003

Original Sheet No. 68 Original Sheet No. 68 : Effective

Superseding: Original Sheet No. 68

GENERAL TERMS AND CONDITIONS

(Continued)

9.4 Execution

CIPCO shall tender a Service Agreement to Customer upon acceptance of such Customer's Request For Service. If such Customer fails to execute and return such Service Agreement to CIPCO within thirty (30) days of CIPCO's tender, CIPCO shall consider the Request For Service to have been withdrawn, and CIPCO shall return such Customer's security deposit.

9.5 Allocation of Capacity

(a) This Section 9.5(a) sets forth the Segment Capacity Entitlements on CIPCO's system. The Segment Capacity Entitlement shall be controlling for the scheduling of gas on CIPCO's system subject to this Section 9.5(a) and Section 15. If changes in the operations of CIPCO's system result in the increase or decrease in the amount of capacity available in any segment, CIPCO may recalculate, pro rata, Customers' Segment Capacity Entitlements; provided however, nothing in this Section 9.5 shall prevent CIPCO from adding new firm customers to the extent capacity exists to accommodate the new request for firm service without affecting existing Customers' Segment Capacity Entitlements, and CIPCO's pipeline system can accommodate such a request. Any such new customer, or any customer that obtains capacity by assignment from an existing Customer, shall not gain priority in any segment on CIPCO's system over any existing Customer holding a primary Segment Capacity Entitlement in that segment.

Each Customer, including CIPCO's former bundled firm sales customers, shall have the primary Segment Capacity Entitlements specified in this Section 9.5(a). In addition to the primary Segment Capacity Entitlements so specified, each Customer shall have secondary Segment Capacity Entitlements on all other segments of CIPCO's transmission system. Customers may nominate service in accordance with Section 15 on a primary basis in any segment for which such Customer has a primary Segment Capacity Entitlement; provided however, any such nomination shall not exceed such Customer's primary

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GENERAL TERMS AND CONDITIONS
(Continued)

9.5 (Continued)

Segment Capacity Entitlement.
Customers may nominate service in accordance with Section 15 on a secondary basis in all other segments of the transmission system. Customers nominating service on a primary basis shall have priority over Customers nominating service on a secondary basis.

Primary Segment Capacity Entitlements for each customer shall be as follows:

(1) For the gathering facilities:

Customer	Primary Segment Capacity
Carnegie Natural Gas Company (LDC)	4,791
Columbia Gas of Pa., Inc.	9,000

(2) For the segment of CIPCO's transmission system including the facilities from the southernmost point of the transmission system to the outlet side of the Waynesburg Compressor Station:

Customer	Primary Segment Capacity
Carnegie Natural Gas Company (LDC)	4,791
Columbia Gas of Pa., Inc.	9,000

(3) For the segment of CIPCO's transmission system including the facilities from the outlet side of the Waynesburg Compressor Station to the point of interconnection between CIPCO and Carnegie Natural Gas Company (LDC) at Jones Farm City Gate:

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GENERAL TERMS AND CONDITIONS
(Continued)

9.5 (Continued)

Customer	Primary Segment Capacity
Carnegie Natural Gas Company (LDC)	13,000
Columbia Gas of Ohio, Inc.	20,000
Columbia Gas of Pa., Inc.	15,000
New Jersey Natural Gas Co.	27,000
UGI Utilities, Inc.	10,000
USX Corp.	10,000

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GENERAL TERMS AND CONDITIONS
 (Continued)

9.5 (Continued)

(b) This Section 9.5(b) sets forth the aggregate and individual Receipt Point and Delivery Point capacity on CIPCO's system. Each Customer, including CIPCO's former bundled firm sales customers, shall have the aggregate Receipt Point capacity, aggregate Delivery Point capacity, and primary Receipt Point capacity and Primary Delivery Point capacity at the point(s) specified in this Section 9.5(b). Such points shall be subject to the provisions of Section 14 regarding flexible receipt and delivery. Any customer that obtains capacity by assignment from any Customer listed in this Section 9.5(b) shall be entitled to the primary receipt and delivery point capacities specified in this Section 9.5(b).

(1) Primary Receipt Point Capacity Entitlements for each Customer shall be as follows:

Customer	Primary Receipt Point(s)	Receipt Point Capacity	Aggregate Receipt Point Capacity
8,209 Carnegie Natural Gas Company (LDC)	Waynesburg	Texas Eastern Meter No. 75275 4,791	13,000
20,000 Columbia Gas of Ohio, Inc.	Texas Eastern Meter No. 75275		20,000
Columbia Gas of Pa., Inc.	Texas Eastern Meter No. 75275		6,000
	Waynesburg	9,000	15,000
27,000 New Jersey Natural Gas Co.	Texas Eastern Meter No. 75275		27,000
10,000 UGI Utilities, Inc.	Texas Eastern Meter No. 75275		10,000
10,000 USX Corporation	Texas Eastern Meter No. 75275		10,000

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GENERAL TERMS AND CONDITIONS
 (Continued)

9.5 (Continued)

The entitlements listed in this Section 9.5(b)(1) are expressed in Dth/day, exclusive of Applicable Shrinkage as defined in Section 2(b).

(2) Primary Delivery Point Capacity Entitlements for each Customer shall be as follows:

Customer	Primary Delivery Point(s)	Delivery Point Capacity	Aggregate Delivery Point Capacity
13,000	Carnegie Natural Gas Company (LDC)	Jones Farm City Gate	13,000
20,000	Columbia Gas of Ohio, Inc.	Texas Eastern Meter No. 75275	20,000
	Columbia Gas of Pa., Inc.	Jefferson	15,000
27,000	New Jersey Natural Gas Co.	Texas Eastern Meter No. 75275	27,000
	UGI Utilities, Inc.	Texas Eastern Meter No. 75275	10,000
		Stone Church	10,000
	USX Corporation	Mon Valley	10,000

The entitlements listed in this Section 9.5(b)(2) are expressed in Dth/day.

(c) On October 1, 1993, CIPCO shall post on its electronic bulletin board the quantity of firm capacity available in each segment and at each receipt and delivery point on its system when such capacity becomes available and thereafter for a period of

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GENERAL TERMS AND CONDITIONS
(Continued)

9.5 (Continued)

thirty (30) days; provided however, CIPCO shall not post capacity regarding each receipt point on its gathering system. Any potential customer desiring such capacity must submit a Request For Service in accordance with Section 9.1 for such capacity. CIPCO shall allocate available firm capacity to the Request For Service yielding the highest Net Present Value. In the event two or more Requests For Service yield the highest Net Present Value, available firm capacity shall be assigned according to the date each such Request For Service was deemed to be valid under Section 9.3(a). In the event two or more Requests For Service yield the highest Net Present Value and are deemed to be valid under Section 9.3(a) on the same date, available firm capacity will be allocated pro rata based on the quantity of capacity requested.

(d) Available interruptible capacity shall be assigned on the basis of rate levels. The rate level sequence shall begin with the maximum rate then in effect; the next rate level shall be the rate most proximate to the maximum rate based on the percentage of discount from the applicable maximum rate, in sequence to a rate that is the minimum rate then in effect. Within each rate level available interruptible capacity shall be allocated according to the date each such Request For Service was deemed to be valid under Section 9.3(a). In the event two or more Requests For Service within a rate level have the same queue priority and capacity is not available to satisfy all such requests, CIPCO shall allocate available capacity on a pro rata basis. At any time, a Customer holding interruptible capacity may obtain a higher queue priority by offering to pay a higher rate up to the applicable maximum rate.

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GENERAL TERMS AND CONDITIONS
(Continued)

10. RELEASE OF FIRM CAPACITY

10.1 General

This Section 10 sets forth the terms and conditions under which a Customer receiving firm service under CIPCO's Rate Schedule(s) FTS or FGS may, pursuant to Section 284.243 of the FERC's regulations, release its firm capacity rights under such Customer's Service Agreement with CIPCO to a third party.

10.2 Types of Releases

(a) Permanent Release

A Releasing Shipper may permanently release all or any portion of its firm capacity entitlement set forth in its Service Agreement under Rate Schedule(s) FTS or FGS with CIPCO for the remainder of the term specified in such Service Agreement.

(b) Temporary Release

(1) Release of less than one month

Any Releasing Shipper may temporarily release all or part of its firm capacity entitlement set forth in its Service Agreement under Rate Schedule(s) FTS or FGS with CIPCO on a firm basis without having to comply with the procedures set forth in Sections 10.3 and 10.4, if such firm capacity entitlement is released to a Designated Replacement Shipper for a period of less than one calendar month; provided however, any Releasing Shipper who releases capacity to a Designated Replacement Shipper under this subsection must notify CIPCO of the transaction as soon as possible after the transaction has commenced; provided further, such notice must be given to CIPCO during normal business hours.

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GENERAL TERMS AND CONDITIONS
(Continued)

10.2 (Continued)

Any Releasing Shipper who releases capacity to a Designated Replacement Shipper under this subsection shall not release the same capacity to the same Designated Replacement Shipper until twenty-eight (28) days after the initial release period has ended, absent compliance with the procedures set forth in Sections 10.3 and 10.4.

(2) Release of one month or more

A Releasing Shipper may temporarily release all or part of its firm capacity entitlement set forth in its Service Agreement under Rate Schedule(s) FTS or FGS with CIPCO on a firm basis with or without a right of recall for any specified term.

(3) Secondary release

An Acquiring Shipper may release any capacity that it has acquired in accordance with this Section 10 thereby becoming a "Secondary Releasing Shipper"; provided however, (A) a Secondary Releasing Shipper may release only those capacity rights that it has acquired as an Acquiring Shipper; and (B) to the extent that a Secondary Releasing Shipper acquires capacity subject to a right of recall, the capacity then released by the Secondary Releasing Shipper, and any subsequent secondary release thereafter, shall be subject to that right of recall.

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GENERAL TERMS AND CONDITIONS
(Continued)

10.2 (Continued)

(c) Pre-arranged Release

The Acquiring Shipper initiates confirmations of pre-arranged releases and may do so electronically. A Releasing Shipper may release all or part of its firm capacity entitlement on a firm basis without having to comply with the procedures set forth in Sections 10.3 and 10.4, if such firm capacity entitlement is released to an Acquiring Shipper who agrees to pay the maximum applicable rate and to meet all other terms and conditions of the release. Notwithstanding the previous sentence, the maximum rate ceiling shall not apply to capacity release transactions of less than one year.

10.3 Notice

(a) Requirement

A Releasing Shipper who desires to release firm capacity must notify CIPCO of such Releasing Shipper's intent to release capacity in accordance with the notice provisions of this Section 10.3.

(b) Notice Of Intent To Release Capacity

A Releasing Shipper must specify the terms and conditions under which it will release firm capacity in a Notice Of Intent To Release Capacity in the form specified in Section 10.8. Only complete offers will be posted. All such terms and conditions must be objectively stated, applicable to all potential bidders, nondiscriminatory, and must include the following information:

(1) the Releasing Shipper's name and address, and the name, title, address, and telephone number of the contact person regarding the notice;

(2) the Service Agreement designation, if any, of the firm capacity rights the Releasing Shipper is releasing, together with any applicable segment capacity rights the Releasing Shipper is releasing;

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GENERAL TERMS AND CONDITIONS
(Continued)

10.3 (Continued)

(3) the primary receipt and delivery points associated with the firm capacity rights the Releasing Shipper is releasing; provided however, the Releasing Shipper shall specify any restrictions on the Acquiring Shipper's ability to modify such primary receipt and delivery points;

(4) the maximum reservation rate applicable to the firm capacity rights the Releasing Shipper is releasing;

(5) whether the release is permanent or temporary;

(6) whether the release is subject to recall, and if subject to recall, the specific conditions under which the right of recall may be exercised; provided however, the Releasing Shipper shall not specify any recall condition that is inconsistent with its Service Agreement with CIPCO or with CIPCO's FERC Gas Tariff;

(7) whether the Releasing Shipper will accept contingent bids; provided however, the Releasing Shipper shall specify the conditions under which contingent bids will be accepted; including the time period the contingent bidder will be permitted to eliminate the contingency, the criteria for evaluating other bids, and whether and for what time period the next highest bidder will be obligated to acquire the capacity in the event the contingent bidder exercises an option not to take the capacity;

(8) the quantity to be released, expressed as a numeric quantity only; provided however, such quantity shall be equal to at least 50 Dth/day.

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Original Sheet No. 78 Original Sheet No. 78 : Effective
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GENERAL TERMS AND CONDITIONS
(Continued)

10.3 (Continued)

(9) the term of the release;

(10) the identity of the
Designated Replacement Shipper, if
applicable;

(11) the duration of time the
Releasing Shipper desires the release to be
posted ("bid period"); provided however,
such bid period shall not be less than the
time periods specified in Section 10.6(b);

(12) the criteria to be used to
determine the "Best Offer"; provided
however, the Releasing Shipper shall
specify the method by which ties will be
broken; provided further, if the Releasing
Shipper fails to specify such criteria,
CIPCO's criteria set forth in Section
10.3(c) shall apply;

(13) any minimum conditions
concerning the rate, term, or volume the
Releasing Shipper is willing to accept,
including whether the Releasing Shipper is
willing to accept a volumetric rate;

(14) whether the Releasing
Shipper desires CIPCO to actively market
the released capacity; provided however,
the Releasing Shipper agrees to execute a
separate marketing service agreement with
CIPCO and to pay the charges specified
therein; and

(15) the date and time the Notice
Of Intent To Release Capacity is to be
posted on the electronic bulletin board.

A Releasing Shipper may release
capacity on the basis of volumetric bids;
provided however, the Releasing Shipper shall
include in the Notice Of Intent To Release
Capacity the maximum rate for volumetric
releases, determined by dividing the applicable
Reservation Charge, as set forth on the
currently effective Sheet No. 7 of this FERC Gas

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GENERAL TERMS AND CONDITIONS
(Continued)

Tariff, by 30.4167; provided further, the volumetric rate for the release applies only to the reservation portion of the rate.

(c) Criteria for Best Offer

The following methodologies may be chosen by the Releasing Shipper to be used in evaluating the bids: (1) highest rate, (2) net revenue, (3) present value. In the event the Releasing Shipper does not specify criteria for the Best Offer in its Notice Of Intent To Release Capacity, the following criteria shall apply:

(i) The Best Offer shall be the bid that offers to purchase the full quantity of capacity at the maximum applicable rate for the full term specified by the Releasing Shipper.

(ii) In the event that the criteria in subsection (1) fails to produce a single Best Offer, the Best Offer shall be the bid that produces the highest Net Present Value.

(iii) In the event that the criteria in subsection (2) fails to produce a single Best Offer, the Best Offer among those determined to be the Best Offer in subsection (2) shall be the bid submitted first in time in accordance with Section 10.4(c).

The Releasing Shipper must specify the maximum firm commodity charge. Maximum and minimum rates specified by the Releasing Shipper must include the reservation charge and all demand surcharges, as a total number or as stated separately. Releasing shipper may specify dollars and cents or percentages of the maximum tariff rate in the denomination of bids. Bids should comport with Releasing Shipper's choice.

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GENERAL TERMS AND CONDITIONS

(Continued)

(d) CIPCO's Obligations

CIPCO shall post a Notice Of Intent To Release Capacity, including the date and time of posting, on its electronic bulletin board within the time period specified in Section 10.6(a). CIPCO shall post the names of the parties and the terms and conditions of any completed transaction under Section 10.2(b)(1) or Section 10.2(c) within forty-eight (48) hours after the transaction has commenced. If CIPCO and Releasing Shipper so agree, CIPCO shall take appropriate actions to market the Releasing Shipper's capacity in accordance with a separately executed marketing service agreement. CIPCO shall charge Releasing Shipper a negotiated marketing fee specified in such marketing service agreement.

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GENERAL TERMS AND CONDITIONS
(Continued)

10.4 Bidding

(a) Pre-qualification

Any potential customer who desires to acquire released capacity may pre-qualify to submit bids to acquire capacity in connection with any Notice of Intent to Release Capacity by submitting to CIPCO documentation sufficient to establish that such potential customer satisfies CIPCO's Creditworthiness requirements set forth in Section 13.

CIPCO shall evaluate the potential customer's creditworthiness in accordance with Section 13, and if the potential customer satisfies such requirements, CIPCO shall promptly issue, in writing, to the potential customer a Pre-qualification Determination of Creditworthiness stating that such potential customer has satisfied CIPCO's Creditworthiness requirements.

(b) Submission of Bids

Any potential customer who desires to acquire released capacity must submit a bid to CIPCO, either in writing or by telecopier to the address listed in Section 9.1 or on CIPCO's electronic bulletin board, containing the following information:

(1) the potential customer's name and address, and the name, title, address, and telephone number of the contact person regarding the bid;

(2) the Releasing Shipper's Service Agreement designation, if any, on which the bid is being made;

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GENERAL TERMS AND CONDITIONS
(Continued)

10.4 (Continued)

(3) documentation of the potential customer's creditworthiness consisting of (A) a Pre-qualification Determination of Creditworthiness obtained in accordance with Section 10.4(a) or (B) documentation sufficient to establish that such potential customer satisfies CIPCO's Creditworthiness requirements set forth in Section 13; provided however, if a bid is submitted on CIPCO's electronic bulletin board, the documentation required under this Section 10.4(b)(3) must be submitted to CIPCO either in writing or by telecopier to the address listed in Section 9.1; and

(4) the quantity of capacity sought, the maximum rate the potential customer is willing to pay for the capacity, the term of the proposed acquisition, and all other terms and conditions stated in the Notice Of Intent To Release Capacity, including, if applicable, the default criteria specified in Section 10.3(c).

Only complete bids will be posted.

(c) Withdrawal of Bids

Any potential customer may withdraw a bid at any time prior to the close of the bid period; provided however, such potential customer shall not withdraw any bid in order to submit a lower bid for the same capacity if the submitted bid is higher than is necessary to obtain the capacity. Bids cannot be withdrawn after the bid period ends. Bids for released capacity shall be binding until written or electronic notice of withdrawal is received by CIPCO.

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GENERAL TERMS AND CONDITIONS

(Continued)

10.4 (Continued)

(d) Withdrawal of Notice Of Intent To
Release Capacity

Any Releasing Shipper may withdraw a
Notice Of Intent To Release Capacity during the
bid period where unanticipated circumstances
justify and no minimum bid has been made.
Offers are binding until written or electronic
notice of withdrawal is received by CIPCO.

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GENERAL TERMS AND CONDITIONS
(Continued)

10.4 (Continued)

(e) CIPCO Obligations

Immediately upon receipt of a bid, if such bid was submitted in writing, CIPCO shall date and time stamp the bid and post the date and time of receipt of the bid, together with the terms and conditions offered in the bid, excluding the bidder's name, on the electronic bulletin board. If any bid is submitted electronically, CIPCO shall record the date and time that such bid was posted and post the date and time of such posting, together with the terms and conditions offered in the bid, excluding the bidder's name, on the electronic bulletin board.

Upon the close of the bid period CIPCO shall evaluate all bids and determine the Best Offer in accordance with the criteria specified by the Releasing Shipper in the Notice Of Intent To Release Capacity, including, if applicable, the default criteria specified in Section 10.3(c). If multiple bids meeting minimum conditions have been submitted, bids will be awarded, best bid first, until all offered capacity is awarded.

Within the time period specified in Section 10.6(c), CIPCO shall forward, via the electronic bulletin board, all bids received pursuant to a Notice Of Intent To Release Capacity to the Releasing Shipper, including the designation of the Best Offer.

10.5 Contracting

(a) Notice of Release

At the time CIPCO forwards the bids to the Releasing Shipper, CIPCO shall post the terms and conditions of the Best Offer, including the bidder's name, on the electronic bulletin board for a period of one (1) hour -- 3:00 p.m. to 4:00 p.m. Central Clock Time.

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GENERAL TERMS AND CONDITIONS
(Continued)

10.5 (Continued)

In the event the Releasing Shipper identifies a Designated Replacement Shipper, such Designated Replacement Shipper shall notify CIPCO via CIPCO's electronic bulletin board within the time period specified in Section 10.6(c) that such Designated Replacement Shipper intends to match the Best Offer. If the Designated Replacement Shipper provides such notice to CIPCO, CIPCO shall tender for execution by such Designated Replacement Shipper a Service Agreement for the released capacity by 10:00 a.m. Central Clock Time on the day nominations are due.

In the event the Designated Replacement Shipper fails to match the Best Offer or fails to notify CIPCO within the time period specified in Section 10.6(d) of an intent to match the Best Offer, CIPCO shall offer the capacity to the potential customer that submitted the Best Offer, and shall tender for execution by such potential customer a Service Agreement for the released capacity by 10:00 a.m. Central Clock Time on the day nominations are due.

(b) Releasing Shipper Obligations

(1) Permanent releases

A permanent release of capacity under Section 10.2(a) shall be deemed an assignment of such capacity. The Acquiring Shipper that acquires permanently released capacity shall be liable for all charges under its Service Agreement with CIPCO for such capacity from the effective date of such Service Agreement. The Releasing Shipper that permanently released such capacity shall not be liable for any charges associated with such capacity incurred after the effective date of the Service Agreement between CIPCO and Acquiring Shipper; provided however, nothing in this subsection shall operate to release Releasing Shipper from any obligations under the Service

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GENERAL TERMS AND CONDITIONS
(Continued)

10.5 (Continued)

Agreement between CIPCO and Releasing Shipper that are Properly incurred prior to the effective date of the Service Agreement between CIPCO and Acquiring Shipper for such capacity.

(2) Temporary Releases

For any temporary release, the Service Agreement of the Releasing Shipper shall remain in full force and effect, with a portion of the proceeds attributable to any release and assignment of capacity under this Section 10 credited to such Releasing Shipper's bill as provided in Section 10.5(d). Such Releasing Shipper shall be liable to CIPCO under the terms of its Service Agreement with CIPCO as a result of such assignments of the rights and obligations under the Service Agreement, for all reservation charges, reservation surcharges, and other fixed costs. The Acquiring Shipper shall be liable to CIPCO for all charges incurred by such Acquiring Shipper, such as the usage charge(s), volumetric surcharges, overrun charges, penalties, imbalances, or other volumetric costs.

In the event a Releasing Shipper releases capacity subject to a right of recall or reput, recall and reput methods and rights are individually negotiated between the Releasing Shipper and the Replacement Shipper, subject to acceptance by CIPCO for operational and non-discriminatory consideration. Releasing shippers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination cycle and the Evening Nomination cycle, and recall unscheduled released capacity at the Intra-Day 1 and Intra-Day 2 Nomination cycles by providing notice to CIPCO by the following times for each cycle: 8 a.m. CCT for the Timely Nomination cycle; 5:00 p.m. CCT for the Evening Nomination Cycle; 8 a.m. CCT for the Intra-Day 1 Nomination cycle, and 3:00 p.m. for the Intra-Day 2 Nomination cycle. Notification to replacement shippers will be provided by CIPCO within one hour of receipt of recall notification. CIPCO will support the function of reuputting by Releasing Shippers. The Releasing Shipper shall indemnify CIPCO from and against any and all losses, damages, or expenses of any kind which such Releasing

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GENERAL TERMS AND CONDITIONS

(Continued)

10.5 (Continued)

Shipper or Acquiring Shipper(s) may sustain or be liable for, and will hold CIPCO harmless from any and all damages, claims, suits, actions, or proceedings, either threatened or initiated, as a result of the recall of capacity or the failure to give proper notice to CIPCO and the Acquiring Shipper of the recall by the Releasing Shipper, except for losses, damages, or expenses caused solely by CIPCO's own negligence or willful misconduct.

(c) Acquiring Shipper Obligations

Any Acquiring Shipper receiving capacity under any release of capacity under this Section 10 must execute a separate Service Agreement with CIPCO for the rate and term specified by the Releasing Shipper and must satisfy all requirements of CIPCO's FERC Gas Tariff and Rate Schedule under which service is taken, including but not limited to the billing, payment, and operational provisions of the General Terms and Conditions of CIPCO's FERC Gas Tariff. The Acquiring Shipper must return the executed Service Agreement to CIPCO within five (5) business days after receipt of such Service Agreement from CIPCO. The Acquiring Shipper is liable to CIPCO for all charges specified in the Service Agreement.

(d) CIPCO Obligations

For any permanent or temporary release of capacity, CIPCO shall bill Acquiring Shipper for all amounts specified in the Service Agreement between CIPCO and Acquiring Shipper.

For any month, CIPCO shall bill the Releasing Shipper for all amounts specified in the Service Agreement between CIPCO and the Releasing Shipper less an amount equal to the reservation charges,

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GENERAL TERMS AND CONDITIONS
(Continued)

10.5 (Continued)

reservation surcharges, and other fixed costs attributable to all capacity rights released by the Releasing Shipper for that month and billed to an Acquiring Shipper ("Credit Back"); provided however, CIPCO shall have the right to reverse such Credit Back and to charge applicable interest in the event the Acquiring Shipper that acquires Releasing Shipper's capacity fails to pay such amounts billed to Acquiring Shipper on a timely basis in accordance with the payment provisions set forth in Section 22.

In the event the reservation charges under the Service Agreement between CIPCO and the Acquiring Shipper exceed the reservation charges paid pursuant to the Service Agreement between CIPCO and the Releasing Shipper, CIPCO shall Credit Back such excess revenues to the Releasing Shipper.

10.6 Time Periods

(a) Complete offers for release and bids, including pre-arranged releases, shall be posted upon receipt, unless Releasing Shipper requests otherwise. Releasing Shipper may require a posting time provided such posting time comports with the standard timeline set forth below. The Capacity Release timeline is applicable to all parties involved in the Capacity Release process so long as all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be creditworthy before the capacity release bid is tendered.

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GENERAL TERMS AND CONDITIONS
(Continued)

10.6 (Continued)

(b) A Shipper desiring to release firm capacity for less than five months, including pre-arranged releases at less than maximum rates, must post on CIPCO's EBB an offer to release capacity by 1:00 p.m. Central Clock Time on the day before nominations are due. A Shipper desiring to release firm capacity for five months or longer, including pre-arranged releases at less than maximum rates, must post on CIPCO's EBB an offer to release capacity by 1:00 p.m. Central Clock Time four business days

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GENERAL TERMS AND CONDITIONS
(Continued)

10.6 (Continued)

before award for long term releases. The posting of a pre-arranged deal that is not subject to bid must be made by 9:00 a.m. Central Clock Time on the day of nominations.

(c) After posting of the offer, there will be an open season during which CIPCO will receive open bids for the released capacity. The open season will end no later than 2:00 p.m. Central Clock Time on the day before nominations are due. At the close of the open season, CIPCO will evaluate the bids and will determine which bid constitutes the best offer by 3:00 p.m. Central Clock Time. CIPCO will communicate the match or award by 3:00 p.m. Central Clock Time; match response must be received by CIPCO by 4:00 p.m. Central Clock Time. CIPCO will post awards by 5:00 p.m. A contract will be tendered, with contract number, by 10:00 a.m. Central Clock Time on the day nominations are due. There will be no extensions of the original bid, or the prearranged deal match, without posting a new release.

(d) Notwithstanding any other provision of this Section 10.6 to the contrary, the maximum rate ceiling does not apply to capacity release transactions of less than one year until September 30, 2002.

10.7 Exit fees

In the event a Releasing Shipper submits a Notice Of Intent To Release Capacity and such capacity is not acquired by an Acquiring Shipper, the Service Agreement of the Releasing Shipper shall remain in full force and effect for the remaining term of such Service Agreement and such Releasing Shipper shall remain liable for all charges specified therein; provided however, any such Releasing Shipper shall have the right to reduce or terminate, in whole or in part, such Releasing Shipper's entitlement to firm capacity under such Service Agreement upon payment to CIPCO of a negotiated exit fee.

10.8 Capacity release exempt from posting and bidding requirements

Notwithstanding any other provision of this Section 10 to the contrary, the only capacity releases exempt from posting and bidding requirements are: (a) new capacity release transactions with a contract term length of 31 days or less; and (b) capacity releases with a term length of one year or more that are at the maximum tariff rate.

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GENERAL TERMS AND CONDITIONS
(Continued)

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GENERAL TERMS AND CONDITIONS

(Continued)

Notification of Firm Capacity Release Offer

Transportation Service Provider: Carnegie Interstate Pipeline
Company

Date and Time Posted:

Offer No. _____ Rate Schedule: ____

Contract Number: _____

Expected Award Date and Time:

Releaser:

Releaser Contact Name:

Releaser Contact Phone:

Releaser Contact Facsimile:

Terms of Release

Release Period Start Date: _____ End Date: _____

Recallable: Y/N Conditions: _____

Biddable: Y/N

Bid Period Start Date and Time:

Bid Period End Date and Time:

Permanent Release: Y/N Stand Alone Release: Y/N

Shorter Term: Y/N Minimum Number of Days: ____

Contingent: Y/N Contingency: _____

Lesser Quantity: Y/N Bid Evaluation Method: _____

Lesser Rate: Y/N Previously Released: Y/N

Rates

Basis: Reservation/Volumetric Denomination: _____

Discounts Applicable: Y/N

Rate Type: Reservation/Volumetric Min Acceptable: _____

\$ _____

Offer Quantity: _____

Receipt Locations Maximum Qty Minimum Qty

Delivery Locations Maximum Qty Minimum Qty

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GENERAL TERMS AND CONDITIONS
(Continued)

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GENERAL TERMS AND CONDITIONS
(Continued)

11. PREGRANTED ABANDONMENT

11.1 Short-term and Interruptible Agreements

Any Customer receiving firm service under CIPCO's Rate Schedule(s) FTS or FGS having a term of less than one year or receiving Interruptible service under CIPCO's Rate Schedule(s) ITS or IGS retains no right to continued service after the termination of such agreement. CIPCO shall have all necessary abandonment authorization under the Natural Gas Act as of such termination date and shall not be required to seek case-specific authorization prior to abandoning service.

11.2 Long-term Agreements--Right of First Refusal

(a) Any Customer receiving firm service under a Service Agreement under CIPCO's Rate Schedule(s) FTS or FGS having a term of one year or more for which CIPCO has served a notice of termination may retain its capacity and continue to receive service to the extent such Customer satisfies the bid matching requirements of this Section 11.2 or CIPCO and Customer reach agreement as contemplated by Section 11.2(g). If Customer does not satisfy the bid matching requirements of this Section 11.2 or CIPCO and Customer do not reach agreement as contemplated by Section 11.2(g), Customer shall no longer have, as of the termination date of the contract, rights under the Service Agreement for which CIPCO has served notice of termination, and CIPCO shall have all necessary abandonment authorization under the Natural Gas Act as of such effective date and shall not be required to seek case-specific authorization prior to abandoning service. This section 11.2 is not applicable and Customer shall have no rights hereunder to the extent such Service Agreement is terminated by Customer, and CIPCO shall have all necessary abandonment authorization under the Natural Gas Act as of the effective date of such Customer's notice of termination and shall not be required to seek case-specific authorization prior to abandoning service.

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Original Sheet No. 92 Original Sheet No. 92 : Effective
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GENERAL TERMS AND CONDITIONS
(Continued)

11.2 (Continued)

(b) Within five (5) days of notice of termination of Customer's firm long-term agreement, CIPCO shall post on its electronic bulletin board at least twelve (12) months but no more than twenty-four (24) months prior to the proposed termination of a firm long-term agreement, as specified in Section 11.2(a), the following information:

(1) the termination date of such Customer's Service Agreement;

(2) the specific quantity available under the Service Agreement to be terminated;

(3) the current maximum rate applicable to the service to be terminated;

(4) primary Receipt Point(s) and primary Delivery Point(s), if applicable.

(c) The deadline for the submission of bids from potential customers who desire service to be provided in whole or in part by the capacity to be made available upon termination of a firm long-term agreement shall be the last day of the fifth month following the month in which CIPCO posts an applicable notice pursuant to Section 11.2(b). To be a valid bid, a bid must comply with the bid requirements of Section 11.2(d). At the close of such bidding period, CIPCO shall post on its electronic bulletin board the terms and conditions of all bids received pursuant to a notice of termination, including whether no bids were received. CIPCO shall select among the valid bids the "Best Bid(s)", as determined pursuant to Section 11.2(e), and shall forward such Best Bid(s) to the Customer whose firm long-term agreement is being terminated by CIPCO. If such Customer elects to match, as determined by Section 11.2(f), the Best Bid(s), such Customer shall be entitled to retain its capacity and continue to receive service under a Service Agreement that reflects the matching

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GENERAL TERMS AND CONDITIONS
(Continued)

11.2 (Continued)

of the relevant contractual provisions of the Best Bid(s). In the event there is no Best Bid for Customer to match, Section 11.2(g) shall determine whether Customer shall be entitled to retain its capacity and continue to receive service.

(d) To be a valid bid, the potential customer must submit a Request For Service in accordance with Section 9.1 specifying the maximum rate the potential customer is willing to pay for the capacity, and must satisfy the Creditworthiness requirements set forth in Section 13. In particular, without limitation, any potential customer must pay CIPCO a refundable security deposit equal to the lesser of ten thousand dollars (\$10,000.00) or one month's reservation charges based on the quantity and price specified in the Request For Service. If any potential customer's bid is accepted by CIPCO then, upon commencement of service, the security deposit, including applicable interest calculated pursuant to Section 154.67(c) of the FERC's regulations, shall be promptly credited to such potential customer's initial invoice for such service rendered. If any potential customer's bid is not considered a Best Bid or if any potential customer fails to satisfy all of CIPCO's tariff provisions governing eligibility, CIPCO shall refund such potential customer's security deposit, including applicable interest calculated pursuant to Section 154.67(c) of the FERC's regulations, within thirty (30) days after the close of the bidding period. If any potential customer withdraws a bid, CIPCO shall not refund such potential customer's security deposit. CIPCO may reject all bids which would require CIPCO to discount below a rate and/or for a period unacceptable to CIPCO. Nothing in this Section 11.2 shall prevent any potential customer from changing a previously submitted bid until the close of the bidding period, and such changed bid shall not constitute a withdrawal of a previous bid for the purposes of this Section 11.2(d).

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Original Sheet No. 94 Original Sheet No. 94 : Effective
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GENERAL TERMS AND CONDITIONS
(Continued)

11.2 (Continued)

(e) CIPCO shall review all bids from potential customers received pursuant to section 11.2(c), which have not been rejected by CIPCO, to determine which bid is the Best Bid(s). For purposes of this Section 11.2, the Best Bid(s) shall be the bid(s) that yield the highest Net Present Value.

(f) Upon receipt from CIPCO of the Best Bid(s), Customer shall have the right for a thirty (30) day period in which to notify CIPCO whether the Customer is willing to match the Best Bid(s) for the capacity, in whole or in part, made available by the termination of such Customer's Service Agreement. Failure to notify CIPCO within such thirty (30) day period constitutes a non-revocable waiver of such Customer's right to match the Best Bid(s). In order to match the Best Bid(s), Customer must agree to a rate up to the maximum rate and contract term that provide CIPCO with at least the same Net Present Value, for an equivalent amount of capacity, as the valid Best Bid(s) submitted by potential customer(s); provided however, the maximum rate a Customer must match is the maximum rate CIPCO can charge for delivery to such Customer's Delivery Point(s) specified in such Customer's Service Agreement, and the maximum contract term such Customer must match shall not exceed twenty (20) years.

(g) In the event CIPCO does not receive any bids pursuant to Section 11.2(c) or CIPCO rejects all bids for the reasons specified in Section 11.2(d), CIPCO and Customer may mutually agree upon the terms and conditions under which such Customer shall be entitled to retain its capacity and continue to receive service. In no event shall CIPCO and Customer agree upon terms which yield a Net Present Value less than any bid received pursuant to Section 11.2(c) and rejected by CIPCO. In the event CIPCO and Customer have not reached agreement

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GENERAL TERMS AND CONDITIONS
(Continued)

11.2 (Continued)

on the terms and conditions under which service will be extended before the termination date, at Customer's election, service for all or part of the contractual quantity will be extended for a term to be specified by the Customer, so long as such Customer agrees to pay the maximum rate; provided however, CIPCO shall have all necessary pregranted abandonment authorization as to any part of the contractual quantity for which such Customer elects not to extend service.

12. ASSIGNMENT OF UPSTREAM CAPACITY

12.1 This Section shall control the terms and conditions that are applicable to the assignment of firm capacity under executed service agreements between CIPCO and upstream pipelines that offer transportation service on a firm basis under subpart B or G of Part 284 of the FERC's regulations. The service and entitlements held by CIPCO on upstream pipelines are as listed below:

Upstream Pipeline	Rate Schedule	Entitlement	Term
Texas Eastern Transmission Corp.	CD-1*	60,209 Dth/day	10/31/99
Texas Eastern Transmission Corp.	SS-2**	21,000 Dth/day	4/15/2000

* Effective on June 1, 1993 the effective date of Texas Eastern Transmission Corp.'s restructuring in Docket No. RS92-11, CIPCO's 60,209 Dth/d firm sales service entitlement is converted into a 60,209 Dth/d capacity entitlement under Texas Eastern's Rate Schedule CDS.

** Effective on June 1, 1993, the effective date of Texas Eastern Transmission Corporation's restructuring in Docket No. RS92-11, CIPCO's SS-2 storage service contract is converted to storage service under CNG Transmission Corporation's Rate Schedule GSS.

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Original Sheet No. 96 Original Sheet No. 96 : Effective

Superseding: Original Sheet No. 96

GENERAL TERMS AND CONDITIONS

(Continued)

12.2 Initial Assignments of upstream capacity shall be effective on October 1, 1993, pursuant to Section 284.242 of the FERC's Regulations as agreed to during restructuring discussions held in Docket No. RS92-30 as follows:

	Upstream Firm Transmission Capacity	Upstream Firm Storage Capacity
Carnegie Natural Gas Company (LDC)	5,987 Dth/d	
Columbia Gas of Pa., Inc.	-	6,000 Dth/d
Columbia Gas of Ohio, Inc.	11,000 Dth/d	9,000 Dth/d
New Jersey Natural Gas Co.	27,000 Dth/d	-
UGI Utilities, Inc.	4,000 Dth/d	6,000 Dth/d

12.3 Additional Assignments of available firm upstream capacity may be made by CIPCO after all Initial Assignments have been made under this Section 12.

12.4 All assignments made pursuant to this Section 12 will be permanent and will be effective on the date set forth in the Assignment Agreement; provided that all Initial Assignment Agreements shall have an effective date of October 1, 1993.

12.5 Upon the effective date of any assignment made pursuant to this Section 12, CIPCO shall be relieved of all rights and obligations associated with the assigned upstream capacity which accrue on or after the effective date of such assignment, including but not limited to any and all charges, and CIPCO shall have no further liability of any kind with respect to either the upstream capacity or the assignment.

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Original Sheet No. 97 Original Sheet No. 97 : Effective

Superseding: Original Sheet No. 97

GENERAL TERMS AND CONDITIONS

(Continued)

12.6 Any Initial Assignment pursuant to Section 12.2 must be effectuated before CIPCO releases capacity under the terms of the upstream pipeline's FERC Gas Tariff. If CIPCO releases capacity thereafter under the capacity reallocation provisions of the FERC Gas Tariff of the upstream pipeline, the capacity remains assignable as an Additional Assignment; however, any release made prior to the Additional Assignment would remain in force for its term.

12.7 On October 1, 1993, CIPCO shall post on its electronic bulletin board for a period of thirty (30) days a complete description of any firm service entitlements available for assignment under this Section 12, including the upstream pipeline's Rate Schedule, contract quantity, current effective rates and charges, and receipt and delivery points.

Any party interested in acquiring the capacity available under this Section 12 must submit a bid to CIPCO either in writing or via CIPCO's electronic bulletin board prior to the end of the thirty (30) day posting period specified in this Section 12. Such bids must specify the upstream pipeline and rate schedule, contract quantity desired, and the requested assignment date. CIPCO shall not be obligated to accept any bid that offers to pay less than the full rate over the remaining term of the agreement. Any party submitting a bid must satisfy any applicable requirements of the upstream pipeline's tariff, including creditworthiness. Upon the expiration of the thirty (30) day period, any unassigned capacity shall remain posted on the electronic bulletin board and available for Additional Assignment until all such capacity is assigned, released, or otherwise disposed of.

12.8 Capacity Not Assigned

If CIPCO determines that firm upstream capacity is not assignable or CIPCO is unable to release available upstream capacity pursuant to the upstream pipeline's capacity reallocation program, CIPCO may file to recover the costs associated with such stranded upstream capacity as a transition cost pursuant to Section 31.

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Original Sheet No. 98 Original Sheet No. 98 : Effective

Superseding: Original Sheet No. 98

GENERAL TERMS AND CONDITIONS

(Continued)

13. CREDITWORTHINESS

13.1 In order to ascertain the creditworthiness of any customer seeking service under any of CIPCO's Rate Schedules, whether through a request for service under Section 9 or in accordance with Sections 10 or 11, CIPCO may require such customer to:

(a) provide CIPCO with current financial statements, annual reports, 10-K reports or other filings by the customer or any parent company of the customer with any regulatory agency, a list of all of such customer's affiliates and any reports regarding such customer or any affiliate of such customer from credit reporting agencies which are available;

(b) provide CIPCO a bank reference and at least two trade references to enable CIPCO to verify that such customer's obligations and the obligations of any parent company of such customer are being paid on a reasonably prompt basis;

(c) provide CIPCO with a verified statement that neither the customer nor any parent company is operating under any chapter of the bankruptcy laws and that neither it nor any parent company is subject to liquidation or debt reduction procedures under state laws; and

(d) provide CIPCO with a verified statement that neither the customer nor any parent company of the customer has any significant collection lawsuits or judgments outstanding which would seriously reflect upon such customer's ability or the ability of any parent company of such customer to remain solvent.

13.2 If the customer fails to satisfy the credit criteria, such customer may still obtain service under CIPCO's Rate Schedules if such customer elects one of the following options:

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Original Sheet No. 99 Original Sheet No. 99 : Effective

Superseding: Original Sheet No. 99

GENERAL TERMS AND CONDITIONS

(Continued)

13.2 (Continued)

(a) a standby irrevocable letter of credit drawn upon a Bank acceptable to CIPCO;

(b) a security interest in collateral provided by such party that is satisfactory to CIPCO; or

(c) a guarantee of payment by a person or entity which does satisfy the credit criteria.

14. FLEXIBLE RECEIPT AND DELIVERY POINTS

14.1 Primary Receipt and Delivery Points

Any Customer receiving firm transportation service under CIPCO's Rate Schedule FTS shall specify primary Receipt Point(s) and primary Delivery Point(s) and the quantities of gas to be received or delivered at each such point(s) in Exhibit A to such Customer's Service Agreement with CIPCO or as specified in Section 9.5. For any such Customer with a Service Agreement with CIPCO under Rate Schedule FTS in effect on October 1, 1993, the receipt and delivery points designated in each such Customer's Service Agreement in effect prior to October 1, 1993, shall be considered primary Receipt Point(s) and primary Delivery Point(s), and such Customer shall retain the firm capacity rights and priorities as so designated. For any Customer receiving service under CIPCO's Rate Schedule FTS, the sum of the quantities of gas specified in such Customer's Service Agreement with CIPCO at all primary Receipt Points and at all primary Delivery Points, plus Applicable Shrinkage, may not exceed the firm Maximum Daily Transportation Quantity specified in such Service Agreement.

14.2 Secondary Receipt and Delivery Points

Any Customer receiving firm transportation service under CIPCO's Rate Schedule FTS shall be permitted to nominate service on a secondary basis at all Receipt Point(s) and Delivery Point(s) on CIPCO's system in accordance with this Section 14 and Section 15.

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GENERAL TERMS AND CONDITIONS

(Continued)

14.2 (Continued)

Nominations for the receipt or delivery of gas at secondary Receipt Point(s) or secondary Delivery Point(s) shall be permitted only to the extent that: (1) sufficient capacity exists at such point(s); and (2) CIPCO's pipeline system can operationally accommodate such receipt or delivery. Customers nominating service at any Receipt Point or Delivery Point that such customer designates in its Service Agreement as a primary Receipt Point or primary Delivery Point shall have priority over customers nominating service at such Receipt Point or Delivery Point on a secondary basis. Customers nominating firm service on a primary or secondary basis at any Receipt Point or Delivery Point shall have priority over customers nominating interruptible service at such Receipt Point or Delivery Point. For any Customer receiving service under CIPCO's Rate Schedule FTS, the sum of the quantities of gas nominated at all primary and secondary Receipt Points and at all primary and secondary Delivery Points, plus Applicable Shrinkage may not exceed the Maximum Daily Transportation Quantity specified in each such Customer's Service Agreement.

14.3 Addition of Receipt and Delivery Points

Subject to the terms of this Section 14.3 and with the consent of CIPCO, any Customer receiving service under CIPCO's Rate Schedule FTS may add or delete primary Receipt Point(s) or primary Delivery Point(s) at any time during the term of such Customer's Service Agreement by amending the designations of primary Receipt Point(s) and/or primary Delivery Point(s) in Exhibit A to such Service Agreements. Additions or deletions of primary Receipt Point(s) or primary Delivery Point(s) shall be permitted only to the extent that: (1) sufficient capacity exists at the Receipt Point(s) or Delivery Point(s) sought to be added; and (2) CIPCO's pipeline system can operationally accommodate such addition. Customers designating any primary Receipt Point(s) or primary Delivery Point(s) under this Section 14.3 shall not gain priority at any such Receipt Point or

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GENERAL TERMS AND CONDITIONS
(Continued)

14.3 (Continued)

Delivery Point over any Customer receiving service under CIPCO's Rate Schedule FTS that previously designated such Receipt Point or Delivery Point as a primary Receipt Point or primary Delivery Point. No amendment to the designation of primary Receipt Point(s) or primary Delivery Point(s) shall become effective without five (5) business days prior written notice to CIPCO.

14.4 Receipt and Delivery Points for Interruptible Service

Any Customer receiving interruptible transportation service under CIPCO's Rate Schedule(s) ITS or IGS shall specify Receipt Point(s) and Delivery Point(s) and the quantities of gas to be received or delivered at each such point(s) in Exhibit A to such Customer's Service Agreement with CIPCO. Any such Customer may nominate receipts and deliveries of gas at any Receipt Point or Delivery Point on CIPCO's transmission system in accordance with such Service Agreement and Section 15 of the General Terms and Conditions of CIPCO's FERC Gas Tariff with no impact on such Customer's interruptible queue priority under Section 9.5(d).

15. NOMINATIONS, SEQUENCING, AND DELIVERY ALLOCATION

15.1 Nominations

(a) If Customer desires the delivery of gas on any day under CIPCO's Rate Schedule(s) FTS, ITS, FGS, or IGS, Customer shall give notice to CIPCO's dispatchers specifying the quantity of gas Customer requests to be transported or gathered by CIPCO under each of CIPCO's Rate Schedules, the Receipt Point(s) and Delivery Point(s), and the date upon which such deliveries are desired; provided however, such requested quantity shall not be less than 50 Dth/day.

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GENERAL TERMS AND CONDITIONS
(Continued)

15.1 (Continued)

The nomination deadlines on the day prior to flow are: 11:30 a.m. Central Clock Time -- Nominations must leave control of the nominating party; 11:45 a.m. Central Clock Time -- Nominations must be received by CIPCO; 12:00 Noon Central Clock Time -- Quick Response; 3:30 p.m. Central Clock Time -- Confirmations must be received by CIPCO from upstream and downstream connected parties; 4:30 p.m. Central Clock Time -- CIPCO will make available to Customers information containing scheduled quantities, including scheduled intra-day nominations and any other scheduling changes. At the end of each gas day, CIPCO shall provide the final scheduled quantities for the just completed gas day, by sending an end of gas day Scheduled Quantity document. Provided, however, that Customer may waive, either for a single nomination or on a blanket basis, receipt of scheduled quantity information and CIPCO's sending of the end of gas day Scheduled Quantity document. The sending party must adhere to nomination, confirmation, and scheduling deadlines, provided however that the receiving party may waive such deadlines. Nominations received after the nomination deadline will be processed after the nominations received before the nominations deadline. The receiving party shall initiate confirmation unless the sending party waives this obligation. Notice of deliveries nominated pursuant to this Section 15 must be received no later than 11:45 a.m. Central Clock Time of the day such notice is due.

(b) The daily quantity nomination provided from Customer to CIPCO shall remain in effect until the end date specified by customer unless Customer notifies CIPCO otherwise by 11:45 a.m. Central Clock Time on the day prior to commencement of service. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

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GENERAL TERMS AND CONDITIONS
(Continued)

15.1 (Continued)

(c) In the event a Customer receiving interruptible service under Rate Schedule ITS at a particular Receipt Point or Delivery Point is "bumped" as a result of a Customer receiving firm service under Rate Schedule FTS nominating service at that particular Receipt Point or Delivery Point on a secondary basis, CIPCO shall notify such affected ITS Customer by 3:30 p.m. Central Clock Time on the calendar day on which CIPCO received the nomination change. Such affected Customer shall have until 5:00 p.m. Central Clock Time that day to notify CIPCO where any necessary reductions are to be made to reflect the reductions in receipts or deliveries.

15.2 Intra-Day Nominations

(a) Intra-day nominations are defined as nominations submitted after the nomination deadline, whose effective time is no earlier than the beginning of the gas day and runs through the end that gas day. Intra-day nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes in delivery points of scheduled gas. Intra-day nominations do not roll-over, apply to one (1) day only, and should include an effective date and time. Intra-day nominations do not replace the remainder of standing nominations.

(b) The following timeline shall apply to intra-day nominations:

(i) 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 CIPCO; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by CIPCO from upstream and downstream connected parties; 10:00 p.m. for CIPCO 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 CIPCO 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 CIPCO to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on gas day.

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GENERAL TERMS AND CONDITIONS

(Continued)

15.2 (Continued)

(ii) The Intraday 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by CIPCO; 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by CIPCO from upstream and downstream connected parties; 2:00 p.m. for CIPCO 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 Intraday 1 Nomination should be effective at 5:00 p.m. on gas day.

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GENERAL TERMS AND CONDITIONS
(Continued)

15.2 (Continued)

(iii) The Intraday 2
Nomination Cycle: 5:00 p.m. for
nominations leaving control of the
nominating party; 5:15 p.m. for receipt of
nominations by CIPCO; 5:30 p.m. to send
Quick Response; 8:00 p.m. for receipt of
completed confirmations by CIPCO from
upstream and downstream connected parties;
9:00 p.m. for CIPCO to provide scheduled
quantities to affected shippers and point
operators (central clock time on the gas
day). Scheduled quantities resulting from
Intraday 2 Nominations should be effective
at 9:00 p.m. on gas day. An intra-day
nomination will not be accepted during this
cycle of intra-day nominations if it would
curtail gas that is already flowing or
scheduled, regardless of its rate schedule.

(c) Except as specified in this Section
15.2, all nomination procedures that apply to
regular nominations, excluding timelines, apply
to intra-day nominations. This means that the
process of quick response, confirming with
upstream and downstream parties, and scheduling,
also apply to intra-day nominations.

(d) CIPCO shall have the right at any time
to limit acceptance of an intra-day nomination
on a non-discriminatory basis if system
integrity or safe operations will be placed in
jeopardy. Any such limitation shall be posted
on CIPCO's EBB with its justification.

(e) Intra-day nominations cannot cause an
agreement to exceed its Maximum Daily
Transportation Quantity.

(f) In the event that an Evening or
Intraday Nomination causes a shipper to be
bumped, CIPCO shall notify such customer(s) via
telephone or telecopier. In addition, CIPCO
will waive any penalties incurred by a shipper
as a result of the shipper's quantities being
bumped by an Evening or Intraday Nomination.

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GENERAL TERMS AND CONDITIONS
(Continued)

15.3 Scheduling

This Section 15.3 sets forth the manner in which CIPCO will schedule, for purposes of determining the availability of capacity on CIPCO's pipeline system, receipts and deliveries of gas at each Receipt Point and Delivery Point on CIPCO's pipeline system.

(a) Scheduling of Transportation Receipts

CIPCO shall schedule quantities of gas under Rate Schedule(s) FTS or ITS nominated by Customers pursuant to Section 15.1 at each Receipt Point on CIPCO's pipeline system in the following order:

(1) firm service for which such Receipt Point is specified as a primary Receipt Point in accordance with Section 14.1, plus Applicable Shrinkage;

(2) firm service nominated at such Receipt Point on a secondary basis, plus Applicable Shrinkage; provided however, in the event capacity is not available to satisfy all requests for such secondary firm service at such Receipt Point, CIPCO shall allocate available capacity pro rata to those Customers requesting such secondary firm service based on nominations at such Receipt Point;

(3) interruptible service nominated at such Receipt Point, plus Applicable Shrinkage; provided however, in the event capacity is not available to satisfy all requests for interruptible service at such Receipt Point, CIPCO shall allocate available capacity in accordance with the queue priorities set forth in Section 9.5(d).

(b) Scheduling of Transportation Deliveries

CIPCO shall schedule quantities of gas under Rate Schedule(s) FTS or ITS nominated by Customers pursuant to Section 15.1 at each Delivery Point on CIPCO's pipeline system in the following order:

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

GENERAL TERMS AND CONDITIONS
(Continued)

15.3 (Continued)

(1) firm service for which such Delivery Point is specified as a primary Delivery Point in accordance with Section 14.1;

(2) firm service nominated at such Delivery Point on a secondary basis; provided however, in the event capacity is not available to satisfy all requests for such secondary firm service at such Delivery Point, CIPCO shall allocate available capacity pro rata to such Customers requesting such secondary firm service based on nominations at such Delivery Point;

(3) interruptible service nominated at such Delivery Point; provided however, in the event capacity is not available to satisfy all requests for interruptible service at such Delivery Point, CIPCO shall allocate available capacity in accordance with the queue priorities set forth in Section 9.5(d).

(c) Scheduling of Gathering Deliveries

CIPCO shall schedule quantities of gas under Rate Schedule(s) FGS or IGS nominated by Customers pursuant to Section 15.1 at each Delivery Point on CIPCO's gathering system in the following order:

(1) firm service nominated at such Delivery Point; provided however, in the event capacity is not available to satisfy all requests for such firm service at such Delivery Point, CIPCO shall allocate available capacity pro rata based on nominations;

(2) interruptible service nominated at such Delivery Point; provided however, in the event capacity is not available to satisfy all requests for interruptible service at such Delivery Point, CIPCO shall allocate available capacity in accordance with the queue priorities set forth in Section 9.5(d).

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GENERAL TERMS AND CONDITIONS
(Continued)

15.4 Sequencing of Deliveries

For the purposes of determining the quantity of gas to be billed under each Rate Schedule, unless specifically agreed to otherwise between CIPCO and Customer, with regard to deliveries to Customer at a meter owned or operated by CIPCO, the following sequences shall apply:

(a) deliveries of gas solely under Rate Schedule ITS shall be deemed to occur before deliveries of gas under both Rate Schedules IGS and ITS;

(b) deliveries of gas solely under Rate Schedule ITS shall be deemed to occur before deliveries of gas under Rate Schedule FTS;

(c) deliveries of gas under Rate Schedule IGS shall be deemed to occur before deliveries of gas under Rate Schedule FGS;

(d) deliveries of gas solely under Rate Schedule FTS shall be deemed to occur before deliveries of gas under both Rate Schedules FGS and FTS or under both Rate Schedules IGS and FTS.

15.5 Receipt and Delivery Allocation

(a) When more than one Receipt Point or Delivery Point is designated, Customer and CIPCO shall agree as to the maximum amount of gas to be received or delivered at any time at each such Receipt Point or Delivery Point (the total of which amounts may not exceed the Maximum Daily Transportation Quantities) and, subject to the limitations so established, Customer shall from time to time take or cause to be taken any and all action necessary or desirable with respect to the allocation of gas at such Receipt Point(s) or Delivery Point(s), including the issuing of predetermined allocations or instructions to CIPCO, and CIPCO may rely on any such predetermined allocations or instructions and will receive or deliver gas in accordance with such predetermined allocations or instructions.

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First Revised Sheet No. 105A First Revised Sheet No. 105A : Effective
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GENERAL TERMS AND CONDITIONS
(Continued)

15.5 (Continued)

For all Receipt and Delivery Points, CIPCO will recognize the following allocation methodologies: Ranked, Pro-Rata, Percentage, Swing, and Operator Provided Value. Only one predetermined allocation methodology will be applied per allocation period. The upstream or downstream party providing point confirmation should submit the predetermined allocation to the allocating party after or during confirmation and before the start of the gas day.

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GENERAL TERMS AND CONDITIONS
(Continued)

15.5 (Continued)

(b) When CIPCO receives gas from more than one Customer at a common Receipt Point or delivers gas to more than one Customer at a common Delivery Point, CIPCO shall apportion the total measured receipt or delivery to each Customer pro rata based on the confirmed nominations of each such Customer; provided however, CIPCO shall rely upon any predetermined allocation or instruction agreed to between such Customers in apportioning the total measured receipt or delivery. A new allocation detail may be needed when a nomination changes.

(c) Any Customer that nominates quantities of gas less than 50 Dth/day, which such nomination shall be deemed to be a nomination of 50 Dth/day in accordance with Section 15.4(a), and accepts delivery of quantities of gas less than 50 Dth/day, shall be deemed to have created an imbalance to the extent of the difference between the quantities of gas actually delivered and 50 Dth/day, which such imbalance shall be resolved in accordance with Section 17.

(d) CIPCO shall report daily operational allocations after the gas has flowed within one business day after the end of gas day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity shall be used. The party responsible for accepting allocations shall calculate and report allocated quantities. The party receiving nominations shall provide allocation statements by both contract and location.

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GENERAL TERMS AND CONDITIONS

(Continued)

16. OPERATIONAL FLOW ORDERS

16.1 General

In the event CIPCO determines, in its sole discretion, that in order to permit the continued operation of all or part of its system a quantity of gas received or delivered at any point or location on its system must be increased or decreased, and that such operating requirement cannot be accomplished using the facilities and gas supply under CIPCO's control in the time period necessary, CIPCO may issue an operational flow order ("OFO") to Customer in accordance with this Section 16. Such OFOs shall be applied on a non-discriminatory basis at the designated points on CIPCO's system at which action is required.

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GENERAL TERMS AND CONDITIONS
(Continued)

16.2 Operational Flow Order Condition

As a condition to each Service Agreement under CIPCO's Rate Schedules FTS, ITS, FGS, and IGS, Customer shall guarantee that CIPCO will have the right to issue an OFO directly to any supplier, operator, transporter, or owner of Customer's gas.

16.3 Types of Operational Flow Orders

CIPCO shall have the right to issue OFOs for the purposes set forth in Section 16.1. Circumstances under which CIPCO may issue operational flow orders include, but are not limited to, the following:

(a) System maintenance

CIPCO may direct Customers receiving service under CIPCO's Rate Schedule(s) FTS, ITS, FGS, or IGS to increase or decrease receipts of flowing gas at specified Receipt Point(s) or in specified line segments in order to accommodate required maintenance, either scheduled or unscheduled, as required on any portion of CIPCO's system; provided however, routine maintenance shall be scheduled so as to minimize disruption of service as much as possible on CIPCO's system.

(b) System operation

CIPCO may direct Customers receiving service under CIPCO's Rate Schedule(s) FTS, ITS, FGS, or IGS to increase or decrease receipts of flowing gas in order to maximize available compressor station horsepower on high demand days, maximize system capacity, maintain proper receipt distribution on its system, or alleviate high system pressures.

CIPCO may direct Customers receiving service under CIPCO's Rate Schedule(s) FTS or FGS to decrease deliveries from CIPCO in the event that the delivery pressure at one or more Delivery Point(s) drops below, or is expected to drop below, reasonable operating limits.

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GENERAL TERMS AND CONDITIONS

(Continued)

16.3 (Continued)

(c) Interconnected systems

CIPCO may direct Customers receiving service under CIPCO's Rate Schedule(s) FTS, ITS, FGS, or IGS to increase or decrease receipts of flowing gas at specified Receipt Point(s) or in specified line segments in order to allow for the repair and maintenance of systems interconnected with CIPCO's system as necessary to maintain the operational integrity of CIPCO's system.

16.4 Notice

(a) To the extent that a problem develops on CIPCO's system and CIPCO can identify the Customer(s) causing the problem on CIPCO's system which, if not corrected, would lead to the issuance of an OFO, CIPCO shall notify such Customer(s) via telephone or telecopier of the need for such Customer(s) to take corrective action. Except in emergency situations or where in CIPCO's judgment system integrity is threatened, notice shall be given twenty-four (24) hours prior to the issuance of an OFO.

Prior to the issuance of any OFO and to the extent possible, CIPCO shall seek corrective actions from the Customer(s) causing the event(s) necessitating the issuance of the OFO. CIPCO shall coordinate with the affected Customer(s) the corrective actions required to maintain system integrity. In the event such corrective actions are inadequate or cannot be accomplished in time, such as in an emergency, CIPCO shall issue an OFO.

If CIPCO is unable to contact any affected Customer's designated representative, CIPCO shall take all actions necessary to effectuate such OFO, and such Customer shall be solely responsible for any consequences arising from such failure of communication.

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Original Sheet No. 109 Original Sheet No. 109 : Effective

Superseding: Original Sheet No. 109

GENERAL TERMS AND CONDITIONS

(Continued)

16.4 (Continued)

(b) In all other situations, CIPCO shall provide not less than twenty-four (24) hours' notice to any Customer(s).

16.5 Posting

CIPCO shall post the following information related to any OFO on its electronic bulletin board for the entire period such OFO is in effect.

(a) A description of the event(s), and if possible the Customer(s) causing the event(s), necessitating the issuance of the OFO;

(b) The point(s) or location(s) on CIPCO's system at which CIPCO requires action in order to maintain system operations;

(c) The action required at each point or location, including the total quantity of gas CIPCO estimates it will require to be received or delivered;

(d) A designation of the Customers affected, and the specific individual action required by each;

(e) The day and time on which the OFO will become effective;

(f) The period of time during which CIPCO expects the OFO to remain in effect.

16.6 Compliance

Compliance with an OFO issued by CIPCO is essential to CIPCO's ability to provide services under all of its rate schedules. If any Customer fails to comply with an OFO on the day and time of its effectiveness, CIPCO will notify the customer of such non-compliance as soon thereafter as practicable, and such Customer will have twenty-four (24) hours to comply with the OFO,

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Original Sheet No. 110 Original Sheet No. 110 : Effective

Superseding: Original Sheet No. 110

GENERAL TERMS AND CONDITIONS

(Continued)

16.6 (Continued)

except when an emergency threatens system integrity in which case Customer will have such lesser time as is appropriate under the circumstances, to comply with the OFO. Should such non-compliance persist, or in emergencies, CIPCO shall be authorized, pursuant to this Section 16, to act as such Customer's agent in making all upstream and downstream arrangements which are reasonably necessary to bring such Customer into compliance with the OFO. If such Customer and/or Customer's supplier, operator, or transporter fail to comply with the terms of an OFO, in addition to the applicable rates charged to Customer for the service(s) provided by CIPCO, Customer shall be liable for the following:

(a) any damages including, but not limited to, direct consequential, exemplary, or punitive damages incurred by CIPCO or any other person as a result of such failure, and

(b) a penalty equal to twenty-five dollars (\$25.00) per Dth times the quantity of gas by which such Customer deviated from the requirements of the OFO.

(c) No imbalance, scheduling, or other penalty will be assessed against a Customer whose imbalance is attributable to such Customer's actions or the actions of CIPCO taken in compliance with an OFO pursuant to this Section 16. CIPCO shall not otherwise be liable for any charge, loss, or expense to such Customer as a result of the issuance of an OFO, except for charges, losses, or expenses caused solely by CIPCO's own negligence, undue discrimination, or willful misconduct.

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Superseding: Original Sheet No. 111

GENERAL TERMS AND CONDITIONS

(Continued)

16.7 Reimbursement

If CIPCO is required to divert gas pursuant to an OFO which would otherwise have been delivered to a Customer, CIPCO shall pay such Customer for such quantity of gas at a price per Dth equal to the average of spot market price indexes for gas delivered to Texas Eastern Transmission Corporation as published in Inside FERC's Gas Market Report for the month in which such diversion occurred.

16.8 Cost Recovery

CIPCO shall be entitled to recover all costs that it incurs in connection with the issuance, operation, and/or termination of any OFO, including such reimbursement costs set forth in Section 16.7, and excluding costs recovered under Section 16.6, through a reservation surcharge on a pro rata basis on all Rate Schedule FTS Customers flowing gas, or scheduled to flow gas, on CIPCO's system on the day the OFO was issued; provided however, where an OFO applies only to CIPCO's gathering system, any such reimbursement shall be through a reservation surcharge on a pro rata basis on all Rate Schedule FGS Customers flowing gas, or scheduled to flow gas, on CIPCO's system on the day the OFO was issued; provided further, CIPCO shall not be entitled to recover costs associated with an OFO that resulted solely from CIPCO's negligent or willful mismanagement.

16.9 Liability

Compliance with an OFO is essential to CIPCO's ability to provide deliveries and service under all Rate Schedules. A failure by one or more Customers to comply with an OFO may affect CIPCO's ability to provide such deliveries and services. Accordingly, in the event of a Customer's non-compliance with an OFO, and not in lieu of any other remedy available to CIPCO at law or in equity, CIPCO shall have no liability or responsibility for its inability to provide deliveries or service to any Customer failing to comply with an OFO and will be indemnified and held harmless by the Customer(s) failing to comply with CIPCO's OFO against any claims related to the failure to provide deliveries and service.

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GENERAL TERMS AND CONDITIONS
(Continued)

17. DETERMINATION OF DELIVERIES AND IMBALANCES

17.1 Determination of Imbalances

If CIPCO provides service to a Customer under more than one Service Agreement, CIPCO shall determine the actual imbalance attributable to each such Service Agreement to the best of its ability based on the difference between receipts at metered points, exclusive of Applicable Shrinkage, and deliveries at metered points.

CIPCO shall not assess any penalty under this Section 17 unless CIPCO can provide to the Customer reliable, timely, and accurate information regarding the imbalance. CIPCO shall not assess more than one imbalance penalty for deliveries of gas transported under more than one Service Agreement.

17.2 Customer Obligations

Customer is responsible for providing accurate and timely nominations of quantities proposed to be received and delivered by CIPCO under each of Customer's Service Agreements, maintaining a concurrent balance, as nearly as practicable, between receipts and deliveries under each of Customer's Service Agreements.

17.3 Notice

CIPCO shall provide Customer with notice of an imbalance at the same time or prior to providing Customer with a transportation invoice.

CIPCO shall confirm in writing the notice given if originally provided telephonically.

Customer shall have the responsibility to inform its suppliers, transporters, consumers, and all others involved in the transaction, as to any imbalance.

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GENERAL TERMS AND CONDITIONS
(Continued)

17.4 Imbalance Penalties

Daily and monthly penalties shall be levied by CIPCO against any customer who exceeds (either above or below) the limits specified in paragraphs (a) and (b) below. Such penalties shall apply on an individual contract basis and shall apply in addition to the applicable rates charged to Customer for the service(s) provided by CIPCO. Nothing herein shall limit CIPCO's right to take actions of whatever nature as may be required to correct imbalances which threaten the integrity of CIPCO's system. Such actions include CIPCO's right to shorten or eliminate any applicable grace period in order to protect the integrity of CIPCO's system.

(a) Daily Imbalance Penalties

Customer will be deemed to have a daily imbalance if Customer, or its agent, delivers or causes to be delivered to CIPCO a quantity which, after reduction for Applicable Shrinkage and excluding any scheduled make-up quantities attributable to prior imbalances, varies on any given day by five percent (5%) or 100 Dth (whichever results in the greater amount) from the quantity actually taken by Customer at the aggregate of Customer's Delivery Point(s) on that day.

If such a daily imbalance occurs, Customer shall have a two (2) day grace period, or such other period of time as is mutually agreeable to both Customer and CIPCO, after receipt of notification from CIPCO to correct such an imbalance. Commencing on the day after the end of such grace period and continuing each day thereafter, if Customer has not corrected such an imbalance, CIPCO shall bill Customer, and Customer shall pay, the following:

(i) If the imbalance determined in paragraph (a) above is an underdelivery of gas to CIPCO, then the penalty shall be ten dollars (\$10.00) multiplied by such daily imbalance quantities; or

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GENERAL TERMS AND CONDITIONS
(Continued)

17.4 (Continued)

(ii) If the imbalance quantity determined in paragraph (a) above is an overdelivery of gas to CIPCO, then the penalty shall be the retention by CIPCO of such daily imbalance quantity at no cost and free and clear of any adverse claims relating thereto. CIPCO shall have the right to sell such gas through use of CIPCO's electronic bulletin board and to retain all revenues received therefrom.

In addition, if as a result of a daily imbalance as defined in paragraph (a) above, CIPCO incurs from any upstream pipeline an imbalance charge or penalty, or an authorized or unauthorized overrun or underrun charge or penalty, attributable to Customer(s)' over or under deliveries to CIPCO, CIPCO shall bill Customer(s), and Customer(s) shall pay, such Customer(s)' proportionate share of such charges or penalties.

(b) Monthly Imbalance Penalties

If, as of the last day of each month and after adjustment for Applicable Shrinkage and excluding any scheduled make-up quantities attributable to imbalances occurring in prior months, Customer's receipts of gas from CIPCO do not equal the quantities tendered by Customer, or Customer's agent, to CIPCO in that month, then Customer shall be deemed to have a monthly imbalance. The calculation of a monthly imbalance shall include imbalances occurring during the two (2) day, or other, grace period(s) under the daily imbalance provisions of paragraph (a) above and imbalances which do not qualify as daily imbalances under the daily imbalance provisions of paragraph (a) above. Customer shall have forty-five (45) days, or such other period of time as is mutually agreeable to both Customer and CIPCO, after receipt of notification of a monthly imbalance from CIPCO to correct such an imbalance. The provisions of this

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GENERAL TERMS AND CONDITIONS

(Continued)

17.4 (Continued)

paragraph, including the monthly imbalance penalties listed below, shall apply to any further monthly imbalance quantities incurred by Customer after such grace period. If Customer does not correct a monthly imbalance within the prescribed time period, CIPCO shall bill Customer, and Customer shall pay, the following:

(i) If the imbalance determined in paragraph (b) above is an underdelivery of gas to CIPCO, the penalty shall be ten dollars (\$10.00) multiplied by such monthly imbalance quantity; or

(ii) If the imbalance quantity determined in paragraph (b) above is an overdelivery of gas to CIPCO, the penalty shall be the retention by CIPCO of such monthly imbalance quantity at no cost and free and clear of any adverse claims relating thereto. CIPCO shall have the right to sell such gas through use of CIPCO's electronic bulletin board and to retain all revenues received therefrom.

In addition, if as a result of a monthly imbalance as defined in paragraph (b) above, CIPCO incurs from any upstream pipeline an imbalance charge or penalty, an unauthorized overrun charge or penalty, additional gas cost, and/or a gas supply inventory reservation charge attributable to Customer(s)' over or under deliveries to CIPCO, CIPCO shall bill Customer(s), and Customer(s) shall pay, such Customer(s)' proportionate share of such charges, penalties, or costs.

GENERAL TERMS AND CONDITIONS
(Continued)

17.4 (Continued)

(c) Revenues received by CIPCO which are attributable to imbalance penalties incurred by any affiliated Customer of CIPCO shall be credited to each non-affiliated firm transportation Customer of CIPCO pro rata based on the proportion each such Customer's MDTQ bears to 85,000 Dth/day.

17.5 Pre-existing Imbalances and Overruns

Imbalances or overruns existing prior to October 1, 1993, shall be corrected pursuant to procedures in effect at the time the imbalance or overrun was incurred unless the parties agree to a cash settlement; provided however, all such imbalances or overruns must be corrected by November 15, 1993.

17.6 Netting and Trading of Imbalances.

At the end of each calendar month, to the extent the net receipts (with the appropriate deductions for Company Use Gas) do not equal the deliveries under any Service Agreement on a dekatherm basis, the following transportation fees and netting and trading procedures will apply:

a. Imbalances under a Customer's different Service Agreements will be netted together to obtain the Customer's Total Monthly Imbalance ("TMI"). The TMI will be shown with the monthly billings sent to Customers. To facilitate the trading or offsetting of a Customer's TMI, CIPCO will post on its electronic bulletin board, on or before the ninth business day of the month, the TMI of any Customer that has not notified CIPCO in writing that the Customer does not elect to have that information posted. Customers or their agents may then trade offsetting imbalances to CIPCO with Customers or their agents until the close of business on the seventeenth business day of the month ("Trading Period"). Parties that agree to trade all or part of an imbalance must notify CIPCO in writing on or before the seventeenth business day of the month through submission of an Imbalance Trade Confirmation form; otherwise, such trade shall not be effective. Upon receipt of an Imbalance Trade Confirmation, CIPCO will send an Imbalance Trade Notification to the trading parties by noon CCT the next business day. Any Customer imbalance remaining after the Trading Period may be charged a penalty.

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Substitute First Revised Sheet No. 116 Substitute First Revised Sheet No. 116 : Effective

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GENERAL TERMS AND CONDITIONS

(Continued)

17.6 (continued)

b. The netting of imbalances does not relieve Customer of the obligation to pay all transportation charges for the quantity of gas actually delivered to Customer during the month.

17.7 Waiver

CIPCO shall not impose, and Customer shall not be liable for, any penalty under this Section 17 for any imbalance caused by CIPCO or as a result of an event of force majeure.

18. CAPACITY CURTAILMENT

18.1 Right to Curtail

In the event unexpected capacity limitations cause CIPCO to be unable to deliver scheduled services, CIPCO shall have the right to curtail, interrupt, or discontinue service under Rate Schedule(s) FTS, FGS, ITS, or IGS in whole or in part on all or a portion of its system from time to time and at any time:

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Original Sheet No. 117 Original Sheet No. 117 : Effective
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GENERAL TERMS AND CONDITIONS
(Continued)

18.2 (Continued)

(a) For reasons of force majeure or when, in CIPCO's reasonable judgment, system integrity is materially threatened; or

(b) To perform repair and maintenance of CIPCO's system, or to allow for the repair and maintenance of systems interconnected with CIPCO's system, as necessary to maintain the operational integrity of CIPCO's system or to comply with applicable regulatory requirements; or

(c) To the extent, in CIPCO's reasonable judgment, interruptible service under CIPCO's Rate Schedules ITS or IGS would impair CIPCO's ability to meet its firm service obligations or to render any future service that may be provided by CIPCO on a firm basis.

18.2 Service Priority Under Curtailment

(a) In the event any services are curtailed or interrupted as a result of constraints on CIPCO's system, CIPCO shall reduce scheduled service, down to zero (0), if necessary, in the following order:

(1) Scheduled service under CIPCO's interruptible Rate Schedules ITS or IGS commencing with service to be charged at the minimum rate of CIPCO then in effect; next in order shall be service to be charged at a rate that is greater than the minimum rate of CIPCO then in effect, in sequence beginning with the rate most proximate to the minimum rate based on the percentage of discount from the applicable maximum rate.

Within each rate category, including the minimum rate, scheduled service shall be reduced in accordance with the priority

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GENERAL TERMS AND CONDITIONS

(Continued)

18.2 (Continued)

established in Section 9.5(c). Where customers share the same queue priority, scheduled service shall be reduced on a pro rata basis, based upon the nominations in effect at the time.

(2) Scheduled service under CIPCO's firm service Rate Schedules FTS and FGS on a pro rata basis, based upon contract quantities.

(b) In the event any Customer desires to relinquish voluntarily any rights to capacity to which such Customer would be entitled under CIPCO's curtailment order, such Customer shall notify CIPCO of the quantities which are to be relinquished, and CIPCO shall take such relinquished quantities into account in determining the total amount to be curtailed.

(c) In the event CIPCO is advised by a Customer receiving service under Rate Schedule(s) FTS or FGS that adjustment of the curtailment level is necessary to avoid irreparable injury to life or property including environmental emergencies or to provide for minimum plant protection for a duration indicated by Customer ("emergency situation"), then CIPCO shall adjust its curtailment of all other Customers on a pro rata basis as necessary to deliver the quantities required to avoid or mitigate the emergency situation. While CIPCO will make adjustments in curtailment promptly upon notification by Customer, Customer must provide CIPCO within twenty-four (24) hours of Customer's notification to CIPCO a sworn statement attesting to the following:

(1) All sources of gas supply available to Customer, including peak-shaving and storage, were and are being utilized to the maximum extent possible during the duration for which the emergency situation is in effect;

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Original Sheet No. 119 Original Sheet No. 119 : Effective

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GENERAL TERMS AND CONDITIONS

(Continued)

18.2 (Continued)

(2) All interruptible services of Customer were and are being interrupted or curtailed during the duration for which the emergency situation is in effect; and

(3) No alternative fuel could be utilized or is available to be utilized to prevent the emergency situation.

Customer shall provide CIPCO with the sworn statement a detailed explanation of and an estimated duration for the emergency situation. Customer shall immediately notify CIPCO when the emergency situation has ended.

CIPCO shall not be liable for granting exceptions to the curtailment provisions of Section 18.1 for any Customer based upon a request submitted by any Customer to CIPCO under the emergency situation relief provisions of this Section 18.2(c). In the event Customer does not provide the sworn statement as required by this Section 18.2(c), all quantities attributable to the adjustments made by CIPCO shall be billed, in addition to all other charges, at a rate of \$25.00/Dth. All revenues attributable to such \$25.00/Dth charge shall be credited, on a pro rata basis, to those Customers reduced to a lower curtailment priority as a result of the anticipated sworn statement.

(d) Notwithstanding any provision of Section 18.2(c), Customer shall not be entitled to relief under Section 18.2(c):

(1) To the extent that the emergency situation is due to Customer's failure to have adequate transportation arrangements in effect for the delivery of Customer's gas at the Delivery Point(s) set forth in the Service Agreement between Customer and CIPCO in effect during the relevant period; or

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GENERAL TERMS AND CONDITIONS

(Continued)

18.2 (Continued)

(2) To the extent that the quantity of gas required to meet such emergency situation exceeds such Customer's firm contractual rights hereunder.

18.3 Curtailment Compliance

(a) Without regard to any other remedy provided by law or by the provisions hereof, CIPCO shall be entitled to seek an order from the FERC or any other appropriate tribunal requiring compliance with curtailment or interruption ordered by CIPCO in compliance with this Section 18 or any directive from any governmental authority having jurisdiction.

(b) All quantities tendered to CIPCO and/or taken by Customer in violation of CIPCO's curtailment or interruption orders shall constitute unauthorized receipts or deliveries for which a charge of \$25.00/Dth shall be assessed, in addition to all other charges; provided however, charges assessed under this Section 18.3(b) shall not be assessed cumulatively on the same quantities of gas as charges assessed under Section 18.2(c). CIPCO shall provide Customer reasonable notice of such curtailment or interruption orders and shall be permitted three (3) hours, or such lesser time as is required to protect the integrity of CIPCO's system, to reduce its tenders or takes in compliance with the curtailment or interruption orders. If Customer adjusts its tenders or takes within such notice period, no charge, as provided for herein, shall be assessed.

(c) Revenues received by CIPCO which are attributable to curtailment penalties under this Section 18.3 incurred by any affiliated Customer of CIPCO shall be credited to each non-affiliated firm transportation Customer of CIPCO pro rata based on the proportion each such Customer's MDTQ bears to 85,000 Dth/day.

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Superseding: Original Sheet No. 121

GENERAL TERMS AND CONDITIONS

(Continued)

18.4 Interconnections

In the event that any upstream or downstream entity involved in handling Customer's gas refuses or is unable to receive gas from or deliver gas to CIPCO, CIPCO shall have the right to curtail receipts or deliveries of gas to Customer; provided however, any such curtailment shall be limited to the portion of the quantity of gas nominated by Customer but not delivered to CIPCO.

18.5 Notice

CIPCO shall provide Customer with notice of a curtailment or interruption at a time and in a manner that is reasonable under then existing conditions, and shall thereafter confirm in writing the notice given if originally provided telephonically.

Customer shall have the responsibility to inform its suppliers, transporters, consumers, and all others involved in the transaction, as to any curtailment or interruption.

18.6 Indemnification

Customer shall indemnify CIPCO from and against any and all losses, damages, or expenses of any kind which such Customer may sustain or be liable for, and will hold CIPCO harmless from any and all damages, claims, suits, actions, or proceedings, either threatened or initiated, as a result of any curtailment or interruption invoked by CIPCO, except for losses, damages, or expenses caused solely by CIPCO's own negligence or willful misconduct.

19. MARKET CENTERS

Nothing in CIPCO's FERC Gas Tariff shall operate to inhibit the development of market centers at the interconnections between CIPCO's pipeline system and other pipelines or LDC systems.

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GENERAL TERMS AND CONDITIONS

(Continued)

20. FORCE MAJEURE

Neither Customer nor CIPCO shall be liable for any damage or loss that may be occasioned by any interruption of service caused by the specific events contained and described within the following definition of "force majeure."

In the event of any Customer or CIPCO being rendered unable, wholly, or in part, by reason of an event of "force majeure" to carry out its obligations under any Service Agreement, other than to make payments for demand charges in addition to other amounts due for deliveries of gas, then the obligations of such Customer or CIPCO, so far as they are affected by such event of "force majeure," shall be suspended during the continuance of any inability so caused. However, the party claiming the existence of "force majeure" shall use all reasonable efforts to remedy any situation which may interfere with the performance of its obligations hereunder.

The term "force majeure" as employed herein, and as applied to either party hereto, shall mean acts of the law, acts of God, strikes, lockouts, or other labor disturbances, acts of the public enemy, war, blockages, insurrections, riots, epidemics, fires, floods, washouts, arrests and restraint of rulers and people, civil disturbance, explosions, breakage, or accidents to machinery or lines of pipe, freezing of well or lines of pipe, partial or entire failure of wells, or any other cause, whether of the kind herein enumerated, or otherwise, not reasonably within the control of the party claiming suspension. It is understood that settlement of strikes, lockouts or labor disturbances shall be entirely within the discretion of the party having the difficulty and that the above requirement that any "force majeure" shall be remedied with all reasonable dispatch, shall not require the settlement of strikes, lockouts or labor disturbances by acceding to the demands of an opposing party when such course is inadvisable in the discretion or judgment of the party having the difficulty. CIPCO shall provide Customer with notice of an event of "force majeure" at a time and in a manner that is reasonable under then existing conditions, including but not limited to telephone, telecopier, or electronic bulletin board, and shall in any event confirm in writing the notice given.

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Superseding: Original Sheet No. 123

GENERAL TERMS AND CONDITIONS
(Continued)

21. BILLING

21.1 Monthly Bill

CIPCO shall render a bill to Customer on or before the ninth business day of each month for all services provided by CIPCO during the preceding calendar month. "Rendered" is defined as postmarked and delivered to the designated site.

21.2 Access to Billing Data

Both CIPCO and Customer shall have the right to examine at reasonable times, books, records, and charts of the other to the extent necessary to verify the accuracy of any statement, charge, or computation made under or pursuant to any of the provisions hereof.

22. PAYMENT

22.1 Payment

Customer shall pay CIPCO, on or before the twentieth day of each month, for the services rendered by CIPCO during the preceding month, as billed by CIPCO in statements for said month according to the measurements, computations, and prices provided.

Customer shall identify invoice numbers on all payments. If payment differs from the invoiced amount, Customer shall submit supporting documentation. CIPCO will apply payments per supporting documentation provided by Customer.

Payments shall be made by electronic transfer of funds prior to 12:00 noon Central Clock Time between banks mutually agreed to by Customer and CIPCO. In the event that the twentieth day of the month is a Saturday, Sunday, Holiday or Bank Holiday, the payment may be made on the next business day.

22.2 Extension of Time

If presentation of bills by CIPCO is delayed after the ninth business day of the month, then the time of payment shall be extended accordingly unless Customer is responsible for such delay.

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GENERAL TERMS AND CONDITIONS
(Continued)

22.3 Disputed Bills

Should Customer fail to pay part or all of the amount of any bill presented to Customer by CIPCO when such bill amount is due, CIPCO may charge interest on the unpaid portion of the bill computed from the due date until the date of payment at the same rate of interest and in the same manner as prescribed for pipeline refunds as set forth in Section 154.67(c)(2) of the FERC's Regulations. If such failure to pay continues for thirty (30) days after payment is due, CIPCO, in addition to any other remedy it may have hereunder, may, after any necessary authorization by regulatory bodies having jurisdiction suspend further service to Customer until such amount is paid; provided, however, that if Customer in good faith shall dispute the amount of any such bill or parts thereof and shall pay to CIPCO such amounts as it concedes to be correct, and at any time thereafter within thirty (30) days of a demand made by CIPCO shall furnish a good and sufficient surety bond guaranteeing payment to CIPCO of the amount ultimately found due upon such bills after a final determination, which may be reached either by agreement or judgment of the courts as may be the case, then CIPCO shall not be entitled to suspend further service unless and until default be made in the conditions of such bond. No payment by Customer of the amount of a disputed bill shall prejudice the right of Customer to claim an adjustment of the disputed bill.

22.4 Prior Period Adjustments

Prior period adjustments, measurement data corrections, and disputes of allocations must be processed within 6 months from the date of the initial invoice, the production month, or the date of the initial month-end allocation, respectively, excluding FERC-required rate changes. CIPCO will respond to any adjustment request, measurement data correction, or dispute of allocation within 3 months of the date of the adjustment request, measurement data correction, or dispute of allocation. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. The Parties' other statutory or contractual rights shall not otherwise be diminished by this standard; provided, however, that in no event may any Customer challenge any monthly bill rendered pursuant to Section 21 or to bring any court or administrative action of any kind questioning the amount of said bill after twelve (12) months from the date the bill was rendered.

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Superseding: Original Sheet No. 125

GENERAL TERMS AND CONDITIONS

(Continued)

23. MODIFICATION

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

24. ASSIGNMENT

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

25. TERMINATION FOR DEFAULT

If either CIPCO or Customer shall fail to perform any of the covenants or obligations imposed upon it or them under and by virtue of a Service Agreement, then in such event the other party may at its option terminate such agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default stating specifically the cause for terminating the agreement and declaring it to be the intention of the party giving the notice to terminate the same; thereupon the party in default shall have thirty (30) days after service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the agreement, and if within said period of thirty (30) days the party in default does so remove and remedy said cause or causes and fully indemnify the party not in default for any and all consequences of such breach, by a good and sufficient

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GENERAL TERMS AND CONDITIONS
(Continued)

25. (Continued)

indemnity bond or otherwise, then such notice shall be withdrawn and the agreement shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes or does not so indemnify the party giving the notice for any and all consequences of such breach, within said period of thirty (30) days, then, after any necessary authorization by regulatory bodies having jurisdiction, the agreement shall become null and void from and after the expiration of said period, provided that notice of termination has not been withdrawn prior thereto. Any cancellation of such agreement pursuant to the provisions of this paragraph shall be without prejudice to the right of CIPCO to collect any amounts then due to it for natural gas delivered prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of such agreement. No waiver by either Customer or CIPCO of any one or more defaults by the other in the performance of any provision of the Service Agreement between Customer and CIPCO shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

26. GOVERNMENTAL REGULATION

The Service Agreements, Rate Schedules, these General Terms and Conditions, all terms and provisions contained or incorporated therein, and the respective obligations of the parties thereunder are subject to all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction.

27. DESCRIPTIVE HEADINGS

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

28. ORDER 497 COMPLIANCE PROCEDURES

This Section 28 provides the information required by Order Nos. 497 and 497-A as amended by Order Nos. 637 and 637-A.

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Third Revised Sheet No. 127 Third Revised Sheet No. 127 : Effective
Superseding: Second Revised Sheet No. 127

GENERAL TERMS AND CONDITIONS
(Continued)

28. (Continued)

Information on any operating facilities or operating personnel that CIPCO shares with any marketing affiliate is available on its internet web site.

Complaints concerning any of CIPCO's Order No. 497, et seq. compliance procedures should be directed in writing to CIPCO's Director -- Transportation Marketing. CIPCO shall respond to any complaint initially within forty-eight (48) hours and in writing within five (5) business days.

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GENERAL TERMS AND CONDITIONS
(Continued)

29. ELECTRONIC BULLETIN BOARD

29.1 Contract for EBB Services

(a) CIPCO shall provide timely and equal access to information through an electronic bulletin board ("EBB") by contracting for such EBB services with the EBB service provider designated in Section 29.1(b). Any person who desires to have access to the information on CIPCO's EBB shall contact CIPCO's EBB service provider. Such person must execute a separate service agreement with CIPCO's EBB service provider and must agree to the terms and conditions set forth therein, including the payment of any applicable fees for the EBB services. Such person agrees to indemnify and hold CIPCO harmless from all suits, actions, debts, accounts, damages, costs, losses, or expenses arising from or out of any conduct of CIPCO's EBB service provider.

(b) Commencing June 1, 1994, CIPCO's EBB service provider shall be:

Latitude Technologies, Inc.
11767 Katey Freeway
Suite 660
Houston, TX 77079
(281) 721-4355

(c) Upon termination of any agreement to provide EBB services, CIPCO shall have the right to replace or substitute the EBB service provider named in Section 29.1(b) and enter into an agreement to provide EBB services with an EBB service provider who in CIPCO's sole discretion is able to provide the EBB services specified in CIPCO's FERC Gas Tariff. Any such replacement or substitution under Section 29.1(b) shall require only notice to FERC and CIPCO's Customers and shall not constitute a rate change under Section 4 of the Natural Gas Act.

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Superseding: Original Sheet No. 129

GENERAL TERMS AND CONDITIONS

(Continued)

29.2 System Description

The EBB services provided by CIPCO's EBB service provider shall include the following:

(a) all files may be viewed on-line and/or downloaded to disk;

(b) daily back-ups of all files shall be made, archived for three years, and made available for review upon request;

(c) files of transactions completed more than ninety (90) days shall be periodically purged from current files;

(d) information shall be displayed in reverse chronological order;

(e) menus and data shall be structured to provide on-line help and a search function that permits EBB subscribers to locate all information concerning a specific transaction; menus shall permit EBB subscribers to access separately each record in the transportation log, notices of available capacity, and standards of conduct information; and

(f) user fee information shall be posted on the EBB or otherwise available from CIPCO or the EBB service provider.

29.3 System Capabilities

Upon execution of an agreement for EBB services with CIPCO's EBB service provider, any person may use the EBB for the following purposes:

(a) review CIPCO's currently effective FERC Gas Tariff, including all rates, Rate Schedules, and terms and conditions of service;

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FERC Docket: CP93-552-003

Original Sheet No. 130 Original Sheet No. 130 : Effective

Superseding: Original Sheet No. 130

GENERAL TERMS AND CONDITIONS

(Continued)

29.3 (Continued)

(b) obtain information concerning the availability of capacity for service under any of CIPCO's Rate Schedules, whether the capacity is available from CIPCO directly, through the release of capacity under Section 10, or upon the termination of a long-term agreement under Section 11;

(c) obtain information regarding primary capacity entitlements at each receipt and delivery point on CIPCO's pipeline system;

(d) obtain information regarding the issuance, operation, and termination of any operational flow order as provided in Section 16;

(e) obtain information regarding the availability of gas for sale obtained by CIPCO pursuant to Section 17.4;

(f) obtain information regarding the declaration of any event of force majeure;

(g) post a Notice Of Intent To Release Capacity in accordance with Section 10.3;

(h) post a request for capacity;

(i) submit a bid for released capacity under Section 10.4 or for available capacity upon termination of a long-term agreement under Section 11.2;

(j) obtain information regarding the date, time, and terms and conditions of other bids submitted for released capacity under Section 10.4, or for available capacity upon termination of a long-term agreement under Section 11.2;

(k) obtain information regarding the terms and conditions of any Best Offer or Best Bid(s) determined in accordance with 10.4(e) or Section 11.2(e);

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GENERAL TERMS AND CONDITIONS
(Continued)

29.3 (Continued)

(l) submit a notice of an intent to match the terms and conditions of a Best Offer in accordance with Section 10.5(a) or exercise a right of first refusal in accordance with Section 11.2(f);

(m) obtain information regarding completed transactions under Section 10.2(b)(1) or Section 10.2(c), including the price, terms and conditions, and the names of the parties.

(n) obtain current information regarding all requests for transportation service made by any marketing affiliate of CIPCO or in which a marketing affiliate of CIPCO is involved.

(o) obtain non-critical system-wide notices in separate categories.

30. RATE ADJUSTMENTS

30.1 Annual Charge Adjustment

(a) Purpose

This Section 30.1 establishes an Annual Charge Adjustment ("ACA") Provision which will permit CIPCO to recover from its customers the annual charges assessed to CIPCO by the FERC under Part 382 of the FERC's Regulations. The ACA shall be applicable to all of CIPCO's Rate Schedules, as set forth in the FERC Gas Tariff of which this provision is a part and all applicable transportation services, if any, under Rate Schedules in Volume No. 2 of CIPCO's FERC Gas Tariff.

(b) Basis of the ACA unit charge

The Rate Schedules specified in Section 30.1(a) herein shall include an ACA unit charge. Such ACA unit charge shall be that annual charge unit rate, adjusted to CIPCO's pressure base and heating value, as appropriate, which shall be authorized by the FERC each fiscal year. Changes to the ACA unit

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Original Sheet No. 132 Original Sheet No. 132 : Effective

Superseding: Original Sheet No. 132

GENERAL TERMS AND CONDITIONS

(Continued)

30.1 (Continued)

charge shall be filed annually to reflect the annual charge unit rate authorized by the FERC for such fiscal year. The ACA unit charge shall be reflected in the commodity rate of each of the Rate Schedules specified in Section 30.1 herein. By electing the ACA unit charge method of recovery, CIPCO hereby acknowledges its intent not to recover any annual charges recorded in FERC Account No. 928 in any general rate proceeding filed under Section 4(e) of the Natural Gas Act.

(c) Adjustment Date

The ACA unit charge shall be filed with the FERC by CIPCO at least thirty (30) days prior to the proposed Adjustment Date unless a shorter period is specifically requested and permitted by the FERC. The Adjustment Date shall be October 1 of each year or as directed by an order of the FERC.

30.2 Demand Charge Adjustment

If CIPCO, for any reason other than the provisions of Sections 16, 18, and/or 20, is unable to deliver to Customer the quantities of gas received by CIPCO on behalf of such Customer, then such Customer's bill for such month shall be credited by an amount equal to the sum of such Customer's requested volumes by day for each of the days for such month less the total volumes actually delivered to Customer for such month, multiplied by the Demand Charge Adjustment Rate as shown on the currently effective Sheet No. 7 of this Tariff.

31. TRANSITION COST RECOVERY

31.1 General

This Section 31 sets forth the terms and conditions under which CIPCO shall recover all transition costs, both direct and indirect, incurred by CIPCO as a result of FERC Order No. 636.

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Superseding: Original Sheet No. 133

GENERAL TERMS AND CONDITIONS

(Continued)

31.2 Gas Supply Realignment Costs

(a) Gas supply realignment costs are those costs attributable to realigning CIPCO's gas supply contracts as permitted by FERC Order No. 636.

(b) CIPCO shall have the right to make limited filings with the FERC under Section 4 of the Natural Gas Act, effective on October 1, 1993, and quarterly thereafter, to recover any gas supply realignment costs actually incurred by the end of the quarter preceding the filing and which are known and measurable, plus applicable interest.

(1) Ninety percent (90%) of the FERC-jurisdictional portion of such costs shall be charged and collected by means of a GSR Demand Surcharge per MDTQ allocated to CIPCO's Customers receiving service under Rate Schedule FTS, based on the proportion each such Customer's MDTQ bears to the sum of all such Customers' MDTQs.

(2) Ten percent (10%) of the FERC-jurisdictional portion of such costs shall be reflected in revised rates for service under Rate Schedule(s) ITS and IGS which shall be designed to recover such costs over the following twelve (12) month period.

(c) Any gas supply realignment costs actually incurred and recovered from Customers receiving service under Rate Schedule FTS but subsequently required by the FERC to be refunded shall be refunded, together with applicable interest calculated pursuant to Section 154.67(c) of the FERC's Regulations, to such Customers within sixty (60) days after the date of a final FERC order requiring such refunds based on the proportion each Customer's MDTQ bears to the sum of all such Customers' MDTQs for the time period during

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Original Sheet No. 134 Original Sheet No. 134 : Effective

Superseding: Original Sheet No. 134

GENERAL TERMS AND CONDITIONS

(Continued)

which such costs were allocated. Any gas supply realignment costs actually incurred and recovered from Customers receiving service under Rate Schedule(s) ITS and IGS shall be credited, together with applicable interest calculated pursuant to Section 154.67(c) of the FERC's Regulations, to the gas supply realignment costs to be included in the rates for such services in the next quarterly filing.

(d) Within sixty (60) days after October 1 of each year, CIPCO shall file a report with the FERC reflecting the aggregate amount of gas supply realignment costs incurred and allocated to be collected from Customers receiving service under Rate Schedule(s) ITS and IGS during the previous twelve (12) months, and the aggregate amount of such costs deemed collected during the previous twelve (12) months from such Customers. CIPCO shall have the option at any time after October 1, 1995, to file to recover any gas supply realignment costs unrecovered through its Rate Schedule(s) ITS and IGS rates, through an alternate mechanism.

(e) CIPCO shall compare total revenues received under Rate Schedule(s) ITS and IGS for the twelve (12) month period prior to October 1 of each year, exclusive of products extraction charge revenues, against the cost of service allocated to be recovered under such Rate Schedules, including applicable surcharges, and variable costs incurred in providing such services, and exclusive of costs allocated to be recovered under such Rate Schedules in accordance with Section 31.2(b)(2). To the extent such total revenues exceed such cost of service, CIPCO shall credit such excess revenues against the gas supply realignment costs to be recovered under such Rate Schedules, up to the amount to be recovered under such Rate Schedules determined in accordance with Section 31.2(b)(2).

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Superseding: Original Sheet No. 135

GENERAL TERMS AND CONDITIONS
(Continued)

31.3 Account No. 191 Costs

This Section 31.3 provides for the recovery by CIPCO of Account No. 191 costs, including Account No. 191 transition costs direct billed to CIPCO by CIPCO's upstream pipeline, Texas Eastern Transmission Corporation ("Texas Eastern"), through the direct billing of such costs to CIPCO's former customers under Rate Schedules LVWS and CDS. CIPCO's former customer under Rate Schedule LVWS is New Jersey Natural Gas Co. ("NJNG"). CIPCO's former customers under Rate Schedule CDS are UGI Utilities, Inc. ("UGI"), Columbia Gas of Pa., Inc. ("Col-PA"), and Columbia Gas of Ohio, Inc. ("Col-OH"), all of which are signatory parties to that certain Agreement in Principle dated December 1, 1992, by and among CIPCO, UGI, Col-PA, and Col-OH, submitted by CIPCO in Docket No. RS92-30 ("Agreement in Principle"). To implement the terms of the Agreement in Principle and orders of the FERC dated April 22, August 2, and October 29, 1993, in Docket No. RS92-30, this Section 31.3 includes two separate direct billing procedures. Paragraph (a) of this Section 31.3 provides for the direct billing to NJNG of any unrecovered purchased gas costs includable in CIPCO's Account No. 191 attributable to gas purchases by CIPCO prior to October 1, 1993, excluding any amounts which are direct billed to CIPCO as Account No. 191 transition costs by Texas Eastern. Paragraph (b) of this Section 31.3 provides for the flowthrough to Col-OH, Col-PA, NJNG, and UGI of Account No. 191 transition costs which are direct billed to CIPCO by Texas Eastern. The FERC-jurisdictional portion includable in CIPCO's Account No. 191 shall be based on a percentage of 72.7%.

(a) Account No. 191 Costs Exclusive of
Amounts Billed Under Section 31.3(b)

(1) Commencing October 1, 1993,
CIPCO shall from time to time, subject to
the receipt of necessary FERC
authorization, direct bill to NJNG its
share of any unrecovered purchased

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Original Sheet No. 136 Original Sheet No. 136 : Effective
Superseding: Original Sheet No. 136

GENERAL TERMS AND CONDITIONS
(Continued)

31.3 (Continued)

gas costs includable in CIPCO's Account No. 191 attributable to gas purchases by CIPCO prior to October 1, 1993, exclusive of amounts billed under Section 31.3(b). CIPCO shall direct bill to NJNG thirty-seven and one half percent (37.5%) of any such unrecovered amounts from time to time when such costs are known and measurable, plus associated carrying charges computed in accordance with Section 157.67 of the FERC's Regulations. The amount to be billed to NJNG in CIPCO's initial billing shall be determined by applying 37.5% to the actual net balance remaining in CIPCO's Account No. 191 on July 31, 1993, as reduced by (1) the total amount of refunds actually paid by CIPCO to NJNG pursuant to Section 154.305(i) of the FERC's Regulations during the twelve-month period preceding October 1, 1993, and (2) carrying charges calculated on such refund amounts in accordance with Section 154.305(h) of the FERC's Regulations from the date each such refund was paid through June 30, 1993, and then increasing the resulting product by the sum of the amounts from items (1) and (2) above.

(2) CIPCO shall issue a bill for amounts due from NJNG pursuant to this Section 31.3(a) which shall be payable ten (10) days after receipt of the bill. Interest shall accrue on all amounts not paid by the tenth (10th) day after receipt of the bill at the rate computed using the factors specified in Section 157.67 of the FERC's Regulations until such time as the full amount due has been paid. NJNG may elect to pay such bill amortized over up to twelve (12) months, by making up to twelve (12) consecutive monthly payments, each of which shall be equal to a corresponding fraction of the amount of the bill. If NJNG

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Original Sheet No. 137 Original Sheet No. 137 : Effective

Superseding: Original Sheet No. 137

GENERAL TERMS AND CONDITIONS

(Continued)

31.3 (Continued)

elects such amortization, NJNG must notify CIPCO within two (2) business days of receipt of the bill that it desires to amortize the direct bill and must specify the desired amortization period. Each monthly amortization amount shall be due on the same date and made in the same manner as payments for services to CIPCO under Section 22. NJNG may, at any time prior to the end of the amortization period, pay the entire amount of its unpaid share of the direct bill to CIPCO with no further obligation to pay interest applicable after such time.

(3) CIPCO shall not post costs eligible for recovery under this Section 31.3(a) to its Account No. 191 after June 30, 1994.

(4) CIPCO shall refund to NJNG its share of any net overrecoveries of gas costs includable in CIPCO's Account No. 191 attributable to gas purchases by CIPCO before October 1, 1993, including any refunds received by CIPCO from Texas Eastern attributable to gas purchases by CIPCO before October 1, 1993, regardless of when CIPCO receives such refunds. Thirty-seven and one half percent (37.5%) of any such overrecovered amounts, which are not offset by chargeable costs, shall be refunded to NJNG, together with applicable interest calculated in accordance

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Original Sheet No. 138 Original Sheet No. 138 : Effective
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GENERAL TERMS AND CONDITIONS
(Continued)

31.3 (Continued)

with Section 154.67(c) of the FERC's Regulations, within sixty (60) days after the date such overrecoveries are known and measurable.

(5) Within thirty (30) days after the date specified in Section 31.3(a)(3), CIPCO shall file a report with the FERC, together with necessary supporting workpapers, showing the final balance in its Account No. 191 and any adjustments necessary to reflect the final postings to Account No. 191. Within thirty (30) days after CIPCO has completed recovery or refund of the amounts to be direct billed or refunded pursuant to this Section 31.3(a), CIPCO shall file a report with the FERC, together with necessary supporting work-papers, showing the total amounts billed or refunded.

(b) Account No. 191 Transition Costs And Texas Eastern Post-May 31, 1993 CAP Costs Direct Billed By Upstream Pipeline

(1) Commencing October 1, 1993, CIPCO shall, from time to time, subject to the receipt of necessary FERC authorization, direct bill to Col-OH, Col-PA, NJNG, and UGI the FERC-jurisdictional portion of amounts direct billed to CIPCO by Texas Eastern as Account No. 191 transition costs and CAP costs pursuant to Texas Eastern's FERC Gas Tariff, including all carrying charges billed to CIPCO by Texas Eastern attributable to such amounts and as yet uncollected by CIPCO from such customers. CIPCO shall direct bill such amounts, plus associated carrying charges computed in accordance with Section 157.67 of the FERC's Regulations, based on the following allocation percentages:

Col-OH	27.7778%
Col-PA	20.8333%
NJNG	37.5000%
UGI	13.8889%

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Superseding: Original Sheet No. 139

GENERAL TERMS AND CONDITIONS

(Continued)

31.3 (Continued)

(2) CIPCO shall issue a bill for amounts due from each customer pursuant to this Section 31.3(b) which shall be payable ten (10) days after receipt of the bill. Interest shall accrue on all amounts not paid by the tenth (10th) day after receipt of the bill at the rate computed using the factors specified in Section 157.67 of the FERC's Regulations until such time as the full amount due has been paid. Any customer may elect to pay such bill amortized over up to twelve (12) months, by making up to twelve (12) consecutive monthly payments, each of which shall be equal to a corresponding fraction of the amount of the bill. Any customer that elects such amortization must notify CIPCO within two (2) business days of receipt of the bill that such customer desires to amortize the direct bill and must specify the desired amortization period. Such amortized amounts shall be due on the same date and made in the same manner as payments for services to CIPCO under Section 22. Any such customer may, at any time prior to the end of the amortization period, pay the entire amount of its unpaid share of the direct bill to CIPCO with no further obligation to pay interest applicable after such time.

(3) CIPCO shall not post costs eligible for recovery under this Section 31.3(b) to its Account No. 191 after June 30, 1994.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

Original Sheet No. 140 Original Sheet No. 140 : Effective

Superseding: Original Sheet No. 140

GENERAL TERMS AND CONDITIONS

(Continued)

31.3 (Continued)

(4) Except as otherwise provided in this Section 31.3(b)(4), CIPCO shall refund to Col-OH, Col-PA, NJNG, and UGI, consistent with the Agreement in Principle, the FERC-jurisdictional portion of any refunds received by CIPCO from Texas Eastern of amounts originally direct billed to CIPCO by Texas Eastern as Account No. 191 transition costs, and post-May 31, 1993 CAP costs and associated carrying charges, pursuant to Texas Eastern's FERC Gas Tariff, and which were, in turn, direct billed and collected by CIPCO from any such customer pursuant to this Section 31.3(b), regardless of when CIPCO receives such refunds. CIPCO shall refund to such customers such amounts, together with applicable interest calculated in accordance with Section 154.67(c) of the FERC's Regulations, within sixty (60) days after the date when any such refund is received by CIPCO from Texas Eastern based on the allocation percentages set forth in Section 31.3(b)(1). CIPCO shall have the right to offset against amounts to be direct billed to each customer by CIPCO pursuant to this Section 31.3(b), or any unamortized amounts previously direct billed to such customer, the amount of refunds otherwise due such customer pursuant to Section 31.3(b)(3).

(5) Within thirty (30) days after the date specified in Section 31.3(b)(3), CIPCO shall file a report, together with necessary supporting workpapers, with the FERC showing the final balance in the subaccount of Account No. 191 reflecting amounts direct billed to CIPCO by Texas Eastern as Account No. 191 transition costs and post-May 31, 1993 CAP costs. Within thirty (30) days after CIPCO has completed recovery or refund of the amounts to be direct billed or refunded pursuant to this Section 31.3(b), CIPCO

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

Original Sheet No. 140A Original Sheet No. 140A : Effective
Superseding: Original Sheet No. 140A

GENERAL TERMS AND CONDITIONS
(Continued)

shall file a report,
together with necessary supporting
workpapers, showing the total amounts
billed or refunded.

31.4 New Facilities Costs

For the purposes of this Section 31, new facilities costs shall be those capital costs and other costs associated with new facilities required to provide restructured services pursuant to FERC Order No. 636. CIPCO shall have the right to make a filing with the FERC under Section 4 of the Natural Gas Act to recover 100% of its new facilities costs.

31.5 Stranded Costs

For the purposes of this Section 31, stranded costs shall include, without limitation, those costs associated with facilities, contracts, and capacity that are no longer required as a result of CIPCO's restructuring of services pursuant to FERC Order No. 636, and the costs of gathering facilities made uneconomic as a result of CIPCO's restructuring of services. Except with regard to capacity on CIPCO's pipeline system for which CIPCO has already received an exit fee, CIPCO shall have the right to make filings with the FERC under Section 4 of the Natural Gas Act to recover 100% of its stranded costs.

32. ACCOUNT NO. 858 COSTS

32.1 CIPCO shall have the right, until June 30, 1994, to post costs to the subaccount of its Account No. 186 (used by CIPCO to track over and underrecoveries of Account No. 858 costs pursuant to Section 26 of the General Terms and Conditions of superseded Second Revised Volume No. 1 of CIPCO's FERC Gas Tariff) and to direct bill or refund to its former customers under Rate Schedules CDS and LVWS through limited filings with the FERC under Section 4 of the Natural Gas Act, any net over- or under-recoveries of Account No. 858 costs includable in such subaccount of Account No. 186 attributable to amounts billed to CIPCO by Texas Eastern, including amounts billed to CIPCO as Account No. 858 costs or Texas Eastern stranded upstream pipeline costs under CIPCO's pre-October 1, 1993 Rate Schedule CDS Texas Eastern contract.

Effective Date: 02/01/1997 Status: Effective

FERC Docket: RP96- 81-002

First Revised Sheet No. 141 First Revised Sheet No. 141 : Effective

Superseding: Original Sheet No. 141

GENERAL TERMS AND CONDITIONS

(Continued)

32 (Continued)

CIPCO shall refund to its former customers under Rate Schedules CDS and LVWS the FERC-jurisdictional portion of any refunds received by CIPCO from Texas Eastern, regardless of when received, attributable to amounts billed to CIPCO by Texas Eastern which were tracked pursuant to Section 26 of the General Terms and Conditions of superseded Second Revised Volume No. 1 of CIPCO's FERC Gas Tariff and are recoverable under this Section 32.1; provided however, CIPCO shall not be required to make any refunds related to Account No. 858 costs for any period predating March 23, 1992, consistent with the settlement in Docket No. RP91-37-000, approved by the Commission in CIPCO Natural Gas Co., 58 FERC 61,216 (1992). CIPCO shall direct bill or refund amounts under this Section 32.1 to its former customers under Rate Schedules CDS and LVWS based on the following allocation percentages:

NJNG	37.5000%
UGI	13.8889%
Col-PA	20.8333%
Col-OH	27.7778%

Effective Date: 02/01/1997 Status: Effective

FERC Docket: RP96- 81-002

First Revised Sheet No. 141A First Revised Sheet No. 141A : Effective

Superseding: Original Sheet No. 141A

GENERAL TERMS AND CONDITIONS

(Continued)

Effective Date: 02/01/1997 Status: Effective

FERC Docket: RP96- 81-002

First Revised Sheet No. 142 First Revised Sheet No. 142 : Effective
Superseding: Original Sheet No. 142

GENERAL TERMS AND CONDITIONS
(Continued)

[Sheet Nos. 142-144 reserved for future use.]

Effective Date: 02/01/1995 Status: Effective

FERC Docket: CP93-552-006

Sub Original Sheet No. 144 Sub Original Sheet No. 144 : Superseded
Superseding: Original Sheet No. 144

GENERAL TERMS AND CONDITIONS
(Continued)

32.2 (Continued)

(2) TCR Surcharge

In each TCR filing, made by CIPCO to be effective November 1 of each year, CIPCO shall calculate the TCRS by dividing the balance in CIPCO's subaccount(s) for Unrecovered Transportation Costs as of August 31 of that year, whether positive or negative, by twelve (12) times the MDTQs under Rate Schedule FTS that will be in effect on the effective date of such TCR filing.

(e) Termination

If the provisions of this Section 32.2 are terminated or otherwise rendered inapplicable ("Termination"), Customers receiving service under CIPCO's Rate Schedule FTS from the date of CIPCO's most recent TCR Filing through the date of Termination ("Termination Period") shall remain responsible for their respective shares of the positive balance and shall be entitled to receive their respective shares of the negative balance, as the case may be, remaining in CIPCO's subaccount(s) for Unrecovered Transportation Costs at the end of the Termination Period. Any such positive or negative balance at the date of Termination, together with interest calculated pursuant to Section 154.67 of the Commission's regulations, shall be charged or refunded to Customers receiving service under Rate Schedule FTS based on the actual billing determinants in effect under such rate schedule during the Termination Period.

Effective Date: 06/01/1997 Status: Effective
FERC Docket: RP97-173-001

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

GENERAL TERMS AND CONDITIONS
(continued)

33. EXIT FEES

33.1 Any Customer that desires to reduce or terminate any firm capacity entitlement it holds on CIPCO's system under Rate Schedule FTS or FGS may do so only upon payment to CIPCO of a negotiated exit fee.

33.2 For any exit fee payable under this Section 33, CIPCO shall issue a bill for the amount of the exit fee. The entire amount of the bill shall be payable ten (10) days after receipt of the bill. Interest shall accrue on all amounts not paid when such amounts become payable, at the rate computed using the factors specified in Section 157.67 of the FERC's Regulations, until such time as the full amount due had been paid.

Any Customer liable for the payment of an exit fee under this Section 33 may elect to pay the exit fee amortized over up to a one year period, by making up to twelve (12) consecutive monthly payments, each of which shall be equal to a corresponding fraction of the amount of the exit fee. Interest shall accrue on all unpaid amounts on each monthly invoice at the rate computed using the factors specified in Section 157.67 of the FERC's Regulations.

Any Customer that elects to amortize the exit fee must notify CIPCO within forty-eight (48) hours of receipt of the bill that such customer desires to amortize the exit fee and must specify the desired amortization period. Such amortized amounts shall be paid by wire transfer on the twentieth day of each month. In the event of an election to amortize the exit fee, any Customer may, at any time prior to the end of the amortization period, pay the entire amount of its unpaid share of the exit fee to CIPCO with no further obligation to pay interest applicable after such time.

Effective Date: 08/01/1999 Status: Effective

FERC Docket: RP99-444-000

Seventh Revised Sheet No. 146 Seventh Revised Sheet No. 146 : Effective

Superseding: Sub Sixth Revised Sheet No. 146

GENERAL TERMS AND CONDITIONS

(continued)

34. GAS INDUSTRY STANDARDS BOARD ("GISB")

CIPCO adopts or exceeds the standards required by the Commission in 18 C.F.R. 284.10(b) in accordance with Order No. 587, issued July 17, 1996. Specifically, CIPCO adopts by reference the following GISB Standards:

Version 1.3

1.2.1-1.2.6, 1.2.8-1.2.12

1.3.2(v), 1.3.2(vi), 1.3.4, 1.3.7, 1.3.14-1.3.16, 1.3.19,

1.3.20, 1.3.22-1.3.32, 1.3.33-1.3.46

1.4.1-1.4.7

2.2.1

2.3.1-2.3.2, 2.3.6, 2.3.8-2.3.10, 2.3.15, 2.3.19, 2.3.24-

2.3.25, 2.3.27, 2.3.31

2.4.1-2.4.6

3.2.1

3.3.1-3.3.9, 3.3.11-3.3.14, 3.3.16, 3.3.20-3.3.22

3.4.1-3.4.4

4.1.1-4.1.21

4.2.1-4.2.8

4.3.1-4.3.3, 4.3.5-4.3.35

5.2.1

5.3.5, 5.3.9-5.3.10, 5.3.21-23, 5.3.29-5.3.30

5.4.1-5.4.17

35. WAIVERS

CIPCO may waive all or part of any rights hereunder or all or part of any obligations of customer on a basis which is not unduly discriminatory and which is consistent with Commission regulations, and GISB Standards; provided however, no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.

Effective Date: 06/01/1997 Status: Effective

FERC Docket: RP97-173-001

Original Sheet No. 147 Original Sheet No. 147 : Effective

Superseding: Original Sheet No. 147

GENERAL TERMS AND CONDITIONS

(Continued)

[Sheet Nos. 147-149 reserved for future use.]

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-005

Sub Original Sheet No. 150 Sub Original Sheet No. 150 : Effective
Superseding: Original Sheet No. 150

FORM OF SERVICE AGREEMENT
FOR FIRM TRANSPORTATION SERVICE
UNDER RATE SCHEDULE FTS

THIS AGREEMENT, entered into this ____ day of _____,
19__, by and between CARNEGIE INTERSTATE PIPELINE COMPANY, a
Pennsylvania corporation (hereinafter "CIPCO") and
_____, a _____ corporation,
(hereinafter "customer");

W I T N E S S E T H:

NOW THEREFORE, in consideration of the premises and of the
mutual covenants and agreements herein contained, the parties
hereby agree as follows:

Article I
SCOPE OF AGREEMENT

Subject to the terms, conditions, and limitations hereof
and of CIPCO's Rate Schedule FTS, CIPCO agrees to receive from
or for the account of customer for transportation quantities of
natural gas tendered by Customer on any day on a firm basis at
the Receipt Point(s) specified in Exhibit A hereto; provided
however, Customer shall not tender, without the prior consent
of CIPCO, at any Receipt Point on any day a quantity of natural
gas in excess of the applicable Maximum Daily Receipt
Obligation for such Receipt Point as specified in Exhibit A
hereto and provided further that Customer shall not tender at
all Receipt Point(s) on any day a cumulative quantity of
natural gas in excess of the Maximum Daily Transportation
Quantity ("MDTQ"), plus Applicable Shrinkage.

The MDTQ hereunder shall be _____ Dth.

CIPCO agrees to transport and deliver or provide for the
transportation and delivery to or for the account of Customer
at the Deliver Point(s) and Customer agrees to accept or cause
acceptance of delivery of an equivalent quantity received by
CIPCO on any day less Applicable Shrinkage; provided however,
CIPCO shall not be obligated to deliver at any Delivery Point
on any day a quantity of natural gas in excess of the
applicable Maximum Daily Delivery Obligation.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-004

Sub Original Sheet No. 151 Sub Original Sheet No. 151 : Effective
Superseding: Original Sheet No. 151

FORM OF FTS SERVICE AGREEMENT
(Continued)

Article II
TERM OF AGREEMENT

This Agreement shall become effective on _____, and CIPCO shall provide firm transportation service for Customer pursuant to this Agreement until _____, and _____ to _____ thereafter unless this Agreement is terminated as hereinafter provided. This Agreement may be terminated by either Customer or CIPCO upon _____ prior written notice to the other specifying a termination date of any _____ occurring on or after the expiration of the primary term. In addition to CIPCO's rights under Section 25 of the General Terms and Conditions of CIPCO's FERC Gas Tariff and without prejudice to such rights, this Agreement may be terminated at any time by CIPCO in the event Customer fails to pay part or all of the amount of any bill for service hereunder and such failure continues for thirty (30) days after payment is due; provided however, CIPCO gives thirty (30) days prior written notice to Customer of such termination and provided further, such termination shall not be effective if, prior to the date of termination, Customer either pays such outstanding bill or furnishes a good and sufficient surety bond guaranteeing payment to CIPCO of such outstanding bill.

The termination of this Agreement with a fixed contract term or the provision of a termination notice by Customer triggers pregranted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination.

The obligation to make payments to CIPCO for deliveries of gas or to complete balancing otherwise required by this Agreement, or to make payments for imbalances not corrected prior to termination of this Agreement shall survive termination of this Agreement.

Article III
RATES AND CHARGES

Customer shall pay CIPCO for all services rendered hereunder and for the availability of such service at the rates and charges specified in CIPCO's Rate Schedule FTS as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-004

Sub Original Sheet No. 152 Sub Original Sheet No. 152 : Effective
Superseding: Original Sheet No. 152

FORM OF FTS SERVICE AGREEMENT
(Continued)

This Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule FTS and of the General Terms and Conditions of CIPCO's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer agrees that CIPCO shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to CIPCO's Rate Schedule FTS, (b) CIPCO's Rate Schedule FTS, pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to Rate Schedule FTS. CIPCO agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of CIPCO's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b) or (c) above are just and reasonable.

From time to time CIPCO and Customer may agree in writing, on a level of discount of the otherwise applicable rates and charges hereunder, pursuant to the then effective applicable provisions of Rate Schedule FTS and subject to the applicable Regulations and Order of the FERC. Any discount(s) shall be effective only on a prospective basis and as specified in the written agreement between CIPCO and Customer.

Article IV
POINTS OF RECEIPT AND DELIVERY

Exhibit A hereto sets forth the primary Receipt Point(s) and primary Delivery Point(s). Exhibit A may be revised from time to time by written agreement between CIPCO and Customer in accordance with Section 14 of the General Terms and Conditions of CIPCO's FERC Gas Tariff and, as may be revised, is by this reference made a part hereof. Customer's Maximum Daily Transportation Quantity shall be assigned among the primary Receipt Point(s) set out in Exhibit A, as well as among the primary Delivery Point(s) set out on Exhibit A. Such assignment(s) of capacity may be changed, subject to the availability of capacity, in accordance with Section 14 of the General Terms and Conditions of CIPCO's FERC Gas Tariff.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 153 Original Sheet No. 153 : Effective
Superseding: Original Sheet No. 153
FORM OF FTS SERVICE AGREEMENT
(Continued)

Customer recognizes that no primary Receipt Point(s) or primary Delivery Point(s) hereunder shall include a Receipt Point(s) or Delivery Point(s) on CIPCO's gathering facilities, unless Customer agrees to accept gathering service under CIPCO's Rate Schedules FGS or IGS. By designating a primary Receipt Point(s) or a primary Delivery Point(s) hereunder which is located only on CIPCO's gathering facilities, Customer shall be deemed to have requested such firm gathering service under Rate Schedule FGS.

Article V
NOTICES

Notices to either party shall be sent by United States certified mail or Western Union telegram addressed as follows:

(a) CIPCO:

(b) Customer:

Article VI
ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of any successor(s) to either CIPCO or Customer by merger, acquisition, or consolidation. Either CIPCO or Customer 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 which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 24 of the General Terms and Conditions, neither CIPCO nor Customer shall assign this Agreement or its rights hereunder without first having obtained the formal written consent of the other(s).

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-004

Sub Original Sheet No. 154 Sub Original Sheet No. 154 : Effective
Superseding: Original Sheet No. 154

FORM OF FTS SERVICE AGREEMENT
(Continued)

Article VII
WARRANTIES

Customer warrants that all upstream and downstream transportation arrangements are in force and effect, or will be in force and effect as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point(s) specified in Exhibit A hereto.

Customer agrees to indemnify and hold CIPCO harmless for refusals to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement. Customer further warrants that it has good title to all gas for which transportation service hereunder is requested.

If transportation hereunder is pursuant to Subpart B of Part 284 of the FERC's Regulations, Customer warrants that service is "on behalf of" an intrastate pipeline or a local distribution company within the meaning of the Natural Gas Policy Act of 1978.

If Customer is acting as an agent hereunder, Customer agrees to disclose to CIPCO its principal(s) and warrants that it is authorized to act on behalf of its principal(s) in arranging the transportation service provided for therein.

Customer agrees to indemnify and hold CIPCO harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of breach of any warranty, express or implied, by Customer herein.

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

Article VIII
INTERPRETATION

This interpretation and performance of this Agreement shall be in accordance with the laws of the Commonwealth of Pennsylvania, without recourse to the law regarding the conflict of laws.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 155 Original Sheet No. 155 : Effective
Superseding: Original Sheet No. 155
FORM OF FTS SERVICE AGREEMENT
(Continued)

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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective representatives thereunto duly authorized, the day and year first above written.

CARNEGIE INTERSTATE PIPELINE COMPANY

ATTEST: By _____
Title _____

ATTEST: By _____
Title _____

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

Original Sheet No. 156 Original Sheet No. 156 : Effective

Superseding: Original Sheet No. 156

FORM OF FTS SERVICE AGREEMENT
(Continued)

EXHIBIT A

Primary Receipt Point(s)

Description Obligation	Maximum Receipt Pressure	Maximum Daily Receipt
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Primary Delivery Point(s)

Description Obligation	Maximum Delivery Pressure	Maximum Daily Delivery
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Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

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

FORM OF SERVICE AGREEMENT
FOR INTERRUPTIBLE TRANSPORTATION SERVICE
UNDER RATE SCHEDULE ITS

THIS AGREEMENT, entered into this ___ day of _____,
19___, by and between CARNEGIE INTERSTATE PIPELINE COMPANY, a
Pennsylvania corporation (hereinafter "CIPCO") and
_____, a _____ corporation,
(hereinafter "Customer");

W I T N E S S E T H:

NOW THEREFORE, in consideration of the premises and of the
mutual covenants and agreements herein contained, the parties
hereby agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

Subject to the terms, conditions, and limitations hereof
and of CIPCO's Rate Schedule ITS, CIPCO agrees to receive from
or for the account of Customer for transportation quantities of
natural gas tendered by Customer on any day on an interruptible
basis at the Receipt Point(s); provided, however, Customer
shall not tender, without the prior consent of CIPCO, at any
Receipt Point on any day a quantity of natural gas in excess of
the applicable Maximum Daily Receipt Obligation for such
Receipt Point and provided further that Customer shall not
tender, without the prior consent of CIPCO, at all Receipt
Points on any day a cumulative quantity of natural gas in
excess of the Maximum Daily Transportation Quantity ("MDTQ"),
plus Applicable Shrinkage.

The MDTQ hereunder shall be _____ Dth.

CIPCO agrees to transport and deliver or provide for the
transportation and delivery to or for the account of Customer,
at the Delivery Point(s) and Customer agrees to accept or cause
acceptance of delivery of an equivalent quantity received by
CIPCO on any day, less Applicable Shrinkage; provided, however,
CIPCO shall not be obligated to deliver at any Delivery Point
on any day a quantity of natural gas in excess of the
applicable Maximum Daily Delivery Obligation.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 158 Original Sheet No. 158 : Effective
Superseding: Original Sheet No. 158
FORM OF ITS SERVICE AGREEMENT
(Continued)

Article II
TERM OF AGREEMENT

This Agreement shall become effective on _____, and CIPCO shall provide interruptible transportation service for Customer pursuant to this Agreement until _____, when this Agreement shall expire.

Article III
RATES AND CHARGES

Customer shall pay CIPCO for all services rendered hereunder at the rates and charges specified in CIPCO's Rate Schedule ITS as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed.

This Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule ITS and of the General Terms and Conditions of CIPCO's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer agrees that CIPCO shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to CIPCO's Rate Schedule ITS, (b) CIPCO's Rate Schedule ITS, pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to Rate Schedule ITS. CIPCO agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of CIPCO's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b) or (c) above are just and reasonable.

From time to time CIPCO and Customer may agree in writing, on a level of discount of the otherwise applicable rates and charges hereunder, pursuant to the then effective applicable provisions of Rate Schedule ITS and subject to the applicable Regulations and Orders of the FERC. Any discount(s) shall be effective only on a prospective basis and as specified in the written agreement between CIPCO and Customer.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 159 Original Sheet No. 159 : Effective
Superseding: Original Sheet No. 159
FORM OF ITS SERVICE AGREEMENT
(Continued)

Article IV
POINTS OF RECEIPT AND DELIVERY

Exhibit A hereto sets forth the Receipt Point(s) and Delivery Point(s). Exhibit A may be revised from time to time by written agreement between CIPCO and Customer in accordance with Section 14 of the General Terms and Conditions of CIPCO's FERC Gas Tariff and, as may be revised, is by this reference made a part hereof. Customer's Maximum Daily Transportation Quantity shall be assigned among the Receipt Point(s) set out on Exhibit A, as well as among the Delivery Point(s) set out on Exhibit A. Such assignment of capacity may be changed, subject to the availability of capacity, in accordance with the General Terms and Conditions.

Customer recognizes that no Receipt Point(s) or Delivery Point(s) hereunder shall include a Receipt Point(s) or Delivery Point(s) on CIPCO's gathering facilities, unless Customer agrees to accept gathering service under CIPCO's Rate Schedules FGS or IGS. By designating a Receipt Point(s) or Delivery Point(s) hereunder which is located only on CIPCO's gathering facilities, Customer shall be deemed to have requested such gathering service under Rate Schedule IGS.

Article V
NOTICES

Notices to either party shall be sent by United States certified mail or Western Union telegram addressed as follows:

(a) CIPCO:

(b) Customer:

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-004

Sub Original Sheet No. 160 Sub Original Sheet No. 160 : Effective
Superseding: Original Sheet No. 160

FORM OF ITS SERVICE AGREEMENT
(Continued)

Article VI
ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of any successor(s) to either CIPCO or Customer by merger, acquisition, or consolidation. Either CIPCO or Customer 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 which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 24 of the General Terms and Conditions, neither CIPCO nor Customer shall assign this Agreement or its rights hereunder without first having obtained the formal written consent of the other(s).

Article VII
WARRANTIES

Customer warrants that all upstream and downstream transportation arrangements are in force and effect, or will be in force and effect as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point(s) specified in Exhibit A hereto.

Customer agrees to indemnify and hold CIPCO harmless for refusals to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement. Customer further warrants that it has good title to all gas for which transportation service hereunder is requested.

If transportation hereunder is pursuant to Subpart B of Part 284 of the FERC's Regulations, Customer warrants that service is "on behalf of" an intrastate pipeline or a local distribution company within the meaning of the Natural Gas Policy Act of 1978.

If Customer is acting as an agent hereunder, Customer agrees to disclose to CIPCO its principal(s) and warrants that it is authorized to act on behalf of its principal(s) in arranging the transportation service provided for herein.

Customer agrees to indemnify and hold CIPCO harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of breach of any warranty, express or implied, by Customer herein.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 161 Original Sheet No. 161 : Effective
Superseding: Original Sheet No. 161
FORM OF ITS SERVICE AGREEMENT
(Continued)

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

Article VIII
INTERPRETATION

The interpretation and performance of this Agreement shall be in accordance with the laws of the Commonwealth of Pennsylvania, without recourse to the law regarding the conflict of laws.

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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective representatives thereunto duly authorized, the day and year first above written.

CARNEGIE INTERSTATE PIPELINE COMPANY

ATTEST: By _____
Title _____

ATTEST: By _____
Title _____

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

Original Sheet No. 162 Original Sheet No. 162 : Effective
Superseding: Original Sheet No. 162

FORM OF ITS SERVICE AGREEMENT
(Continued)

EXHIBIT A

Primary Receipt Point(s)

Description Obligation	Maximum Receipt Pressure	Maximum Daily Receipt
---------------------------	--------------------------------	-----------------------------

Primary Delivery Point(s)

Description Obligation	Maximum Delivery Pressure	Maximum Daily Delivery
---------------------------	---------------------------------	------------------------------

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 163 Original Sheet No. 163 : Effective
Superseding: Original Sheet No. 163

FORM OF SERVICE AGREEMENT
FOR FIRM GATHERING SERVICE
UNDER RATE SCHEDULE FGS

THIS AGREEMENT, entered into this ____ day of _____,
19__, by and between CARNEGIE INTERSTATE PIPELINE COMPANY, a
Pennsylvania corporation (hereinafter "CIPCO") and
_____, a _____ corporation,
(hereinafter "Customer");

W I T N E S S E T H:

NOW THEREFORE, in consideration of the premises and of the
mutual covenants and agreements herein contained, the parties
hereby agree as follows:

Article I
SCOPE OF AGREEMENT

Subject to the terms, conditions, and limitations hereof
and of CIPCO's Rate Schedule FGS, CIPCO agrees to gather,
transport over CIPCO's gathering facilities, and deliver to the
Delivery Point as defined in CIPCO's Rate Schedule FGS on a
firm basis quantities of natural gas tendered to CIPCO on any
day; provided however, Customer shall not tender on any day a
cumulative quantity of natural gas in excess of the Maximum
Daily Gathering Quantity ("MDGQ"), plus Applicable Shrinkage.

The MDGQ hereunder shall be _____ Dth.

CIPCO agrees to gather, transport, and deliver or provide
for the gathering, transportation, and delivery to or for the
account of Customer at the Delivery Point and Customer agrees
to accept or cause acceptance of delivery of an equivalent
quantity tendered to CIPCO on any day, less Applicable
Shrinkage; provided however, CIPCO shall not be obligated to
deliver at the Delivery Point on any day a quantity of natural
gas in excess of the applicable Maximum Daily Gathering
Quantity.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

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

FORM OF FGS SERVICE AGREEMENT
(Continued)

Article II
TERM OF AGREEMENT

This Agreement shall become effective on _____, and CIPCO shall provide firm gathering service for Customer pursuant to this Agreement until _____, and _____ to _____ thereafter unless this Agreement is terminated as hereinafter provided. This Agreement may be terminated by either Customer or CIPCO upon _____ prior written notice to the other specifying a termination date of any _____ occurring on or after the expiration of the primary term. In addition to CIPCO's rights under Section 25 of the General Terms and Conditions of CIPCO's FERC Gas Tariff and without prejudice to such rights, this Agreement may be terminated at any time by CIPCO in the event Customer fails to pay part or all of the amount of any bill for service hereunder and such failure continues for thirty (30) days after payment is due; provided however, CIPCO gives thirty (30) days prior written notice to Customer of such termination and provided further, such termination shall not be effective if, prior to the date of termination, Customer either pays such outstanding bill or furnishes a good and sufficient surety bond guaranteeing payment to CIPCO of such outstanding bill.

The termination of this Agreement with a fixed contract term or the provision of a termination notice by Customer triggers pregranted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination.

The obligation to make payments to CIPCO for deliveries of gas or to complete balancing otherwise required by this Agreement, or to make payments for imbalances not corrected prior to termination of this Agreement shall survive termination of this Agreement.

Article III
RATES AND CHARGES

Customer shall pay CIPCO for all services rendered hereunder and for the availability of such service at the rates and charges specified in CIPCO's Rate Schedule FGS as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

Original Sheet No. 165 Original Sheet No. 165 : Effective

Superseding: Original Sheet No. 165

FORM OF FGS SERVICE AGREEMENT

(Continued)

This Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule FGS and of the General Terms and Conditions of CIPCO's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer agrees that CIPCO shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to CIPCO's Rate Schedule FGS, (b) CIPCO's Rate Schedule FGS, pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to Rate Schedule FGS. CIPCO agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of CIPCO's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b) or (c) above are just and reasonable.

From time to time CIPCO and Customer may agree in writing, on a level of discount of the otherwise applicable rates and charges hereunder, pursuant to the then effective applicable provisions of Rate Schedule FGS and subject to the applicable Regulations and Orders of the FERC. Any discount(s) shall be effective only on a prospective basis and as specified in the written agreement between CIPCO and Customer.

Article IV
POINTS OF RECEIPT AND DELIVERY

For the purposes of receipt, gas tendered by Customer to CIPCO shall be deemed to be received at any or all receipt points on CIPCO's gathering system. The Delivery Point shall be the point at which gas is delivered into CIPCO's transmission system at the outlet side of the Waynesburg Compressor Station, unless otherwise specified herein.

Article V
NOTICES

Notices to either party shall be sent by United States certified mail or Western Union telegram addressed as follows:

- (a) CIPCO:
- (b) Customer:

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 166 Original Sheet No. 166 : Effective
Superseding: Original Sheet No. 166
FORM OF FGS SERVICE AGREEMENT
(Continued)

Article VI
ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of any successor(s) to either CIPCO or Customer by merger, acquisition, or consolidation. Either CIPCO or Customer 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 which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 24 of the General Terms and Conditions, neither CIPCO nor Customer shall assign this Agreement or its rights hereunder without first having obtained the formal written consent of the other(s).

Article VII
WARRANTIES

Customer warrants that all downstream transportation arrangements are in force and effect, or will be in force and effect as of the requested effective date of service, and that it has advised the downstream transporter(s) of the delivery point(s) under this Agreement and any quantity limitations for each point(s) specified herein.

Customer further warrants that it has good title to all gas for which gathering service hereunder is requested.

If Customer is acting as an agent hereunder, Customer agrees to disclose to CIPCO its principal(s) and warrants that it is authorized to act on behalf of its principal(s) in arranging the transportation service provided for herein.

Customer agrees to indemnify and hold CIPCO harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of breach of any warranty, express or implied, by Customer herein.

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

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 167 Original Sheet No. 167 : Effective
Superseding: Original Sheet No. 167
FORM OF FGS SERVICE AGREEMENT
(Continued)

Article VIII
INTERPRETATION

The interpretation and performance of this Agreement shall be in accordance with the laws of the Commonwealth of Pennsylvania, without recourse to the law regarding the conflict of laws.

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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective representatives thereunto duly authorized, the day and year first above written.

CARNEGIE INTERSTATE PIPELINE COMPANY

ATTEST: By _____
Title _____

ATTEST: By _____
Title _____

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 168 Original Sheet No. 168 : Effective
Superseding: Original Sheet No. 168

FORM OF SERVICE AGREEMENT
FOR INTERRUPTIBLE GATHERING SERVICE
UNDER RATE SCHEDULE IGS

THIS AGREEMENT, entered into this ____ day of _____,
19__, by and between CARNEGIE INTERSTATE PIPELINE COMPANY, a
Pennsylvania corporation (hereinafter "CIPCO") and
_____, a _____ corporation,
(hereinafter "Customer");

W I T N E S S E T H:

NOW THEREFORE, in consideration of the premises and of the
mutual covenants and agreements herein contained, the parties
hereby agree as follows:

Article I
SCOPE OF AGREEMENT

Subject to the terms, conditions, and limitations hereof
and of CIPCO's Rate Schedule IGS, CIPCO agrees to gather,
transport over CIPCO's gathering facilities, and deliver to the
Delivery Point as defined in CIPCO's Rate Schedule IGS on an
interruptible basis quantities of natural gas tendered to CIPCO
on any day; provided however, Customer shall not tender on any
day a cumulative quantity of natural gas in excess of the
Maximum Daily Gathering Quantity ("MDGQ"), plus Applicable
Shrinkage.

The MDGQ hereunder shall be _____ Dth.

CIPCO agrees to gather, transport, and deliver or provide
for the gathering, transportation, and delivery to or for the
account of Customer at the Delivery Point and Customer agrees
to accept or cause acceptance of delivery of an equivalent
quantity tendered to CIPCO on any day, less Applicable
Shrinkage; provided however, CIPCO shall not be obligated to
deliver at the Delivery Point on any day a quantity of natural
gas in excess of the applicable Maximum Daily Gathering
Quantity.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 169 Original Sheet No. 169 : Effective
Superseding: Original Sheet No. 169
FORM OF IGS SERVICE AGREEMENT
(Continued)

Article II
TERM OF AGREEMENT

This Agreement shall become effective on _____, and CIPCO shall provide interruptible gathering service for Customer pursuant to this Agreement until _____, when this Agreement shall expire.

Article III
RATES AND CHARGES

Customer shall pay CIPCO for all services rendered hereunder at the rates and charges specified in CIPCO's Rate Schedule IGS as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed.

This Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule IGS and of the General Terms and Conditions of CIPCO's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer agrees that CIPCO shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to CIPCO's Rate Schedule IGS, (b) CIPCO's Rate Schedule IGS, pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to Rate Schedule IGS. CIPCO agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of CIPCO's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b) or (c) above are just and reasonable.

From time to time CIPCO and Customer may agree in writing, on a level of discount of the otherwise applicable rates and charges hereunder, pursuant to the then effective applicable provisions of Rate Schedule IGS and subject to the applicable Regulations and Orders of the FERC. Any discount(s) shall be effective only on a prospective basis and as specified in the written agreement between CIPCO and Customer.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 170 Original Sheet No. 170 : Effective
Superseding: Original Sheet No. 170
FORM OF IGS SERVICE AGREEMENT
(Continued)

Article IV
POINTS OF RECEIPT AND DELIVERY

For the purposes of receipt, gas tendered by Customer to CIPCO shall be deemed to be received at any or all points of receipt on CIPCO's gathering system. The Delivery Point shall be the point at which gas is delivered into CIPCO's transmission system at the outlet side of the Waynesburg Compressor Station, unless otherwise specified herein.

Article V
NOTICES

Notices to either party shall be sent by United States certified mail or Western Union telegram addressed as follows:

(a) CIPCO:

(b) Customer:

Article VI
ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of any successor(s) to either CIPCO or Customer by merger, acquisition, or consolidation. Either CIPCO or Customer 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 which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 24 of the General Terms and Conditions, neither CIPCO nor Customer shall assign this Agreement or its rights hereunder without first having obtained the formal written consent of the other(s).

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP93-552-003

Original Sheet No. 171 Original Sheet No. 171 : Effective
Superseding: Original Sheet No. 171

FORM OF IGS SERVICE AGREEMENT
(Continued)

Article VII
WARRANTIES

Customer warrants that all downstream transportation arrangements are in force and effect, or will be in force and effect as of the requested effective date of service, and that it has advised the downstream transporter(s) of the delivery points under this Agreement and any quantity limitations for each point(s) specified herein.

Customer further warrants that it has good title to all gas for which gathering service hereunder is requested.

If Customer is acting as an agent hereunder, Customer agrees to disclose to CIPCO its principal(s) and warrants that it is authorized to act on behalf of its principal(s) in arranging the gathering service provided for herein.

Customer agrees to indemnify and hold CIPCO harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of breach of any warranty, express or implied, by Customer herein.

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

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP93-552-003

Original Sheet No. 172 Original Sheet No. 172 : Effective
Superseding: Original Sheet No. 172
FORM OF IGS SERVICE AGREEMENT
(Continued)

Article VIII
INTERPRETATION

The interpretation and performance of this Agreement shall be in accordance with the laws of the Commonwealth of Pennsylvania, without recourse to the law regarding the conflict of laws.

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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective representatives thereunto duly authorized, the day and year first above written.

CARNEGIE INTERSTATE PIPELINE COMPANY

ATTEST: By _____
Title _____

ATTEST: By _____
Title _____

Effective Date: 09/27/1997 Status: Effective

FERC Docket: CP96-612-001

First Revised Sheet No. 173 First Revised Sheet No. 173 : Effective

Superseding: Original Sheet No. 173

[Sheet No. 173 reserved for future use.]

Effective Date: 09/27/1997 Status: Effective

FERC Docket: CP96-612-001

First Revised Sheet No. 174 First Revised Sheet No. 174 : Effective

Superseding: Original Sheet No. 174

[Sheet No. 174 reserved for future use.]

Effective Date: 09/27/1997 Status: Effective

FERC Docket: CP96-612-001

First Revised Sheet No. 175 First Revised Sheet No. 175 : Effective

Superseding: Original Sheet No. 175

INDEX OF PURCHASERS

Name Purchaser Effective	Rate Schedule Term	Daily Contract Quantities (Dth)	Date Executed	Date
Carnegie Natural Gas Company	FTS FGS	13,000 4,791		
Columbia Gas of Ohio, Inc.	FTS	20,000		
Columbia Gas of Pa., Inc.	FTS FGS	15,000 9,000		
New Jersey Natural Gas Company	FTS	27,000		
UGI Utilities, Inc.	FTS	10,000		
USX Corp.	FTS	10,000		

