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Second Revised Sheet No. 0 K N Wattenberg Transmission Limited Liability: First Revised Volume No. 1
Second Revised Sheet No. 0 : Effective
Superseding: First Revised Sheet No. 0

CANCELLATION OF ENTIRE TARIFF

Notice is hereby given that effective January 3, 2002, FERC Gas Tariff of KN Wattenberg Transmission Limited Liability Co., First Revised Volume No. 1 is to be cancelled.

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FERC Docket: RP99-288-000

First Revised Sheet No. 1 First Revised Sheet No. 1 : Effective
Superseding: Original Sheet No. 1

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

PRELIMINARY STATEMENT

K N Wattenberg is a "natural gas company" under the definition of Section 2(6) of the Natural Gas Act and is subject to the jurisdiction of the Commission. K N Wattenberg's operations include the exchange and transportation of natural gas. K N Wattenberg operates in the state of Colorado performing one or more of these functions.

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FERC Docket: RP98-192-000

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

Sheet No. 5 includes a system map that is not filed electronically.

Effective Date: 10/01/2001 Status: Effective
 FERC Docket: RP01-569-000

Fourth Revised Sheet No. 6 Fourth Revised Sheet No. 6 : Effective
 Superseding: Third Revised Sheet No. 6
 Schedule of Rates for Transportation

Rate Schedule	Type of Charge	Rates Per Dth 1/	
		Maximum Rates	Minimum Rates
Firm Transportation			
FT	Reservation Charge	4.1003	0.0000
	Commodity Charge	0.0172	0.0172
Authorized Overrun 2/		0.1520	0.0172
Unauthorized Overrun		6.0000	
Interruptible Transportation			
IT	Commodity Charge	0.1520	0.0172
Authorized Overrun 2/		0.1520	0.0172
Unauthorized Overrun		6.0000	
Gas Research Institute Charge 3/			
	Reservation Charge		
	Load Factor 50% or Less	0.0550	0.0000
	Load Factor over 50%	0.0900	0.0000
	Commodity Charge	0.0070	0.0000
FERC Annual Charge Adjustment 3/			
	Commodity Charge	0.0021	

- 1/ Reservation Rates are stated in \$/Dth per month.
 Commodity Rates are stated in \$/Dth.
 Minimum reservation charges (including GRI) are \$0.0000.
- 2/ The authorized overrun charge will be equal to the maximum interruptible transportation commodity rate.
- 3/ The authorized Gas Research Institute charge and FERC annual charge adjustment will be charged when applicable.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 7 Original Sheet No. 7 : Effective

FIRM TRANSPORTATION SERVICE
RATE SCHEDULE

1. AVAILABILITY.

This Rate Schedule is available for firm transportation of natural gas by K N Wattenberg Transmission Limited Liability Company ("Transporter") for any party ("Shipper"), when:

- 1.1 Shipper has elected to have gas transported under this Firm Transportation Rate Schedule;
- 1.2 Transportation service hereunder shall include forward-haul, displacement and exchange service. The service shall be on a firm basis, but subject to the General Terms and Conditions attached hereto;
- 1.3 Shipper and Transporter have executed a Firm Transportation Service Agreement in the form contained in this FERC Gas Tariff of which this Rate Schedule is a part;
- 1.4 The firm transportation service is to be implemented in accordance with Part 284 of the FERC Regulations;
- 1.5 Transporter shall receive and deliver gas to Shipper as shown on the executed Firm Transportation Service Agreement.
- 1.6 Transporter has determined that it has available or will secure sufficient uncommitted capacity to provide the firm service requested by Shipper.

2. APPLICABILITY AND CHARACTER OF SERVICE.

- 2.1 Transporter shall not be required to perform service under this Rate Schedule on behalf of any Shipper that fails to comply with any and all of the terms of this Rate Schedule, with the terms of Shipper's executed Service Agreement with Transporter or with the provisions of Transporter's General Terms and Conditions incorporated herewith; provided, Transporter shall give Shipper ten (10) days advance notice during which Shipper has an opportunity to come into compliance before Transporter exercises its rights under this Section.

Firm Transportation Service - cont.

- 2.2 This Rate Schedule shall apply to the firm transportation of natural gas on Transporter's system, except as provided in Section 27 of the General Terms and Conditions of this FERC Gas Tariff. Transporter shall receive from Shipper, or for the account of Shipper, at the "Primary Receipt Point(s)" as specified in an executed FT Service Agreement daily quantities of gas tendered for transportation up to Shipper's Maximum Daily Receipt Quantity (MDRQ). Upon receipt of natural gas for Shipper's account, Transporter shall, after a reduction for the Fuel Reimbursement Quantity, transport and deliver for the account of Shipper the thermal equivalent of such gas at the "Primary Delivery Point(s)" as specified in the Service Agreement. Transporter shall not be obligated to, but may at its option, on any day deliver a quantity of gas in excess of the applicable Maximum Daily Delivery Quantity (MDDQ).
- 2.3 Transporter shall, if capacity is available, on any day receive gas at any other receipt point (Secondary Receipt Point). Transporter shall receive at all primary and secondary receipt points, on any day, a quantity of gas not to exceed the MDTQ, plus other deductions.
- 2.4 Nominations at Secondary Receipt Points will interrupt IT deliveries if necessary to meet the FT nomination. Upon receipt of natural gas for Shipper's account, Transporter shall, after a reduction for any other deductions, transport and deliver for the account of Shipper the thermal equivalent of such gas at the "Primary Delivery Point(s)" as specified in the Service Agreement. Transporter shall, if capacity is available, on any day, deliver at any other delivery point (Secondary Delivery Point). If additional capacity is available at a Primary Delivery Point, Shipper may use this capacity on a secondary basis in order to receive volumes in excess of the Maximum Daily Delivery Quantity (MDDQ) reserved at the Primary Delivery Point. Transporter shall deliver at all primary and secondary delivery points, on any day, a quantity of gas not to exceed the Maximum Daily Transportation Quantity (MDTQ). Transporter will provide non-discriminatory access to secondary points so as not to hamper the capacity release program.

Firm Transportation Service - cont.

- 2.5 Provided Transporter's prior consent is obtained, Shipper may tender quantities of gas in excess of the MDTQ on any day if in Transporter's reasonable judgment such tender and transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules, and if such transportation is compatible with Transporter's system operation requirements.
- 2.6 To the extent service under this Rate Schedule is interrupted, such affected service under this Rate Schedule shall be reduced in accordance with Transporter's General Terms and Conditions.
- 2.7 ADDITIONAL FACILITIES.
 - a. In no event shall Transporter be obligated to construct, acquire or modify any facilities or expand the capacity of Transporter's pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Rate Schedule; however, Transporter may add facilities or expand the system, on a non-discriminatory basis, whenever such is deemed, in Transporter's reasonable judgment, to be economically, operationally, and technically feasible, subject to the following conditions:
 - (1) Transporter has received an executed Revised service agreement(s) from existing and prospective Shipper's requesting such additional facilities or expansion;
 - (2) Transporter and Shipper enter into a facilities agreement which is subject to the provisions of this Tariff;
 - (3) The nature, extent and timing of facilities required shall be at the reasonable discretion of Transporter;
 - (4) Transporter receives acceptable assurances of financial reliability from any Shipper requesting additional capacity.
 - (5) Transporter does not have physical facilities or adequate capacity in the system to accommodate requests for capacity of existing and prospective Shippers accepted by Transporter pursuant to Section 4.1 hereof.

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

RESERVED FOR FUTURE USE

Effective Date: 11/02/1998 Status: Effective
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First Revised Sheet No. 11 First Revised Sheet No. 11 : Effective
Superseding: Original Sheet No. 11

Firm Transportation Service - cont.

3. SERVICE DEFINITIONS

3.1 PRIMARY AND SECONDARY POINTS.

- a. Primary Point(s). Primary receipt points are those receipt points on Transporter's system, as specified in an executed FT service Agreement between Shipper and Transporter, at which Transporter shall receive gas from Shipper, or for Shipper's account, for transportation under the Agreement. Primary delivery points are those points on Transporter's system, as specified in the Service Agreement, at which Transporter shall redeliver gas to Shipper, or for Shipper's account, under the Agreement. The volume specified for a primary point shall not exceed the available firm capacity at that point.
- b. Secondary Receipt Point(s). A Shipper holding FT Service may nominate from any number of Secondary Receipt Points subject to the provisions below. The sum of the nominated quantities at all Primary and Secondary Receipt Points, less other deductions, shall not exceed the Maximum Daily Transportation Quantity (MDTQ) of the Agreement on any given day.
- c. Secondary Delivery Point(s). A Shipper holding FT Service may nominate from any number of Secondary Delivery Points subject to the provisions below. The sum of the nominated quantities at all Primary and Secondary Delivery Points shall not exceed the Maximum Daily Transportation Quantity (MDTQ) of the Agreement on any given day.
- d. Nominations at Primary or Secondary Points. Shippers served under FT rate schedules may nominate at either primary or secondary points. Nominations at a secondary point will not interrupt FT service which uses that point as a primary point. However, nominations at secondary points will interrupt IT service, if necessary, in order to secure sufficient capacity to meet the firm service requirements, provided that interruption shall not occur until Transporter has given IT service customers a 24-hour notice, unless interruption is due to an Intra-day nomination in which Section 6 of this Rate Schedule will apply.

Firm Transportation Service - cont.

3.2. Maximum Daily Receipt Quantity (MDRQ). (At Individual Receipt Point.) The MDRQ means the maximum quantity of natural gas which Transporter agrees to receive on any day at an indicated primary receipt point as specified in the executed Service Agreement; provided, however, that the sum of the MDRQ at all primary receipt points shall not be in excess of the Maximum Daily Transportation Quantity (MDTQ) specified in the executed Service Agreement.

3.3. Maximum Daily Delivery Quantity (MDDQ). (At Individual Delivery Point). The MDDQ means the maximum quantity of natural gas which Transporter agrees to deliver on any day at any indicated primary delivery point as specified in the executed Service Agreement; provided, however, the sum of the MDDQ at all primary delivery points, plus fuel reimbursement and other deductions, shall not be in excess of the MDTQ specified in the executed Service Agreement.

4. REQUIREMENTS FOR FIRM SERVICE AGREEMENT.

4.1 REQUEST. All Shippers requesting firm transportation service must provide the information required by this section and by Transporter's Transportation Service Request Form included in this Tariff, in order to qualify for firm transportation service under this Rate Schedule. Transporter shall not be required to perform service under this Rate Schedule in the event all facilities necessary to render the requested service do not exist at the time the request is made. All completed Transportation Service Request forms are to be sent to:

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FERC Docket: RP98-192-000

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

Firm Transportation Service - cont.

K N Wattenberg Transmission Limited Liability Company
P.O. Box 281304
Lakewood, Colorado 80228-8304

Attention: Marketing and Transportation Department

Any request shall include the following:

- a. COMPLETE LEGAL NAME OF SHIPPER. If person requesting service is acting as agent for Shipper, all information as set forth in a. through c. must also be provided with respect to Shipper.
- b. INFORMATION REGARDING COMMUNICATION. Name, address and telephone number to whom correspondence, billings, or other communications 'Should be directed. State name, address and phone number of twenty-four (24) hour contact person for purposes of exchanging scheduling and volume information.
- c. TYPE OF COMPANY. State type of legal entity and state of incorporation, if applicable. Specify whether a local distribution company, intrastate pipeline, Interstate pipeline, producer, end-user, marketer, broker or other. If other, describe in detail.
- d. AGENCY INFORMATION. If requestor is an agent for Shipper, provide proof of authority, legal name of principal, and type of company.
- e. TYPE OF SERVICE REQUESTED. Whether requested service is firm or interruptible.
- f. GAS QUANTITIES. The desired Maximum Daily Transportation Quantity (MDTQ).

Firm Transportation Service - cont.

- g. FACILITIES. Whether any additional or new facilities are required to receive or deliver gas for the transportation service requested herein.
- h. RECEIPT POINTS. The designated Primary Receipt Point(s) for the requested transportation with the names of any pipelines transporting the gas immediately upstream of Transporter's facilities. Secondary Receipt Points may be requested.
- i. DELIVERY POINTS. The designated Primary Delivery Point(s) for the requested transportation. Secondary Delivery Points may be requested.
- j. AFFILIATE INFORMATION. The extent of Shipper's, end user's, or supplier's affiliation with Transporter.
- k. CREDIT INFORMATION.
 - (1) A copy of Shipper's most recent audited financial statements or, at Transporter's option, a bank reference satisfactory to Transporter.
 - (2) A copy of Shipper's most recent Annual Report and 10-K Form, if applicable.
 - (3) A completed Credit Application Form.

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First Revised Sheet No. 15 First Revised Sheet No. 15 : Effective
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Firm Transportation Service - cont.

1. PREPAYMENT. Shipper shall pay Transporter an amount equal to the Capacity Reservation Charge applicable to the proposed service for a one month period, or \$10,000.00 whichever is less, which amount shall be credited to Shipper's initial invoice for this service or refunded to Shipper pursuant to the Service Agreement.
- m. EXECUTION. A Service Agreement shall be executed by Shipper within thirty (30) days of being tendered by Transporter following Transporter's acceptance of Shipper's request for service.
- 4.2 FILING FEES. Any and all filing and approval fees required in connection with Shipper's Service Agreement that Transporter is obligated to pay to the FERC or any other governmental authority having jurisdiction shall be billed to Shipper. Any fees recovered hereunder will not be included in Transporter's cost of service.
- 4.3 REIMBURSEMENT. Any reimbursement due Transporter by Shipper pursuant to this section shall be due and payable to Transporter within thirteen (13) days of the postmark date of Transporter's invoice(s) for same.

5. RATES AND BALANCING

- 5.1 RATES. The applicable rates, including any surcharges, for firm transportation service are set forth in effective Sheet No. 6 of this tariff, as Revised from time to time. Unless otherwise agreed in writing between Transporter and Shipper under Section 24 of the General Terms and Conditions, the applicable rate shall not be in excess of the maximum rate nor less than the minimum rate.

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

Firm Transportation Service - cont.

5.2 MONTHLY BILL. Commencing for the month in which the FT Service Agreement is effective and each month thereafter, Transporter shall charge and Shipper shall pay Transporter the sum of the following amounts:

- a. RESERVATION CHARGE. The reservation charge shall be the product of:
 - (1) the Maximum Reservation Rate as stated on Sheet No. 6 for each Primary Path, unless otherwise agreed to in writing; and
 - (2) the MDDQ specified by Primary Path in Shipper's FT Service Agreement.
- b. COMMODITY CHARGE. The commodity rate multiplied by the volume in Dth of gas delivered by Transporter during the month at the Point(s) of Delivery.
- c. DAILY OVERRUN CHARGES.
 - (1) Authorized Overrun Charge. If on any day Transporter has capacity available and Shipper desires to transport gas exceeding the Maximum Daily Transportation Quantity (by accepting separate nominations in excess of those quantities) Transporter may authorize delivery of the gas. Quantities of gas moved in excess of the MDTQ will be subject to a charge equal to the authorized overrun rate as shown on Sheet No. 6 of this tariff.
 - (2) Unauthorized Overrun Charge. A daily overrun charge shall be paid by Shipper for taking a daily quantity of gas which was not nominated exceeding the level to which deliveries have been curtailed, or in the aggregate, exceeding the Maximum Daily Transportation Quantity (MDTQ). Quantities of overrun gas in excess of the greater of five percent (5%) or 50 Dth over the above quantities, following a notice period of forty-eight (48) hours or such shorter period as deemed necessary by Transporter to protect its system integrity, will be subject to a charge equal to the quantity in excess of the tolerance multiplied by the rate for unauthorized overruns set

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FERC Docket: RP01-424-000

Third Revised Sheet No. 17 Third Revised Sheet No. 17 : Effective
Superseding: Second Revised Sheet No. 17

Firm Transportation Service - cont.

forth in Sheet No. 6 of this tariff. Quantities of overrun gas less than the tolerance, or for which notice has not been given, will be subject to a charge equal to the overrun quantity multiplied by the authorized overrun rate set forth in Sheet No. 6 of this tariff.

(3) Notwithstanding the charges provided herein, Transporter has the right to reduce receipts or deliveries in excess of the MDTQ at any time in its reasonable discretion, as necessary to protect the integrity of its system, including the maintenance of service to other customers.

(4) During periods when operational flow orders are in effect, any overruns would be subject to the provisions of Section 32 of the General Terms and Conditions.

d. MONTHLY BALANCING.

(1) Within twenty (20) days after month end, Transporter will notify Shipper of its monthly imbalance. Imbalances may be traded among a Shipper's transportation agreements as long as the trade reduces the imbalance to Transporter.

(2) If trading among Shipper's transportation agreements on the same system are not used to cure the imbalance, the Shipper's imbalance will be posted on Transporter's Interactive Web Site, unless Shipper requests that postings not be made and for the remainder of that month or at least ten (10) days, those imbalances may be traded. To consummate a trade, both trading parties must inform Transporter via Transporter's Interactive Web Site or facsimile of their agreement to trade and their desire for Transporter to offset the imbalances. Trades will be permitted as long as the Shippers have imbalances in opposite directions. After receiving notices from both trading parties, Transporter will reflect the trade by posting adjusted imbalances on its electronic system.

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FERC Docket: RP00- 27-000

First Revised Sheet No. 18 First Revised Sheet No. 18 : Effective
Superseding: Stitute Original Sheet No. 18

FIRM TRANSPORTATION SERVICE cont.

(3) Transporter will charge for or credit for any imbalance according to the schedule below:

Tiers	Imbalance as % of Actual Deliveries	Rate as a % of K N Charge*	Average Spot Index K N Credit**
Tier 1	0% to 5%	100%	100%
Tier 2	above 5% to 15%	125%	75%
Tier 3	Greater then 15%	150%	50%

The first 5% of any imbalance will be charged or credited at the Tier 1 level, the portion above 5% up to 15% will be charged or credited at the Tier 2 level, and the portion above 15% will be charged or credited at the Tier 3 level.

* For gas owed Transporter, the highest of the "Spot Gas Prices Delivered to Pipelines" for CIG DJ Basin, under the average column for each week, (or the superseding reference number if the titling is Revised), as published in "Natural Gas Intelligence", for make-up gas of the negative imbalance for the month in which the imbalance occurred.

** For gas owed Shipper, the lowest of the "Spot Gas Prices Delivered to Pipelines" for CIG DJ Basin, under the average column for each week, (or the superseding reference number if the titling is Revised), as published in "Natural Gas Intelligence", the positive imbalance for the month in which the imbalance occurred.

(4) In the event the "Natural Gas Intelligence" ceases to publish or fails to publish the spot gas prices for CIG DJ Basin for any week in which the cash-out pricing for the month is determined, the spot gas price for CIG, under the average column for that week, (corresponding reference number if the title is revised), as published in "Natural Gas Intelligence" will apply.

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FERC Docket: RP00- 27-000

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

FIRM TRANSPORTATION SERVICE - continued

5.3 Shipper shall reimburse Transporter for:

- a. ADDITIONAL FACILITY CHARGE. If Transporter, in its reasonable discretion, agrees to add new facilities or expand existing facilities, including compression, Transporter will allow Shipper to choose either:

- (1) A contribution-in-aid of construction associated with such facilities, including a gross-up for applicable state and federal income tax expense; and/or

- (2) A reimbursement schedule setting the terms, the rate, and the conditions for reimbursement of the additional facility charge, including an obligation to reimburse Transporter, upon demand, for any unamortized capital charges, under an agreed upon amortization schedule, which may remain in service by Transporter to Shipper under this rate schedule is terminated prior to the end of said amortization period.

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FERC Docket: RP99-407-000

Second Revised Sheet No. 19 Second Revised Sheet No. 19 : Effective
Superseding: Substitute First Revised Sheet No. 19

FIRM TRANSPORTATION SERVICE - continued

- (3) Transporter will allocate additional facility charges among multiple Shippers pro-rata, based on the percentage of requested use of the facilities.

- b. FILING FEES. Any and all filing and approval fees required in connection with Shipper's Service Agreement that Transporter is obligated to pay to the FERC or any other governmental authority having jurisdiction shall be reimbursed by Shipper to transporter. Any filing and approval fees paid by Shippers will not be included in Transporter's cost of service. Any reimbursement due Transporter by Shipper pursuant to this Section 5.3 shall be due and payable to Transporter within ten (10) days of the date of Transporter's invoice(s) for same.

- 5.4 In the event of a force majeure occurrence as defined in Section 27 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper shall not be relieved from its obligation to make payment of amounts then due or which become due. If Shipper's obligation to pay a daily imbalance or a portion of the monthly balancing charge under this rate schedule is a direct consequence of an imbalance which occurs as a result of Transporter's force majeure as defined in Section 27 of the General Terms and Conditions of Transporter's FERC Gas Tariff, such Shipper shall be relieved of such charges.

6. NOMINATIONS, CONFIRMATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

- 6.1 NOMINATIONS. If Shipper desires transportation of gas on any day under this Rate Schedule, Shipper shall comply with the following nomination procedures. Any nominations received after the timely nomination deadline will be scheduled after the nominations received by that nomination deadline. All nominations must be submitted electronically. The standard quantity of nominations, confirmations and scheduling is dekatherms per day. For reference, 1 dekatherm = 1,000,000 Btus; 1 gigajoule = 1,000,000,000 joules; 1 gigacalorie = 1,000,000,000 calories. The standard conversion factor between dekatherms and Gigajoules is 1.055056 Gigajoules per dekatherm, and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm.

- a. The Timely Nomination Cycle: 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by Transporter; noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).

Effective Date: 11/02/1998 Status: Effective
FERC Docket: RP99- 73-001

Substitute First Revised Sheet No. 20 Substitute First Revised Sheet No. 20 : Effective
Superseding: First Revised Sheet No. 20

FIRM TRANSPORTATION SERVICE - cont.

- (b) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by Transporter; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 10:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (CT on the day prior to flow).
- (i) Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on Transporter to receive notice that it is being bumped should be effective at 9:00 a.m. on the gas Day; and when an Evening Nomination causes another Service Requester on Transporter to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on the gas Day.
- (c) The Intra-day 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by Transporter; 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 2:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the gas Day). Scheduled quantities resulting from Intra-day 1 Nominations should be effective at 5:00 p.m. on the gas Day.
- (d) The Intra-day 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by Transporter; 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators (central clock time on the gas Day). Scheduled quantities resulting from Intra-day 2 Nominations should be effective at 9:00 p.m. on the gas Day. Bumping is not allowed during the Intra-day 2 Nomination Cycle.
- (e) For purposes of Section 6.1 (b) (c) and (d), "provide" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.
- (f) Include in the nomination: 1) the quantity of gas to be received by Transporter (including Shipper's transportation volume), 2) overrun quantities, which should be requested on a separate transaction, 3) any volumes to satisfy past imbalances, 4) receipts points (primary and/or secondary), 5) the quantity to be delivered at each

Effective Date: 06/01/1999 Status: Effective
FERC Docket: RP99-288-000

First Revised Sheet No. 20A First Revised Sheet No. 20A : Effective
Superseding: Substitute Original Sheet No. 20A

Firm Transportation Service - cont.

Specified delivery point (primary and/or secondary) on the desired Gas day, 6) provide contract numbers for both upstream and downstream parties, if known, and related processing agreement numbers. The total receipt nominations, less other deductions, must equal the equivalent thermal quantity of delivery nominations.

- (g) All nominations, including intra-day nominations, shall be based on daily quantity, thus, an intra-day nominator need not submit an hourly nomination. Intra-day nomination shall include an effective date. The interconnected parties will agree on the hourly flow of the intra-day nomination, if not otherwise addressed in the Service Agreement or Transporter's Tariff. All nominations, excluding intra-day nominations, have rollover options. Specifically, Shippers have the ability to nominate for several days, months or years, provided the nomination begin and end dates are within the term of the Shipper's Service Agreement. Intra-day nominations do not rollover nor do they replace the remainder of a standing nomination. There is no need to re-nominate if an intra-day nomination modifies an existing nomination. Intra-day nominations cannot cause a Shipper to exceed its MDTQ.

Second Revised Sheet No. 20B Second Revised Sheet No. 20B : Effective
Superseding: First Revised Sheet No. 20B

FIRM TRANSPORTATION SERVICE - cont.

6.2 CONFIRMATIONS

- (a) Nominations made shall not become effective until Transporter has confirmed the nominated receipts and deliveries with upstream and downstream parties, subject to Section 6.2 (b). Shipper shall designate the appropriate person(s) who has the authority to resolve allocation issues, if requested by Transporter and, the appropriate person(s) to confirm nominations. Confirmations must be submitted to Transporter through its electronic system, or such other electronic means as are mutually agreed upon by Transporter and Shipper.
- (b) Default confirmation procedures are as follows:
- (i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity will be the new confirmed quantity.
 - (ii) With respect to the processing of requests for increases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity will be the new confirmed quantity.
 - (iii) With respect to the processing of requests for decreases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity will be the new confirmed quantity. Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intra-day nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.
 - (iv) With respect to 6.2 (a) (i), (ii), and (iii), if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider will provide the Service Requester with the following information to explain why the nomination failed, as applicable:

the Service Requester's Transportation Service
Provider did not conduct the confirmation;

Third Revised Sheet No. 21 Third Revised Sheet No. 21 : Effective
Superseding: Second Revised Sheet No. 21

RATE SCHEDULE FT - continued

- (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;
- (3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;
- (4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;
- (5) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.

This information will be imparted to the Service Requester on the Scheduled Quantity document.

6.3 INTRA-DAY NOMINATIONS

- (a) An "Intra-day Nomination" shall mean a nomination submitted after the Timely Nomination Cycle whose effective time is no earlier than the beginning of the gas day and which runs through the end of that gas day.
- (b) Transporter supports the nomination cycles set forth at Section 6.2 during non-Critical Times. During Critical Times, valid intra-day nominations may be submitted at any time.
- (c) Transporter will provide notification of bumped volumes through the Scheduled Quantity Document, as posted on its interactive website, telephone, facsimile, or through Electronic Notice Delivery consistent with BISB Standards as adopted in Section 23 of the General Terms and Conditions. During non-Critical Times, Transporter will waive daily penalties applicable to bumped volumes on the day of the bump. Transporter will also waive penalties if it fails to provide appropriate notice of the bump.
- (d) There is no limitation as to the number of intra-day nominations which a service requester may submit at any one standard nomination cycle or in total across all standard nomination cycles.

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

Effective Date: 06/25/2001 Status: Effective
FERC Docket: RP01-424-000

Fifth Revised Sheet No. 22 Fifth Revised Sheet No. 22 : Effective
Superseding: Fourth Revised Sheet No. 22

RATE SCHEDULE FT - continued

6.5 DELIVERY OF GAS.

Based upon the daily quantity scheduled and such information as Transporter has available concerning the quantity actually received, and subject to Section 27 of Transporter's General Terms and Conditions, Transporter shall make daily delivery of Shipper's nominated quantity. Daily deliveries of gas at the Point(s) of Delivery by Transporter shall be approximately equal to daily receipts of gas at the Point(s) of Receipt by Transporter for transportation, less applicable deductions.

6.6 If actual receipts or deliveries are more than ten percent (10%) over or under nominations, or if actual receipts differ from actual deliveries by more than ten percent (10%), Transporter will by means of the telephone, Transporter's Interactive Web Site or electronic mail message, notify the Shipper that it has twenty-four (24) hours in which to bring actual receipts or deliveries and nominations more closely into agreement. If the discrepancy is not brought to ten percent (10%) within twenty-four (24) hours, Transporter may adjust deliveries to compensate for the inaccurate nominations.

6.7 DETERMINATION OF DELIVERIES.

Refer to Section 25 of Transporter's General Terms and Conditions.

6.8 COMMINGLING OF GAS.

Transporter shall have the unqualified right to commingle Shipper's natural gas with other gas in Transporter's pipeline system.

6.9 TRANSFER NOMINATIONS

Whenever gas is purchased at a Receipt Point (including a pooling point) on Transporter's System by an entity that is not going to nominate that gas for receipt by Transporter under a transportation Agreement, that entity must submit a transfer nomination to transporter through its electronic system (or EDI), identifying the quantities (in Dth) and the entities from whom the gas is being bought and the entities to whom the gas is being sold.

Effective Date: 08/01/1999 Status: Effective
FERC Docket: RP99-407-000

First Revised Sheet No. 22A First Revised Sheet No. 22A : Effective
Superseding: Original Sheet No. 22A

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

Such transfer nominations are needed in order to be able to confirm the nominated receipts and at that point and thus such transfer nominations are due by the deadlines applicable to Shipper nominations, subject to Section 6 of each of the Rate Schedules. In addition to the transfer nomination, the purchasing entity should submit a predetermined allocation in accordance with Section 10 of these General Terms and Conditions if there is more than one buyer of the purchasing entity's gas.

6.10 NOMINATION PRIORITIES

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

7. GENERAL TERMS AND CONDITIONS

The applicable General Terms and Conditions of this Tariff are hereby made a part of this Rate Schedule. To the extent that the General Terms and Conditions are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE

1. AVAILABILITY.

This Rate Schedule is available for interruptible transportation of natural gas by K N Wattenberg Transmission Limited Liability Company ("Transporter") for any party ("Shipper"), when:

- 1.1 Shipper has elected to have gas transported under this Interruptible Transportation Rate Schedule.
- 1.2 Transportation service hereunder shall include forward-haul, displacement, back-haul, and exchange service. The service will be on an interruptible basis, but subject to the General Terms and Conditions attached hereto.
- 1.3 Shipper and Transporter has executed an Interruptible Transportation Service Agreement in the form contained in this FERC Gas Tariff of which this Rate Schedule is a part;
- 1.4 The interruptible transportation service is to be implemented in accordance with Part 284 of the FERC regulations.
- 1.5 Transporter shall receive and deliver gas to Shipper as shown on the executed Interruptible Transportation Service Agreement.

2. APPLICABILITY AND CHARACTER OF SERVICE.

- 2.1 Transporter shall not be required to perform service under this Rate Schedule on behalf of any Shipper that fails to comply with any and all of the terms of this Rate Schedule, with the terms of Shipper's executed Service Agreement with Transporter or with the provisions of Transporter's General

Interruptible Transportation Service - continue

Terms and Conditions incorporated herewith; provided, Transporter shall give Shipper ten (10) days advance notice during which Shipper has an opportunity to come into compliance before Transporter exercises its rights under this Section.

- 2.3 Transporter shall receive from Shipper, or for the account of Shipper, at the "Receipt Point(s)" as specified in an executed IT Service Agreement daily quantities of gas tendered for transportation up to Shipper's Maximum Daily Transportation Quantity (MDTQ). Upon receipt of natural gas for Shipper's account, Transporter shall, after a reduction for the Fuel Reimbursement Quantity, transport and deliver for the account of Shipper the thermal equivalent of such gas at the "Delivery Point(s)" as specified in the Service Agreement. Transporter shall not be obligated to, but may at its option, on any day deliver a quantity of gas in excess of the applicable Maximum Daily Delivery Quantity (MDDQ).
- 2.4 Provided Transporter's prior consent is obtained, Shipper may tender quantities of gas in excess of the MDTQ on any day if in Transporter's reasonable judgment such tender and transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules, and if such transportation is compatible with Transporter's system operation requirements.
- 2.5 To the extent service under this Rate Schedule is interrupted, such affected service under this Rate Schedule shall be reduced in accordance with Transporter's General Terms and Conditions.
- 2.6 Such interruptible service shall be provided only to the extent capacity is available after Transporter has provided service to its firm customers and those interruptible customers with higher priority.

Interruptible Transportation Service - continue

2.7 ADDITIONAL FACILITIES.

- a. In no event shall Transporter be obligated to construct, acquire or modify any facilities or expand the capacity of Transporter's pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Rate Schedule; however, Transporter may add facilities or expand the system, on a non-discriminatory basis, whenever such is deemed, in Transporter's reasonable judgment, to be economically, operationally, and technically feasible, subject to the following conditions:
- (1) Transporter has received an executed Revised service agreement(s) from existing and prospective Shipper's requesting such additional facilities or expansion of capacity;
 - (2) Transporter and Shipper enter into a facilities agreement which is subject to the provisions of this Tariff;
 - (3) The nature, extent and timing of facilities required shall be at the reasonable discretion of Transporter;
 - (4) Transporter receives acceptable assurances of financial reliability from any Shipper requesting additional capacity.
 - (5) Transporter does not have physical facilities or adequate capacity in the system to accommodate requests for capacity of existing and prospective Shippers accepted by Transporter pursuant to Section 4.1 hereof.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

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

Interruptible Transportation Service - continue

3. SERVICE DEFINITIONS

- 3.1 MAXIMUM DAILY TRANSPORTATION QUANTITY. The Maximum Daily Transportation Quantity (MDTQ) shall be the maximum quantity of natural gas in Dth which Transporter agrees to deliver to Shipper on any day for the account of Shipper at any nominated Delivery Point(s), should capacity be available. Such delivery points and such MDTQ shall be specified in the executed Service Agreement.
- 3.2 APPROVED DAILY NOMINATION. The approved Daily Nomination shall mean that quantity of gas which Transporter has approved to be transported on a particular day.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

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

Interruptible Transportation Service - continue

4. REQUIREMENTS FOR INTERRUPTIBLE SERVICE AGREEMENT.

4.1 REQUEST. All Shippers requesting interruptible transportation service must provide the information required by this section and by Transporter's Transportation Service Request Form included in this Tariff, in order to qualify for interruptible transportation service under this Rate Schedule. Transporter shall not be required to perform service under this Rate Schedule in the event all facilities necessary to render the requested service do not exist at the time the request is made.

All completed Transportation Service Request Forms are to be sent to:

K N Wattenberg Transmission Limited Liability Company
P.O. Box 281304
Lakewood, Colorado 80228-8304

Attention: Marketing and Transportation Department

Any request shall include the following:

- a. COMPLETE LEGAL NAME OF SHIPPER. If person requesting service is acting as agent for Shipper, all information as set forth in a. through c. must be provided with respect to Shipper.
- b. INFORMATION REGARDING COMMUNICATION. Name, address and telephone number to whom correspondence, billings, or other communications should be directed. State name, address and phone number of twenty-four (24) hour contact person for purposes of exchanging scheduling and volume information.

Interruptible Transportation Service - continue

- c. TYPE OF COMPANY. State type of legal entity and state of incorporation, if applicable. Specify whether a local distribution company, intrastate pipeline, Interstate pipeline, producer, end-user, marketer, broker or other. If other, describe in detail.
- d. AGENCY INFORMATION. If requestor is an agent for Shipper, provide proof of authority, legal name of principal, and type of company.
- e. TYPE OF SERVICE REQUESTED. Whether requested service is firm or interruptible.
- f. GAS QUANTITIES. The desired Maximum Daily Transportation Quantity (MDTQ).
- g. FACILITIES. Whether any additional or new facilities are required to receive or deliver gas for the transportation service requested herein.
- h. RECEIPT POINTS. The Master Receipt Point List and any other designated Receipt Point(s) for the requested transportation with the names of any pipelines transporting the gas immediately upstream of Transporter's facilities. The Receipt Point(s) requested by Shipper must be acceptable to Transporter with regard to adequacy of the physical facilities to receive and transport the quantity requested. Transporter's firm service receipts will take precedence over requested interruptible transportation receipts.
- i. DELIVERY POINTS. The designated Delivery Point(s) for the requested transportation and the state(s) in which the gas will be consumed (affiliate transactions only). The Delivery Point(s) requested by Shipper must be acceptable to Transporter from the viewpoint of adequacy of Transporter's existing facilities to transport and deliver Shipper's gas.
- j. AFFILIATE INFORMATION. The extent of Shipper's, end user's, or supplier's affiliation with Transporter.

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

Interruptible Transportation Service - continue

k. CREDIT INFORMATION.

(1) A copy of Shipper's most recent audited financial statements or, at Transporter's option, a bank reference satisfactory to Transporter;

(2) A copy of Shipper's most recent Annual Report and 10-K Form, if applicable.

(3) A completed Credit Application Form.

4.2 EXECUTION. A Service Agreement shall be executed by Shipper within thirty (30) days of being tendered by Transporter following Transporter's acceptance of Shipper's request for service.

4.3 FILING FEES. Any and all filing and approval fees required in connection with Shipper's Service Agreement that Transporter is obligated to pay to the FERC or any other governmental authority having jurisdiction shall be billed to Shipper. Any fees recovered hereunder will not be included in Transporter's cost of service.

4.4 REIMBURSEMENT. Any reimbursement due Transporter by Shipper pursuant to this section shall be due and payable to Transporter within thirteen (13) days of the postmark date of Transporter's invoice(s) for same.

5. RATES AND BALANCING

5.1 RATES. The applicable maximum and minimum unit rates including any surcharges for interruptible transportation service are set forth in effective Sheet No. 6 of this tariff, as Revised from time to time. Unless otherwise agreed in writing between Transporter and Shipper under Section 24 of the General Terms and Conditions, the Shipper and Transporter may agree in writing to an applicable unit commodity rate which shall not be in excess of the maximum unit rate nor less than the minimum unit rate.

5.2 MONTHLY BILL. Commencing for the month in which the IT Service Agreement is effective and each month thereafter, Transporter shall charge and Shipper shall pay the sum of the following amounts:

a. COMMODITY CHARGE. The applicable unit commodity rate by nominated path multiplied by the volume in Dth of gas delivered by Transporter during the month at the Point(s) of Delivery. Preauthorized deliveries in excess of contract quantities will be charged the maximum IT rate, unless otherwise agreed to in writing.

Interruptible Transportation Service - continue

b. DAILY OVERRUN CHARGES

- (1) Unauthorized Overrun Charge. A daily overrun charge shall be paid by Shipper for taking a daily quantity of gas which was not nominated exceeding the level to which deliveries have been curtailed, or in the aggregate, exceeding the Maximum Daily Transportation Quantity (MDTQ). Quantities of overrun gas in excess of five percent (5%) or 50 Dth over the above quantities, following a notice period of forty-eight (48) hours or such shorter period as deemed necessary by Transporter to protect its system integrity, will be subject to a charge equal to the quantity in excess of the tolerance multiplied by the rate for unauthorized overruns set forth in Sheet No. 6 of this tariff. Quantities of overrun gas less than the tolerance, or for which notice has not been given, will be subject to a charge equal to the overrun quantity multiplied by the authorized overrun rate set forth in Sheet No. 6 of this tariff.
- (2) Notwithstanding the charges provided herein, Transporter has the right to reduce receipts or deliveries in excess of the MDTQ at any time in its reasonable discretion, as necessary to protect the integrity of its system, including the maintenance of service to other customers.
- (3) During periods when operational flow orders are in effect, any overruns would be subject to the provision of Section 32 of the General Terms and Conditions.

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 FERC Docket: RP00-362-000

Second Revised Sheet No. 31 Second Revised Sheet No. 31 : Effective
 Superseding: First Revised Sheet No. 31
 Interruptible Transportation Service - continued

5.3 MONTHLY BALANCING

- (1) Within twenty (20) days after month end, Transporter will notify Shipper of its monthly imbalance. Imbalances may be traded among a Shipper's transportation agreements as long as the trade reduces the imbalance to Transporter.
- (2) If trading among Shipper's transportation agreements on the same system are not used to cure the imbalance, the Shipper's imbalance will be posted on its electronic system, unless Shipper requests that postings not be made and for the remainder of that month or at least ten (10) days, those imbalances may be traded. To consummate a trade, both trading parties must inform Transporter via the electronic bulletin board or facsimile of their agreement to trade and their desire for Transporter to offset the imbalances. Trades will be permitted as long as the Shippers have imbalances in opposite directions. After receiving notices from both Trading parties, Transporter will reflect the trade by posting adjusted imbalances on its electronic system.
- (3) Transporter will charge for or credit for any imbalance according to the schedule below:

Tiers	Imbalance as Average Spot Index % of Actual Delivers	Rate as a % of K N Charge*	K
N Credit**			
Tier 1 100%	0% to 5%	100%	
Tier 2 75%	above 5% to 15%	125%	
Tier 3 50%	Greater than 15%	150%	

The first 5% of any imbalance will be charged or credited at the Tier 1 level, the portion Above 5% up to 15% will be charged or credited at the Tier 2 level, and the portion above 15% will be charged or credited at the Tier 3 level.

* For gas owed Transporter, the highest of the "Spot Gas Prices Delivered to Pipelines" for CIG DJ Basin, under the average column for each week, (or the superseding reference number if the titling is Revised), as published in "Natural gas Intelligence" for make-up gas of the negative imbalance for the month in which the imbalance occurred.

** For gas owed Shipper, the lowest of the "Spot Gas Prices Delivered to Pipelines" for CIG DJ Basin, under the average column for each week, (or the superseding reference number if the titling is Revised), as published in "Natural Gas Intelligence", the positive imbalance originated for the month in which the imbalance occurred.

Effective Date: 11/15/1999 Status: Effective

FERC Docket: RP00-27-000

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

INTERRUPTIBLE TRANSPORTATION SERVICE - continued

(4) In the event the "Natural Gas Intelligence" ceases to publish or fails to publish the spot gas prices for CIG DJ Basin for any week in which the cash-out pricing for the month is determined, the spot gas price for CIG, under the average column for that week, (corresponding reference number if the title is revised), as published in "Natural Gas Intelligence" will apply.

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Interruptible Transportation Service - continued

5.4 Shipper shall reimburse Transporter for:

- a. ADDITIONAL FACILITY CHARGE. When Transporter, in its reasonable discretion, agrees to add new facilities or expand existing facilities, including compression, in order to provide service, Transporter will require:
 - (1) A contribution-in-aid of construction associated with such facilities, including a gross-up for applicable state and federal income tax expense; and/or
 - (2) A reimbursement schedule setting the terms, the rate, and the conditions for reimbursement of the additional facility charge, including an obligation to reimburse Transporter, upon demand, for any unamortized capital charges, under an agreed upon amortization schedule, which may remain if service by Transporter to Shipper under this rate schedule is terminated prior to the end of said amortization period.
- b. FILING FEES. Any and all filing and approval fees required in connection with Shipper's Service Agreement that Transporter is obligated to pay to the FERC or any other governmental authority having jurisdiction shall be reimbursed by Shipper to Transporter. Any filing and approval fees paid by Shippers will not be included in Transporter's cost of service.

Any reimbursement due Transporter by Shipper pursuant to this Section 5.4 shall be due and payable to Transporter within ten (10) days of the date of Transporter's invoice(s) for same.

- 5.5 In the event of a force majeure occurrence as defined in Section 27 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper shall not be relieved from its obligation to make payment of amounts then due or which become due. If Shipper's obligation to pay a daily imbalance charge or a portion of the monthly balancing charge under this rate schedule is a direct consequence of an imbalance which occurs as a result of Transporter's force majeure as defined in Section 27 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper shall be relieved of such charges.

Second Revised Sheet No. 33 Second Revised Sheet No. 33 : Effective
Superseding: Substitute First Revised Sheet No. 33

Interruptible Transportation Service - continued

6. NOMINATIONS, CONFIRMATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

6.1 NOMINATIONS. If Shipper desires transportation of gas on any day under this Rate Schedule, Shipper shall comply with the following nomination procedures. Any nominations received after the timely nomination deadline will be scheduled after the nominations received by that nomination deadline. All nominations must be submitted electronically. The standard quantity of nominations, confirmations and scheduling is dekatherms per day. For reference, 1 dekatherm = 1,000,000 Btus; 1 gigajoule = 1,000,000,000 joules; 1 gigacalorie = 1,000,000,000 calories. The standard conversion factor between dekatherms and Gigajoules is 1.055056 Gigajoules per dekatherm, and between dekatherms and gigacalories is 0.251996 gigacalories per Dth.

- (a) The Timely Nomination Cycle: 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by Transporter; noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).
- (b) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by Transporter; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 10:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the day prior to flow).
 - (i) Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on Transporter to receive notice that it is being bumped should be effective at 9:00 a.m. on the gas Day; and when an Evening Nomination causes another Service Requester on Transporter to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on the gas Day.
- (c) The Intra-day 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by Transporter; 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 2:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (CCT on the gas Day). Scheduled quantities resulting from Intra-day 1 Nominations should be effective at 5:00 p.m. on the gas Day.

Second Revised Sheet No. 34 Second Revised Sheet No. 34 : Effective
Superseding: Substitute First Revised Sheet No. 34

Interruptible Transportation Service - continue

- (d) The Intra-day 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by Transporter; 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators (central clock time on the gas Day). Scheduled quantities resulting from Intra-day 2 Nominations should be effective at 9:00 p.m. on the gas Day. Bumping is not allowed during the Intra-day 2 Nomination Cycle.
- (e) For purposes of Section 6.2 (b) (c) and (d), "provide" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.
- (f) Shipper shall include in any nomination: 1) the daily quantity of gas to be received by Transporter including Shipper's transportation volumes, 2) overrun quantities, may be requested on a separate transaction, 3) any daily volumes to satisfy past imbalances, 4) receipt points (primary and/or secondary), 5) the daily quantity to be delivered by Transporter at each specified delivery point (primary and/or secondary) on the desired gas day, 6) provide contract numbers for both upstream and downstream parties, if known, and related processing agreement numbers, 7) Shipper defined beginning and ending dates. The total receipt nominations, less other deductions, must equal the equivalent thermal quantity of delivery nominations.
- (g) All nominations, including intra-day nominations, shall be based on daily quantity, thus, an intra-day nominator need not submit an hourly nomination. Intra-day nomination shall include an effective date. The interconnected parties will agree on the hourly flow of the intra-day nomination, if not otherwise addressed in the Service Agreement or Transporter's Tariff. All nominations, excluding intra-day nominations, have rollover options. Specifically, Shippers have the ability to nominate for several days, months or years, provided the nomination begin and end dates are within the term of the Shipper's Service Agreement. Intra-day nominations do not rollover nor do they replace the remainder of a standing nomination. There is no need to re-nominate if an intra-day nomination modifies an existing nomination. Intra-day nominations cannot cause a Shipper to exceed its MDTQ.

Interruptible Transportation Service - continued

6.2 CONFIRMATIONS

- (a) Nominations made shall not become effective until Transporter has confirmed the nominated receipts and deliveries with upstream and downstream parties, subject to Section 6.2(b). Shipper shall designate the appropriate person(s) who has the authority to resolve allocation issues, if requested by Transporter and, the appropriate person(s) to confirm nominations. Confirmations must be submitted to Transporter through its electronic system, or such other electronic means as are mutually agreed upon by Transporter and Shipper.
- (b) Default confirmation procedures are as follows:
 - (i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity will be the new confirmed quantity.
 - (ii) With respect to the processing of requests for increases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity will be the new confirmed quantity.
 - (iii) With respect to the processing of requests for decreases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity will be the new confirmed quantity. Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intra-day nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.

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

Interruptible Transportation Service - continued

- (iv) With respect to 6.2 (a) (i), (ii), and (iii), if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider will provide the Service Requester with the following information to explain why the nomination failed, as applicable:
- (1) the Service Requester's Transportation Service Provider did not conduct the confirmation;
 - (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;
 - (3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;
 - (4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;
 - (5) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.

This information will be imparted to the Service Requester on the Scheduled Quantity document.

6.3 INTRA-DAY NOMINATIONS

- (a) An "Intra-Day Nomination" shall mean a nomination submitted after the Timely Nomination Cycle whose effective time is no earlier than the beginning of the gas day and which runs through the end of that gas day.
- (b) Transporter supports the nomination cycles set forth at Section 6.2 during non-Critical Times. During Critical Times, valid intra-day nominations may be submitted at any time.
- (c) Transporter will provide notification of bumped volumes through the Scheduled Quantity Document, as posted on its interactive website, telephone, facsimile, or through Electronic Notice Delivery consistent with GISB Standards as adopted in Section 23 of the General Terms and Conditions. During non-Critical Times, Transporter will waive daily penalties applicable to bumped volumes on the day of the bump. Transporter will also waive penalties if it fails to provide appropriate notice of the bump.
- (d) There is no limitation as to the number of intra-day nominations which a service requester may submit at any one standard nomination cycle or in total across all standard nomination cycles.

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Fourth Revised Sheet No. 35 Fourth Revised Sheet No. 35 : Effective
Superseding: Third Revised Sheet No. 35

Interruptible Transportation Service - continued

- 6.4 END-OF-GAS-DAY SCHEDULED QUANTITY DOCUMENT. At the end of each gas day, Transportation Service Providers should provide the final scheduled quantities for the just completed gas day. With respect to the implementation of this process via the 1.4.x scheduled quantity related standards, Transportation Service Providers should send an end of gas day Scheduled Quantity document. Receivers of the end of gas day Scheduled Quantity document can waive the sender's sending of the end of gas day Scheduled Quantity document.
- 6.5 DELIVERY OF GAS. Based upon the daily quantity scheduled and such information as Transporter has available concerning the quantity actually received and subject to Section 27 of Transporter's General Terms and Conditions, Transporter shall make daily delivery of Shipper's nominated quantity. Daily deliveries of gas at the Point(s) of Delivery by Transporter shall be approximately equal to daily receipts of gas at the Point(s) of Receipt by Transporter for transportation less applicable deductions.
- 6.6 DETERMINATION OF DELIVERIES. Refer to Section 25 of Transporter's General Terms and Conditions.
- 6.7 COMMINGLING OF GAS. Transporter shall have the unqualified right to commingle Shipper's natural gas with other gas in Transporter's pipeline system.
- 6.8 TRANSFER NOMINATIONS
Whenever gas is purchased at a Receipt Point (including a pooling point) on Transporter's System by an entity that is not going to nominate that gas for receipt by Transporter under a transportation Agreement, that entity must submit a transfer nomination to Transporter through its electronic system (or EDI), identifying the quantities (in Dth) and the entities from whom the gas is being bought and the entities to whom the gas is being sold. Such transfer nominations are needed in order to be able to confirm the nominated receipts at that point and thus such transfer nominations are due by the deadlines applicable to Shipper nominations, subject to Section 6 of each of the Rate Schedules. In addition to the transfer nomination, the purchasing entity should submit a predetermined allocation in accordance with Section 10 of these General Terms and Conditions if there is more than one buyer of the purchasing entity's gas.

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Second Revised Sheet No. 36 Second Revised Sheet No. 36 : Effective
Superseding: First Revised Sheet No. 36

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

6.9 NOMINATION PRIORITIES

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

7. GENERAL TERMS AND CONDITIONS

The applicable General Terms and Conditions of this Tariff are hereby made a part of this Rate Schedule. To the extent that the General Terms and Conditions are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet Nos. 37-39 Original Sheet Nos. 37-39 : Effective

SHEET NOS. 37-39 RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS

1. APPLICATION.

The following General Terms and Conditions apply to the extent indicated and to the extent not superseded by inconsistent provisions in each of Transporter's rate schedules covering firm and interruptible transportation services subject to the jurisdiction of the Federal Energy Regulatory Commission.

2. DEFINITIONS.

The following terms shall have the meanings defined below:

- a. "Approved Daily Nomination" is that Dth of gas which Transporter's Transportation Administration Section has approved to be transported on a particular day.
- b. "Balance" and "Balancing" means the Shipper's obligation to cause deliveries to equal receipts, with due consideration given to Fuel Reimbursement Quantities.
- c. "British Thermal Unit" (Btu) - The amount of energy required to increase the temperature of one (1) pound of water one (1) degree Fahrenheit at sixty (60) degrees Fahrenheit and is equivalent to one (1) therm. The standard Btu is the International Btu, which is also called the Btu(IT); the standard joule is the joule specified in the SI system of units.
- d. "Business Day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.
- e. "Capacity" means the maximum gas volume which any particular segment of the Transporter's system is capable of carrying under current operating conditions.
- f. "Commission" shall mean the Federal Energy Regulatory Commission (FERC) and any other governmental body or bodies succeeding to, lawfully exercising, or superseding any powers of the FERC.
- g. "Commodity Charge" means that portion of the amount to be paid monthly by the Shipper for service which is based upon the quantity of gas delivered at Shipper's Delivery Points.

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

General Terms and Conditions - continued

- h. "Company-used Gas" means the quantity of gas consumed by the Company for purposes of its gas operations.
- i. "CT" means central o'clock time.
- j. "Cubic Foot of Gas" - is the amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty (60) degrees Fahrenheit and under an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch.
- k. "Curtailement" is used interchangeably with the term "interruption".
- l. "Customer" means any party who has requested service from the Transporter and executed a contract for such service with the Transporter.
- m. "Daily Metering" means if directed by the Transporter, the Shipper shall read the Transporter's gas meter each day at the time specified by the Contract and report such reading to the Transporter.
- n. "Day" - A period of twenty-four (24) consecutive hours beginning and ending at nine (9:00) o'clock a.m. (CT).
- o. "Dekatherm" or "Dth" means the quantity of gas containing one million (1,000,000) Btu's. The standard quantity for nominations, confirmations and scheduling shall be dekatherms per gas day.
- p. "FERC" or "Commission" means the Federal Energy Regulatory Commission and any other governmental body or bodies succeeding to, lawfully exercising, or superseding any powers of the Federal Energy Regulatory Commission.
- q. "Fuel Reimbursement Quantity" is that portion of Shipper's natural gas received by Transporter for transportation hereunder which is retained by Transporter as compensation for company-used gas and lost and unaccounted for gas. The Fuel Reimbursement Quantity is stated as a percentage of the natural gas delivered by Shipper at the Point(s) of Receipt. Title to Fuel Reimbursement Quantity shall rest in Transporter upon receipt at the Receipt Point(s) at no cost, and free and clear of all adverse claims.

General Terms and Conditions - continued

- r. "Gas" or "Natural Gas" is any mixture of hydrocarbons or of hydrocarbons and non-combustible gas, in a gaseous state, consisting essentially of methane.
- s. "Quantity of Gas" or "Gas" when used to refer to a quantity of gas shall mean the Total Energy Content.
- t. "Gross Dry Heating Value" is the number of Btus produced by complete combustion, at a constant pressure, of the amount of gas which would occupy a volume of 1 cubic foot at a temperature of 60 degrees Fahrenheit on a water-free basis and at a pressure of 14.73 p.s.i.a. with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion has condensed to the liquid state.
- u. "Imbalance" shall mean the difference between the Dth of transportation gas received by the Transporter for the Shipper's account and the Dth of transportation gas delivered by the Transporter to the Shipper or for the Shipper's account at the Shipper's Delivery Point, with due regard given to Fuel Reimbursement.
- v. "Interruptible" means that Transporter has the right to stop, in whole or in part, receipt, transportation, or delivery of natural gas at any time. Transporter shall provide as much advance notice as is practical to, Shipper, except as may otherwise be specifically provided for in this Tariff.
- w. "Interruption" or "reduction" means the Transporter's inability to provide transportation to a transportation customer due to force majeure or constraints on the pipeline system.
- x. "Intra-day Nomination" shall mean a nomination submitted after the Timely Nomination Cycle, defined in Rate Schedules FT and IT, whose effective time is no earlier than the beginning of the gas day and which runs through the end of that gas day.

General Terms and Conditions - continued

- y. "Lost and Unaccounted-For Gas" means the difference between the sum of all input quantities of gas received into the Transporter's system and the sum all output quantities of gas delivered from the Transporter's system, which difference shall exclude Transporter-used gas and shall include, but not be limited to, gas vented and lost as a result of an event of force majeure.
- z. "Maximum Daily Delivery Quantity" (at individual delivery point(s)) ("MDDQ") means the maximum quantity of natural gas which Shipper is entitled to receive on any day at a particular delivery point specified in the executed Transportation Service Agreement, should capacity be available.
- aa. "Maximum Daily Receipt Quantity" ("MDRQ") means the maximum quantity of natural gas which Shipper is entitled to tender at an individual receipt point on any day.
- ab. "Maximum Daily Transportation Quantity" ("MDTQ") is the maximum quantity of natural gas in Dth which Shipper is entitled to tender on any day for the account of Shipper at all Receipt Point(s) should capacity be available. The MDTQ shall include the applicable Fuel Reimbursement Quantity.
- ac. "Month" - A period beginning at nine (9:00) o'clock a.m. (CT), or at such other hour as Shipper and Transporter have agreed upon, on the first day of the calendar month and ending at the same time on the first day of the next month.
- ad. "Monthly Billing Period" - is the calendar month.
- ae. "Operational Balancing Agreement" ("OBA") means a contract between Transporter and the entity ("OBA Party") operating the facilities at a point(s) of interconnection with Transporter's system which describes the manner in which differences between actual flows and nominated quantities will be resolved between Transporter and the OBA Party.
- af. "Party" means Shipper or Transporter.
- ag. "Point of Delivery" or "Delivery Point" - The point at which the gas leaves the outlet side of the measuring equipment of Transporter and enters the facility of another party or other agreed upon point.

General Terms and Conditions - continued

- ah. "Pooling" shall mean 1) the aggregation of gas from multiple physical and/or logical points to the single physical or logical point, and/or 2) the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points.
- ai. "p.s.i.a." means pounds per square inch absolute.
- aj. "p.s.i.g." means pounds per square inch gauge.
- ak. "Point of Receipt" or "Receipt Point" means the point(s) at which the gas leaves the outlet side of the measuring equipment of Shipper and enters the Facility of Transporter, or other agreed upon point.
- al. "Recourse Rate" for a service is the maximum applicable rate for that service as shown on Sheet No. 6 of Transporter's Tariff.
- am. "Service Agreement" shall mean a written agreement, providing for gas transportation service, which is executed by Transporter and the Shipper, and any exhibits, attachments, and/or amendments thereto.
- an. "Shipper/Buyer" is the party to whom a service agreement is executed.
- ao. "Total Energy Content" is that amount determined by multiplying the gross dry heating value by the volume of gas in cubic feet.
- ap. "Transporter" is K N Wattenberg Transmission Limited Liability Co.
- aq. "Transportation" means movement of gas from the receipt point to the delivery point. Transportation does not include gathering, processing or storage.
- ar. "Year" is a period of three hundred sixty-five (365) days commencing and ending at nine (9:00) o'clock a.m. Mountain Time, provided that any year which contains the date of February 29 shall consist of three hundred sixty-six (366) days.

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Substitute First Revised Sheet No. 44A Substitute First Revised Sheet No. 44A : Effective
Superseding: First Revised Sheet No. 44A

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

as. "PIN" is the Point Identification Number.

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

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General Terms and Conditions - continued

3. QUALITY

- a. Natural gas to be delivered by Transporter shall be of merchantable quality unless specified.
- b. Unless otherwise agreed, gas tendered to Transporter at each Point of Receipt shall comply with the following quality specifications:
 - (1) At a base pressure of 14.73 p.s.i.a. and a base temperature of 60 degrees Fahrenheit, such gas shall not contain more than:
 - (a) 1/4 grain of hydrogen sulphide per 100 cubic feet;
 - (b) 5 grains of total sulphur per 100 cubic feet;
 - (c) 1 grain of mercaptans per 100 cubic feet;
 - (d) 2.0 percent by volume of carbon dioxide;
 - (e) 6 pounds of water vapor per million cubic feet;
 - (f) 10 parts per million (0.001 percent) by volume of oxygen; and
 - (2) Such gas shall be commercial in quality and shall be free from any foreign material such as solids, sand, dirt, dust, gums, crude oil, water or hydrocarbons in the liquid phase, iron particles, and other objectionable substances which may be injurious to pipelines or which may interfere with its transportation or commercial utilization.
 - (3) At a base pressure of 14.73 p.s.i.a., the Gross Saturated Heating Value of such gas shall not be less than 950 BTUs nor more than 1400 BTUs per cubic foot.
 - (4) The temperature of such gas shall not exceed 120 degrees Fahrenheit. However, if Transporter is required to dehydrate the gas at the Point(s) of Receipt, then the temperature of such gas shall not exceed 90 degrees Fahrenheit.

General Terms and Conditions - continued

3.1 QUALITY TESTING.

- a. The Party operating the measuring equipment, shall use approved standard methods in general use in the gas industry and shall cause adequate tests to be made to determine the quality of the gas delivered hereunder. Such tests shall be made frequently enough to insure that the gas conforms to the specifications hereof.
- b. If gas tendered to Transporter fails to meet the specifications of this Tariff, the measuring Party shall notify the other Party of such failure. The receiving Party may refuse to accept such gas. The Party tendering non-specification gas hereunder shall indemnify the receiving Party for any injury, damage, loss, or liability caused by the delivery of such gas, except to the extent the receiving Party knowingly and willingly accepts such non-specification gas.

4. MEASUREMENTS.

- a. The unit of volume for the purpose of measurement and for the determination of total heating value shall be the cubic foot of gas as defined in this Tariff. Volumes of gas measured at prevailing meter pressures and temperatures shall be corrected to the unit of volume defined above by the procedures described below:
 - (1) Orifice Meters: Installation and the determination of volumes delivered through orifice meters shall conform to the recommendations in "Gas Measurement Committee Report Number Three" of the American Gas Association as amended, Revised or superseded from time to time. Values of the orifice thermal expansion factor, manometer factor and gauge location factor shall be assumed to be unity.

General Terms and Conditions - continued

- (2) Turbine Meters: Installation and the determination of volumes delivered through turbine meters shall conform to the recommendations in "Transmission Measurement Committee Report Number Seven" of the American Gas Association as amended, Revised or superseded from time to time.
 - (3) Positive Displacement Meters: Installation and the determination of volumes delivered shall conform to the recommendations in "Gas Measurement Manual Displacement Measurement Part Number Two" of the American Gas Association as amended, Revised or superseded from time to time.
- b. The atmospheric pressure shall be the average atmospheric pressure as determined by elevation at the Points of Delivery and Receipt. For the Wattenberg System, this pressure shall be assumed to be 12.2 psia.
- c. The volume of gas delivered through each Point of Delivery and Receipt shall be corrected to a base temperature of sixty (60) degrees Fahrenheit by using:
- (1) The arithmetic average of the hourly temperatures recorded by a properly installed continuously operated recording thermometer; or
 - (2) A meter containing a temperature operated device, hereinafter referred to as a temperature compensated meter, through the operation of which the meter correctly registers the volume, corrected to sixty (60) degrees Fahrenheit; or
 - (3) An assumed temperature of the gas flowing through the meters of fifty (50) degrees Fahrenheit in the case of any small volume receipt or delivery where Transporter does not elect to install a recording thermometer or temperature compensated

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Substitute Original Sheet No. 48 Substitute Original Sheet No. 48 : Effective
Superseding: Original Sheet No. 48
General Terms and Conditions - continued

meter. However, in the event Transporter does not install a recording thermometer or temperature compensated meter, Shipper may install a recording thermometer and in such case the temperature so recorded shall be used in correcting to a temperature of sixty (60) degrees Fahrenheit.

- (4) When orifice meters are used, the specific gravity of the gas delivered hereunder shall be determined by approved methods once a month, or as frequently as necessary for reasonably accurate determination, and the specific gravity so obtained shall be used in computing volumes of gas delivered hereunder.
- d. The components for determining the deviation from Boyle's Law, at the pressure and temperature under which delivered, shall be determined by tests at intervals of twelve (12) months or at such shorter interval as is found necessary. The correction factor determined by using American Gas Association "Report Number Eight" or American Gas Association "Project NX-19" shall be used in the computation of deliveries until the next test.
- e. The heating value of the gas delivered shall be determined by approved recording calorimeters, gas samples or chromatographs installed by Transporter at points on Transporter's system in specified areas.

5. MEASURING EQUIPMENT.

Transporter and Shipper shall agree regarding arrangements for installation, ownership, operation and maintenance at or near Points of Receipt and Points of Delivery of measuring equipment, including heating value measuring equipment and telemetering equipment, which shall meet the qualifications set out in the General Terms and Conditions of Transporter's FERC Gas Tariff.

- a. If Shipper requests, and agrees to pay for the installation of measuring equipment, Transporter shall install such equipment if, in Transporter's reasonable judgement, there is no negative operational impact to Transporter. The decision to install or not install measurement equipment will be made on a nondiscriminatory basis.

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

General Terms and Conditions - continued

- b. If Shipper installs, maintains, or operates measuring equipment, such actions shall be pursuant to the specifications set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff.
- c. Shipper may install, operate and maintain, at its own expense, check measuring equipment as it shall desire, provided that check meters and equipment shall be installed as not to interfere with the operation of Transporter's meters at or near the Point of Delivery. Transporter shall have access to check measuring equipment at all reasonable hours but the reading, calibrating and adjusting thereof and changing of charts shall be done only by Shipper.
- d. Both Transporter and Shipper shall have the right to be represented at any installing, reading, cleaning, changing, repairing, inspecting, calibrating or adjusting done in connection with the other's measuring equipment installed hereunder. The records from such measuring equipment shall remain the property of the owner but the owner upon request of the other will submit records and charts, together with calculations therefrom, for its inspection and verification, subject to return within ten (10) days after receipt.

6. METER TESTS AND ADJUSTMENTS.

- a. Transporter shall test its meters at reasonable intervals in the presence of Shipper's representatives, if Shipper so elects. Shipper at its sole expense may have tests or calibrations of Transporter's meters made at reasonable times in the presence of Transporter's representatives.
 - (1) If, upon any test, measuring equipment is found to be not more than two (2) percent fast or slow, previous readings of such equipment shall be considered correct in computing deliveries of gas; the equipment shall be properly adjusted at once to record accurately.

General Terms and Conditions - continued

- (2) If, upon any test, any measuring equipment shall be found to be inaccurate by an amount exceeding two (2) percent, then any previous readings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon. In case the period is not known definitely or agreed upon, such adjustment shall be for a period extending over one-half of the time elapsed since the date of last test but not exceeding a correction period of thirty (30) days.
- b. If for any reason Transporter's meters are out of service or out of repair so that the quantity of gas delivered is not correctly indicated by the reading thereof, the gas delivered during the period such meters are out of service or out of repair shall be estimated and agreed upon on the basis of the best data available, using the first of the following methods which shall be feasible:
- (1) By using the registration of any check meter or meters if installed and accurately registering;
 - (2) By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or
 - (3) By estimating the quantity of delivery based on deliveries during preceding period under similar conditions when the meter was registering accurately.
- c. If Transporter institutes a new method or technique of gas measurement, such as electronic metering, such new method or technique may be substituted by Transporter in exercise of its reasonable judgment. Transporter shall promptly inform Shipper of any such new technique adopted and the date of its implementation.

General Terms and Conditions - continued

7. BILLING.

- 7.1 Imbalance statements will be generated at the same time or prior to the generation of the transportation invoice. On or before the ninth business day after the end of the production month, Transporter shall render invoices for all charges applicable to the preceding month. The imbalance statement shall be rendered prior to or with the invoice. Rendered is defined as postmarked, time-stamped, and delivered to the designated site. Invoices will be based on actuals (if available) or best available data. Quantities at points where OBAs exist will be invoiced based on scheduled quantities. Invoices shall include an applicable credits, including those relating to demand charges for released capacity, if paid. When information necessary for billing purposes is in the control of Shipper, such information shall be delivered to Transporter by Shipper on or before the fifth business day or each month for the prior monthly billing period.
- 7.2 Both Transporter and Shipper 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.
- 7.3 Transporter may invoice Shipper for additional charges which may be applicable. Shipper shall pay Transporter such charges within ten (1) days of the invoice date except where otherwise specified in a rate schedule.
- 7.4 BILLING ERRORS. In the event an error is discovered in the amount billed in any statement rendered by Transporter or paid thereunder, each error shall be adjusted within thirty (30) days of the determination, provided that claim shall have been made within sixty (60) days from the date of discovery of such error, but in any event with twelve (12) months from the date of any such statement.
- 7.5 PRIOR PERIOD ADJUSTMENTS. For treatment of measurement prior period adjustments, treat the adjustment by taking it back to the production month. A meter adjustment becomes a prior period adjustment after the fifth business day following the business month. Estimate missing or late measurement data and treat actual as a prior period adjustment, with the measuring party to provide the estimate. Measurement data corrections shall be processed with six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation of mutual mistake of fact. Parties other statutory or contractual rights shall not otherwise be diminished by this standard.

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

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

Prior period adjustment time limits shall be six (6) months from the date of the initial transportation invoice and seven (7) months from date of initial sales with a three (3) month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not be otherwise be diminished by this standard.

8. PAYMENTS

- 8.1 Shipper shall pay Transporter by Electronic Funds Transfer to a designated bank account established by Transporter for billed amounts equal to or greater than \$100,000 for all services rendered by Transporter. For billed amount less than \$100,000 Shipper shall pay Transporter by check to Transporter's designated Post Office Box or at Shipper's election by Electronic Funds Transfer to a designated bank account established by Transporter. Payments shall be made by Shipper to Transporter within ten (10) days from the date of the invoice (Due Date) for all charges in accordance with the provisions of the applicable Rate Schedules. Payments made by Electronic Funds Transfer shall be considered to have been made on the date when such payment of good funds is received by Transporter. Any amount not paid when due shall bear interest at the rate specified in Section 154.501(d) of the Commission's regulations from the due date until paid.

Unpaid and Disputed Bills. If an invoice is in dispute, Shipper shall pay portion not in dispute and provide documentation identifying basis for the dispute with the payment, except when payment is made by electronic funds transfer, in which case the remittance detail is due within two (2) business days of the payment due date. Should Shipper fail to pay part or all of the amount of any such bill, interest thereon shall accrue at an average prime interest rate computed in a manner consistent with Section 154.501(d) of the FERC's regulations from the DUE DATE until date of receipt of payment by Transporter. If such failure to pay continues thirty (30) days after payment is due, Transporter, in addition to any other remedy it may have, after Transporter provides Shipper with twenty (20) days prior written notice, may suspend further service to Shipper until such amount is paid; provided, however, that if Shipper in good faith disputes in writing the amount of any such bill or parts thereof and pays to Transporter such amounts as it concedes to be correct, and at any time thereafter within thirty (30) days of

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the demand made by Transporter shall furnish a good and sufficient surety bond guaranteeing payment to Transporter of the amount ultimately found due upon such bills after a final determination, which may be either by agreement or judgment of the courts as may be the case, then Transporter shall not be entitled to suspend further service unless and until default be made in the condition of such bond. If resolution of the dispute is in favor of Shipper and the Shipper furnished a surety bond and any interest assessed instead of paying the disputed amount, then the Transporter shall reimburse Shipper for the cost of securing the surety bond and any interest assessed. No payment by Shipper or the amount of a disputed bill shall prejudice the right of Shipper to claim an adjustment of the disputed bill.

8.2 Any payments received shall first be applied to accrued interest, then to additional charges due, then to the previously outstanding principal due, and lastly, to the most current principal due.

9. OPERATIONS BY SHIPPER AND TRANSPORTER.

a. Upon request, Shipper shall furnish to Transporter, as far in advance as operations permit, estimates of the expected daily, monthly and annual quantities of natural gas required by Shipper.

b. Each Party shall use reasonable efforts to deliver, or cause to be delivered, gas at reasonably uniform hourly and daily rates of flow. However, either Party may request the other to change the rates of delivery or receipt. The Party requested to make such changes will do so to the extent that it can without adversely affecting its deliveries of gas to any other customer.

c. Transporter shall deliver volumes for Shipper's account concurrently with the receipt of Receipt Volumes to the extent practicable. The Parties recognize that they may be unable to control exactly the quantities of gas received and delivered on any day and that the quantities received by Transporter may vary

General Terms and Conditions - continued

from the quantities delivered on any day. Variations shall be kept to the minimum and shall be balanced as soon as practicable. Transporter shall be under no obligation to accept from Shipper more gas at any Receipt Point than has been nominated by such Shipper for the Receipt Point for that day.

10. IMBALANCES.

Transporter is not responsible for eliminating any imbalances in volumes between Shipper and any third party, including imbalances between local distribution companies and specific end users. Transporter is not obligated to deviate from its standard operating and accounting procedures in order to reduce or eliminate any such third party imbalances. No imbalance penalty shall be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty.

11. DELIVERY.

Any transportation gas delivered by Transporter, which is designated by either Transporter or Shipper as gas to satisfy past imbalances, shall be deemed first gas through the meter relative to other transportation gas delivered by Transporter.

12. RECEIPTS.

If Transporter receives gas from Shipper at a Point of Receipt through which transportation quantities are being received, all firm transportation quantities will be deemed first through the meter and all interruptible transportation quantities will be deemed second through the meter.

13. POSSESSION OF GAS.

- a. Shipper shall be in exclusive control and possession of the gas until such has been received at the Point(s) of Receipt.

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- b. Transporter shall be in control and possession of the gas received from Shipper hereunder and is responsible for any damage or injury caused thereby until the same has been delivered at the Point(s) of Delivery. The Point(s) of Delivery of the gas is specified to be the point of division of responsibility between the parties. Thereafter, sole responsibility and liability in relation to the gas shall attach to Shipper. Transporter's responsibility with respect to Shipper's gas shall be deemed to be met if Transporter exercises due diligence in protecting such gas.
- c. Transporter and Shipper each indemnifies and saves harmless the other for any and all damages, claims or actions arising out of the maintenance or operation of the other's property or equipment. Neither party shall indemnify the other for any such damages, claims or actions arising out of the negligence of the other party, its employees or agents.
- d. Transporter may retain, free and clear of any claim by others, any drip liquids recovered on Transporter's system which separate from the stream.

14. PRESSURE.

- a. Transporter shall use due care and diligence to furnish gas hereunder at such uniform pressure as Shipper may request, but Transporter shall not be required to deliver at a pressure exceeding the normal operating pressure at point of delivery. Shipper shall install, operate and maintain such pressure regulating devices as may be necessary or appropriate to regulate the pressure of the gas after its delivery to Shipper.
- b. Shipper shall tender gas at the Point(s) of Receipt at a pressure sufficient to enter the pipeline's system. Except with the agreement of Transporter, Shipper shall not be permitted to tender the gas at any Point of Receipt at a pressure in excess of the pressure specified for that Point of Receipt as set forth in the applicable service agreement.

General Terms and Conditions - continued

15. POSSESSION, TITLE AND WARRANTY OF GAS.

- 15.1 Transporter shall be deemed to be in possession of the gas delivered by Shipper only from the time it is received by Transporter for transportation at the Point(s) of Receipt until it is delivered to Shipper, or for Shipper's account, at the Point(s) of Delivery as provided herein. Shipper shall be deemed to be in possession of such gas prior to such receipt and after such delivery. Transporter shall not have responsibility hereunder with respect to such gas before receipt by it or after delivery to Shipper, or for Shipper's account. Shipper shall have no responsibility with respect to such gas while it is deemed hereunder to be in Transporter's possession.
- 15.2 It is expressly understood that Shipper shall hold title, or a contractual right to deliver all gas delivered for transportation hereunder. In no event shall Transporter take title to gas transported pursuant to this agreement except as provided for in the General Terms and Conditions.
- 15.3 Shipper hereby warrants that gas delivered hereunder is free and clear of all liens, encumbrances, and claims whatsoever. Shipper agrees to indemnify and hold harmless Transporter against any loss or cost incurred by Transporter on account of such liens, encumbrances and claims whatsoever. Transporter warrants that at the time of delivery at the Point(s) of Delivery the gas so delivered hereunder shall be free and clear of all liens, encumbrances and claims whatsoever resulting from Transporter's possession or transportation of gas pursuant to all Rate Schedules. Transporter agrees to indemnify and hold harmless Shipper against any loss or cost incurred by Shipper on account of liens, encumbrances or claims resulting from any possession or transportation by Transporter.

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16. LIABILITY.

- a. If service under this Tariff is interrupted, Transporter shall not be liable for damages of any kind, including consequential damages, to any customer or other party.
- b. Transporter shall have the right, without liability to any customer or other party, to interrupt the receipt, transportation, or delivery of gas when necessary to test, alter, modify, enlarge, repair, or maintain any facility, property or appurtenance related to the operation of its pipeline system. Except in cases of unforeseen emergency, Transporter shall give advance notice of its intention to so interrupt the transportation of gas, stating the anticipated timing and magnitude of each such interruption.

17. REMEDIES.

- a. Transporter is not required to perform service under the Transportation Service Agreement on behalf of any Shipper that fails to comply with any and all of the terms and conditions of the Transportation Service Agreement including the applicable rate schedules and these General Terms and Conditions.
- b. In the event that Shipper shall fail to pay any bill rendered it by Transporter for gas delivered hereunder within sixty (60) days after the same becomes due, Transporter, in addition to all other remedies which it may have at law in addition to those provided herein,

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at any time thereafter may suspend the delivery of gas until payment in full has been made; provided, however, that Transporter shall provide Shipper and the Commission, forty (40) days after the payment due date, with a first written notice that Shipper has twenty (20) days in which to pay its bill and, fifty (50) days after the payment due date, a second written notice that Shipper has ten (10) days in which to pay its bill before the suspension of service takes effect.

- c. No provision of these General Terms and Conditions regarding specific remedies shall bar either Transporter or Shipper from asserting any other remedy it may have at law or in equity.
- d. Subject to requirements of regulatory bodies having jurisdiction and without prejudice to any other rights and remedies available to Transporter under the law and this Agreement, when Shipper fails to pay all charges when the same become due, Transporter, after providing the written notices as set forth in subpart (b) of this section, may suspend service upon failure to pay all or part of billed amount within sixty (60) days after the same shall become due where Shipper neither pays the bill nor provides a guarantee that the bill will be paid within the notice period. However, in the event of a bona fide dispute between the Parties in respect to the charges, Transporter shall have the right to discontinue the transportation of gas hereunder beginning thirty (30) days after the issuance of a final nonappealable decision by a court of competent jurisdiction in favor of Transporter, if Shipper has failed to remedy or correct such violation within said thirty (30) day period. Any suspended transportation of gas may be resumed at Transporter's discretion, upon payment by Shipper of unpaid charges.

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18. DULY CONSTITUTED AUTHORITIES.

- a. This Gas Tariff, including these General Terms and Conditions and the respective obligations of the parties under the Service Agreement, are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.
- b. Each Party's obligations under a Service Agreement incorporating these General Terms and Conditions are conditioned upon each Party obtaining from governmental authorities having jurisdiction such authorization as may be necessary.
- c. The Parties recognize that the rates, terms, and conditions for service hereunder may require change from time to time. Accordingly, Transporter's rates, terms and conditions, may from time to time be changed by appropriate lawful processes, including the filing of changed provisions with the FERC. Transporter shall be entitled to collect such changed rate from Shipper commencing with the effective date of such change. Shipper shall be obligated to pay the changed rate, made effective in the manner described above, but nothing herein contained shall prejudice the rights of Shipper to contest at any time changes to the charges for the services rendered hereunder by Transporter.
- d. If, by an order, opinion, approval of a settlement of any of Transporter's rate cases, or otherwise, the Commission directly or indirectly requires changes in the costs attributable to transportation by Transporter hereunder or requires changes to the rate form in which such costs are recovered, then, as of the effective date of such change in attribution or rate form, the transportation rate hereunder shall be changed to reflect the full recovery from Shipper of all costs attributed to the transportation hereunder or to reflect any new rate form.

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Superseding: Second Revised Sheet No. 63
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e. Transporter has a right to terminate agreements under this Rate Schedule immediately if the regulatory authority to perform the service provided under such agreements is terminated.

19. NOTICES AND COMMUNICATION.

Except as provided otherwise in this Tariff, communications between the Parties may be made by telephone or other mutually agreeable means without subsequent written confirmation, unless written confirmation is requested by either party hereto. Any notice, request, demand, statement bill or other formal communication provided for in these General Terms and Conditions and the rate schedules to which they apply, or any notice which either Transporter or Shipper may desire to give to the other, shall be in writing and shall only be deemed given when delivered by first class, certified or registered United States mail, overnight delivery, courier, facsimile or Electronic Notice Delivery consistent with GISB Standards as adopted in Section 23 of these General Terms and Conditions. Such delivery shall: (1) be sent to Transporter at the address specified in the Agreement, or through such electronic means as are available and authorized by Transporter, or to an address otherwise stated in a notice by Transporter to Shipper; and (2) be sent to Shipper at the address in the Agreement, or through Electronic Notice Delivery or at an address otherwise stated in a notice by Shipper to Transporter. Mailed communications shall be considered delivered when deposited in the United States mail, postage prepaid and registered, addressed to the Post Office address of Transporter or Shipper, or at such other address as either party shall designate by formal written notice. Notices pursuant to Section 27 of these General Terms and Conditions may be given orally.

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Superseding: Original Sheet No. 64

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20. COMPLAINT AND TRANSPORTATION INFORMATION AND PROCEDURES

20.1 SHIPPER COMPLAINT PROCEDURES.

The procedures applicable to a written complaint from a Shipper are as follows:

- a. Shipper notifies Transporter of any complaint Shipper may have regarding Transporter's services.
- b. Transporter obtains all necessary facts from Shipper.
- c. Transporter notifies other appropriate departments (e.g. dispatch, engineering, accounting, legal, etc.) and obtains any necessary information regarding the complaint.
- d. Transporter contacts Shipper if additional information is needed regarding the complaint.
- e. Transporter reviews and analyzes all available information and responds initially within 48 hours, prepares a formal written reply and/or proposal for action regarding the complaint, and submits it for management approval.
- f. Following management approval, a written response is sent to Shipper within 30 days of the complaint.

20.2 PROCEDURES FOR OBTAINING TRANSPORTATION INFORMATION.

Information regarding availability and pricing of transportation service, and capacity of pipeline available for transportation, may be obtained on the electronic bulletin board or by contacting Transporter at:

K N Wattenberg Transmission Limited Liability Company
P.O. Box 281304
Lakewood, CO 80228-8304
Telephone: (303) 989-1740
Facsimile: (303) 989-3632

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21. GAS RESEARCH INSTITUTE CHARGE PROVISIONS

a. PURPOSE

Transporter has joined with other gas enterprises in the formation of and participation in the activities and financing of Gas Research Institute (GRI), an Illinois not for profit corporation. GRI has been organized for the purpose of sponsoring Research, Development and Demonstration (RD&D) programs in the field of natural and manufactured gas for the purpose of assisting all segments of the gas industry in providing adequate, reliable, safe, economic and environmentally acceptable gas service for the benefit of gas consumers and the general public. The GRI Adjustment shall only be applicable to payments to GRI for Program Funding Services which are approved by the Commission.

For the purpose of funding of GRI's approved expenditures, this Section establishes a GRI Adjustment Charge to be applicable to Transporter's Rate Schedules FT and IT, as set forth on Sheet No. 6 of this FERC Gas Tariff; provided however, such charge shall not be applicable to Shippers which are Interstate pipelines and which include in their rates a charge for RD&D expenditures, or to Shipper which pay a charge for RD&D expenditures to a third party in connection with third party transportation of gas.

b. BASIS OF THE GRI ADJUSTMENT CHARGE

The Rate Schedules shall include an increment for a GRI Adjustment Charge for RD&D. Such adjustment charge shall be that increment, adjusted to Transporter's pressure base and heating value, if required, which has been approved by FERC orders approving GRI's RD&D expenditures.

FILING PROCEDURE

The notice period and proposed effective date of filings pursuant to this subsection shall be those permitted under the FERC Regulations unless, for a good cause shown, a lesser notice period and different effective date is allowed by valid Commission order. Any such filing shall not become effective without suspension or refund obligation.

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Superseding: Original Sheet No. 66

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VOLUNTARY CONTRIBUTIONS MECHANISM

Pursuant to the GRI Settlement approved by FERC order issued April 29, 1998, at Docket Nos. RP97-149-003, et al., [(83 FERC Para. 61,093 (1998))], Transporter and other pipelines have agreed to be voluntary collection agents for Shippers who voluntarily choose to contribute to GRI programs through a "check-the-box" approach on pipelines' invoices. The amounts collected pursuant to the "check-the-box" mechanism will not be part of Transporter's jurisdictional rates and the FERC will not review or approve any such amounts. The amounts contributed by Shippers through the "check-the-box" mechanism will be in addition to the amounts (if any) Transporter may be required to collect as a GRI member by applying the GRI Adjustment approved by FERC against the transactions specified Subsection 21 (a) hereof. Through this "check-the-box" mechanism, Shippers: (1) shall indicate the amounts they are voluntarily contributing to GRI and (2) may indicate the specific project(s) or project area(s) to which the amounts are applicable.

e. REMITTANCE TO GRI

Transporter shall remit to GRI, not later than fifteen (15) days after the receipt thereof, all monies received by virtue of the GRI Adjustment Charge and the "check-the-box" mechanism, less any amounts properly payable to a Federal, State or Local authority relating to the monies received hereunder. In addition, for the amounts received through the "check-the-box" mechanism, Transporter shall indicate to the GRI the amounts applicable to specific project(s) and project area(s), if so indicated by Shipper(s).

22. FEDERAL ENERGY REGULATORY COMMISSION ANNUAL CHARGE ADJUSTMENT:

a. PURPOSE

For the purpose of funding of the FERC costs incurred in any fiscal year, this Article 23 establishes an Annual Charge Adjustment to be applicable to Transporter's Rate Schedules as set forth on Sheet No. 6 of this FERC Gas Tariff. Transporter shall not recover any annual charge adjustment in a NGA Section 4 rate case.

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The basis for the charge shall be the amount which is
Determined annually by FERC pursuant to Docket
No. RM87-3 (may 29, 1987).

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Substitute Fourth Revised Sheet No. 67 Substitute Fourth Revised Sheet No. 67 : Effective
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c. REMITTANCE TO THE FERC

Transporter shall remit to the FERC, not later than forty-five (45) days after receipt of the Annual Charge Billing the Total Annual Charge stated in such billing.

23. COMPLIANCE WITH 18 C.F.R. SECTION 284.12

Transporter and Shipper shall comply with the business practice and electronic communication standards incorporated by reference in Section 284.12 of the Commission's Regulations (18 C.F.R. Section 284.12) as listed below:

- (a) General Standards (Version 1.4):
0.1.1, 0.1.2, and 0.3.1
- (b) Nominations, Confirmations and Scheduling (Version 1.4):
1.1.13, 1.1.15, 1.1.16, 1.1.17 to 1.1.19, 1.2.1, 1.2.2, 1.2.5, 1.2.8 to 1.2.11, 1.3.2(vi), 1.3.4, 1.3.7, 1.3.14, 1.3.15, 1.3.16, 1.3.20, 1.3.21, 1.3.23 to 1.3.25, 1.3.27 to 1.3.28, 1.3.29, 1.3.30 to 1.3.31, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39 to 1.3.44, 1.3.45, 1.3.46, 1.3.47 to 1.3.63, 1.3.79, 1.4.1 to 1.4.7
- (c) Flowing Gas (Version 1.4):
2.1.1 to 2.1.4, 2.2.1, 2.3.1, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.12, 2.3.15, 2.3.17, 2.3.20, 2.3.25, 2.3.31, 2.3.32 to 2.3.35, 2.4.1 to 2.4.6
- (d) Invoicing (Version 1.4):
3.3.1 to 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.10 to 3.3.13, 3.3.16, 3.3.18, 3.3.20 to 3.3.21, 3.3.22, 3.3.23 to 3.3.25, 3.4.1 to 3.4.4
- (e) Electronic Delivery Mechanisms (Version 1.4):
4.1.1 to 4.1.15, 4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.20, 4.1.21, 4.1.22 to 4.1.38, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9 to 4.2.19, 4.3.1 to 4.3.3, 4.3.5, 4.3.6 to 4.3.15, 4.3.16, 4.3.17, 4.3.18, 4.3.19, 4.3.20, 4.3.21, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.2.36 to 4.3.85
- (f) Capacity Release (Version 1.4):
5.2.1, 5.2.2, 5.3.5, 5.3.9 to 5.3.12, 5.3.17 to 5.3.18, 5.3.20 to 5.3.24, 5.3.26 to 5.3.29, 5.3.30, 5.3.31 to 5.3.33, 5.3.35 to 5.3.42, 5.4.1 to 5.4.19

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

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24. NEGOTIATED RATES

- 24.1 Transporter and Shipper may mutually agree in writing to a Negotiated Rate for service under any rate scheduled contained in Transporter's Tariff. A Negotiated Rate shall mean a rate or rate formula for service, the individual components of which may exceed the maximum reservation charge, if applicable, or commodity charge, and/or be less than the minimum commodity charge as shown on Sheet No. 6 of Transporter's Tariff for that service. Transporter's Recourse Rate is available to any Shipper that does not desire to negotiate a rate with Transporter. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.
- 24.2 For purpose of curtailment of interruptible services pursuant to Section 27.2 and for scheduled interruptible services pursuant to Section 30, Shippers which have agreed to pay a Negotiated Rate which exceeds the maximum tariff rate, when calculated on a 100 percent load factor basis, will be considered to be paying the maximum Recourse Rate. For purposes of exercising the right of first refusal pursuant to Section 28, the highest rate the original firm Shipper must match if it wishes to continue its firm service is the maximum Recourse Rate applicable to such service.

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25. DETERMINATION OF DELIVERIES

25.1 For purposes of billing, the order of nominated services through a particular delivery point, unless otherwise determined, will be:

- a. Nominated FT;
- b. Nominated IT;
- c. Authorized contract overrun deliveries;
- d. Imbalance gas;
- e. Unauthorized contract overrun deliveries.

25.2 At any receipt or delivery point, Transporter will allocate flows to Shippers according to the following methodology:

- a. Gas will be allocated first to firm transportation through the point, up to the daily nomination. If insufficient gas is available to satisfy firm nominations, the available gas will be allocated pro rata based on firm nominations;
- b. Any remaining volumes will be allocated pro rata to interruptible transportation based on the approved nominations.

25.3 PREDETERMINED ALLOCATION AGREEMENTS. Transporter will enter into mutually acceptable predetermined allocation agreements with upstream or downstream parties to accommodate allocation methodologies different than outlined in Section 25.2. The allocation methodology types which two parties may agree upon are ranked, pro rata, percentage, swing and operator provided value. If the two parties cannot agree upon an allocation methodology, pro rata based on confirmed nominations shall be used as the default method. The party responsible for custody transfer (the party performing the measurement function) shall provide the allocation. Two welded parties shall agree on who submits a predetermined allocation methodology and who allocates at the point before gas flows. There is no need to submit predetermined allocation if a transportation service provider has an operational balancing agreement in effect for a point. Only one predetermined allocation methodology shall be applied per allocation period. The upstream or downstream party providing the point confirmation shall submit the predetermined allocation to the allocating party after or during confirmation and before start of gas day. The allocating party shall send

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back confirmation of receipt of the predetermined allocation within fifteen (15) minutes. Transporter will accept GISB approved allocation methodology types from the upstream or downstream custody transfer party who is providing the point confirmation.

- 25.4 OPERATIONAL BALANCING AGREEMENTS. Transporter will enter into mutually acceptable operational balancing agreements with upstream or downstream parties.
- 25.5 The timing for reporting daily operational allocations after the gas has flowed is within one (1) business day after the end of gas day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity will be used for the daily operational allocation. The responsibility for calculation and reporting of allocated quantities will rest with the party responsible for accepting GISB allocation types. The party receiving nominations will provide allocation statements. As a minimum, allocations will be provided by both contract and location. Delivery point allocations will be performed at the lowest level of detail provided by nominations. The time limitation for disputes of allocations will be six (6) months from the date of the initial month-end allocation with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights will not otherwise be diminished by this standard. Allocated quantities and imbalances shall be expressed in the same units as the nominated quantities.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

26. RIGHT TO DELIVER THE GAS

Shipper shall have a valid right to deliver the gas to be transported at the time of tender to Transporter. Each Party shall indemnify the other Party against all damages, costs, and expenses of any nature whatsoever arising from any claim against the gas.

27. LIMITATIONS ON OBLIGATIONS

27.1 FORCE MAJEURE

- a. It is expressly agreed that Transporter shall not be liable on any account whatsoever to Shipper for any failure, interruption or diminution in delivery of gas or any act, omission or circumstance occasioned by or in consequence of accident to or breakage of pipelines, equipment or machinery, explosions, landslides, earthquakes, fires, lightning, floods, washouts, freezing, storms, the elements, the making of repairs, alterations or replacements, scheduled maintenance, strikes, lockouts or other industrial disturbances, riots, insurrections, civil disturbances, pestilence, acts of God or the public enemy, war, legal interferences, orders or requirements of any court of competent authority, depletion or destruction of gas wells, or fields, diminution or failure of, or interference, partial or entire, with Transporter's pipeline system, or, and without limitation by the foregoing, any other causes beyond reasonable control of Transporter.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

- b. Shipper shall not be liable to Transporter for any failure to accept natural gas when occasioned by or in consequence of accident or breakage of pipelines, equipment or machinery, explosions, fires, floods, freezing, storms, landslides, washouts, strikes, industrial disturbances, legal interferences, orders or requirements of competent authority, acts of God or the public enemy, or, and, without limitation by the foregoing, any other cause beyond reasonable control of Shipper. Any such cause or contingency, however, exempting Shipper from liability for non-performance (excepting where prevented by valid orders or requirements of Federal, State or other governmental regulatory bodies having jurisdiction in the premises) shall not relieve Shipper of its obligation to pay demand charges or reservation charges in accordance with the provisions of the applicable rate schedule.

- c. Each Party shall exercise reasonable diligence to remove any such interference with its receipt or delivery of gas and shall resume such take at the earliest practicable time.

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

27.2 CAPACITY CURTAILMENT

- a. Whenever the capability of Transporter's system, due to any cause whatsoever, is such that Transporter is unable to receive, transport, or deliver the quantity of gas which all customers served by Transporter required, including injection of gas into storage facilities, then receipts, transportation and deliveries will be curtailed as specified below.
- b. The order of transportation priority for purposes of interruption, from lowest to highest, is as follows:
 - (1) Interruptible service overrun
 - (2) Firm service overrun
 - (3) Interruptible service
 - (4) Secondary Firm service outside a primary path
 - (5) Secondary Firm service within a primary path
 - (6) Primary Firm service.
- (c) Whenever the capacity of all or a portion of Transporter's system or system segment, due to any cause, is such that Transporter is unable to serve all Shippers receiving interruptible services, service to Shippers receiving transportation service on an interruptible basis shall be interrupted or reduced in the order of priorities set forth above, with all services under (1) being interrupted or reduced first, all services under (2) second, all services under (3) being interrupted or reduced third, and all services under (4) last. When interruption or reduction is necessary within any one of the interruptible service categories above, Shippers receiving service at a lower rate will be interrupted before those Shippers receiving service at a higher rate. Should any Shippers have equal priority based on rate paid, available capacity shall be allocated pro rata based on accepted nominations.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

- d. Any interruptible service which is flowing on the first of the month at maximum rate cannot be interrupted by other interruptible service as long as the service continues uninterrupted for the remainder of the month. Any interruptible service which is flowing at less than maximum rate may be interrupted by interruptible service at a higher rate on forty-eight (48) hours notice. The Shipper being interrupted has twenty-four (24) hours in which to match the rate, or pay maximum rate to keep from being interrupted. Interruptible service can always be interrupted by Firm service.
- e. After all interruptible services have been interrupted, if sufficient capacity still does not exist to serve all firm customers, firm receipts, transportation and deliveries on a secondary basis will be curtailed next. Finally, firm receipts, transportation and deliveries on a primary basis will be reduced pro rata on maximum daily contract quantities.
- f. For purposes of applying the above priorities, a Shipper paying a Negotiated Rate will be subject to the provisions of Section 24 above.

27.3 SPECIFIC PIPELINE OR AREA REDUCTIONS

In the event that a receipt, transportation, and delivery capability limitation is applicable only to a specific pipeline or area of Transporter's system and the only receipt, transportation, and delivery reductions required relate to that pipeline or area, then the reductions prescribed in this Section 27 may be limited to such pipeline or area.

27.4 LIABILITY

- a. If service under this Tariff is interrupted consistent with this Section 27, Transporter shall not be liable for damages of any kind, including consequential damages, to Shipper or others, except for interruptions caused by Transporter's negligence or willful misconduct.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

- b. Transporter shall have the right, without liability to Shipper or consumers, to interrupt the transportation of gas when necessary to test, alter, modify, enlarge, or repair any facility or property comprising a part of, or appurtenant to, its pipeline system, or otherwise related to the operation thereof. Transporter shall endeavor to cause a minimum inconvenience to Shipper and consumers. Except in cases of unforeseen emergency, Transporter shall give advance notice of its intention to interrupt the transportation of gas, stating the anticipated timing and magnitude of each such interruption.

28. SERVICE AGREEMENT/RIGHT OF FIRST REFUSAL PROCESS

Shippers under Rate Schedule FT with a term of one (1) year or more may exercise the Right of First Refusal. Such agreements are not subject to pregranted abandonment provided notice is given as described herein. A firm Shipper may elect to retain a portion of its capacity, subject to the Right of First Refusal process and have Transporter's pregranted abandonment authority apply to the remainder of the capacity. For the purpose of exercising the Right of First Refusal, a Shipper paying a Negotiated Rate will be subject to the provisions of Section 24. The process for exercising the Right of First Refusal is as follows:

28.1 NOTICE

Transporter will provide no more than nine (9) months, and not less than six (6) months advance written notice of pending contract expiration to firm Shippers with contract terms of one (1) year or more. Shippers must give notice to Transporter no less than four (4) months before the expiration of its firm throughput contract that it wishes Transporter to post its capacity to begin the Right of First Refusal process.

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Failure by the Shipper to give Transporter the notice specified in this section will result in the automatic abandonment of the entitlement and the Shipper's right to the subject capacity at the end of the contract term will cease.

28.2 BIDDING PROCESS

Upon Transporter's receipt of the Shipper's Right of First Refusal notice describe in Section 28.1 above, Transporter will post the Shipper name, effective date, and primary receipt and delivery points and their associated capacity on its Interactive Web Site in order to solicit bids for the capacity.

A Bidder desiring to obtain the posted capacity must submit a bid via Facsimile (303-763-3515) to Transporter in accordance with Section 28.3 below, within thirty (30) calendar days of the posting to participate in the Right of First Refusal process.

If the tendered bids are less than maximum rate, Transporter will utilize an iterative bidding process. The highest bid will be posted on Transporter's Interactive Web Site and each iteration's best offer will be posted on the Informational Postings portion of the Interactive Web Site for informational purposes, along with the name of the highest bidder. In subsequent iteration(s), bidders will have ten (10) days to respond to Transporter after a posting; thereafter, after each bidding period, Transporter will have up to five (5) days to perform an analysis to determine the best offer as described in Section 28.4 below. The bidding process must be completed forty-five (45) days before the end of the existing contract term.

If any bid submitted by a bidder is subsequently withdrawn, any new bids submitted by such bidder for the same path(s) must be at a higher rate. Transporter will have the right to reject, on a non-discriminatory basis, any bid not at the maximum rate.

28.3 CONTENTS OF BID

Service Agreements will be required and must contain the corresponding bid's price, term, amount of capacity desired, and primary receipt and delivery points.

When any Shipper bids the maximum rate, such Shipper is only required to bid up to the maximum rate for its requested receipt and delivery points, not the maximum rate which may apply to different receipt and delivery points which could be charged for such service.

Multiple bids (defined as different bids made for different portions of the total capacity) will be permitted.

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28.4 BEST OFFER

Transporter will determine which bid constitutes the best offer by determining the highest economic unit value (per Dth of capacity) to Transporter. A calculation based on the formula and interest rate set forth in Section. 31.2 will be used to determine the highest economic unit value. The comparative economic unit value of each bid will be determined by calculating the Net Present Value (NPV) of the reservation charges or other form of revenue guarantee of each offer over either the term of the offer or five (5) years, whichever is less, and then dividing by the quantity of the respective bid. However, if the bid is at maximum rate and the term is more than five (5) years, the entire term will be considered in determining the economic unit value. For a Shipper's bid with a reservation rate or other form of revenue guarantee which exceeds the maximum Recourse Rate during all or any portion of the bid term, the NPV calculated for the bid may not exceed the NPV calculated assuming that the maximum Recourse Rate shall be in effect during the full term of the bid.

In the event equivalent offers are submitted, the capacity will be made available on a pro rata basis to the equal bidders. Should any one of the equal bidders veto their pro rata allocation of the capacity, Transporter will then conduct a lottery to select the winning bidder, who will then, if the bid is not matched under Section 28.5 below, be allotted its requested capacity. The remainder of said capacity, if any, will be available to the other equal bidder(s) on a pro rata basis, which will again trigger the veto/lottery selection process.

Transporter will post the name of the winning bidder of the capacity for a period of no less than five (5) work days.

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

28.5 MATCH

The original firm Shipper shall have the option to execute a firm service agreement which exactly matches the rate and term of the bid constituting the highest economic unit value to Transporter, except that the original firm Shipper need not match a contract term of more than five (5) years. The original firm shipper need only match the quantity bid if the quantity bid is less than the quantity offered under Section 28.3 above. Transporter will notify the original firm Shipper within five (5) work days of the best offer it must match by tendering to such Shipper a service agreement. The service agreement must be executed by the original firm Shipper within fifteen (15) days of Transporter's tender thereof. Transporter is not required to accept an offer at less than the maximum rate.

28.6 NO BIDS

Where there are no competing bids for the capacity and the original firm Shipper agrees to pay the maximum rate, service may be contracted for any term the original firm Shipper chooses. Transporter is not required to accept an offer at less than the maximum rate. If Transporter rejects a bid at less than the maximum rate, the original Shipper will receive continued service at the maximum rate unless a negotiated rate is agreed to by Transporter and the original Shipper.

29. GENERAL

For purposes of Transporter's Service Schedules, the following subparagraphs also shall be applicable:

29.1 TARIFF CHANGES

- a. The rates, terms, and conditions, for Services may require change from time to time. Accordingly, Transporter's rates, terms and conditions, may from time to time be changed by appropriate lawful processes, including the filing of changed provisions with the FERC.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

Transporter shall give Shipper written notice of any filing of Tariff Sheets with the Commission, reflecting any proposed change in such jurisdictional rates and charges. Transporter shall be entitled to collect such changed rate from Shipper commencing with the effective date of such change. Shipper shall be obligated to pay the changed rate, made effective in the manner described above, but nothing herein contained shall prejudice the rights of Shipper to contest at any time changes to the charges for the services rendered by Transporter.

29.2 LIMITATION OF SERVICE

After giving Shipper ten (10) days notice in which to comply, Transporter shall not be required to perform and may suspend service under the Agreement on behalf of any Shipper that fails to comply with any and all of the terms and conditions of the Service Agreement, including the applicable rate schedules and these General Terms and Conditions but excluding the suspension of service for non-payment in Section 17 of these General Terms and Conditions. Transporter may suspend service immediately if Shipper's actions or failure to act threaten the integrity of the Transporter's system.

29.3 ODORIZATION

Transporter shall have no obligation whatsoever to odorize the natural gas delivered, nor to maintain odorant levels in such gas.

29.4 POOLING POINTS

If requested by a Shipper or supplier on Transporter's system, Transporter shall offer at least one pool. Deliveries from receipt points can be delivered directly into one pool and delivery points can receive quantities from at least one pool, excluding non-contiguous facilities. Transactions at pooling points shall not be consolidated for billing purposes.

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

29.5 CREDIT WORTHINESS

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

For purposes herein, the insolvency of a Shipper shall be evidenced by the filing by shipper, or any parent entity thereof, of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

30. SCHEDULING PRINCIPLES

a. The order for scheduling transportation services is as follows:

- (1) Firm Services at primary points (schedule pro rata based on nominations);
Firm Services at secondary points (scheduled pro rata based on nominations);
Firm Services at secondary points within the primary path have priority over Firm Services at secondary points outside the primary path
- (3) Interruptible Services at maximum rates (scheduled pro rata based on nominations);
- (4) Interruptible Services at less than maximum rates (scheduled by rate);
- (5) Firm Service overrun (scheduled pro rata based on nominations);
- (6) Interruptible Service overrun (scheduled pro rata based on nominations).

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- b. Released capacity has the same priority as non-released capacity.
- c. Released FT is considered firm services.
- d. For purposes of applying the above scheduling order, a Shipper paying a Negotiated Rate will be subject to the provisions of Section 24 above.
Firm intra-day nominations are entitled to bump scheduled Interruptible volumes only during the Evening and Intra-Day 1 Nomination Cycles, as defined in Section 6.1. Firm intra-day nominations are not entitled to bump already scheduled firm volumes.

31. CAPACITY RELEASE BY FIRM SHIPPERS

31.1 GENERAL

(a) Subject to the terms, conditions and limitations set forth in this Section 31, a Shipper holding capacity rights under an Eligible Firm Transportation Agreement shall have the right to release all or a portion of such capacity rights and, if a capacity release is effectuated under this Section 31, to receive a credit for reservation charge revenues received by Transporter from that other Shipper for such released capacity.

(b) The deadlines set forth in this Section 31 are applicable to all parties involved in the capacity release process; however, they are only applicable if all information provided by the parties to the transaction is valid and the Replacement Shipper (or Subreplacement Shipper, if applicable) has been determined to be creditworthy before the Qualified Bid is tendered, and there are no special terms or conditions of the release.

(c) Following is a summary of the capacity release process and deadlines set forth in greater detail in the remainder of this Section 31:

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

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

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

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- (iii) Evaluation period ends at 3:15 p.m. CCT;
 - (iv) Match or award is communicated by 3:15 p.m. CCT;
 - (v) Match response by 4:00 p.m. CCT;
 - (vi) Award posting by 5:00 p.m. CCT;
 - (vii) Posting of pre-arranged deals not subject to bid by 9:00 a.m. Central Clock Time on the day of nominations;
 - (viii) Released Firm Transportation Agreement tendered with contract number by 10:00 a.m. Central Clock Time; contract executed; nomination possible for next Day gas flow.
- (2) For longer term releases (five months or more):
- (i) The Capacity Release Request should be tendered by no later than 1:00 p.m. Central Clock Time four (4) Business Days before the award for long-term releases;
 - (ii) The open season ends no later than 2:00 p.m. Central Clock Time on the day before nominations are due (open season is three Business Days);
 - (iii) Evaluation period begins at 2:00 p.m. Central Clock Time during which contingency is eliminated, determination of best bid is made, and ties are broken;
 - (iv) Evaluation period ends at 3:15 p.m. CCT;
 - (v) Match or award is communicated by 3:15 p.m. CCT;
 - (vi) Match response by 4:00 p.m. Central Clock Time;
 - (vii) Award posting by 5:00 p.m. Central Clock Time;
 - (viii) Posting of pre-arranged deals not subject to bid by 9:00 a.m. Central Clock Time on the day of nominations;
 - (ix) Released Firm Transportation Agreement tendered with contract number by 10:00 a.m. Central Clock Time; contract executed; nomination possible for next Day gas flow.

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31.2 DEFINITIONS

(a) BID VALUE

The value assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 31.10 or, if applicable, the bid evaluation procedures set forth in the Capacity Release Request.

(b) CAPACITY RELEASE REQUEST

The request that a Releasing Shipper submits to initiate the capacity release procedure under this Section 31.

(c) ELIGIBLE FIRM TRANSPORTATION AGREEMENT

A transportation agreement under Rate Schedule FTS.

(d) MAXIMUM BID VOLUME

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

(e) MINIMUM BID VOLUME

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

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

(f) ORIGINAL SHIPPER

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

(g) PREARRANGED RELEASE

The binding written release agreement between a Releasing Shipper and a Prearranged Shipper covering Eligible Firm Transportation Agreement capacity rights, the effectiveness of which is subject only to: (1) the prequalification of the Prearranged Shipper under Section 31.15; and (2) the release of such capacity rights to the Prearranged Shipper as provided by this Section 31.

(h) PREARRANGED SHIPPER

A person or entity prequalified under Section 31.15 who has entered into a Prearranged Release with a Releasing Shipper for Eligible Firm Transportation Agreement capacity rights.

(i) QUALIFIED BID

A binding bid prequalified under Section 31.15 by a Qualified Bidder for capacity rights subject to a Capacity Release Request under this Section 31.

(j) QUALIFIED BIDDER

Any person or entity prequalified under Section 31.15 who bids for capacity rights being released under this Section 31.

(k) RELEASED FIRM TRANSPORTATION AGREEMENT

The agreement between Transporter and a Replacement Shipper or a Subreplacement Shipper by which the Replacement Shipper or Subreplacement Shipper confirms the receipt of capacity rights under an Eligible Firm Transportation Agreement released by a Releasing Shipper under this Section 31.

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- (l) **RELEASING SHIPPER**
Any Shipper holding capacity rights under an Eligible Firm Transportation Agreement or Released Firm Transportation Agreement who has released or seeks to release such capacity rights pursuant to this Section 31.
- (m) **REPLACEMENT SHIPPER**
A Shipper receiving capacity rights under an Eligible Firm Transportation Agreement pursuant to a direct release from an Original Shipper under this Section 31.
- (n) **SHORT-TERM PREARRANGED RELEASE**
A Prearranged Release with a term of thirty-one (31) days or less.
- (o) **SUBREPLACEMENT SHIPPER**
A Shipper receiving capacity rights released from an Eligible Firm Transportation Agreement by a Replacement Shipper or a Subreplacement Shipper under this Section 31.
- (p) **UNIT BID VALUE**
The unit value per Dth assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 31.10.
- (q) **WINNING BID VALUE**
The highest possible total Bid Value achievable under Section 31.10 for the Capacity Release Request from the Qualified Bids consistent with the Capacity Release Request and this Section 31.

31.3 **RELEASE WITHOUT A PREARRANGED SHIPPER**

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

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- (a) The Releasing Shipper's legal name, address and phone number, the Eligible Firm Transportation Agreement number, the date of the Eligible Firm Transportation Agreement and the name and title of the individual responsible for authorizing the capacity release;
- (b) The quantity of the capacity (in Dth per day) and the transportation path(s) being released, including identification by Transporter's PIN Number of the Receipt Points, Delivery Points and the firm capacity to be released at each such point;
- (c) Whether the capacity being released is subject to recall and/or reput, and if so, the exact conditions for such recall and/or reput (which conditions must conform to Sections 31.5 and 31.14);
- (d) The proposed effective date and proposed term of the release;
- (e) Whether the Releasing Shipper wants Transporter to actively market the Releasing Shipper's capacity rights pursuant to Section 36 of these General Terms and Conditions;
- (f) Whether the Releasing Shipper will accept Qualified Bids which are contingent on subsequent events (such as the subsequent purchase of upstream or downstream capacity), and if so, what events and the last date by which such contingency must be fulfilled;
- (g) The starting date for the open season and the length of time for the open season (which must conform to Section 31.7);
- (h) Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the volume transported, and if so, any minimum amount to be billed as a reservation charge even if there is no flow (or insufficient flow);
- (i) Which of the bid evaluation procedures set forth in Section 31.10 the Shipper wishes to use, if any;
- (j) Whether the Qualified Bids are to specify dollars and cents and/or percents of maximum tariff rate (to the extent the rate ceilings on such release have been waived pursuant to 18 C.F.R. Section 284.8(i), such percents may exceed 100%); and

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(k) Any other applicable conditions (which must conform to Section 31.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 31.10 for evaluating Qualified Bids for its capacity rights, and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be awarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 31.5(a).

31.4 PREARRANGED RELEASE

Subject to Section 31.6, a Shipper seeking to release its Eligible Firm Transportation Agreement capacity rights to a Prearranged Shipper shall deliver a Capacity Release Request to Transporter's electronic system or via EDI at Transporter's designated site for an open season. The Capacity Release Request shall set forth:

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

(b) A statement that the Prearranged Shipper has agreed to be bound by a capacity award to the Prearranged Shipper under this Section 31 by Transporter and to execute a Released Firm Transportation Agreement, which consists of Transporter's standard form of FTS Agreement and the terms and conditions of the Prearranged Release, in accordance with Transporter's Tariff. Such statement shall also set forth:

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

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

(3) Whether the capacity being released is subject to recall and/or repute in the Prearranged Release and, if so, the exact conditions of such recall and/or repute (which conditions must conform with Sections 31.5 and 31.14); and

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

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

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

(e) Whether the Releasing Shipper wants Transporter to actively market its capacity rights subject to the Prearranged Release pursuant to Section 36 of these General Terms and Conditions;

(f) The starting date for and the length of time for the open season (which must conform to Section 31.7) and the length of time [consistent with Section 31.9(b)] for the Prearranged Shipper to be able to match a winning Qualified Bid;

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

(h) Which of the bid evaluation procedures set forth in Section 31.10 the Shipper wishes to use, if any;

(i) Whether the Qualified Bids are to specify dollars and cents and/or percents of maximum tariff rate [to the extent the rate ceilings on such release have been waived pursuant to 18 C.F.R. Section 284.8(i), such percents may exceed 100%]; and

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(j) Any other applicable conditions (which must conform with Section 31.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 31.10 for evaluating Qualified Bids for its capacity rights, and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be awarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 31.5(a).

31.5 CAPACITY RELEASE REQUIREMENTS

(a) All terms and conditions relating to a release which is the subject of a Capacity Release Request: (1) must be nondiscriminatory and applicable to all potential bidders; (2) must be made available to Transporter for posting; (3) must relate solely to the details of acquiring or maintaining the transportation capacity rights on Transporter, which are the subject of the release; and (4) must not place any obligations or burdens on Transporter in addition to the terms and conditions applicable to a capacity release under this Section 31 which are specified in Transporter's Tariff. Any bid evaluation procedure elected by a Releasing Shipper different from Transporter's bid evaluation procedure set forth in Sections 31.10(b) through 31.10(d) must be objective, nondiscriminatory in all circumstances and contain a complete description of the bid evaluation procedure for posting on Transporter's electronic system. Transporter may require the Releasing Shipper to submit a working computer program to Transporter in diskette form which is compatible with Transporter's electronic system computer which will enable Transporter to make such alternative bid evaluation entirely through Transporter's electronic system, prior to the time any alternative bid evaluation procedure is requested, if such bid evaluation procedure is not based on (1) highest rate; (2) net revenue; or (3) present value as determined in Sections 31.10(b)(1) through 31.10(b)(4) (collectively referred to as "Acceptable Alternative Bid Evaluation Procedure") and the remaining procedures set forth in Sections 31.10(c) and 31.10(d). If the Releasing Shipper elects a bid evaluation procedure that differs from Transporter's bid evaluation procedure or the Acceptable Alternative Bid Evaluation Procedure and the remaining procedures set forth in Sections 31.10(c) and 31.10(d), Transporter shall not be held to the

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subsequent deadlines set forth in this Section 31, but Transporter shall make a reasonable attempt to adhere to such deadlines. Transporter shall publish standards relating to such computer diskettes, but it is the responsibility of the Releasing Shipper to develop and provide the working computer diskette. The Releasing Shipper shall warrant that the computer diskette conforms to the bid evaluation procedure in the Capacity Release Request.

(b) The term of any release of capacity sought under this Section 31 shall be at least one full day and shall not exceed the remaining term of the Eligible Firm Transportation Agreement.

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

(d) (1) No capacity release under this Section 31 shall result in an increase in the total capacity set forth in the Eligible Firm Transportation Agreement with the Original Shipper for any segment of a path covered by such Eligible Firm Transportation Agreement. In the event a path is segmented by a capacity release under this Section 31, the upstream path segment shall receive all secondary points upstream of the break point and the downstream path segment shall receive all secondary points downstream of the break point. The direction of "forward" flow for path segments must be the same direction of "forward" flow for the original path. The Replacement Shipper may nominate service at Receipt and Delivery Points for the path segment that result in a reverse flow from the original path; however, such service will be treated as being outside of the path.

(2) The commodity and reservation charges applicable to deliveries to and from newly created path endpoints as a result of a path segment release shall be determined in accordance with Section 3 of Rate Schedule FTS; provided, however, that from March 27, 2000 through September 30, 2002, a bid may exceed the maximum reservation charge, to the extent the rate ceilings have been waived for released capacity contracts of less than one (1) year pursuant to 18 C.F.R. Section 284.8(i).

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

(e) A Capacity Release Request may include the right by a Releasing Shipper to recall all or part of the capacity, and/or to repute all or part of the recalled capacity, at any time and from time to time. All recalls or reputs must be made in accordance with the other provisions of Transporter's Tariff, including Section 31.14 of these General Terms and Conditions.

(f) (1) The Releasing Shipper may withdraw its posted Capacity Release Request during an open season under this Section 31 where unanticipated circumstances justify and no minimum bid has been received; following the close of the open season, a Releasing Shipper may not reject a winning Qualified Bid.

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

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

(g) A Replacement Shipper or Subreplacement Shipper may release the capacity under the provisions of this Section 31 (except as prohibited by the Federal Energy Regulatory Commission Regulations).

(h) Any Capacity Release Request not in compliance with this Section 31.5 and the other provisions of Transporter's Tariff shall be null and void and, even if posted, may be removed from Transporter's electronic system by Transporter at any time.

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

31.6 OPEN SEASON EXCEPTIONS

An open season is not required for: (a) a Prearranged Release for the maximum reservation charge applicable to the capacity being released; or (b) a Short-term Prearranged Release. A Capacity Release Request which is not subject to an open season need only contain the information required in Sections 31.4(a) and (b). Such Capacity Release Request must be delivered to Transporter's electronic system (or in writing for posting on Transporter's electronic system if Transporter's electronic system is unavailable for receiving Capacity Release Requests) sufficiently in advance so that the release may become effective under Section 31.9 before the release transaction is to commence. A Releasing Shipper may not 1) rollover, extend or in any way continue a Short-term Prearranged Release without first complying with advance posting and bidding requirements, or 2) re-release with the same Replacement or Subreplacement Shipper until twenty-eight (28) days after the Short-term Prearranged Release has ended unless the Releasing Shipper complies with the Capacity Release Request provisions in Sections 31.3 and 31.4.

31.7 POSTINGS; OPEN SEASON

(a) A Capacity Release Request received by Transporter via EDI (which is applicable only for Prearranged Capacity Release Request) or through the electronic system prior to the starting time of the open season requested by the Releasing Shipper in its Capacity Release Request in conformance with this Section 31 shall be posted on Transporter's electronic system as requested. The posting shall contain the information contained in the Capacity Release Request, except that all identifying information, and the minimum price in any minimum price condition requested to be held confidential by the Releasing Shipper (but not the existence of the minimum bid condition), shall be kept confidential and shall not be posted. The posting shall also include the maximum reservation charge (including all reservation surcharges) applicable to the capacity subject to the Capacity Release Request or a statement that the maximum rate does not apply where the rate ceiling on such releases has been waived pursuant to 18 C.F.R. Section 284.8(i), the beginning and ending time for the open season and the time the notice was posted. Transporter shall post the Capacity Release Request upon receipt, unless the Releasing Shipper requests otherwise. If the Releasing Shipper requests a posting time, Transporter will comply with that request as long as it comports with the deadlines set forth in this Section 31.

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

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

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Superseding: Original Sheet No. 87C

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

31.8 QUALIFIED BIDS FOR RELEASED CAPACITY RIGHTS

(a) At any time during an open season, a Qualified Bidder may submit a Qualified Bid to Transporter's electronic system (or in writing for posting on Transporter's electronic system if Transporter's electronic system is unavailable for receiving Qualified Bids) seeking released capacity rights under a Capacity Release Request. In addition to being prequalified for credit pursuant to Section 31.15, each Qualified Bid must include the following:

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

(2) The term for the purchase;

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

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

(5) A statement that the Qualified Bidder agrees to all the terms and conditions of the Capacity Release Request, with only the modifications as expressly provided in its Qualified Bid, which modifications must be permitted by the Capacity Release Request and must conform with the requirements in Section 31. In the event that the Releasing Shipper has stated that Qualified Bid(s) may be contingent upon subsequent events and the Qualified Bidder submits such a contingent Qualified Bid, then the Qualified Bidder must state in full the nature of the condition and the last date by which the Qualified Bid is null and void if the contingency does not occur; and

(6) Agreement that the Qualified Bidder is bound by the terms and conditions of the capacity award by Transporter pursuant to this Section 31 to the Qualified Bidder, including Transporter's standard form of Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with Transporter's Tariff.

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(b) The volume in a Qualified Bid may not be less than the minimum volume required for an Eligible Firm Transportation Agreement under Transporter's Tariff. Neither the volume nor the release term specified in a Qualified Bid may exceed the maximum volume or term specified in a Capacity Release Request, unless the Capacity Release Request specifically allows otherwise. A Qualified Bidder must accept all the terms and conditions of a Capacity Release Request submitted under Section 31.4 (involving a Prearranged Release) except for the level of the reservation charge and the MDQ, unless the Capacity Release Request specifically allows otherwise.

(c) A Qualified Bidder may not bid rates which would exceed Transporter's maximum reservation charge applicable to the Eligible Firm Transportation Agreement capacity. If the Original Shipper is paying a Negotiated Rate or a rate under a Negotiated Rate Formula pursuant to Section 38 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the applicable Recourse Rate. The maximum Qualified Bid reservation charge includes all demand surcharges, including all direct-billed charges which are or may become applicable to the Eligible Firm Transportation Agreement capacity. Notwithstanding the foregoing, Qualified Bids may exceed the maximum reservation charge through September 30, 2002, to the extent the rate ceilings have been waived for released capacity contracts of less than one (1) year pursuant to 18 C.F.R. Section 284.8(i).

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

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

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

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

31.9 AWARDING OF RELEASED CAPACITY; EFFECTIVE DATE; GAS NOMINATIONS

(a) For a Prearranged Release for which no open season is required under Section 31.6 and which is received by 9:00 a.m. Central Clock Time on a business day, Transporter shall award the capacity to the Prearranged Shipper by 10:00 a.m. Central Clock Time on such business day on which Transporter received the Prearranged Release, provided that all applicable provisions of this Section 31 have been complied with.

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

(c) For any other Capacity Release Request, the capacity rights shall be automatically awarded to the winning Qualified Bidder(s) when Transporter has identified the entity(s) to receive the released capacity under this Section 31.

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

(1) The applicable nomination deadline set forth in Section 6 of each of the Rate Schedules for the start of service requested for such release in the Capacity Release Request; or

(2) The applicable nomination deadline set forth in Section 6 of each of the Rate Schedules on the day following the capacity award.

(e) Gas nominations for transportation pursuant to released capacity are subject to the provisions of Section 6 of each of the Rate Schedules. Gas nominations by a Shipper utilizing released capacity awarded by Transporter shall constitute Shipper's binding acceptance of the terms and conditions of the capacity award by Transporter pursuant to this Section 31, including Transporter's standard form of Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with Transporter's Tariff.

(f) Subject to the other provisions in this Section 31, in the event that there is no Qualified Bidder or Prearranged Shipper for posted Eligible Firm Transportation Agreement capacity during an open season, no capacity release will be awarded and the Releasing Shipper shall retain the capacity sought to be released.

31.10 BID EVALUATION PROCEDURE

(a) Unless specifically requested otherwise by a Releasing Shipper in its Capacity Release Request, Qualified Bids for released capacity shall be evaluated pursuant to Sections 31.10(b) through 31.10(g) below. Any Qualified Bid which does not meet a minimum price condition stated in the Capacity Release Request shall be rejected outright. Any Qualified Bid with a contingency must have such contingency eliminated before 3:00 p.m. Central Clock Time following the close of the open season, unless the Releasing Shipper's offer has specified a later time; otherwise, such Qualified Bid will be rejected.

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

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

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

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

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

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

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

(d) If there is more than one combination of Qualified Bids with a total Bid Value equal to the Winning Bid Value this Section 31.10(d) provides the procedure for selecting just one such combination, and thereby the winning Qualified Bid(s).

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Subject to the provisions in Sections 31.10(d) (1), (2) and (3) below, the selection of winning Qualified Bid(s) among Qualified Bids (or combinations thereof) of equal Winning Bid Value is based on the following order of preference: (i) pro rata, if possible; (ii) preference for a Qualified Bid with the highest Maximum Bid Volume; (iii) preference for a Qualified Bid with the lowest Minimum Bid Volume; and (iv) first come, first served.

The specific Qualified Bid selection procedure is as follows:

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

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

(3) In the event that the previous Section 31.10(d) (2) pro rata allocation procedure does not result in a single winning combination of Qualified Bid(s) with the Winning Bid Value, then Section 31.10(d) (2) shall be disregarded and the winning Qualified Bid(s) shall be determined in the following manner:

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

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

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

(4) In no event shall the combination of winning Qualified Bid(s) result in a total Bid Value less than the highest possible total Bid Value achievable from a combination of Qualified Bid(s) consistent with the Qualified Bids, the Capacity Release Request and this Section 31.

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(5) The Qualified Bid(s) allocated capacity under Sections 31.10(c) or 31.10(d) shall be winning Qualified Bid(s) to the extent of such capacity allocations.

(6) Here are examples of the application of Section 31.10(d):

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EXAMPLE (1) Assume:

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

Qualified Bids:

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

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

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

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

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

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

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

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EXAMPLE (4) Assume:

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

Qualified Bids:

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

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

Explanation: There are many combinations of Bids (a), (b), (c), (d) and (e) with the same Winning Bid Value. Each Bid has the same Unit Bid Value. There is insufficient capacity being released to provide all the Maximum Bid Volumes for Bids (a), (b), (c), (d) and (e). Pursuant to Section 31.10(d)(2), a pro rata allocation is attempted. This would result in each bidder receiving 100/270 of its Maximum Bid Volume. In the case of Bid (c), Bid (c) would receive 70,000 (100/270) = 25,925 Dth. Since this figure is below Bid (c)'s Minimum Bid Volume of 45,000, Bid (c) must be discarded. Bids (a), (b), (d) and (e) are able to be allocated capacity based on a 100/270 pro rata factor. With Bid (c) discarded, the pro rata allocation factor is now 100/200 (i.e., one-half) so that Bids (a), (b), (d), and (e) each receive half of their Maximum Bid Volumes. Bid (c) receives zero (0) because its Minimum Bid Volume was too high for the initial pro rata allocation.

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

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EXAMPLE (5) Assume:

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

Qualified Bids:

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

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

Explanation: Again, there are many combinations of Bids (a), (b), (c), (d) and (e) with the same Winning Bid Value. Pro rata allocation won't work, because each Bid would receive 100/270 of the capacity; only Bids (d) and (e) have low enough Minimum Bid Volumes for a pro rata allocation, and the sum of Bid (d)'s and Bid (e)'s Maximum Bid Volumes is less than 100,000. Under Section 31.10(d)(3)(A), we then look to the combinations of Bid(s) (a), (b), (c), (d) and (e) to identify the Bid with the highest Maximum Bid Volume. This is Bid (c). We allocate the highest volume to Bid (c) consistent with creating the Winning Bid Value, so 70,000 is allocated to (c). This leaves 30,000 to be allocated. Bids(a) and (b) have the next highest Maximum Bid Volume (60,000), but the Minimum Bid Volumes of Bids (a) and (b) are each too high to receive the remaining capacity. The next highest available Maximum Bid Volume is in Bid (d), which is allocated the remaining capacity of 30,000.

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

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

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

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

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

(Pro rata allocation pursuant to Section 31.10(d) (2) between Bids
(a), (b) and (e) doesn't work, because only Bid (e) has a low enough
Minimum Bid Volume to accept 100/150 capacity allocation and Bid (e)
alone cannot create the Winning Bid Value). Under Section
31.10(d) (3) (A), we compare Combinations 1 and 2 for the highest
individual Maximum Bid Volumes, and find them all equal. Under
Section 31.10(d) (3) (B), the tie breaker goes to the Winning Bid Value
combination containing the Qualified Bid having the highest Maximum
Bid Volume and the lowest Minimum Bid Volume. In this case, Bid (b)
has the same (highest) Maximum Bid Volume as Bid (a) but a lower
Minimum Bid Volume. Therefore, Combination 2 wins.

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EXAMPLE (7) Assume:

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

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

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

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

Explanation: Clearly, any two Bids in combination have the same Winning Bid Value. Since the Bids are completely inflexible and have equivalent Maximum Bid Volumes and equivalent Minimum Bid Volumes, only Section 31.10(d)(3)(C) can be used to break the tie. The tie breaker looks to the Qualified Bid(s) shown as received earliest on Transporter's electronic system.

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(e) In no event shall this Section 31.10 result in winning Qualified Bids with a total volume in excess of the capacity specified in the Capacity Release Request.

(f) The bid evaluation procedure set forth in this Section 31.10 shall only consider Qualified Bids to the extent they provide for an objectively quantifiable payment by the Qualified Bidder. A Qualified Bid based on a percentage of Transporter's reservation charge shall be evaluated by Transporter based solely on the maximum reservation charge being charged by Transporter for such service as of the end of the open season.

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(g) If the Releasing Shipper selected a bid evaluation procedure which is different from the procedure set forth in this Section 31.10, which procedure must comply with Section 31.5, Transporter shall determine the winning Qualified Bid(s) pursuant to the Releasing Shipper's bid evaluation procedure in its Capacity Release Request and computer diskette (if any) submitted by the Releasing Shipper pursuant to Section 31.5(a).

31.11 CONFIRMATIONS; RELEASED FIRM TRANSPORTATION AGREEMENT

At the time the award of capacity under this Section 31 is posted, Transporter shall send the winning Qualified Bidder or the Prearranged Shipper confirmation of the capacity release awarded to such Qualified Bidder or Prearranged Shipper. Prior to Transporter awarding capacity on a Prearranged Release, the Prearranged Shipper shall confirm electronically the terms of the Prearranged Release.

31.12 COMPLETED TRANSACTIONS

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

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31.13 BILLING

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

(b) A Releasing Shipper shall be billed the reservation charge associated with the entire amount of released capacity pursuant to its contract rate, which includes all non-commodity based charges under Transporter's Tariff for such released capacity including but not limited to additional direct-bill charges, with a concurrent conditional credit for payment of the reservation charge due from the Replacement or Subreplacement Shipper(s), as applicable, which received the released capacity. Releasing Shipper shall also be billed a marketing fee, if applicable, pursuant to the provisions of Section 34 of these General Terms and Conditions. As to any capacity released by a Releasing Shipper, the Releasing Shipper shall not be billed or be responsible for: (1) commodity charges; (2) scheduling charges or cashouts of imbalances; and (3) add-on charges and surcharges applicable to Transporter's commodity rates under Transporter's Tariff such as ACA, Fuel Gas and Unaccounted For Gas, which are incurred by a Replacement Shipper or Subreplacement Shipper which received the released capacity.

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

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

31.14 NOMINATIONS/SCHEDULING; RECALLS AND REPUTS

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

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

31.15 QUALIFICATION FOR PARTICIPATION IN THE CAPACITY RELEASE PROGRAM

(a) Any person wishing to become a Qualified Bidder and make a Qualified Bid must satisfy the creditworthiness requirements in Section 29.5 of these General Terms and Conditions prior to submitting a Qualified Bid under this Section 31. A person cannot bid for services which exceed its pre-qualified level of creditworthiness. Transporter shall process--and encourages--applications from potential Qualified Bidders seeking prequalification for bids they may make in the future.

(b) Credit applications shall be completed in full with all information required to establish creditworthiness under the credit criteria included in Section 29.5 of these General Terms and Conditions. Should a potential bidder fail to satisfy such credit criteria, the potential bidder may still become a Qualified Bidder by providing a prepayment, letter of credit, security interest or guarantee satisfactory to Transporter as further set forth in Section 29.5 of these General Terms and Conditions.

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

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

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31.16 COMPLIANCE BY SHIPPER

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

31.17 OBLIGATIONS OF RELEASING SHIPPER

(a) The Releasing Shipper shall continue to be liable and responsible for all reservation charges associated with the released capacity up to the reservation charge specified in such Releasing Shipper's Agreement with Transporter. The Releasing Shipper agrees that the award of capacity to a Replacement Shipper or Subreplacement Shipper shall automatically reduce the Releasing Shipper's firm capacity rights under the Agreement with Transporter effective on the effective date of the release for the period of the release, except for any period that the firm capacity is recalled by the Releasing Shipper (if the successful bid so permits) until such capacity is reput to the Replacement or Subreplacement Shipper, in accordance with this Section 31.

(b) A release by a Replacement Shipper shall not relieve the Original Shipper or the Replacement Shipper of their obligations under this Section 31.

31.18 CONVERSIONS BETWEEN MONTHLY AND DAILY RESERVATION RATES

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

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GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

32. OPERATIONAL PARAMETERS

32.1 OPERATIONAL FLOW ORDERS

- a. An operational flow order is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe conditions or system integrity, of Transporter's system or to main operations required to provide efficient and reliable firm service. Whenever Transporter experiences these conditions, any pertinent order shall be referred to as an Operational Flow Order. Transporter shall have the right to issue operational flow orders (OFO) as specified in this Section if such action is required in order to alleviate conditions which in Transporter's opinion threaten the integrity of Transporter's system, to maintain pipeline operations at the pressures required to provide

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efficient and reliable transportation services, to have adequate gas supplies in the system to deliver on demand (including injection of gas into the mainline, and providing line pack in the right quantity at the right place and time), to maintain service to all Shippers and for all services, and/or to maintain the system in balance for the foregoing purposes. Before issuing an OFO, Transporter will attempt to identify specific customers causing a problem and attempt to remedy those problems. Upon issuing an OFO, Transporter shall notify all affected Shippers by telephone and facsimile as well as by providing the information through Electronic Notice Delivery consistent with GISE Standards as adopted in Section 23 of these General Terms and Conditions. Transporter will also post the notice on the Information Postings portion of its Interactive Website. Shipper must notify Transporter of the name and telephone number of a person who will be available on a twenty-four (24) hour basis to receive notice of the issuance of an OFO. Transporter will give a twenty-four (24) hour phone number in the notice. Where operationally feasible, service to interruptible Shippers will be suspended prior to issuing an OFO interrupting service to firm Shippers.

If an OFO is issued, Transporter will direct one or more Shippers to adjust receipts and/or deliveries at specific point(s) on Transporter's system. Transporter reserves the right to request holders of Firm Transportation Service under Rate Schedule FT to use primary receipt and/or delivery points on their transportation agreement to maintain the integrity of the system. The declaration to the affected parties of operational flow orders, critical periods, and/or critical notices shall describe the conditions and the specific responses required from the affected parties.

All quantities tendered on a net contract basis to Transporter and/or taken by Shipper on a daily basis in violation of Transporter's operational flow orders shall constitute unauthorized receipts or deliveries for which a charge of \$25 per Dth plus the gas index price pursuant to Section 5.2 d(3) of Rate Schedule FT of this tariff, the days the Operational Flow Order is in place shall be assessed and the resulting imbalance will be reduced to zero. Shippers will be exempt from penalties on imbalances that result from complying with an OFO. Upon an operational flow order becoming effective, as specified in the operational flow order or as provided in this Section 32 of General Terms and Conditions, Shipper, OFO party, or operator of the facilities connecting with Transporter's facilities shall be permitted the time stated in the OFO, or such lesser time as is required to protect the integrity of Transporter's system, to make adjustments in compliance

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with the operational flow orders. If Shipper, or operator of such interconnect, adjusts its tenders or takes within such notice period, then no charge, as provided for herein, shall be assessed.

Transporter will post its intention to place an OFO into effect through Electronic Notice Delivery consistent with GISB Standards as adopted in Section 23 of the General Terms and Conditions. Transporter will post the notice on the Informational Postings portion of its Interactive Website, and notify the affected Shipper(s) by telephone and facsimile at least twenty-four (24) hours prior to the implementation of the OFO; provided, however, that a shorter notice period may be given where action must be taken to protect the integrity of the system. Such notice and posting shall include but not limited to (i) identify the parties subject to the OFO, (ii) the time the OFO will become effective, (iii) the estimated duration of the OFO (i.e., the triggering tariff provision which is the basis for the OFO), (iv) whether Transporter is overdelivered or underdelivered, (v) whether actual net receipts need to be equal to or greater than actual deliveries or actual deliveries need to be equal to or greater than actual new receipts, (vi) whether nominations from and or to interruptible storage need to be taken to zero, (vii) whether or not authorized overruns are acceptable, (viii) twenty-four (24) hour contact number for transporter during the duration of the OFO. Where an OFO is issued pursuant to this section and made effective on a less than twenty-four (24) hours notice, Transporter will also provide the Commission and affected Shippers, as well as post on Transporter's Interactive Web Site, with a detailed explanation with all relevant information specific to the individual situation to justify issuance of that particular OFO.

b. In the event receipts in segments of Transporter's system exceed scheduled receipts so that high system pressures back off scheduled receipt quantities, Transporter may issue an OFO to all Shippers in the affected segment of the system stating that a high pressure condition exists. All such Shippers will be required to check their deliveries into receipt points on the affected portion of the system. Those Shippers who are delivering more than their scheduled volumes will have four (4) hours to make needed adjustment, or enter the penalty situation.

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Shipper(s) responsible for the high pressure conditions will have four (4) hours to make adjustments or, absent timely compliance, the Shipper will enter the penalty situation. An OFO issued pursuant to this Section 32 will be canceled by Transporter when the high pressure condition described above has been corrected and the imbalances created by the high pressure condition have been reasonably resolved.

- c. If a need arises for Transporter to engage in routine and normal maintenance of the system, to undertake repairs and replacements of lines of pipe, to undertake DOT compliance activities, to install taps, to make pig runs, to test equipment, to check or change compressor internals, or to engage in other similar actions affecting the capacity of any portions of the system, and a situation arises which threatens or could threaten the safe conditions or system integrity of Transporter's system, Transporter may issue OFO's pursuant to Section 32.1. An event of force majeure may affect deliveries, but not trigger the need for an operational flow order pursuant to Section 32.1(c).
- d. If in Transporter's judgment, impending operating conditions will cause the delivery pressure to one or more Shippers to drop to a level which could jeopardize system integrity, Transporter may immediately issued an operational flow order pursuant to this Section 32.1(d). of the General Terms and Conditions, to protect the system integrity of the pipeline, requiring that deliveries under all of Transporter's rate scheduled be made on a uniform hourly rate effective three (3) hours after issuance of the OFO or, absent timely compliance, the Shipper will enter the penalty situation.

If only one segment of Transporter's system will be affected by low pressure, the OFO shall be limited to that segment of the system and shall be so stated. For the duration of this OFO, increases in scheduled delivery quantities within affected segments of Transporter's system will be made on a prospective basis only.

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e. Transporter may, on a non-discriminatory basis, issue such other reasonable OFOs as may be required for the purposes set forth in this Section 32.1(e) of the General Terms and Conditions in order to provide the services contemplated by this FERC Gas Tariff.

f. Compliance with the OFOs and the other terms and conditions of Transporter's FERC Gas Tariff is essential to provide deliveries and services under all rate schedules. A failure by one or more Shippers to comply with the OFOs may affect Transporter's ability to provide such deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies available in law or at equity, Transporter will, except for negligence or undue discrimination, have no liability consistent with the provisions in Section 27.4 of these General Terms and Conditions.

g. In the event a Shipper's gas supplies are diverted to another Shipper or retained by Transporter as a result of an OFO, the party receiving such gas supplies shall compensate the Shipper who gas was diverted or retained at one hundred percent (100%) of Transporter's cashout index price. Should reduced deliveries result from the issuance of an OFO, Transporter shall provide reservation charge credits to Shippers reflecting such reduced deliveries.

32.2 UNAUTHORIZED GAS

Transporter will notify operators by approximately the 15th of each month of their level of Unauthorized gas for the preceding calendar month. Transporter will post on its Interactive Web Site by approximately the 15th of each month quantities of Unauthorized gas in the preceding month which cannot be attributed to any party. Any Operator who delivers unscheduled natural gas onto Transporter's system will be given sixty (60) days from the date Transporter provides notice to the Operator that such gas has been received, to deliver it off the system or schedule it for delivery, or it will become the property of the Transporter at the end of the 60 day period. If the party who delivered such gas onto Transporter's system is not known, the gas will become the property of the Transporter sixty (60) days after it was received by Transporter.

33. OPERATIONAL BALANCING AGREEMENTS

33.1 Terms Governing. For the purpose of minimizing operational conflicts between various natural gas facilities with respect to the delivery of gas to and from Transporter's facilities, Transporter is willing to negotiate and execute OBAs with appropriate parties that operate natural gas facilities interconnecting with Transporter's system (any such party will be referred to herein as the "OBA Party"). Such OBAs shall specify the gas custody transfer procedures to be followed by Transporter and the OBA Party for the confirmation of scheduled quantities to be received by Transporter at Point(s) of Receipt and delivered by Transporter at Point(s) of Delivery. Such OBAs will provide that any variance between actual quantities and scheduled and confirmed quantities for any day shall be resolved pursuant to the terms of the OBA. To facilitate such determination of variances on a timely basis, Transporter and the OBA Party will agree in the OBA on necessary measurement and accounting procedures. Transporter shall post on its Interactive Web Site those Points of Receipt and Points of Delivery which are subject to an OBA. Transporter will also provide to any party upon request a copy of any executed OBA.

33.2 Prerequisite to Execution. It is Transporter's intent to negotiate and execute OBAs on a non-discriminatory basis with any OBA Party. However, Transporter shall have no obligation to negotiate and execute OBAs with any Party that:

- (a) is not creditworthy as determined pursuant to Section 29.4 of these General Terms and Conditions, substituting the term "OBA Party" for "Shipper" for this purpose;
- (b) does not maintain a gas control operation which is staffed on a continuous, around-the-clock basis;
- (c) does not have electronic flow measurement equipment to which Transporter has access at the interconnect points which are proposed to be subject to the OBA;
- (d) would cause an increase in the level of regulators or flow control regulation which Transporter is subject to prior to the execution of the applicable OBA; or
- (e) does not commit to timely and final determination of imbalances based on reasonable available measurement technology.

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33.3 Right to Protect System Integrity.

Nothing in this Section 33, nor any executed OBA, shall limit Transporter's rights to take action as may be required to adjust receipts and deliveries under any transportation agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Transporter's pipeline system, including maintenance of service to higher priority customers or services.

33.4 Recordkeeping.

Transporter shall maintain records of volumes and amounts paid pursuant to OBAs entered into under this Section 33. Such records shall be available for review.

34. CUSTOMER ELECTRONIC SYSTEM

34.1 DESCRIPTION OF SYSTEMS

a. Transporter maintains two twenty-four (24) hour interactive electronic systems for use by its Shippers and other parties upon request and at no charge. Shippers transacting business on Transporter's mainline system located in Weld and Adams Counties in the State of Colorado, will use the Latitude Technologies Interactive Website (IWS). Shippers transacting business on Transporter's Fort Morgan Lateral located in Morgan County in the State of Colorado, will use the Kinder Morgan, Inc. Interactive Web Site. The systems provide interactive search functions permitting users to locate a specific transaction. Additionally, the systems provide customers the ability to download a file. Daily back-up records of the information displayed will be archived and accessible to customers on a non-discriminatory basis. The data will be kept for a rolling three (3) year period, inclusive of both current and archived data.

b. The systems are comprised of FERC mandated information web pages as well as mandated interactive transactional web pages. The system provides access to a variety of features including Informational Postings and Tariff, Nominations, Flowing Gas / Volume Inquiry, Invoicing, Capacity Release Processing, and Regulatory Reporting. The Informational Posting and Regulatory Reporting components do not require a logon and password. All other components require a valid logon and password which may be obtained per the procedures outlined in Section 34.2.

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(1) INFORMATIONAL POSTINGS

The types of information available through the Information Postings include: (i) reports on operationally available capacity, unsubscribed capacity, and released capacity at Receipt/Delivery Points and on the mainline; (ii) information on construction and maintenance projects impacting capacity; (iii) imbalance volumes available for trading among Shippers prior to cashout as provided in Section 10 hereof; (iv) firm and interruptible rates and fuels, including general discount offers; (v) catalog of currently active Receipt and Delivery Points; (vi) general announcements and procedures, including Operational Flow Orders; and (vii) this tariff with search, download and print capabilities.

(2) NOMINATIONS

This feature allows for submittal of all transportation nominations, transfer nominations, predetermined allocations and nomination priorities as required in Section 6 of each of the Rate Schedules. Additionally, operators can confirm volumes online and Shippers and Point Operators can review, print or download scheduled quantity reports.

(3) FLOWING GAS / VOLUME INQUIRY

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

(4) INVOICING

This system component allows Shippers to download and view invoices and a statement of account. Additionally, using this component, Shippers can submit a Remittance Advice.

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(5) CAPACITY RELEASE REQUEST AND BID PROCESSING

This interactive feature allows Shippers to submit Capacity Release Requests and Bids, which, in turn, are automatically posted as provided in Section 31. Additionally, Shipper with recall provisions in a release of capacity can initiate the recall process using this feature.

(6) REGULATORY REPORTING

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

34.2 ACCESS TO ELECTRONIC SYSTEMS

Shippers and other interested parties may obtain access to the interactive transactional web pages in the systems by contacting a representative of Transporter's Gas Transportation Department. Logons, passwords and access instructions will be supplied upon request under the terms and conditions set forth in Sections 34.3 through 34.12. The internet address for IWS is: www.gasnom.com/wattenberg. The internet address for Kinder Morgan, Inc.'s Interactive Web Site is: <http://pipeline.kindermorgan.com>.

34.3 AUTHORITY OF EMPLOYEE

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

34.4 INSTALLATION OF SOFTWARE

Each Subscriber shall purchase and ensure that lawful installation of internet browser software occurs for each personal computer from where the systems are accessed.

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34.5 CONFIDENTIALITY

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

34.6 RELIANCE BY TRANSPORTER

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

34.7 ACCESS

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

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34.8 LOGON

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

34.9 BREACH OF SECURITY

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

34.10 LIMITATION TO ACCESS

A Subscriber may attempt to access only that data for which Subscriber has authorization. A Subscriber shall provide supporting legal documentation prior to being given access to data of other subsidiaries, affiliates, or companies for whom it has an agency relationship. See Section 6 of each of the Rate Schedules for information on delegation.

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34.11 LIMITS OF RESPONSIBILITY

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

34.12 RESERVATION

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

34.13 AGREEMENT

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

35. RATE DISCOUNT ORDER

If and when Transporter discounts the rates and charges applicable for service under any Rate Schedule, the components of the currently applicable Maximum Rate shall be discounted in the following order: The first item of the overall charge discounted will be the GRI surcharge, followed by the base tariff rate charge, and last, any transition cost components. Other non-transition cost surcharges will be attributed in accordance with the applicable section of the General Terms and Conditions which provides for the surcharge as established in individual proceedings.

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Superseding: Original Sheet No. 102A

GENERAL TERMS AND CONDITIONS FOR SERVICES - continued

36. ADVERTISEMENT AND MARKETING FEES

36.1 ADVERTISEMENTS

Any person may advertise for the purchase of capacity on Transporter's electronic system by submitting the desired advertisement (up to one page) to Transporter. Transporter shall post such advertisement on its electronic system no later than the business day following receipt thereof if so required, so long as the advertisement is not unlawful or inconsistent with Transporter's Tariff. The posted period requested may be for a period of time not to exceed one month. There will be no posting fee for such advertisements seeking to purchase capacity on Transporter. A response in and of itself to an advertisement seeking to purchase capacity never constitutes a capacity release; to release capacity, the Shipper holding the capacity rights must utilize the release procedures set forth in Section 31 of these General Terms and Conditions.

36.2 FEE FOR ACTIVE MARKETING

When a Releasing Shipper under Section 31 of these General Terms and Conditions requests that Transporter actively market capacity to be released, the Releasing Shipper and Transporter shall negotiate the terms of the marketing service to be provided by Transporter and the marketing fee to be charged thereof.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 103 Original Sheet No. 103 : Effective

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE FT)

This Agreement ("Agreement"), is made and entered into by K N Wattenberg Transmission Limited Liability Co., a Colorado corporation ("Transporter") and by the Party(s) named in Article XIII ("Shipper").

In consideration of the premises and of the mutual covenants, the parties do agree as follow:

ARTICLE I
SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule FT, Transporter agrees to receive from, or for the account of, Shipper for transportation on a firm basis quantities of natural gas tendered by Shipper on any day at the Primary Receipt Point(s) up to the applicable Maximum Daily Receipt Quantity for such Receipt Point. Shipper shall not tender at all Primary Receipt Points on any day without the prior consent of Transporter, a cumulative quantity of natural gas in excess of the Maximum Daily Transportation Quantity set forth in Article XIII.

Transporter agrees to transport and deliver to, or for the account of, Shipper at the Delivery Point(s) the nominated gas received from Shipper at the Receipt Point(s), less applicable deductions, and Shipper agrees to accept or cause acceptance of delivery of these quantities; provided, however, that Transporter 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 Quantity.

ARTICLE II
TERM OF AGREEMENT

This Agreement shall become effective as of the date set forth below and shall remain in full force and effect in accordance with the terms of this Service Agreement. This Agreement may be extended for another primary term if agreed to by both parties in accordance with the provisions in the General Terms and Conditions on the Right of First Refusal Process.

ARTICLE III
RATE SCHEDULE

Shipper shall pay Transporter for all services rendered and for the availability of such service at rates filed under Transporter's FT Rate Schedule as shown on Sheet No. 6 of this tariff and as the same may be hereafter Revised or changed. Unless otherwise agreed to in writing between Transporter and Shipper, the rates to be charged Shipper for transportation shall not be more than the maximum rate under Rate Schedule FT, no less than the minimum rate under Rate Schedule FT.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 104 Original Sheet No. 104 : Effective

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT - continued

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable Rate Schedules and of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which Rate Schedules and General Terms and Conditions are by this reference made a part hereof.

Shipper agrees that Transporter 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 Transporter's Rate Schedule FT, (b) Transporter's Rate Schedule FT, pursuant to which service is rendered, or any provision of the General Terms and Conditions applicable to Rate Schedule FT.

ARTICLE IV
PRIMARY RECEIPT POINT(S)

Natural gas to be received by Transporter for the account of Shipper shall be delivered by Shipper and received by Transporter on the outlet side of the measuring station(s) at or near the Primary Receipt Point(s) specified in Appendix A, with the Maximum Daily Receipt Quantity and the facility number, maximum receipt pressure, and provisions for incremental facilities as set forth in Appendix A. If multiple primary delivery points are specified in Appendix B, the primary receipt point(s) and quantities must be allocated by primary delivery point in Appendix A.

ARTICLE V
PRIMARY DELIVERY POINTS

Natural gas to be delivered by Transporter for the account of Shipper shall be delivered by Transporter and received by Shipper on the outlet side of the measuring station(s) at or near the Primary Delivery Point(s) specified in Appendix B, with the Maximum Daily Delivery Quantity and the facility number, maximum delivery pressure and provisions for incremental facilities indicated for each such Delivery Point as set forth in Appendix B.

ARTICLE VI
QUALITY

All natural gas tendered to Transporter for transportation for the account of Shipper at the Receipt Point(s) shall conform to the quality specifications set forth in Section 3 of the General Terms and Conditions of Transporter's FERC Gas Tariff, as Revised from time to time, unless otherwise agreed to. Transporter may refuse to take delivery of any gas for transportation which does not meet such quality specifications.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 105 Original Sheet No. 105 : Effective

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT - continued

ARTICLE VII

INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the State of Colorado.

This Agreement, and all its rates, terms and conditions, shall at all times be subject to modification by order of the FERC upon notice and hearing and a finding of good cause thereof. In the event that any party to this Agreement requests the FERC to take any action which could cause a modification in the conditions of this Agreement, that party shall provide written notice to the other parties at the time of filing the request with the FERC.

ARTICLE VIII

AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede and cancel any other firm agreements between the parties for the same service.

ARTICLE IX

CERTIFICATIONS

By executing this Agreement, Shipper certifies that: (1) Shipper has a valid right to deliver the gas to be transported by Transporter; (2) Shipper has, or will have, entered into all arrangements necessary for the commencement of deliveries to Transporter; and (3) Shipper has a transportation contract(s) or will enter into such a transportation contract(s) with the party ultimately receiving the gas, prior to the commencement of service.

ARTICLE X

ADDRESSES

Except as otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties as follows:

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 106 Original Sheet No. 106 : Effective

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT - continued

(a) Transporter:

Mailing Address:	Street Address:
K N Wattenberg Transmission Limited Liability Co. Post Office Box 281304 Lakewood, CO. 80228-8304 Telephone: 303.989.1740 Telecopy: 303.763.3157	K N Wattenberg Transmission Limited Liability Co. 370 Van Gordon Street Lakewood, CO. 80228
Scheduling:	Payment Address:
Transportation Administration Telephone: 303.989.1740 Telecopy: 303.763.3515	K N Wattenberg Transmission Limited Liability Co. Dept. 316 Denver, CO.

(b) Shipper: As shown in Article XIII or such other address as either party shall designate by formal written notice.

ARTICLE XI
SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper 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 31 of the General Terms and Conditions, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

ARTICLE XII
CAPACITY RELEASE

Shipper may release its capacity under this Firm Transportation Service Agreement, up to Shipper's Maximum Daily Transportation Quantity or Maximum Contract Quantity, in accordance with the General Terms and Conditions of Transporter's FERC Gas Tariff.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 107 Original Sheet No. 107 : Effective

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT - continued
ARTICLE XIII
SPECIFIC INFORMATION

Firm Transportation Service Agreement between K N Wattenberg
Transmission Limited Liability Co. ("Transporter") and _____
("Shipper").

Contract Number: _____

Contract Date: ____/____/____

Term: _____

Termination Notice: _____

Shipper: _____

Quantity:
Maximum Daily Transportation Quantity: _____ Dth per day

Rate:
The rate charged will be the maximum transportation rates unless
otherwise agreed to in writing.

IN WITNESS WHEREOF, the parties have caused this Agreement to be
signed by their duly authorized representative.

K N Wattenberg Transmission Limited Liability Co.

By: _____

Title: _____

SHIPPER

By: _____

Title: _____

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 108 Original Sheet No. 108 : Effective

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT - continued
APPENDIX A
RECEIPT POINT(S)

To the Firm Transportation Service Agreement between K N
Wattenberg Transmission Limited Liability Co. ("Transporter") and
_____ ("Shipper").

Contract Number: _____ Date: _____

Primary	Maximum		
Receipt	Delivery	Maximum Daily	Provision for
Point(s)	Pressure	Receipt Quantity	Incr. Facility

Receipts Assigned to Deliveries: _____

Quality Waivers:

This Appendix A supersedes and cancels any previously effective Appendix
A to this Firm Transportation Service Agreement.

K N Wattenberg Transmission Limited Liability Co.

By: _____

SHIPPER

By: _____

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

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

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT - continued
APPENDIX B
DELIVERY POINT(S)

To the Firm Transportation Service Agreement between K N Wattenberg
Transmission Limited Liability Co. ("Transporter") and _____
("Shipper").

Contract Number: _____ Date: _____

Primary Delivery Points	Facility Number	Maximum Delivery Pressure	Maximum Daily Delivery Quantity	Provision for Incr. Facility
-------------------------------	--------------------	---------------------------------	---------------------------------------	---------------------------------

This Appendix B supersedes and cancels any previously effective
Appendix B to the referenced Firm Transportation Service Agreement.

K N Wattenberg Transmission Limited Liability Co.

By: _____

Shipper

By: _____

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

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

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO NEW SERVICE UNDER RATE SCHEDULE IT)

This Agreement ("Agreement"), is made and entered into by K N Wattenberg Transmission Limited Liability Co., a Colorado corporation ("Transporter") and by Shipper named in Article XII ("Shipper").

In consideration of the premises and of the mutual covenants, the parties do agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule IT, Transporter agrees to receive from, or for the account of, Shipper for transportation on an interruptible basis quantities of natural gas tendered by Shipper any day at the Receipt Point(s). Shipper shall not tender at all Receipt Points on any day, without the prior consent of Transporter, a cumulative quantity of natural gas in excess of the Maximum Daily Transportation Quantity set forth in Article XII.

Transporter agrees to transport and deliver to, or for the account of, Shipper at the Delivery Point(s) nominated gas received from Shipper at the Receipt Point(s), less applicable deductions, and Shipper agrees to accept or cause acceptance of delivery of these quantities; provided, however, Transporter shall not be obligated to deliver at any Delivery Point only any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Quantity.

ARTICLE II
TERM OF AGREEMENT

This Agreement shall become effective as of the date set forth below and shall remain in full force and effect in accordance with the terms of this Service Agreement.

ARTICLE III
RATE SCHEDULE

Shipper shall Transporter for all services rendered and for the availability of such service at rates filed under Transporter's IT Rate Schedule and as shown on Sheet No. 6 of this tariff and as the same may be hereafter Revised or changed. Unless otherwise agreed in writing between Transporter and Shipper, the rate to be charged Shipper for transportation shall not be more than the maximum rate under Rate Schedule IT, nor less than the minimum rate under Rate Schedule IT.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 111 Original Sheet No. 111 : Effective

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO NEW SERVICE UNDER RATE SCHEDULE IT)

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable Rate Schedule IT and of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which Rate Schedules and General Terms and Conditions are by this reference made a part hereof.

Shipper agrees that Transporter 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 Transporter's Rate Schedule IT, (b) Transporter's Rate Schedule IT, pursuant to which service is rendered, or any provision of the General Terms and Conditions applicable to Rate Schedule IT.

ARTICLE IV
RECEIPT POINT(S)

Natural gas to be received by Transporter for the account of Shipper shall be delivered by Shipper and received by Transporter on the outlet side of the measuring station(s) at or near the Primary Receipt Point(s) specified in Appendix A, with the Maximum Daily Receipt Quantity and the facility number, maximum receipt pressure and provisions for incremental facilities as set forth in Appendix A. If multiple primary delivery points are specified in Appendix B, the primary receipt point(s) and quantities must be allocated by primary delivery point in Appendix A.

ARTICLE V
DELIVERY POINTS

Natural gas to be delivered by Transporter for the account of Shipper shall be delivered by Transporter and received by Shipper on the outlet side of the measuring station(s) at or near the Primary Delivery Point(s) specified in Appendix B, with the Maximum Daily Delivery Quantity and the facility number, maximum delivery pressure and provisions for incremental facilities indicated for each such Delivery Point as set forth in Appendix B.

ARTICLE VI
QUALITY

All natural gas tendered to Transporter for transportation for the account of Shipper at the Receipt Point(s) shall conform to the quality specifications set forth in Section 3 of the General Terms and Conditions of Transporter's FERC Gas Tariff, as Revised from time to time, unless otherwise agreed to. Transporter may refuse to take delivery of any gas for transportation which does not meet such quality provisions.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 112 Original Sheet No. 112 : Effective

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO NEW SERVICE UNDER RATE SCHEDULE IT)

ARTICLE VII

INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the State of Colorado.

This Agreement, and all its rates, terms and conditions, shall at all times be subject to modification by order of the FERC upon notice and hearing and a finding of good cause therefor. In the event that any party to this Agreement requests the FERC to take any action which could cause a modification in the conditions of this Agreement, that party shall provide written notice to the other parties at the time of filing the request with the FERC.

ARTICLE VIII

AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede and cancel any other interruptible agreements between the parties for the same service.

ARTICLE IX

CERTIFICATIONS

By executing this Agreement, Shipper certifies that: (1) Shipper has a valid right to deliver the gas to be transported by Transporter; and (2) Shipper, has, or will have, entered into all arrangements necessary for the commencement of deliveries to Transporter.

ARTICLE X

ADDRESSES

Except as otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties as follows:

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 113 Original Sheet No. 113 : Effective

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO NEW SERVICE UNDER RATE SCHEDULE IT)

(a) Transporter:

Mailing Address:

Street Address:

K N Wattenberg Transmission
Limited Liability Co.
Post Office Box 281304
Lakewood, CO. 80228-8304

K N Wattenberg Transmission
Limited Liability Co.
370 Van Gordon Street
Lakewood, CO. 80228

Scheduling:

Payment Address:

Transportation Administration K N Wattenberg Transmission
Telephone: 303.989.1740 Limited Liability Co.
Telecopy: 303.763.3515 Dept. 316
Denver, Co. 80291-0316

(b) Shipper: As shown in Article XII or such other address as
either party shall designate by formal written notice.

ARTICLE XI
SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper 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 31 of the General Terms and Conditions, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 114 Original Sheet No. 114 : Effective

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO NEW SERVICE UNDER RATE SCHEDULE IT)

ARTICLE XII
SPECIFIC INFORMATION

Interruptible Transportation Service Agreement between K N
Wattenberg Transmission Limited Liability Co. ("Transporter") and
_____ ("Shipper").

Contract Number: _____ Date: _____

Contract Date: ____/____/____

Primary Term: _____

Renewal Term: Month to Month _____ Other _____

Termination Notice: _____

Shipper: _____

Quantity:
Maximum Daily Transportation Quantity: _____ Dth per day

Rate:
The rate charged will be the maximum transportation rate unless
otherwise agreed to in writing.

IN WITNESS WHEREOF, the parties have caused this Agreement to be
signed by their duly authorized representative.

K N Wattenberg Transmission Limited Liability Co.

By: _____

Title: _____

Shipper

By: _____

Title: _____

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 115 Original Sheet No. 115 : Effective

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO NEW SERVICE RATE SCHEDULE IT)

APPENDIX A
RECEIPT POINT(S)

To the Interruptible Transportation Service Agreement between K N
Wattenberg Transmission Limited Liability Co. ("Transporter") and
_____ ("Shipper").

Contract Number: _____ Date: _____

Primary	Maximum		
Receipt	Delivery	Maximum Daily	Provision for
Point(s)	Pressure	Receipt Quantity	Incr. Facility

Receipts Assigned to Deliveries: _____

Quality Waivers:

This Appendix A supersedes and cancels any previously effective Appendix
A to this Interruptible Transportation Service Agreement.

K N Wattenberg Transmission Limited Liability Co.

By: _____

SHIPPER

By: _____

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 116 Original Sheet No. 116 : Effective

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO NEW SERVICE UNDER RATE SCHEDULE IT)

APPENDIX B
DELIVERY POINT(S)

To the Interruptible Transportation Service Agreement between K N
Wattenberg Transmission Limited Liability Co. ("Transporter") and

("Shipper").

Contract Number: _____ Date: _____

Primary Delivery Points	Facility Number	Maximum Delivery Pressure	Maximum Daily Delivery Quantity	Provision for Incr. Facility
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Master Delivery Point List

This Appendix B supersedes and cancels any previously effective
Appendix B to the referenced Interruptible Transportation Service
Agreement.

K N Wattenberg Transmission Limited Liability Co.

By: _____

Shipper

By: _____

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 117 Original Sheet No. 117 : Effective

TRANSPORTATION SERVICE REQUEST FORM

SHIPPER INFORMATION

Complete Legal name of Shipper: _____
State of Incorporation: _____
Taxpayer I.D. Number: _____

Address: _____ For Billing: _____

Phone: _____ Phone: _____
Fax: _____ Fax: _____

For Notices: _____ For Scheduling and Volume
Information: _____

(Include street address for express service)

Contact Name: _____

Phone: _____ Phone: _____
Fax: _____ Fax: _____

Shipper is: Local Distribution Company Intrastate Pipeline
 Interstate Pipeline Producer
 End User Marketer
 Other (specify) _____

Name and full title of representative who will execute the written firm or interruptible transportation service agreement with Transporter (If signatory person is not an officer, please provide written authorization for signature).

Name: _____
Title: _____

If person requesting service is an agent of Shipper, please provide proof of authority to act as agent of Shipper and complete the following:

Effective Date: 05/22/1998 Status: Effective

FERC Docket: RP98-192-000

Original Sheet No. 118 Original Sheet No. 118 : Effective

TRANSPORTATION SERVICE REQUEST FORM- continued

Legal Name of Principal: _____,
which is a(n):

___ Local Distribution Company ___ Intrastate Pipeline
___ Interstate Pipeline ___ Producer
___ End User ___ Marketer
___ Other (specify) _____

SERVICE REQUESTED

Type of Service requested: ___ 284G Firm Transportation Firm Storage ___ 284B Interruptible Transportation Interruptible Storage
 ___ No-Notice Service

284B INFORMATION

*"On behalf of" Entity information (letter required) - Section 311 service will be "on behalf of" pursuant to Subpart B of Part 284 of the FERC regulations:

Legal Name: _____, which is an:
 ___ LDC ___ Intrastate Pipeline

The named "on behalf of" entity will:

___ Transport the gas ___ Take title to the gas

SERVICE INFORMATION

Maximum Daily Transportation Quantity (Total Capacity Reservation Quantity for firm requests) _____

Requested term of service:
Initial delivery date _____
Termination date _____

Are additional or new facilities required to receive or deliver gas for the transportation service requested herein?

___ Yes Type _____
___ No

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

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

TRANSPORTATION SERVICE REQUEST FORM- continued

PRIMARY RECEIPT POINT INFORMATION:

On the attached Appendix A, please list the name, precise legal location, or meter number if available, the maximum daily receipt quantity in Dth being requested, for each receipt point listed. If multiple primary delivery points are requested, primary receipt points and quantities must be allocated by delivery point. Interruptible transportation requests will be governed by the master receipt point list, unless otherwise requested.

PRIMARY DELIVERY POINT INFORMATION:

On the attached Appendix B, please list the name, precise legal location or meter number, if available, and the maximum daily delivery quantity in Dth being requested. Interruptible transportation requests will be governed by the master delivery point list, unless otherwise requested. If requesting a proposed delivery point, include a field contact, telephone number and a billing name and address for the cost of installation. A separate facility agreement may be required.

Shipper understands that this request form, complete and unrevised as to format, and a credit application must be received by Transporter before the service request will be accepted and processed. Shipper further understands that Transporter is an Interstate pipeline subject to the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"), and that Shipper's request will become part of a log available for public inspection. Shipper agrees to pay Transporter's effective transportation rate applicable for this service and to comply with all applicable terms of Transporter's Tariff. Shipper agrees that it will reimburse Transporter for filing fees upon receipt of an invoice.

Shipper, by its signature, represents to Transporter that the information above is correct and accurate.

Very truly yours,

Signature

Typed Name and Title

Telephone Number: _____

Facsimile Number: _____

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 121 Original Sheet No. 121 : Effective

TRANSPORTATION SERVICE REQUEST
APPENDIX B
DELIVERY POINTS

FACILITY NAME	LEGAL LOCATION or METER NUMBER	MAXIMUM DAILY DELIVERY QUANTITY in Dth
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
	Total 3/	_____

The maximum daily delivery volume at any delivery point must not exceed the gas volume that Transporter can deliver at that point.

For additional delivery points, attach another sheet.

3/ The total must not exceed The Maximum Daily Transportation Quantity.

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

Original Sheet No. 122 Original Sheet No. 122 : Effective

TRANSPORTATION SERVICES CREDIT APPLICATION

K N WATTENBERG TRANSMISSION LIMITED LIABILITY CO.

Post Office Box 281304
Lakewood, CO. 80228-8304

Customer Name and Address: _____

Type of business: __Corporation __Partnership __Individual
 __Other __Specify_____

State incorporated in: _____ Tax ID Number: _____

Number of years in business under current name: _____

Has the customer changed its name in the last 5 years?
 __ Yes __ No

If yes, furnish prior name & address: _____

List the three principal owners, stockholders, partners, or
officers of the customer:

Name	_____	Name	_____	Name	_____
Title	_____	Title	_____	Title	_____
Address	_____	Address	_____	Address	_____
Phone	_____	Phone	_____	Phone	_____

If a wholly owned subsidiary, name and address of parent:

Is Parent company responsible for subs debts? Yes No

If yes, please furnish documentation.

Billing Address _____
Contact Person _____ Phone _____

Amount of Credit Requested: \$ _____ Net Worth: \$ _____

Effective Date: 05/22/1998 Status: Effective
FERC Docket: RP98-192-000

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

CREDIT APPLICATION - continued

Please Furnish One Bank Reference

Name: _____ Phone: _____
Address: _____ Account Types: _____
Account Nos.: _____
Contact: _____

Please Furnish Two Business Credit References

Name: _____ Name: _____
Address: _____ Address: _____
Contact: _____ Contact: _____
Phone: _____ Phone: _____

Customer's estimate of activity under all transportation agreements and storage agreements with K N Interstate Gas Transmission Company:

Estimated Monthly Transportation Charges \$ _____
Is Customer:

- Operating under federal bankruptcy laws? Yes__ No__
- Subject to liquidation or debt reduction procedures under state laws? Yes__ No__
- Subject to pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration of Shipper's financial condition? Yes__ No__
- Subject to any collection lawsuits or outstanding judgements which would affect Shipper's ability to remain solvent? Yes__ No__
- Attach copies of your financial statements (to include, at least, two most recent years on an annual basis and 3 most recent monthly or quarterly statements).
- Attach a copy of your most recent Annual Report and SEC Form 10-K, if applicable.

