

RATE SCHEDULES

FTS

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RATE SCHEDULE FTS

FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule FTS is available to any entity (hereinafter called Shipper) which: (a) submits to Transporter a valid request, as defined in Section 3 hereof, for which Transporter has firm Capacity available on all affected portions of its System and the firm operational capability to satisfy; and (b) executes a Firm Transportation Service Agreement (FTS Agreement) with Transporter applicable to service under this Rate Schedule FTS. The form of FTS Agreement is contained in this Tariff. There is no limitation on the number of FTS Agreements any one Shipper may have.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The transportation service provided under this Rate Schedule FTS shall be provided on a firm basis and shall be performed in accordance with Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations. This Rate Schedule FTS shall apply to all Gas transported by Transporter for Shipper pursuant to an FTS Agreement.
- 2.2 Service hereunder shall consist of the acceptance by Transporter of Gas tendered by Shipper for transportation at the Primary Receipt Point(s) specified in or applicable to the FTS Agreement, the transportation of that Gas through Transporter's pipeline System, and the delivery of that Gas by Transporter to Shipper or for Shipper's account at the Primary Delivery Point(s) specified in or applicable to the FTS Agreement. Transporter shall not be required to accept any Gas tendered in excess of the Maximum Daily Quantity (MDQ), plus L&U reimbursement and other deductions, specified in the FTS Agreement. The firm service hereunder shall be provided on a uniform hourly basis as specified in Section 5 of the General Terms and Conditions of this Tariff.
- 2.3 Changes to Primary Receipt or Delivery Points contained in the FTS Agreement shall be subject to Section 3.2 of the General Terms and Conditions of this Tariff. Service hereunder shall not encompass gathering services, transportation through the facilities of any third party, processing, or transportation to or from processing facilities, unless otherwise provided for under this Tariff or specified in the FTS Agreement.
- 2.4 Shipper shall only tender Gas for transportation under this Rate Schedule to the extent such service would qualify under the applicable statutes, regulations and Commission orders. For transportation to be provided under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to Transporter certification including sufficient information in order for Transporter to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where required by the Commission's

Regulations, Shipper shall cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification prior to tendering Gas for transportation.

- 2.5 Secondary Receipt and Delivery Point access, Nominations, scheduling, Interruption of service, allocation of Capacity, Curtailment and priorities of service are all governed by the General Terms and Conditions of this Tariff.
- 2.6 Shippers holding Capacity under this Rate Schedule FTS may segment or release such Capacity in accordance with Sections 7 and 15 and any other applicable provisions of the General Terms and Conditions of this Tariff.

3. VALID REQUESTS

- 3.1 A request for service under this Rate Schedule FTS shall be valid as of the date received if it complies with Section 2 of the General Terms and Conditions of this Tariff.

4. TERM

- 4.1 The term of service hereunder shall be set forth in the FTS Agreement between Shipper and Transporter.
- 4.2 The General Terms and Conditions of this Tariff shall govern the applicability of, and the terms and conditions relating to, rollovers and the right of first refusal granted through an FTS Agreement. Upon termination of any FTS Agreement, and subject to any such rollover or right of first refusal, service by Transporter to Shipper thereunder shall be terminated and automatically abandoned.

5. RATE

The applicable rates, including any surcharges, for Firm Transportation Service are set forth in this FERC Gas Tariff, as revised from time to time. Unless otherwise agreed to in writing between Transporter and Shipper pursuant to Section 33 of the General Terms and Conditions of this Tariff, the applicable rate shall not be in excess of the maximum rate nor less than the minimum rate. Where a Shipper has agreed to pay a Negotiated Rate, the rates assessed hereunder shall be governed by Section 33 of the General Terms and Conditions of this Tariff. A request for service at a Negotiated Rate shall specify the Negotiated Rate to which the Shipper is willing to agree.

- 5.1 Monthly Charge. Each Month, under this Rate Schedule FTS, Shipper shall be assessed a two-part charge consisting of: (a) a Reservation Charge, based on the product of the Shipper's MDQ, or applicable portion thereof, multiplied by the applicable Reservation Rate; and (b) a Commodity Charge, based on the product of each Dth of Gas delivered to Shipper or for Shipper's account, multiplied by the applicable Commodity Rate.

- 5.2 Shipper shall reimburse Transporter for L&U required in transporting Gas hereunder, as provided by Section 38 of the General Terms and Conditions of this Tariff, and at the maximum rate stated on the currently effective applicable rate Section, unless otherwise negotiated pursuant to Section 33 of the General Terms and Conditions of this Tariff.
- 5.3 The ACA will be assessed, when applicable, as provided in Section 30 of the General Terms and Conditions of this Tariff, on quantities delivered by Transporter for Shipper under this Rate Schedule FTS.
- 5.4 Other Charges.

As applicable under this Rate Schedule FTS, Shipper may be assessed additional charges consisting of:

A. Monthly Cashout and Imbalance Charges

Transporter will charge for, or credit to, Shipper Imbalance quantities remaining after the Imbalance netting and trading procedures, as set out in the General Terms and Conditions of this Tariff, based upon the applicable index price percentages set forth in this Tariff.

B. Filing Fees

Shipper shall reimburse Transporter within ten (10) Days after receiving an invoice from Transporter for all fees incurred by Transporter which are required by the Commission or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees (such as general rate case filing fees).

C. Additional facility charges pursuant to the General Terms and Conditions of this Tariff.

D. Third party charges at cost, applicable to service specifically requested by Shipper consistent with Section 11.7 of the General Terms and Conditions of this Tariff.

E. Such other charges as may be authorized by the Commission from time-to-time for inclusion herein.

6. NOMINATIONS, SCHEDULING AND IMBALANCES

- 6.1 Shipper shall provide Transporter with daily Nominations of receipts and deliveries by Receipt and Delivery Point in accordance with the General Terms and Conditions of this Tariff. It shall be Shipper's responsibility to cause Gas to be delivered to Transporter at

Receipt Point(s), and to cause Gas to be taken from Transporter at Delivery Point(s), in accordance with the information supplied to Transporter.

- 6.2 It shall be Shipper's responsibility to keep receipts and deliveries in Balance. Transporter may reschedule service hereunder to the extent necessary to bring receipts and deliveries into Balance. Any Imbalance between actual receipts and actual deliveries shall be eliminated by cashout or other means on a monthly basis in accordance with the General Terms and Conditions of this Tariff, unless otherwise agreed to in writing by Transporter.

7. RECEIPT AND DELIVERY POINTS AND UPSTREAM AND DOWNSTREAM ARRANGEMENTS

- 7.1 The Primary Receipt Points for Gas tendered to Transporter for transportation hereunder and the Primary Delivery Points for Gas delivered by Transporter to Shipper (or to a third party on behalf of Shipper) hereunder shall be specified in the FTS Agreement. For each individual Primary Receipt and Delivery Point, and for the aggregate of all such Points, Transporter's maximum obligation to accept and deliver Gas on a firm basis shall be specified in Dth in the FTS Agreement. Shipper may utilize any and all Points as Secondary Receipt or Delivery Points subject to applicable charges and subject to the General Terms and Conditions of this Tariff.
- 7.2 Acceptable conditions of operation at Receipt and Delivery Points are set forth in the General Terms and Conditions of this Tariff.
- 7.3 Shipper shall make all necessary arrangements with other parties: (1) at or upstream of the Receipt Point(s) where Gas is tendered to Transporter hereunder; and (2) at or downstream of the Delivery Point(s) where Transporter delivers Gas hereunder to or for the account of Shipper. Such arrangements must be consistent with this Rate Schedule FTS and must be coordinated with Transporter.

8. OVERRUN SERVICE

- 8.1 Upon request of Shipper, Transporter may (but is not obligated to) receive, transport, and deliver on any Day, quantities of Gas in excess of Shipper's MDQ under the FTS Agreement when, in Transporter's reasonable judgment, the Capacity and operating capability of its System will permit such receipt, transportation and delivery without impairing the ability of Transporter to meet its other obligations ("Authorized Overrun Service"). Requests for Authorized Overrun Service shall be subject to the Authorized Overrun Service priorities set forth in the General Terms and Conditions of this Tariff. Shipper may utilize Primary and Secondary Receipt and Delivery Points in accordance with the provisions of this Tariff; however, such use may result in the Shipper exceeding its Capacity rights (as specified by the MDRQ, MDDQ or MDQ in the FTS Agreement) in total. Utilization by Shipper which exceeds its Capacity rights shall constitute Authorized Overrun Service provided by Transporter and Shipper shall incur Authorized Overrun

Service Charges as a result of such use. Shipper shall pay Transporter the maximum rate for Authorized Overrun Service set forth in this Tariff, unless otherwise agreed in writing.

- 8.2 For any Overrun Service hereunder which is not authorized ("Unauthorized Overrun Service"), Shipper shall pay Transporter, in addition to the Authorized Overrun Service Charge, an Unauthorized Overrun Service Charge. Such Unauthorized Overrun Service Charge shall equal the amount of Gas in Dth tendered to Transporter or delivered to Shipper under an FTS Agreement, which exceeds the MDQ on any Day under such FTS Agreement, multiplied by two (2) times the daily spot price for the Day on which the Unauthorized Overrun occurred, as published in Natural Gas Intelligence Group, Natural Gas Week Data Source, Spot Prices from Daily Price Snapshot, under the "Volume-Weighted Price" column for the Cheyenne Hub Index.
- 8.3 Transporter shall have no authority to assess to any Shipper an Unauthorized Overrun Service Charge at any time except during the Directional Notice, Critical Time and Unilateral Action phases of Transporter's Operational Control Sequence, as defined in Section 36 of the General Terms and Conditions of this Tariff. Any Unauthorized Overrun Service Charge billed and collected by Transporter shall be refunded, net of cost, pursuant to Section 37 of the General Terms and Conditions of this Tariff.
- 8.4 In each instance when an Unauthorized Overrun Service Charge is incurred, Transporter shall have the right to review the circumstances surrounding the Unauthorized Overrun Service Charge incurrence and, in its judgment, may waive all or a portion of the Unauthorized Overrun Service Charges. Any such waiver shall be granted on a non-discriminatory basis to all Shippers that incurred an Unauthorized Overrun Service Charge in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, as required by applicable FERC rules and regulations.
- 8.5 Further, any Unauthorized Overrun Service Charge shall be waived by Transporter if there were no operational problems caused as a result of the unauthorized overrun which led to the application of such charge to a Shipper. If Transporter does not waive an Unauthorized Overrun Charge in the circumstances described in this section, Transporter shall, upon request from a Shipper assessed an Unauthorized Overrun Service Charge, provide a written explanation of the reason the Unauthorized Overrun Service Charge was not waived.

9. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and 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.

RATE SCHEDULE ITS

INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule ITS is available to any entity (hereinafter called Shipper) which: (a) submits to Transporter a valid request as defined in Section 3 hereof; and (b) executes an Interruptible Transportation Service Agreement ("ITS Agreement") with Transporter applicable to service under this Rate Schedule ITS. The form of ITS Agreement is contained in this Tariff. There is no limitation on the number of ITS Agreements any one Shipper may have.

2. APPLICABILITY, CHARACTER AND PRIORITY OF SERVICE

2.1 This Rate Schedule ITS defines an interruptible transportation service. This Rate Schedule ITS shall apply to all Gas received by Transporter for Shipper on a uniform hourly basis as specified in Section 5 of the General Terms and Conditions of this Tariff and pursuant to an ITS Agreement. As more fully set out in the General Terms and Conditions of this Tariff, Transporter is not providing a supply service under this Rate Schedule ITS.

2.2 Service hereunder shall consist of the acceptance by Transporter of Gas from or for the account of Shipper at Receipt Point(s) under the ITS Agreement, the transportation of that Gas through Transporter's System, and the delivery of that Gas by Transporter to Shipper or for Shipper's account at Delivery Point(s) under the ITS Agreement. Transporter shall not be required: (a) to accept on any Day Gas tendered in excess of the Maximum Daily Quantity (MDQ) specified in Shipper's ITS Agreement with Transporter, or (b) to deliver on any Day Gas requested, in excess of the Maximum Daily Quantity (MDQ) specified in the ITS Agreement; or (c) to accept or deliver on any Day Gas hereunder which is not properly nominated pursuant to and to the extent required by the General Terms and Conditions of this Tariff.

2.3 The service provided under this Rate Schedule ITS shall be performed in accordance with Part 284 of the Commission's Regulations. Shipper shall only tender Gas for transportation under this Rate Schedule ITS to the extent such service would qualify under the applicable statutes, regulations, Commission orders and the blanket certificate authorizing service by Transporter under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to Transporter appropriate certification, including sufficient information in order for Transporter to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where required by the Commission's Regulations, Shipper shall (prior to tendering Gas under an ITS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.

- 2.4 Service hereunder is provided on an interruptible basis. Receipt and Delivery Point access, Nominations, scheduling, Interruption of service, allocation of Capacity, Curtailment and priorities of service are all governed by the General Terms and Conditions of this Tariff.

3. VALID REQUESTS

- 3.1 A request for service under this Rate Schedule ITS shall be valid as of the date received if it complies with Section 2 of the General Terms and Conditions of this Tariff.

4. TERM

- 4.1 The term of service hereunder shall be set forth in the ITS Agreement between Shipper and Transporter. Transporter may terminate the ITS Agreement prior to the contract expiration date if Shipper fails to cause Gas to be delivered during any twelve (12) consecutive calendar Months when Capacity is available, unless Shipper's failure to deliver Gas was attributable to circumstances of Force Majeure.
- 4.2 The General Terms and Conditions of this Tariff shall govern the applicability of rollovers granted through an ITS Agreement. Upon termination of any ITS Agreement, and subject to such rollovers, service by Transporter to Shipper thereunder shall be terminated and automatically abandoned.

5. RATE

- 5.1 A. Shipper shall pay Transporter each Month under this Rate Schedule ITS a Commodity Charge for each Dth of Gas delivered, together with such other charges as are identified in this Tariff. The maximum Monthly Commodity Charge shall be the applicable maximum unit rate set out in this Tariff multiplied by the quantity of Gas actually delivered by Transporter during the billing Month.
- B. Where a Shipper has agreed to pay a Negotiated Rate, the rates assessed hereunder shall be governed by Section 33 of the General Terms and Conditions of this Tariff. A request for service at a Negotiated Rate shall specify the Negotiated Rate on which the Shipper is willing to agree.
- 5.2 Shipper shall reimburse Transporter for any Lost and Unaccounted-for Gas in transporting Gas hereunder, as provided by Section 38 of the General Terms and Conditions of this Tariff, and at the maximum rate stated on currently effective Section No. 5, unless otherwise negotiated pursuant to Section 33 of the General Terms and Conditions of this Tariff.
- 5.3 The ACA charge will be assessed, when applicable, as provided in Section 30 of the General Terms and Conditions of this Tariff, on quantities delivered by Transporter for Shipper under this Rate Schedule ITS.

5.4 Other Charges.

As applicable under this Rate Schedule ITS, Shipper may be assessed additional charges consisting of:

A. Monthly Cashout and Imbalance Charges

Transporter will charge for, or credit to, Shipper Imbalance quantities remaining after the Imbalance netting and trading procedures, as set out in the General Terms and Conditions of this Tariff, based upon the applicable index price percentages set forth in this Tariff.

B. Filing Fees

Shipper shall reimburse Transporter within ten (10) Days after receiving an invoice from Transporter for all fees incurred by Transporter which are required by the Commission or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees (such as general rate case filing fees).

C. Additional facility charges pursuant to the General Terms and Conditions of this Tariff.

D. Third party charges at cost, applicable to service specifically requested by Shipper consistent with Section 11.7 of the General Terms and Conditions of this Tariff.

E. Such other charges as may be authorized by the Commission from time-to-time for inclusion herein.

6. NOMINATIONS, SCHEDULING AND IMBALANCES

6.1 Shipper shall provide Transporter with daily Nominations of receipts and deliveries by Receipt and Delivery Point in accordance with the General Terms and Conditions of this Tariff. It shall be Shipper's responsibility to cause Gas to be delivered to Transporter at Receipt Point(s), and to cause Gas to be taken from Transporter at Delivery Point(s), in accordance with the information supplied to Transporter.

6.2 It shall be Shipper's responsibility to keep receipts and deliveries in Balance. Transporter may reschedule service hereunder to the extent necessary to bring receipts and deliveries into Balance. Any Imbalance between actual receipts and actual deliveries shall be eliminated by cashout or other means on a Monthly basis in accordance with the

General Terms and Conditions of this Tariff, unless otherwise agreed to in writing by Transporter.

7. RECEIPT AND DELIVERY POINTS AND UPSTREAM AND DOWNSTREAM ARRANGEMENTS

- 7.1 An ITS Agreement shall include all available Receipt and Delivery Points on Transporter's System, subject to any applicable charges and in accordance with the General Terms and Conditions of this Tariff. Transporter's aggregate maximum obligation to accept and deliver Gas on an interruptible basis shall be specified in Dth in the ITS Agreement. The quantities available at each Receipt and Delivery Point, and the related priorities, shall be governed by the General Terms and Conditions of this Tariff.
- 7.2 Acceptable conditions of operation at Receipt and Delivery Points are set forth in the General Terms and Conditions of this Tariff.
- 7.3 Shipper shall make all necessary arrangements with other parties: (1) at or upstream of the Receipt Point(s) where Gas is tendered to Transporter hereunder; and (2) at or downstream of the Delivery Point(s) where Transporter delivers Gas hereunder to or for the account of Shipper. Such arrangements must be consistent with this Rate Schedule ITS and must be coordinated with Transporter.

8. OVERRUN SERVICE

- 8.1 Upon request of Shipper, Transporter may (but is not obligated to) receive, transport, and deliver on any Day, quantities of Gas in excess of Shipper's MDQ under the ITS Agreement when, in Transporter's reasonable judgment, the Capacity and operating capability of its System will permit such receipt, transportation and delivery without impairing the ability of Transporter to meet its other obligations ("Authorized Overrun Service"). Requests for Authorized Overrun Service shall be subject to the Authorized Overrun Service priorities set forth in the General Terms and Conditions of this Tariff. Shipper may utilize Receipt and Delivery Points in accordance with the provisions of this Tariff; however, such use may result in the Shipper exceeding its Capacity rights (as specified by MDQ) in total. Utilization by Shipper which exceeds its Capacity rights shall constitute Authorized Overrun Service provided by Transporter and Shipper shall incur Authorized Overrun Service Charges as a result of such use. Shipper shall pay Transporter the maximum rate for Authorized Overrun Service set forth in this Tariff unless otherwise agreed.
- 8.2 For any Overrun Service hereunder which is not authorized ("Unauthorized Overrun Service"), Shipper shall pay Transporter, in addition to the Authorized Overrun Service Charge, an Unauthorized Overrun Service Charge. Such Unauthorized Overrun Service Charge shall equal the amount of Gas in Dth tendered to Transporter or delivered to Shipper under an ITS Agreement, which exceeds Shipper's Nomination on any Day under such ITS Agreement, multiplied by two (2) times the daily spot price for the Day on

which the Unauthorized Overrun occurred, as published in Natural Gas Intelligence Group, Natural Gas Week Data Source, Spot Prices from Daily Price Snapshot, under the "Volume-Weighted Price" column for the Cheyenne Hub Index.

- 8.3 Transporter shall have no authority to assess to any Shipper an Unauthorized Overrun Service Charge at any time except during the Directional Notice, Critical Time and Unilateral Action phases of Transporter's Operational Control Sequence, as defined in Section 36 of the General Terms and Conditions of this Tariff. Any Unauthorized Overrun Service Charge billed and collected by Transporter shall be refunded, net of cost, pursuant to Section 37 of the General Terms and Conditions of this Tariff.
- 8.4 In each instance when an Unauthorized Overrun Service Charge is incurred, Transporter shall have the right to review the circumstances surrounding the Unauthorized Overrun Service Charge incurrence and, in its judgment, may waive all or a portion of the Unauthorized Overrun Service Charges. Any such waiver shall be granted on a non-discriminatory basis to all Shippers that incurred an Unauthorized Overrun Service Charge in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, as required by applicable FERC rules and regulations.
- 8.5 Further, any Unauthorized Overrun Service Charge shall be waived by Transporter if there were no operational problems caused as a result of the unauthorized overrun which led to the application of such charge to a Shipper. If Transporter does not waive an Unauthorized Overrun Charge in the circumstances described in this section, Transporter shall, upon request from a Shipper assessed an Unauthorized Overrun Service Charge, provide a written explanation of the reason the Unauthorized Overrun Service Charge was not waived.

9. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and 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.

RATE SCHEDULE PALS PARK AND LOAN SERVICE

1. AVAILABILITY

- 1.1 This Park and Loan Service (PALS) Rate Schedule is an interruptible service available to any Shipper which:
- A. submits to Transporter a valid request for service under this Rate Schedule PALS as defined in Section 4 hereof and executes an Agreement for such service (PALS Agreement); and
 - B. enters into one or more valid PALS Request Orders (PALS RO), as defined in Section 4 hereof which, when executed by Transporter and Shipper, shall evidence their agreement as to the terms of the particular transaction(s) to park and loan Gas pursuant to the PALS Agreement.
- 1.2 Shipper shall arrange separately with Transporter and others as necessary for any transportation attendant to the PALS service provided hereunder, i.e., in delivering Gas to or taking Gas away from the designated Point(s), and Shipper shall pay separately for such transportation service.
- 1.3 Shipper shall provide Transporter with reasonable assurances that Shipper can satisfactorily perform under an applicable PALS RO.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule PALS shall apply to all PALS services which are rendered by Transporter pursuant to an executed PALS Agreement and related PALS RO. Under Rate Schedule PALS, a Shipper may nominate a quantity of Gas at mutually agreeable Point(s) on Transporter's System, to be parked or loaned by Transporter for a specified period defined in the PALS RO. It is understood that Transporter is providing this PALS service hereunder through the use of its line pack and/or operational Gas; Transporter is not providing a Gas supply service under this Rate Schedule PALS, nor is Transporter providing an attendant firm or interruptible transportation service to or from the PALS point(s). Contracting for and nominating service to and from the designated Point(s) shall be the Shipper's sole responsibility.
- 2.2 Under this Rate Schedule PALS, Transporter shall only park Gas or loan Gas to the extent Transporter determines that such actions are not detrimental to its ability to satisfy any of its existing obligations with higher priority service or to meet System operational

needs. Transporter may, based on its reasonable determination of its operational capability and in a non-discriminatory manner, interrupt or decline to schedule any or all of the services hereunder and, if such actions are required to avoid interference with firm service or to protect the integrity of the System, will do so prior to invoking the procedures of Section 36, Operational Parameters, of the General Terms and Conditions of this Tariff and subject to Section 8 of this Rate Schedule PALS.

- 2.3 All mutually agreeable Points of receipt and Delivery on Transporter's System are available on a non-discriminatory basis for service under this Rate Schedule PALS. Unless an alternative Point is agreed upon by Transporter and Shipper, the same Point must be utilized to initiate and to complete a specific park or loan transaction. If an alternative Point is agreed upon, Shipper must pay for additional transportation service between the agreed-upon Receipt and Delivery Points under a separate Transportation Service Agreement. The specific Point(s) for a park or loan shall be set forth in the applicable PALS RO.
- 2.4 Subject to the provisions of Section 2.2 above, Park and Loan Services available under this Rate Schedule PALS include:
- A. Park Service, which shall consist of Transporter's receipt of a quantity of Gas at the designated Receipt Point(s) on the designated date(s), requested by Shipper under a PALS RO and approved by Transporter; Transporter's holding of such parked quantity of Gas for Shipper's account and Transporter's redelivery of the parked quantity of Gas to Shipper at the designated Delivery Point(s) and on the designated date(s) set forth in such PALS RO;
 - B. Loan Service, which shall consist of Transporter lending a specified quantity of Gas, requested by Shipper and approved by Transporter, from designated Delivery Point(s) set forth in Shipper's PALS RO and the Shipper's redelivery of and Transporter's acceptance of such quantities for Shipper's account at the designated Receipt Point(s) on the designated date(s) set forth in such PALS RO.
- 2.5 Transporter will post on its Interactive Website the availability of PALS from time to time.
- 2.6 The Park and Loan Service provided for under this Rate Schedule PALS shall be performed under Part 284 of FERC's Regulations. Shipper shall only tender Gas under this Rate Schedule PALS to the extent service hereunder would qualify under the applicable statutes, regulations, FERC orders and the blanket certificate authorizing service by Transporter under this Rate Schedule PALS. For service under Subpart B of Part 284, Shipper shall provide to Transporter with its initial request for service appropriate certification, including sufficient information in order for Transporter to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where required by FERC's Regulations, Shipper shall cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit any

necessary certification. Shipper shall provide the actual end-user purchaser name(s) to Transporter if Transporter must provide them to the FERC.

3. NOMINATIONS AND SCHEDULING

- 3.1 It shall be Shipper's sole responsibility to provide Transporter with daily Nominations of the quantity of Gas to be received or delivered at the Receipt or Delivery Point(s) under the applicable PALS RO. Nominations for any Day or for any Nomination cycle must be consistent with the PALS RO. It shall also be Shipper's responsibility to cause Gas to be delivered to Transporter and to cause Gas to be received from Transporter in accordance with the PALS RO. Nominations shall be subject to confirmation and scheduling in accordance with the General Terms and Conditions of this Tariff. If a Nomination for payback on a loan, or withdrawal on a park is consistent with the PALS RO but cannot be confirmed by Transporter, the Shipper must continue to nominate on subsequent Days until Transporter can confirm the Nomination, unless the parties agree on a revised PALS RO. Service under Rate Schedule PALS is provided on an interruptible basis.
- 3.2 Priorities of service for the purposes of scheduling and Curtailment shall be governed by Section 3 of the General Terms and Conditions of this Tariff.
- 3.3 In the event it is necessary to decline to schedule or to interrupt, curtail or suspend service under PALS because of operational conditions or to satisfy obligations with a higher priority, Transporter shall provide actual notice to Shipper. In that event, Shipper must comply with the directive(s) contained in Transporter's notification within the time specified.
- 3.4 If Shipper fails to comply with the requirements set out in a notification under Section 3.3 above, then Section 8 of this Rate Schedule PALS shall apply.

4. VALID REQUESTS FOR PALS AGREEMENT(S) AND FOR PALS RO(S)

- 4.1 A request for service under this Rate Schedule PALS shall be valid as of the date received if it complies with Section 2 of the General Terms and Conditions of this Tariff.
- 4.2 For a PALS RO to be valid, the Shipper requesting service shall include in writing the information specified in Transporter's current PALS Request Order Form, as may be revised from time-to-time, and which is available on Transporter's Interactive Website. A PALS RO shall include information required to provide service under this Rate Schedule and any other information required by the Tariff. A PALS RO shall also include any additional information that may be required by the Commission.

5. TERM

The term of service hereunder shall be set forth in the PALS Agreement between Shipper and Transporter, and shall not be less than 24 hours. The PALS RO shall have a separately stated term or terms applicable to a particular transaction which term may not extend beyond the term of the related PALS Agreement. Upon termination of any PALS Agreement and of any PALS RO, service by Transporter to Shipper thereunder shall be terminated and automatically abandoned.

6. RATE

- 6.1 A. For the Park and Loan Service rendered to Shipper under this Rate Schedule PALS, Shipper shall pay Transporter each Month the sum of the following charges:
- (i) the Initial Charge, which shall be the product of the Initial Rate multiplied by each unit of Gas tendered for park or taken for loan during that Month;
 - (ii) the Park/Loan Balance Charge, which shall be the product of the Park/Loan Balance Rate multiplied by each unit of Gas which is parked or loaned under this Rate Schedule PALS for that Month (such charge shall be calculated on the basis of the daily ending Balance for each PALS RO for each Day of the Month); and
 - (iii) the Completion Charge, which shall be the product of the Completion Rate multiplied by each unit of Gas returned to Transporter on completion (payback) of a loan or received by Shipper on completion (reversal) of a park that Month.
- B. The maximum and minimum rate(s) applicable to this Rate Schedule PALS are set forth in the Currently Effective Rates section of this Tariff. On any Day, the sum of the Initial Rate, the Park/Loan Balance Rate and the Completion Rate assessed for any park or loan may not exceed the maximum PALS Initial Rate on a per unit basis.
- C. By mutual agreement between Transporter and Shipper, which is consistent with the pro forma Agreement set out in this Tariff, Discounts or Negotiated Rates may be limited to specific quantities and/or specific periods.
- D. If a Shipper has submitted a Nomination for a payback on a loan or a withdrawal on a park, and that Nomination is consistent with the PALS RO but is not confirmed by Transporter, the Park/Loan Balance Rate shall only be assessed as if the Nomination had been confirmed.

- E. Shipper shall pay any other applicable charges, penalties and fees set out in this Rate Schedule PALS or the General Terms and Conditions of this Tariff. Deviations from the approved PALS RO nominated quantities when compared to the allocated quantities will be assessed cashout charges under Section 11 of the General Terms and Conditions of this Tariff.
- F. Charges payable by any Shipper shall be based on the maximum rates set forth in this Tariff applicable to Rate Schedule PALS, which rates are hereby incorporated herein, unless a lower rate for the charge under Subsection 6.1A of this Rate Schedule is specified in the PALS RO. However, where a Shipper has agreed to pay a Negotiated Rate, the rates assessed hereunder shall be governed by Section 33 of the General Terms and Conditions of this Tariff. A request for service at a Negotiated Rate shall specify the Negotiated Rate on which the Shipper is willing to agree.
- G. The charges referenced herein cover only Park and Loan Services. Shipper must contract separately for any transportation service required for Shipper to move Gas to or away from the Point(s) specified in the PALS RO.

6.2 Other Charges.

As applicable under this Rate Schedule PALS, Shipper may be assessed additional charges consisting of:

A. Monthly Cashout and Imbalance Charges

Transporter will charge for, or credit to, Shipper Imbalance quantities remaining after the Imbalance netting and trading procedures, as set out in the General Terms and Conditions of this Tariff, based upon the applicable index price percentages set forth in this Tariff.

B. Filing Fees

Shipper shall reimburse Transporter within ten (10) Days after receiving an invoice from Transporter for all fees incurred by Transporter which are required by the Commission or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees (such as general rate case filing fees).

C. Additional facility charges pursuant to the General Terms and Conditions of this Tariff.

- D. Third party charges at cost, applicable to service specifically requested by Shipper consistent with Section 11.7 of the General Terms and Conditions of this Tariff.
- E. Such other charges as may be authorized by the Commission from time-to-time for inclusion herein.

6.3 Overrun Service

- A. Overrun Service Charges apply if a Shipper nominates and Transporter confirms quantities in excess of the approved MAQ and/or MDQ in the PALS Agreement, or if Shipper fails to comply with any quantity or timing parameter in a PALS RO (unless the failure results from Transporter not confirming a Nomination properly submitted). Overrun Service Charges will be assessed at the maximum PALS rate, unless otherwise agreed to in writing by Transporter.
- B. For any Overrun Service hereunder which is not authorized ("Unauthorized Overrun Service"), Shipper shall pay Transporter, in addition to the Overrun Service Charge, an Unauthorized Overrun Service Charge. Such Unauthorized Overrun Service Charge shall equal the amount of Gas in Dth tendered to Transporter or delivered to Shipper under a PALS Agreement, which exceeds Shipper's Nomination on any Day under such PALS Agreement, multiplied by two (2) times the daily spot price for the Day on which the Unauthorized Overrun occurred, as published in Natural Gas Intelligence Group, Natural Gas Week Data Source, Spot Prices from Daily Price Snapshot, under the "Volume-Weighted Price" column for the Cheyenne Hub Index.
- C. Such Unauthorized Overrun Service Charge shall only be assessed during the Directional Notice, Critical Time and Unilateral Action phases of Transporter's Operational Control Sequence, as defined in Section 36 of the General Terms and Conditions of this Tariff. The Unauthorized Overrun Service Charge billed and collected by Transporter shall be refunded, net of cost, pursuant to Section 37 of the General Terms and Conditions of this Tariff.
- D. In each instance when an Unauthorized Overrun Service Charge is incurred, Transporter shall have the right to review the circumstances surrounding the Unauthorized Overrun Service Charge incurrence and, in its judgment, may waive all or a portion of the Unauthorized Overrun Service Charges. Any such waiver shall be granted on a non-discriminatory basis to all Shippers that incurred an Unauthorized Overrun Service Charge in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, as required by applicable FERC rules and regulations.

- E. Further, any Unauthorized Overrun Service Charge shall be waived by Transporter if there were no operational problems caused as a result of the unauthorized overrun which led to the application of such charge to a Shipper. If Transporter does not waive an Unauthorized Overrun Charge in the circumstances described in this section, Transporter shall, upon request from a Shipper assessed an Unauthorized Overrun Service Charge, provide a written explanation of the reason the Unauthorized Overrun Service Charge was not waived.

Shipper shall reimburse Transporter within five (5) Days after receiving an invoice from Transporter for all fees incurred by Transporter which are required by the FERC or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees (such as general rate case filing fees).

7. QUANTITY

Each PALS RO shall specify in Dth the MAQ RO, and a daily schedule of the quantities (including the MDQ RO) to be parked and/or loaned under the specific transaction. The daily schedule of returned quantities by the Shipper or Transporter shall also be specified in the PALS RO. The quantities may be specified as a range of quantities (maximum and minimum aggregate and daily quantities and the related time periods) to be parked and/or loaned and returned, and the schedule may include the flexibility to do either a park or a loan within specified quantity and time limits. The schedule may provide for flexibility in total quantities and in the daily quantities parked and/or loaned, in the timing of the park or the loan (or any portion thereof), in the duration of the park and/or loan (or portion thereof) and/or in the timing of the completion of the park or loan (or portion thereof) by the return of Gas to the Shipper or to Transporter, and shall specify the limits of the flexibility allowed. Subject to the flexibility specified in the PALS RO, the MDQ RO shall be the maximum quantity Transporter is obligated, on an interruptible basis, to receive from or deliver to Shipper hereunder on the specified Day. The MAQ RO shall be the maximum aggregate quantity Transporter is obligated to park or loan for the account of Shipper hereunder on an interruptible basis for the specific transaction covered by the PALS RO. The minimum aggregate and daily quantities to be parked and/or loaned and returned on an interruptible basis shall also be specified in the PALS RO schedule. The sum total of a Shipper's MAQ ROs and MDQ ROs shall not exceed the MAQ and MDQ specified in the PALS Agreement. If a Shipper exceeds the timing parameter in the applicable PALS RO (unless such failure is due to Transporter not confirming a Nomination properly submitted), it shall be subject to Overrun Service Charges consistent with Section 6.2 of this Rate Schedule.

8. MANDATORY BALANCING

- 8.1 Mandatory Balancing shall apply in the following instances: (a) at the end of the term specified in any applicable PALS Agreement or PALS RO; (b) where the Shipper fails to comply either with the requirements of Transporter's notice referenced in Sections 3 or 8.3B hereof; or (c) where Shipper fails to comply with the schedule of activities set forth in the applicable PALS RO and the deviation has not been agreed to and confirmed by Transporter.
- 8.2 Transporter shall require Mandatory Balancing effective the next Day prior to issuing Critical Time Operational Flow Orders pursuant to the notice provisions of Section 36.6 of the General Terms and Conditions of this Tariff, if Transporter reasonably determines that doing so would facilitate System operations and minimize the frequency and severity of Operational Flow Orders in the affected region(s).
- 8.3 A. In the event that Transporter notifies a PALS Shipper under this Section 8 or Section 3 of this PALS Rate Schedule, such notice shall specify the parked Balance to be removed or the loaned Balance to be returned, up to the full MAQ, and the timeframe within which the Balance must be effectuated, but the specified timeframe shall not be less than three (3) Days (in one-third daily increments) from the date of notification. Transporter may allow additional time for contract Balancing when operational conditions permit. Notification shall first be provided by telephone and then by facsimile, by e-mail or in writing. General notices will be posted on Transporter's Interactive Website. In instances when notification is required during times other than normal business hours, Transporter will provide such notification by telephone. To the extent Shipper fails to comply with such notice, the PALS RO shall terminate and the provisions of Section 8.4 hereof shall apply.
- B. In the event that a Shipper fails to comply with the schedule of activities set forth in the applicable PALS RO, Transporter shall notify Shipper, as provided above in Section 8.3A, and the PALS RO shall be subject to termination in accordance with the terms of such notice. The provisions of Sections 8.4A and 8.4B hereof shall then apply.
- 8.4 A. In the event that Shipper still has Gas parked at the end of the term of the PALS RO, Transporter will notify Shipper according to Section 8.3 above. If Shipper fails to comply with the notice pursuant to Sections 3 and 8.3 above, the remaining Balance shall be forfeited to Transporter, free and clear of any adverse claims. The realized value, net of applicable costs, of such forfeited Gas is subject to refund in accordance with Section 37 of the General Terms and Conditions of this Tariff. For each Day during the period between the end of the contract term and either the removal by Shipper of the remaining balance or the forfeiture of Gas to Transporter, Shipper shall pay Transporter the maximum

applicable PALS balance rate pursuant to this Tariff, unless such other applicable balance rate is agreed to in the PALS agreement.

- B. Conversely, if the Shipper has not redelivered Gas which was loaned by Transporter by the end of the term of the PALS RO or within the timeframe specified in the notice in Sections 3 and 8.3 above, the Shipper must purchase the unreturned Balance at 150% of the daily spot price for the Day as reflected for the indices specified below, as published in Natural Gas Intelligence Group, Natural Gas Week Data Source, Spot Prices from Daily Price Snapshot, under the "Volume-Weighted Price" column for the Cheyenne Hub Index, during the period of time the Gas is scheduled to be returned pursuant to the applicable PALS RO.

The amounts collected in excess of 100% of the highest daily price, as applicable, net of costs, are subject to refund in accordance with Section 37 of the General Terms and Conditions of this Tariff. If Operational Flow Orders are in effect on the date Shipper is required to comply with the notice, Shipper shall be subject to the highest penalty charges set forth in Section 37 of the General Terms and Conditions of this Tariff.

- C. The Tariff provisions of this Section 8.4 will be implemented by Transporter on a non-discriminatory basis. In each instance when an amount is collected pursuant to Section 8.4.B due to failure of Shipper to redeliver, Transporter shall have the right to review the circumstances surrounding such failure to redeliver and, in its judgment, may waive all or a portion of the amount collected in excess of 100% of the highest daily price. Any such waiver shall be granted on a non-discriminatory basis to all Shippers from whom amounts were collected in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, as required by applicable FERC rules and regulations.

- 8.5 A. In circumstances where Shipper is unable to eliminate its PALS RO Balance because Transporter is unable to accept the PALS RO Nomination, Shipper shall take any action to reduce the Balance that Transporter can accommodate and Shipper shall be granted additional time to eliminate its PALS RO Balance corresponding to the time Transporter was unable to accept the PALS RO Nomination. Shipper shall not incur any penalty as to that portion of the Balance resulting from Transporter's inability to accept the PALS RO Nomination. Such extension shall only apply in instances where a Shipper's inability to eliminate the PALS RO Balance is attributable to Transporter's inability to accept and confirm PALS RO Nominations. Shipper remains responsible to nominate the appropriate level of transportation to meet Transporter's notification requirements.

- B. To the extent that Shipper's allocated and delivered volume is more or less than the nominated and confirmed volume, Transporter shall notify Shipper no later than ten (10) Business Days after the end of the Month following the end date of the PALS RO. Shipper shall be afforded three (3) Business Days after the notice to make up the volume deficiency either through removal or by providing Gas in kind, without penalty or daily fees. Unless otherwise agreed by Transporter, any volume not removed or repaid in kind shall be subject to the provisions of Section 8.4.

9. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and 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.

RATE SCHEDULE PAWS POOLING AND WHEELING SERVICE

1. AVAILABILITY

This Rate Schedule PAWS is available to any entity (hereinafter called Shipper) which: (a) submits to Transporter a valid request as defined in Section 3 hereof; and (b) executes a Pooling and Wheeling Service Agreement ("PAWS Agreement") with Transporter applicable to service under this Rate Schedule PAWS. The form of PAWS Agreement is contained in this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule PAWS shall apply to all service provided on an interruptible basis which is rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule and shall consist of the following:

- A. Pooling Service. Pooling Service hereunder shall consist of the receipt of Gas from a PAWS Shipper, or for a PAWS Shipper's account, at a physical point within a specified Hub and the redelivery of Gas at the Hub Pooling Point within the same Hub to Shippers receiving Gas at such Hub Pooling Point.
- B. Wheeling Service. Wheeling Service is the receipt of Gas by a PAWS Shipper, or for a PAWS Shipper's account, at a physical point or Hub Pooling Point within a specified Hub and the redelivery of Gas at a physical point within the same Hub.

2.2 Transporter shall not be required: (a) to accept on any Day Gas tendered in excess of the Maximum Daily Quantity (MDQ) specified in Shipper's PAWS Agreement with Transporter, or (b) to deliver on any Day Gas requested, in excess of the MDQ specified in the PAWS Agreement; or (c) to accept or deliver on any Day Gas hereunder which is not properly nominated pursuant to and to the extent required by the General Terms and Conditions of this Tariff.

2.3 A PAWS Agreement shall include all available Receipt and Delivery Points within a specified Hub, as set forth on Transporter's Interactive Website and as may be revised from time to time, subject to any applicable charges and in accordance with the General Terms and Conditions of this Tariff. Transporter's aggregate maximum obligation to accept and deliver Gas on an Interruptible basis shall be specified in Dth in the PAWS Agreement. The quantities available at each Receipt and Delivery Point within a specified Hub, and the related priorities, shall be governed by the General Terms and Conditions of this Tariff.

2.4 Transporter is not providing hereunder any transportation service between any Receipt Point and Delivery Point which are not located in the same Hub. Transportation from a

Receipt Point in one Hub to a Delivery Point in another Hub will require service under a different transportation service rate schedule of this Tariff.

- 2.5 The service provided under this Rate Schedule PAWS shall be performed in accordance with Part 284 of the Commission's Regulations. Shipper shall only tender Gas for transportation under this Rate Schedule PAWS to the extent such service would qualify under the applicable statutes, regulations, Commission orders and the blanket certificate authorizing service by Transporter under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to Transporter appropriate certification, including sufficient information in order for Transporter to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where required by the Commission's Regulations, Shipper shall (prior to tendering Gas under a PAWS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.
- 2.6 Receipt and Delivery Point access, Nominations, scheduling, Interruption of service, allocation of Capacity, Curtailment and priorities of service are all governed by the General Terms and Conditions of this Tariff.

3. VALID REQUESTS

- 3.1 A request for service under this Rate Schedule PAWS shall be valid as of the date received if it complies with Section 2 of the General Terms and Conditions of this Tariff

4. TERM

The term of service hereunder shall be set forth in the PAWS Agreement between Shipper and Transporter. Transporter may terminate the PAWS Agreement prior to the contract expiration date if Shipper fails to tender Gas to be delivered by Transporter during any twelve (12) consecutive calendar Months when Capacity is available, unless Shipper's failure to tender Gas was attributable to circumstances of Force Majeure.

5. RATE

The applicable rates, including any surcharges, for Pooling and Wheeling Service are set forth in this Tariff, as revised from time to time. Unless otherwise agreed to in writing between Transporter and Shipper, or by Shippers' election to nominate service consistent with the terms of the applicable service Discounts Rate offers posted by Transporter on its Interactive Website from time to time, the applicable rate shall be the maximum rate set forth on the currently effective rate Section of this Tariff. Where a Shipper has agreed to pay a Negotiated Rate, the rates assessed hereunder shall be governed by Section 33 of the General Terms and Conditions of this Tariff. A request for service at a Negotiated Rate shall specify the Negotiated Rate on which the Shipper is willing to agree.

- 5.1 For Pooling Service provided under this Rate Schedule PAWS, Shipper shall pay Transporter for each Dth of Gas delivered to Shipper, or for Shipper's account, the

applicable maximum Commodity Rate set forth in this Tariff, unless otherwise agreed to in writing between Shipper and Transporter.

5.2 Wheeling Service Charges.

- A. For Wheeling Service provided under this Rate Schedule PAWS, Shipper shall pay Transporter for each Dth of Gas delivered to Shipper, or for Shipper's account, the applicable maximum Commodity Rate set forth in this Tariff, unless otherwise agreed to in writing between Shipper and Transporter.
- B. Shipper shall reimburse Transporter for Lost and Unaccounted-for Gas in connection with Wheeling Service at the applicable reimbursement percentage set forth in this Tariff, and as provided by Section 38 of the General Terms and Conditions of this Tariff.

5.3 The ACA charge will be assessed on Wheeling Service provided hereunder, as provided in Section 30 of the General Terms and Conditions of this Tariff. The ACA charge shall not be assessed on Pooling Services provided hereunder.

5.4 Other Charges.

As applicable under this Rate Schedule PAWS, Shipper may be assessed additional charges consisting of:

A. Monthly Cashout and Imbalance Charges

Transporter will charge for, or credit to, Shipper Imbalance quantities remaining after the Imbalance netting and trading procedures, as set out in the General Terms and Conditions of this Tariff, based upon the applicable index price percentages set forth in this Tariff.

B. Filing Fees

Shipper shall reimburse Transporter within ten (10) Days after receiving an invoice from Transporter for all fees incurred by Transporter which are required by the Commission or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees (such as general rate case filing fees).

C. Additional facility charges pursuant to the General Terms and Conditions of this Tariff.

- D. Third party charges at cost, applicable to service specifically requested by Shipper consistent with Section 11.7 of the General Terms and Conditions of this Tariff.
- E. Such other charges as may be authorized by the Commission from time-to-time for inclusion herein.

6. NOMINATIONS, SCHEDULING AND IMBALANCES

- 6.1 Shipper shall provide Transporter with daily Nominations of receipts and deliveries by Receipt and Delivery Point in accordance with the General Terms and Conditions of this Tariff. It shall be Shipper's responsibility to cause Gas to be delivered to Transporter at Receipt Point(s), and to cause Gas to be taken from Transporter at Delivery Point(s), in accordance with the information supplied to Transporter.
- 6.2 It shall be Shipper's responsibility to keep receipts and deliveries in Balance. Transporter may reschedule service hereunder to the extent necessary to bring receipts and deliveries into Balance. Any Imbalance between actual receipts and actual deliveries shall be eliminated by cashout or other means on a Monthly basis in accordance with the General Terms and Conditions of this Tariff, unless otherwise agreed to in writing by Transporter. Imbalances at Hub Pooling Points are not allowed.

7. RECEIPT AND DELIVERY POINTS AND UPSTREAM AND DOWNSTREAM ARRANGEMENTS

- 7.1 A PAWS Agreement shall include all available Receipt and Delivery Points within a specified Hub, as set forth on Transporter's Interactive Website and as revised from time to time, subject to any applicable charges and in accordance with the General Terms and Conditions of this Tariff. Transporter's aggregate maximum obligation to accept and deliver Gas on an interruptible basis shall be specified in Dth in the PAWS Agreement. The quantities available at each Receipt and Delivery Point within a specified Hub, and the related priorities, shall be governed by the General Terms and Conditions of this Tariff.
- 7.2 Acceptable conditions of operation at Receipt and Delivery Points within a specified Hub are set forth in the General Terms and Conditions of this Tariff.
- 7.3 Shipper shall make all necessary arrangements with other parties: (1) at or upstream of the Receipt Point(s) where Gas is tendered to Transporter hereunder; and (2) at or downstream of the Delivery Point(s) where Transporter delivers Gas hereunder to or for the account of Shipper. Such arrangements must be consistent with this Rate Schedule PAWS and must be coordinated with Transporter.

8. OVERRUN SERVICE

- 8.1 Upon request of Shipper, Transporter may (but is not obligated to) receive, transport, and deliver on any Day, quantities of Gas in excess of Shipper's MDQ under the PAWS Agreement when, in Transporter's reasonable judgment, the Capacity and operating capability of its System will permit such receipt, transportation and delivery without impairing the ability of Transporter to meet its other obligations ("Authorized Overrun Service"). Requests for Authorized Overrun Service shall be subject to the Authorized Overrun Service priorities set forth in the General Terms and Conditions of this Tariff. Authorized utilization by Shipper which exceeds its Capacity rights shall constitute Authorized Overrun Service provided by Transporter, and Shipper shall incur Authorized Overrun Service Charges as a result of such use. Shipper shall pay Transporter the maximum rate for Authorized Overrun Service set forth in this Tariff unless otherwise agreed to in writing by Transporter.
- 8.2 For any Overrun Service hereunder which is not Authorized Overrun Service ("Unauthorized Overrun Service"), Shipper shall pay Transporter, in addition to the Authorized Overrun Service Charge, an Unauthorized Overrun Service Charge. Such Unauthorized Overrun Service Charge shall equal the amount of Gas in Dth tendered to Transporter or delivered to Shipper under an PAWS Agreement, which exceeds Shipper's Nomination on any Day under such PAWS Agreement, multiplied by two (2) times the daily spot price for the Day on which the Unauthorized Overrun occurred, as published in Natural Gas Intelligence Group, Natural Gas Week Data Source, Spot Prices from Daily Price Snapshot, under the "Volume-Weighted Price" column for the Cheyenne Hub Index.
- 8.3 Transporter shall have no authority to assess to any Shipper an Unauthorized Overrun Service Charge at any time except during the Directional Notice, Critical Time and Unilateral Action phases of Transporter's Operational Control Sequence, as defined in Section 36 of the General Terms and Conditions of this Tariff. Any Unauthorized Overrun Service Charge billed and collected by Transporter shall be refunded, net of cost, pursuant to Section 37 of the General Terms and Conditions of this Tariff.
- 8.4 In each instance when an Unauthorized Overrun Service Charge is incurred, Transporter shall have the right to review the circumstances surrounding the Unauthorized Overrun Service Charge incurrence and, in its judgment, may waive all or a portion of the Unauthorized Overrun Service Charges. Any such waiver shall be granted on a nondiscriminatory basis to all Shippers that incurred an Unauthorized Overrun Service Charge in that instance. Such waiver, if granted, shall be posted on Transporter's Interactive Website, or as otherwise may be required by applicable FERC rules and regulations.
- 8.5 Further, any Unauthorized Overrun Service Charge shall be waived by Transporter if there were no operational problems caused as a result of the unauthorized overrun which led to the application of such charge to a Shipper. If Transporter does not waive an Unauthorized Overrun Charge in the circumstances described in this section, Transporter shall, upon request from a Shipper assessed an Unauthorized Overrun Service Charge,

provide a written explanation of the reason the Unauthorized Overrun Service Charge was not waived.

9. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and 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.