

**FHBS RATE SCHEDULE  
FIRM HOURLY BALANCING SERVICE**

1. AVAILABILITY

This Rate Schedule is available to any Customer for the purchase of firm hourly balancing service (“FHBS”) from EAST CHEYENNE, provided that:

(a) EAST CHEYENNE has determined that it has sufficient operationally available and uncommitted firm storage capacity and injection and withdrawal capacity to perform the service Customer has requested;

(b) Customer and EAST CHEYENNE have executed a Firm Hourly Balancing Service Agreement under this Rate Schedule;

(c) Customer accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this Rate Schedule, including making any necessary arrangements with pipeline Transporter(s) for Customer to utilize hourly balancing service at one or more delivery points on the Transporter’s (s’) pipeline system(s) (any such arrangements for utilization of hourly balancing service must be acceptable to EAST CHEYENNE, in its reasonable judgment);

(d) EAST CHEYENNE has determined that it can offer firm hourly balancing service between the Customer’s point(s) of delivery on the transporting pipeline(s) and EAST CHEYENNE’s Point(s) of Delivery/Receipt;

(e) Availability of service under this Rate Schedule shall be subject to a determination by EAST CHEYENNE that its performance of the service requested hereunder shall not cause a reduction in EAST CHEYENNE’s ability to provide Firm Storage Services under currently effective Storage Service Agreements; and

(f) Service under this Rate Schedule may not be available to the extent that EAST CHEYENNE would be required to construct, modify, expand or acquire any facilities to enable EAST CHEYENNE to perform the requested services.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all firm hourly balancing service rendered by EAST CHEYENNE to Customer through use of EAST CHEYENNE’s Facility pursuant to an executed Firm Hourly Balancing Service Agreement.

2.1 Firm hourly balancing service rendered to Customer under this Rate Schedule shall consist of:

(a) The receipt on any Day of Customer’s Gas per Customer’s nomination up to the Maximum Daily Injection Quantity (“MDIQ”) and Maximum Daily Receipt Quantity (“MDRQ”) as stated in Customer’s executed Firm Hourly Balancing Service Agreement, plus Fuel Reimbursement, at the Point(s) of Receipt and the injection of Gas so received into storage, provided that Customer’s Storage

Inventory has not exceeded Customer's Maximum Storage Quantity ("MSQ");

- (b) The storage of Gas in amounts up to the MSQ, as stated in Customer's executed Firm Hourly Balancing Service Agreement;
- (c) The withdrawal from storage on any Day of Customer's Gas per Customer's nomination up to the Maximum Daily Withdrawal Quantity ("MDWQ") and Maximum Daily Delivery Quantity ("MDDQ") as stated in Customer's executed Firm Hourly Balancing Service Agreement and the delivery of such Gas, less Fuel Reimbursement, to the Point(s) of Delivery, provided that Customer has a quantity of Gas in Customer's Firm Storage Inventory not less than the quantity Customer shall have nominated for withdrawal on such Day; and
- (d) For each hour during a Day, subject to the maximum hourly limit as set forth in Customer's Firm Hourly Balancing Service Agreement, the receipt or delivery by EAST CHEYENNE at the Point(s) of Receipt/Delivery designated by Customer of hourly balancing quantities of Gas which shall be the difference, on an hourly basis, between (i) the injections to or withdrawals from EAST CHEYENNE's storage of Gas as nominated by Customer to meet Customer's desired hourly pattern of deliveries at its delivery point(s) on the Transporter's (s') pipeline system(s) and (ii) Customer's ratable flow quantities on EAST CHEYENNE's system (1/24 of Daily nominated quantities); provided that hourly balancing quantities shall not cause Customer's Firm Storage Inventory to exceed the MSQ set forth in Customer's Firm Hourly Balancing Service Agreement or to be less than zero (0).

2.2 Provided that the receipt of Gas from Customer and the injection of such Gas into storage can be accomplished by EAST CHEYENNE without detriment to EAST CHEYENNE's facilities and/or EAST CHEYENNE's ability to meet its firm obligations to other Customers, EAST CHEYENNE may, upon Customer's request and after confirmation by Customer's Transporter, schedule and inject on an Interruptible basis quantities of Gas in excess of Customer's MDIQ, provided that Customer's firm Storage Inventory has not exceeded Customer's MSQ or applicable Storage Overrun Quantity. Such excess quantities shall be deemed to be "Excess Injection Gas."

2.3 Provided that such withdrawal of Gas from storage and delivery of such Gas to Customer can be accomplished by EAST CHEYENNE without detriment to EAST CHEYENNE's facilities and/or EAST CHEYENNE's ability to meet its firm obligations to other Customers, EAST CHEYENNE may, upon Customer's request and after confirmation by Customer's Transporter, schedule and withdraw on an Interruptible basis quantities of Gas in excess of Customer's MDWQ, provided that Customer has a quantity of Gas in Customer's firm Storage Inventory not less than the quantities Customer shall have nominated for withdrawal on such Day. Such excess quantities shall be deemed to be "Excess Withdrawal Gas."

2.4 Hourly balancing quantities must be nominated and scheduled pursuant to this Rate Schedule and Section 7 of the General Terms and Conditions of this FERC Gas Tariff. In addition to the day-ahead and intraday nominations provided for in Section 7 of the General Terms and Conditions, Customer shall be permitted to submit nominations for hourly balancing quantities, and to adjust its

hourly balancing quantity nominations within a Day by providing not less than one hour notice to EAST CHEYENNE before the start of an hour for which Customer requests to change a nomination, provided that such hourly nominations, including changes in hourly nominations, are subject to confirmation with the transporting pipeline. Firm Hourly Balancing Service is not intended to serve as an Operational Balancing Agreement to account for hourly deviations between scheduled volumes and volumes actually taken by Customer at its point(s) of delivery on the transporting pipeline(s). Such deviations shall be subject to reconciliation pursuant to the Customer's transportation agreement(s) with its pipeline Transporter(s) and the pipeline Transporter's (s') tariff(s).

2.5 In the event Customer desires to use Firm Hourly Balancing Service for balancing at more than one delivery point on Transporters' pipeline systems under its Firm Hourly Balancing Service Agreement, hourly balancing quantities for each such delivery point shall be separately determined, nominated and used for purposes of billing Hourly Balancing Charges.

### 3. OVERRUN SERVICE

3.1 Customer may submit a nomination for injections in excess of its MDIQ ("Excess Injection Gas"), withdrawals in excess of its MDWQ ("Excess Withdrawal Gas") or storage in excess of its MSQ up to Customer's Storage Overrun Quantity ("Authorized Overrun Service"). In the event that Customer makes such a nomination, EAST CHEYENNE will schedule and confirm (i) the request to the extent that additional flexibility exists during the time period of the request in accordance with Section 5.2 of the General Terms and Conditions, and (ii) using reasonable discretion, that EAST CHEYENNE can accommodate the request without detriment to EAST CHEYENNE's Facility and/or EAST CHEYENNE's ability to meet its higher priority service obligations to other Customers.

3.2 EAST CHEYENNE shall have the right to interrupt all or part of these Authorized Overrun Quantities nominated as the operation of its facilities may require in EAST CHEYENNE's reasonable judgment, subject to Section 5 of the General Terms and Conditions of this Tariff. To the extent storage capacity which is being utilized as Authorized Overrun Service under this Section 3 is needed by EAST CHEYENNE in order to satisfy EAST CHEYENNE's obligations to higher priority service Customers or to meet system needs, EAST CHEYENNE shall require Customer to withdraw all, or any portion of, the Gas quantities held in storage by EAST CHEYENNE for the account of Customer pursuant to this Section 3, as specified by EAST CHEYENNE. Unless EAST CHEYENNE otherwise agrees, Customer shall be required to make ratable withdrawals. If Customer fails to withdraw such Authorized Overrun Quantity, then EAST CHEYENNE may take, free and clear of any adverse claims, title to such Authorized Overrun Quantity as Customer was instructed to withdraw. EAST CHEYENNE's notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to the Customer.

3.3 In the event that EAST CHEYENNE retains and takes title to any of Customer's Gas pursuant to this Section 3, EAST CHEYENNE shall dispose of such Authorized Overrun Quantity by auction and credit the value of such Gas, net of any costs incurred by EAST CHEYENNE to take title to and/or resell such Gas, in accordance with the provisions of Section 31 of the General Terms and Conditions of this FERC Gas Tariff, less Authorized Overrun Charges for the period from the first day following the date Customer was required to complete the withdrawal until the inventory is sold to the highest bidder and any applicable Fuel Reimbursement charges, Withdrawal Charges and any administrative costs incurred by EAST CHEYENNE to conduct the auction. Such Authorized Overrun Charges shall be calculated by multiplying the Authorized Overrun Charge in effect on the required

withdrawal date by the quantity of Storage Inventory sold at auction.

#### 4. RATES AND CHARGES

Customer shall pay rates and charges for Firm Hourly Balancing Service under this Rate Schedule including the applicable storage rate components set forth in the FHBS Rate Statement and as described below:

- (a) FHBS Storage Reservation Charge. A monthly charge for each Dth of Customer's MSQ.
- (b) Firm Hourly Balancing Reservation Charge. A monthly charge for each Dth of Customer's Maximum Hourly FHBS Quantity.
- (c) Storage Injection Charge. A usage charge for each Dth of Customer's Gas injected into EAST CHEYENNE's facilities pursuant to Section 2.1(a) of this Rate Schedule.
- (d) Storage Withdrawal Charge. A usage charge for each Dth of Customer's Gas withdrawn from EAST CHEYENNE's facilities pursuant to Section 2.1(c) of this Rate Schedule.
- (e) Authorized Overrun Charge. A usage charge for each Dth stored in excess of Customer's MSQ per given Month pursuant to Section 3 of this Rate Schedule.
- (f) Excess Injection Charge. A usage charge for each Dth of Excess Injection Gas injected into EAST CHEYENNE's facilities pursuant to Section 2.2 of this Rate Schedule for each Day during a given Month.
- (g) Excess Withdrawal Charge. A usage charge for each Dth of Excess Withdrawal Gas withdrawn from EAST CHEYENNE's facilities pursuant to Section 2.3 of this Rate Schedule for each Day during a given Month.
- (h) Fuel Reimbursement. The amount of Gas for fuel and losses determined in accordance with Section 18 of the General Terms and Conditions of this FERC Gas Tariff and set forth in Customer's Firm Hourly Balancing Service Agreement.
- (i) Regulatory Fees and Charges. Customer shall reimburse EAST CHEYENNE for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, as set forth in Customer's Firm Hourly Balancing Service Agreement.
- (j) Taxes. Customer shall reimburse EAST CHEYENNE for all applicable taxes as may be assessed EAST CHEYENNE, as set forth in Section 14 of the General Terms and Conditions of this FERC Gas Tariff and in Customer's Firm Hourly Balancing Service Agreement.

#### 5. INVOICE

Each invoice for Firm Hourly Balancing Service shall reflect the applicable charges set forth under Section 4 of this Rate Schedule, at rates set forth in Customer's Firm Hourly Balancing Service Agreement.

## 6. TERM

The term for service under this Rate Schedule shall be as set forth in the executed Firm Hourly Balancing Service Agreement.

## 7. AUTHORIZATION, RATES, TERMS AND CHANGES

7.1 The Firm Hourly Balancing Service Agreement and the respective obligations of the Parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by FERC, and any state or local governmental agency having jurisdiction, of requisite authorization for EAST CHEYENNE to provide the storage service contemplated hereby and to construct and operate the facilities necessary to provide such service and for any connected pipeline to transport Gas to/from the Point(s) of Receipt/Delivery necessary to effect the service provided for herein.

7.2 EAST CHEYENNE shall have the right to propose to FERC or any other governing regulatory body such changes in its rates and terms of service as it deems necessary, and the Firm Hourly Balancing Service Agreement executed by the Parties shall be deemed to include any changes which are made effective pursuant to order or regulation or provisions of law, without prejudice to Customer's right to protest the same; provided, however, that any market-based rates negotiated between EAST CHEYENNE and its Customer(s) shall remain in effect during the term(s) of the Firm Hourly Balancing Service Agreement(s) specifying such rates.

## 8. CURTAILMENT

If, due to an emergency situation or when unexpected capacity loss occurs after scheduling, EAST CHEYENNE's capability to receive, store or deliver quantities of Gas is impaired so that EAST CHEYENNE is unable to receive, store or deliver the quantities provided for in its Storage Service Agreements for Firm Storage Services with Customers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 5 of the General Terms and Conditions of this FERC Gas Tariff.

## 9. EXPIRATION OF TERM

9.1 At least ninety (90) Days prior to the expiration of any primary term or renewed term of Customer's Firm Hourly Balancing Service Agreement, EAST CHEYENNE and Customer shall either agree on mutually acceptable terms by which EAST CHEYENNE shall cash out the Storage Inventory or store the Storage Inventory under the provisions of Rate Schedule IHBS, or, if EAST CHEYENNE and Customer fail to agree on such mutually acceptable terms, Customer must physically withdraw the Storage Inventory before the end of the contract term. If, by midnight on the last Day of the contract term, Customer has failed to withdraw such Storage Inventory, then, at EAST CHEYENNE'S option, and upon forty-eight (48) hours' notice, EAST CHEYENNE will store such Storage Inventory under the provisions of Rate Schedule IHBS or EAST CHEYENNE may take, free and clear of any adverse claims or obligation to Customer, title to such Storage Inventory; provided, however, that if Customer was unable to withdraw its Storage Inventory due to an interruption of Customer's withdrawal service during the last ten (10) Days before termination, Customer shall be allowed an additional number of days, corresponding to the period of interruption of its withdrawal service to withdraw its Storage Inventory following the end of the contract term.

9.2 In the event that EAST CHEYENNE retains and takes title to any of Customer's Storage Inventory pursuant to this Section 9, EAST CHEYENNE shall dispose of such Storage Inventory by auction and shall credit the net proceeds received from such auction in accordance with the provisions of Section 31 of the General Terms and Conditions of this FERC Gas Tariff.

#### 10. GENERAL TERMS AND CONDITIONS

Applicable provisions of the General Terms and Conditions of this FERC Gas Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this FHBS Rate Schedule, where applicable, and shall supplement the terms and conditions governing service rendered hereunder, as though stated herein; provided, however, that in the event of any inconsistency, the terms of this FHBS Rate Schedule shall control.