

## RATE SCHEDULES

Section 1	FT	Firm Transportation Service
Section 2	IT	Interruptible Transportation Service
Section 3	PAL	Interruptible Parking and Lending Service
Section 4	SS-1	Interruptible Hourly Swing Service
Section 5	HSP	Headstation Pooling Service

RATE SCHEDULE FT  
Firm Transportation Service

1. AVAILABILITY

- 1.1 This Rate Schedule is available for transportation service by Ruby Pipeline, L.L.C. (hereinafter called Transporter), for any person (hereinafter called Shipper) when Shipper desires firm transportation service and:
- (a) Transporter has determined that (other than such new taps, valves, measurement equipment, and other minor facilities that may be required at the receipt or delivery point(s) to effect Gas receipt or delivery) it has available or will secure sufficient uncommitted capacity to provide the service requested by Shipper as well as all of its other firm service commitments;
  - (b) Shipper has made a valid request pursuant to the requirements of Section 4 of the GT&C of this Tariff;
  - (c) Shipper has satisfied the creditworthiness requirements of Section 4.12 of the GT&C of this Tariff; and
  - (d) Shipper has executed a firm TSA pursuant to the terms of this Rate Schedule in the form attached to this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation service up to Shipper's MDQ shall be considered firm and not subject to a prior claim by another Shipper or another class of service under a pre-existing contract, TSA or certificate.
- 2.2 Transporter shall not be required to provide transportation service if the quantities tendered are so small as to cause operational difficulties, such as measurement. (See, Section 4.1 of the GT&C.) Transporter shall promptly notify Shipper if such operating conditions precluding service exist.
- 2.3 Rates of Flow. Unless otherwise agreed, at each receipt and delivery point, each Party shall flow, or cause to flow, Gas at the rates of flow as specified below.
- (a) At each delivery point, quantities delivered for Shipper's account shall not exceed, on an Hourly basis, 1/24<sup>th</sup> of scheduled daily quantities. Transporter may from time to time on a not unduly discriminatory basis permit reasonable operating variations that do not adversely affect other Shippers or pipeline operations; provided, however, that such variations shall not be considered a firm delivery right.

2.3 Rates of Flow (continued)

- (b) At each receipt point, Transporter may from time to time on a not unduly discriminatory basis permit reasonable operating variations greater than 1/24th of scheduled daily quantities that do not adversely affect other shippers or pipeline operations; provided, however, such variations shall not be considered a firm right.
- (c) Except as otherwise provided in the Tariff, Shipper must balance its daily receipts and its daily deliveries at the end of each Gas Day.

2.4 This service shall be subject to the flexible receipt and delivery point and segmentation provisions of Section 8, the imbalance management provisions of Section 10, and the capacity release requirements specified in Section 9 of the GT&C.

2.5 Winter-time only service may be provided under this rate schedule during the Months of November through April, subject to ambient temperatures affording the hydraulic efficiencies to warrant such service offering. Available winter-time only capacity will be posted on Transporter's EBB.

2.6 Long-Term Firm service under this Rate Schedule is available for a term of greater than or equal to one year. Short-Term Firm service under this rate schedule is available for a term of less than one year. Long-Term Firm shippers are eligible for a regulatory right of first refusal pursuant to Section 4.9 of the GT&C. Short-Term Firm shippers (less than one year) are not eligible for a regulatory right of first refusal pursuant to Section 4.9 of the GT&C.

2.7 Flow day diversions, pursuant to Section 6.6 of the GT&C, are available to Rate Schedule FT Shippers.

3. TRANSPORTATION SERVICE CHARGES

3.1 Applicable Rates. The applicable rates for service hereunder shall be, subject to the other provisions hereof, the rates agreed to by Transporter and Shipper as set forth in the TSA.

- (a) Reservation Charge. Each Month Shipper shall be charged a reservation charge determined by multiplying the reservation rate(s) set forth in the TSA by Shipper's MDQ. Shipper shall begin paying the reservation charge on the date provided for in the TSA.
- (b) Commodity Charge. Each Month, Shipper shall be charged an amount obtained by multiplying the Commodity Rate(s) set forth in the TSA by the total quantity of Gas in Dths delivered (exclusive of any overrun Gas) each Day of the Month by Transporter to Shipper at the delivery point(s).

### 3.1 Applicable Rates (continued)

- (c) Backhaul Charge. Shipper shall be charged applicable forward haul rates (i.e., the Rate Schedule FT recourse rate unless discounted pursuant to Section 3.2 of Rate Schedule FT) when the transportation service rendered by Transporter is Backhaul.
- (d) Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Transporter may, on a non-discriminatory basis, require Shipper to pay for such facilities. The parties shall agree as to whether Shipper shall (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter. The incremental facility charge will reflect, as appropriate all of Transporter's capital costs associated with such facilities, including related income taxes and all other taxes, and if applicable, associated operating and maintenance costs, plus interest as agreed to by the parties if the Shipper elects to reimburse Transporter for the facilities over a period of time. If a contribution in aid of construction (CIAC) is paid by the Shipper in accordance with the construction of facilities agreement and such transaction is determined to be taxable, it shall be increased by an amount (Tax Reimbursement) to compensate for the related income tax effects thereof, according to the following formula:

$$\text{Tax Reimbursement} = [\text{Tax Rate} \times (\text{CIAC} - \text{Present Value of Tax Depreciation})] \times [1 + \{\text{Tax Rate}/(1 - \text{Tax Rate})\}]$$

Transporter may, on a non-discriminatory basis, pay for new minor facilities, if the revenue generated by the new service provides adequate cost recovery with respect to the facilities.

- (e) Other Charges and Surcharges. Transporter shall charge Shipper and Shipper shall pay for any other FERC-approved charges and surcharges that apply to service under this Rate Schedule.
- (f) Third Party Charges for Off-System Capacity: Shipper may, on a non-discriminatory basis, be required to pay to Transporter, if applicable, any Third Party Charges in accordance with Section 4.6 of the GT&C. In no event shall such Third Party Charges paid by Shipper exceed the amount incurred and paid by Transporter for the applicable off-system capacity.

### 3.2 Adjustment of Rates.

- (a) Transporter may file with FERC to change the rates listed on the Statement of Rates applicable to service under this Rate Schedule. Any such changed rates shall be charged beginning on the date the new rates become effective, subject to any refunds, surcharges or other conditions that are permitted or required by FERC and subject to the terms of the TSA.

3.2 Adjustment of Rates (continued)

- (b) Subject to the terms of the TSA, Transporter reserves the right to prescribe and/or adjust at any time and on a non-discriminatory basis any of the rates applicable to service under any individual TSA pursuant to Section 4.13 of the GT&C without adjusting any other rates for service under other TSAs; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum recourse rate(s) nor shall they be less than the applicable minimum recourse rate(s), set forth on the Statement of Rates. Downward adjustment to any rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term for such discounted rate specified in the TSA, the rate for Transportation service shall revert to the maximum rate under this Rate Schedule.
- (c) Notwithstanding anything to the contrary contained in this Rate Schedule or in the Tariff, Transporter and Shipper may, as provided in Section 4.14 of the GT&C of the Tariff, negotiate a rate for service under this Rate Schedule. The minimum and maximum rates in the Statement of Rates shall not be applicable to service provided pursuant to such negotiated rates.

4. FUEL

- 4.1 In addition to the other payments made pursuant to this Rate Schedule, Shipper shall provide and be responsible for providing FL&U in-kind for the transportation of Natural Gas pursuant to Shipper's TSA. FL&U will be calculated pursuant to Section 13 of the GT&C.

5. ELECTRIC POWER COSTS

- 5.1 In addition to the other payments made pursuant to this Rate Schedule, Shipper shall be charged each Month the EPC for the transportation of Natural Gas pursuant to Shipper's TSA. The EPC will be calculated pursuant to Section 28 of the GT&C.

6. OVERRUN TRANSPORTATION

- 6.1 Authorized Daily Overrun Transportation. On any Day, upon request of Shipper and with Transporter's consent, Shipper may nominate and Transporter may schedule authorized daily overrun quantities above the MDQ. All such quantities shall be referred to as authorized daily overrun quantities and transported on an interruptible basis. Unless otherwise agreed, Shipper shall pay an amount obtained by multiplying such authorized daily overrun quantities delivered by Transporter to Shipper or for Shipper's account, at each delivery point(s) or transported on any Segment during the Month by the maximum Authorized Daily Overrun Rate stated on the Statement of Rates. An authorized daily overrun quantity shall not be subject to more than one Authorized Daily Overrun Rate.

6.2 Unauthorized Daily Overrun Transportation. On any Day, any Gas quantity that exceeds Shipper's MDQ and which has not been authorized and scheduled by Transporter is unauthorized. All such quantities shall be referred to as unauthorized daily overrun Gas and shall be subject to the unauthorized daily overrun rate (non-critical or critical condition as applicable). Shipper shall pay an amount obtained by multiplying the quantity of such unauthorized daily overrun Gas each Day by the unauthorized daily overrun rate set forth on the Statement of Rates.

## 7. CONDITIONS OF SERVICE

7.1 Termination Obligations. Termination of a Rate Schedule FT TSA shall not relieve Shipper of the obligation to pay any money due to Transporter or to correct any volume imbalances. All warranties and indemnities shall survive the termination of the TSA.

7.2 Agents. Shipper must provide written notice to Transporter of the name, and any other pertinent information of another person ("Agent") that has agency authority to act for Shipper pursuant to a TSA under this Rate Schedule FT, in connection with (1) the operation of pipelines, facilities and wells in connection with a TSA under this Rate Schedule, (2) imbalance management and Cautionary Conditions as described in the GT&C, and/or (3) other matters covered by a TSA. If the Agent has authority under (1) and (2) above, operating notices shall be served on the Agent alone. When using an Agent, the Shipper remains bound by its obligations under a TSA. Further, commitments made by the Agent on behalf of the Shipper are binding on the Shipper as if made by the Shipper. The Shipper must provide prompt written notice of the termination of the agency.

## 8. GENERAL TERMS AND CONDITIONS; SUPERSEDING EFFECT

Except as otherwise expressly indicated in this Rate Schedule or by the executed TSA, all of the GT&C contained in this Tariff, including without limitation (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. To the extent of any conflict, contradiction or ambiguity arising between the GT&C of this Tariff, on the one hand, and any TSA, on the other, the GT&C of this Tariff shall govern over and supersede any conflicting, contradictory or ambiguous provision of the relevant TSA, unless such provision of the TSA has been filed with and specifically accepted by the Commission, in which case it shall be construed harmoniously with the GT&C of this Tariff to the maximum possible extent.

RATE SCHEDULE IT  
Interruptible Transportation Service

1. AVAILABILITY

- 1.1 This Rate Schedule is available for transportation service by Ruby Pipeline, L.L.C. (hereinafter called Transporter), for any person (hereinafter called Shipper) when Shipper desires interruptible transportation service, and:
- (a) Transporter has determined that (other than such new taps, valves, measurement equipment, and other minor facilities that may be required at the receipt or delivery point(s) to effect Gas receipt or delivery) it has available or will secure sufficient uncommitted capacity to provide the service requested by Shipper as well as all of its other firm service commitments;
  - (b) Shipper has made a valid request pursuant to the requirements of Section 4 of the GT&C of this Tariff;
  - (c) Shipper has satisfied the creditworthiness requirements of Section 4.12 of this Tariff; and
  - (d) Shipper has executed an Interruptible TSA pursuant to the terms of this Rate Schedule in the form attached hereto.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation service hereunder is interruptible, and subject to interruption by Transporter at any time. Transportation service under this Rate Schedule will be performed when Transporter has capacity which is not subject to a prior claim by another Shipper or another class of service under a pre-existing contract, TSA, or certificate.
- 2.2 Transporter shall not be required to provide transportation service if the quantities tendered are so small as to cause operational difficulties, such as measurement. (See, Section 4.1 of the GT&C.) Transporter shall promptly notify Shipper if such operating conditions precluding service exist.
- 2.3 Rates of Flow. Unless otherwise agreed, at each receipt and delivery point, each Party shall flow, or cause to flow, Gas at the rates of flow as specified below.
- (a) At each receipt and delivery point, quantities tendered or caused to be tendered for Shipper's account shall not exceed, on an Hourly basis, 1/24<sup>th</sup> of daily scheduled quantities at such point. Transporter may, from time to time on a not unduly discriminatory basis, permit reasonable operating variations that do not adversely affect other Shippers or pipeline operations.

2.3 Rates of Flow (continued)

- (b) Except as otherwise provided in the Tariff, shipper must balance its daily receipts and its daily deliveries at the end of each Gas Day.

2.4 Flow day diversions, pursuant to Section 6.6 of the GT&C, are available to Rate Schedule IT Shippers.

3. TRANSPORTATION SERVICE CHARGES

3.1 Applicable Rates. The applicable rates for service hereunder shall be, subject to the other provisions hereof, the rates agreed to by Transporter and Shipper as set forth in the TSA.

- (a) Commodity Charge. Each Month, Shipper shall be charged an amount obtained by multiplying the commodity rate(s) set forth in the TSA by the total quantity of Gas in Dth delivered (excluding overrun Gas) each Day of the Month by Transporter to Shipper at the delivery point(s).
- (b) Backhaul Charge. Shipper shall be charged the applicable forward haul rates (i.e., the Rate Schedule IT recourse rate unless discounted pursuant to Section 3.2 of Rate Schedule IT) when the transportation service rendered by Transporter is Backhaul.
- (c) Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Transporter may, on a non-discriminatory basis, require Shipper to pay for such facilities. The parties shall agree as to whether Shipper shall (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter. The incremental facility charge will reflect, as appropriate all of Transporter's capital costs associated with such facilities, including related income taxes and all other taxes, and if applicable, associated operating and maintenance costs, plus interest as agreed to by the parties if the Shipper elects to reimburse Transporter for the facilities over a period of time. If a contribution in aid of construction (CIAC) is paid by the Shipper in accordance with the construction of facilities agreement and such transaction is determined to be taxable, it shall be increased by an amount (Tax Reimbursement) to compensate for the related income tax effects thereof, according to the following formula:

$$\text{Tax Reimbursement} = [\text{Tax Rate} \times (\text{CIAC} - \text{Present Value of Tax Depreciation})] \times [1 + \{\text{Tax Rate}/(1 - \text{Tax Rate})\}]$$

Transporter may, on a non-discriminatory basis, pay for new minor facilities, if the revenue generated by the new service provides adequate cost recovery with respect to the facilities.



3.1 Applicable Rates (continued)

- (d) Other Charges and Surcharges: Shipper shall pay to Transporter when incurred by Transporter all other FERC-approved charges and surcharges related to service provided under this Rate Schedule, including any costs incurred by Transporter on behalf of Shipper such as Third Party Charges as described in Section 4.6(b) of the GT&C.
- (e) Third Party Charges: Shipper may, on a non-discriminatory basis, be required to pay to Transporter, if applicable, any Third Party Charges in accordance with Section 4.6 of the GT&C. In no event shall such Third Party Charges paid by Shipper exceed the amount incurred and paid by Transporter for the applicable off-system capacity.

3.2 Adjustment of Rates.

- (a) Transporter may file with FERC to change the rates listed on the Statement of Rates applicable to service under this Rate Schedule. Any such changed rates shall be charged beginning on the date the new rates become effective, subject to any refunds, surcharges or other conditions that are permitted or required by FERC and subject to the terms of the TSA.
- (b) Transporter, at its sole discretion, may from time to time and at any time selectively discount on a non-discriminatory basis any or all of the rates on the Statement of Rates applicable to any individual Shipper pursuant to Section 4.13 of the GT&C; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum commodity rate(s) nor shall they be less than the applicable minimum commodity rate(s), set forth on the Statement of Rates. Downward adjustment to any rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term for such discounted rate specified in the TSA, the rate for transportation service shall revert to the maximum rate under this Rate Schedule.
- (c) Notwithstanding anything to the contrary contained in this Rate Schedule or in the Tariff, Transporter and Shipper may, as provided in Section 4.14 of the GT&C of the Tariff, negotiate a rate for service under this Rate Schedule. The minimum and maximum rates in the Statement of Rates shall not be applicable to service provided pursuant to such negotiated rates.

4. FUEL

- 4.1 In addition to the other payments made pursuant to this Rate Schedule, Shipper shall provide and be responsible for providing FL&U in-kind for the transportation of Natural Gas pursuant to Shipper's TSA. FL&U will be calculated pursuant to Section 13 of the GT&C.

5. ELECTRIC POWER COST

- 5.1 In addition to the other payments made pursuant to this Rate Schedule, Shipper shall be charged each Month for the EPC for the transportation of Natural Gas pursuant to Shipper's TSA. The EPC will be calculated pursuant to Section 28 of the GT&C.

6. CONDITIONS OF SERVICE

- 6.1 Termination Obligations. Termination of a Rate Schedule IT TSA shall not relieve the Shipper of the obligation to pay any money due to Transporter or to correct any volume imbalances. All warranties and indemnities shall survive the termination of the TSA.
- 6.2 Agents. Shipper must provide written notice to Transporter of the name, and any other pertinent information of another person ("Agent") that has agency authority to act for Shipper pursuant to a TSA in connection with (1) the operation of pipelines, facilities and wells in connection with a TSA, (2) imbalance management and Cautionary Conditions as described in the GT&C, and/or (3) other matters covered by a TSA. If the Agent has authority under (1) and (2) above, operating notices shall be served on the Agent alone. When using an Agent, the Shipper remains bound by its obligations under a TSA. Further, commitments made by the Agent on behalf of the Shipper are binding on the Shipper as if made by the Shipper. The Shipper must provide prompt written notice of the termination of the agency.

7. GENERAL TERMS AND CONDITIONS; SUPERSEDING EFFECT

Except as otherwise expressly indicated in this Rate Schedule or by the executed TSA, all of the GT&C contained in this Tariff, including without limitation (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. To the extent of any conflict, contradiction or ambiguity arising between the GT&C, on the one hand, and any TSA, on the other, the GT&C shall govern over and supersede any conflicting, contradictory or ambiguous provision of the relevant TSA, unless such provision of the TSA has been filed with and specifically accepted by the Commission, in which case it shall be construed harmoniously with the GT&C to the maximum extent possible.

**RATE SCHEDULE PAL**  
Interruptible Parking and Lending Service

1. AVAILABILITY

- 1.1 This Rate Schedule is available to any party (hereinafter referred to as Shipper) for the short-term parking and lending ("PAL") of Gas on an interruptible, non-discriminatory basis, by Ruby Pipeline, L.L.C. (hereinafter referred to as Transporter) when and to the extent that:
- (a) Transporter has determined, using its reasonable discretion, that capacity is available on its existing facilities and that it has the operational flexibility to provide interruptible parking and lending service without detriment or disadvantage to Transporter's firm obligations, system operational needs and interruptible transportation service;
  - (b) A valid request for PAL service has been made pursuant to Section 4 of the GT&C;
  - (c) Shipper has satisfied the creditworthiness requirements of Section 4.12 of this Tariff; and
  - (d) Shipper and Transporter have executed an Interruptible Parking and Lending Service Agreement ("Agreement") and related Park and Loan Service Request Order ("PAL RO") pursuant to the terms of this Rate Schedule and the PAL Form of Service Agreement. When executed by Transporter and Shipper, the underlying PAL RO shall evidence the parties' agreement as to the terms of the particular transaction(s) to park and loan Natural Gas pursuant to the Agreement.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all PAL services rendered by Transporter for Shipper.

- 2.1 All receipt and delivery locations on Transporter's System are eligible for PAL service ("PAL Points") unless otherwise posted by Transporter on its EBB from time to time. Such points will be made available to Shipper on a non-discriminatory basis.
- 2.2 PAL service under this Rate Schedule is an interruptible service providing for:
- (a) Parking service -- Parking service shall consist of a Transporter receiving Gas quantities from Shipper at a designated PAL Point on a designated date(s), as requested in the PAL RO and approved by Transporter, for holding and Transporter's subsequent withdrawal of parked quantities of Gas to Shipper on the date(s) designated in the PAL RO at the same PAL Point where Shipper delivered the Gas, pursuant to the PAL RO and Section 5 of this Rate Schedule.

- (b) Lending service -- Lending service shall consist of Transporter's advancement of Gas quantities to Shipper at a designated PAL Point on the designated date(s), as specified in the PAL RO and approved by Transporter, and Shipper's subsequent payback of such advanced (loaned) quantities by Shipper to Transporter at the same PAL Point where the loan occurred, pursuant to the PAL RO and Section 5 of this Rate Schedule.
  - (c) Parked quantities must be withdrawn or loaned quantities must be paid back to the original designated point(s). If parked quantities are withdrawn or loaned quantities are paid back to a point other than the original point(s), Shipper shall be responsible for arranging transportation service to or from the original point(s) and for paying all applicable charges and surcharges.
  - (d) Gas quantities may be delivered to a PAL Point for parking or payback of a loan from receipt points on Transporter's pipeline system.
- 2.3 Service under this Rate Schedule shall be subject to all applicable provisions of the GT&C of this Tariff, the executed Agreement, and the executed PAL RO.
- 2.4 Parking and lending service rendered under this Rate Schedule shall be provided for a minimum term of one (1) Day.
- 2.5 In no event shall Transporter be required to provide service under this Rate Schedule that would require Transporter to install, operate, acquire or maintain any additional facilities.

### 3. DEFINITIONS

- 3.1 PAL Point: The transaction point(s) on Transporter's System where parking and lending services are provided to Shipper, as specified in the executed PAL RO. PAL points will be associated with existing locations on Transporter's System.
- 3.2 Maximum PAL Quantity: Shipper's maximum park or loan quantity shall be the total amount permitted to be parked or loaned in Shipper's account as specified in the executed PAL RO.
- 3.3 Daily PAL Quantity: The maximum daily quantity that may be parked or loaned at the PAL Point as specified in the executed PAL RO. The PAL RO may specify a range for the quantity of a park or loan. On any Day, the sum of the Daily PAL Quantities on the PAL RO for Shipper shall not exceed the Maximum PAL Quantity.

#### 4. RATES AND CHARGES

- 4.1 Each Month, Shipper shall pay an amount determined by the parking and lending rates/fees set forth in the PAL RO. The PAL RO shall be posted on Transporter's EBB.
- 4.2 Applicable Rates. The applicable rates for service under this Rate Schedule PAL, or any superseding rate schedule, shall be subject to the other provisions hereof and shall be set forth in the PAL RO. Shipper shall pay Transporter the sum of the following charges, as described below:
- (a) An Initial Rate for each Dth of Gas tendered for park or taken for loan during the Month;
  - (b) A Park/Loan Balance Rate for each Dth of Gas which is parked or loaned for that Month (such charge shall be calculated on the basis of the end of the Day balances for each Day of the Month such a balance occurs); and
  - (c) A Completion Rate for each Dth of Gas paid back to Transporter on completion of a loan (i.e., loan payback) or withdrawn by Shipper on completion of a park (i.e., park withdrawal) that Month.

Notwithstanding the individual rates listed in the PAL RO, on any one Day, the sum of the Initial Rate, the Park/Loan Balance Rate and the Completion Rate shall not exceed the maximum Initial Rate as shown on the Statement of Rates.

- 4.3 Surcharges: No surcharges are applicable to PAL service under this Rate Schedule.
- 4.4 Fuel Charges: Fuel charges are not applicable to service under this Rate Schedule.
- 4.5 Authorized overrun charges shall be assessed on a daily basis for any nominated and confirmed quantities that exceed the specified PAL RO's Daily PAL Quantity. Authorized overrun charges will be assessed at the maximum rate shown on the Statement of Rates, unless otherwise agreed to in writing by Transporter.
- 4.6 In circumstances where Transporter is unable to confirm a valid PAL nomination to pay back a loan or to remove parked quantities, the Park/Loan Balance Rate shall be reduced to \$0.0000 per Dth for that Day for the quantities Transporter is unable to confirm. If the Day on which Transporter is unable to confirm a valid nomination under this Rate Schedule to pay back loaned or to withdraw parked quantities is the final Day of the term of the PAL RO, the term shall be automatically extended for one Day and the Park/Loan Balance Rate for the additional Day shall be \$0.0000 per Dth.

- 4.7 Subject to the provisions of Section 4.6 of this Rate Schedule regarding valid nominations Transporter is unable to confirm, should Transporter and Shipper agree to a discounted or negotiated rate pursuant to the applicable provisions of this Tariff the quantities withdrawn or paid back on dates other than those stated in the PAL RO shall be assessed the maximum Completion Rate as shown on the Statement of Rates. However, quantities paid back or withdrawn on dates other than those indicated on the PAL RO pursuant to the provisions of Section 6.3 of this Rate Schedule shall be assessed the rates stated in the PAL RO.
- 4.8 Adjustment of Rates.
- (a) Transporter may file with FERC to change the rates listed on the Statement of Rates applicable to service under this Rate Schedule. Any such changed rates shall be charged beginning on the date the new rates become effective, subject to any refunds, surcharges or other conditions that are permitted or required by FERC and subject to the terms of the PAL RO.
  - (b) Transporter, at its sole discretion, may from time to time and at any time selectively discount on a non-discriminatory basis any or all of the rates on the Statement of Rates applicable to any individual Shipper pursuant to Section 4.13 of the GT&C; provided, however, that such discounted rates shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Statement of Rates. Downward adjustment to any rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term for such discounted rate specified in the PAL RO, the rate for service shall revert to the maximum applicable rate under this Rate Schedule.
  - (c) Notwithstanding anything to the contrary contained in this Rate Schedule or in the Tariff, Transporter and Shipper may, as provided in Section 4.14 of the GT&C of the Tariff, negotiate a rate for service under this Rate Schedule. The minimum and maximum rates in the Statement of Rates shall not be applicable to service provided pursuant to such negotiated rates.

## 5. SCHEDULING PAL SERVICE

- 5.1 Shipper shall nominate PAL service under this Rate Schedule in accordance with the nomination procedures set forth in the GT&C of this Tariff.
- 5.2 PAL service may be interrupted at any time and such interruption may be in effect for extended periods of time. Interruption of PAL service may include decreasing, temporarily suspending, or discontinuing the receipt or delivery of Gas if Transporter in its reasonable discretion determines that such decrease, suspension or discontinuance is necessary to maintain system integrity or when a higher priority service so requires.

- 5.3 Scheduling of PAL services will be based on the priorities for parking and lending services established in Section 6.3 of the GT&C of this Tariff. If allocations become necessary, curtailment will be based on the priorities established in Section 6.5 of the GT&C of this Tariff.
- 5.4 Shipper shall not pay back more than the quantity loaned nor withdraw more than the quantity parked under the PAL RO.
6. INTERRUPTION OR TERMINATION OF PAL SERVICE
- 6.1 Shipper may be required, upon notification from Transporter, to withdraw quantities of Gas previously provided to Transporter under the Parking service, or pay back quantities of Gas previously loaned to Shipper under the Lending service. Such notification shall only be made when the required Shipper action is necessary to protect the operational integrity of Transporter's pipeline system or to allow Transporter to fulfill higher priority commitments. Such notification shall be made pursuant to the notification procedures of Section 6.2(c)(iv) of the GT&C.
- 6.2 Should Transporter notify Shipper to withdraw or pay back quantities of Gas pursuant to Section 6.1 of this Rate Schedule, Transporter's notification shall specify the time by which Parking service quantities shall be withdrawn, and/or Lending service quantities shall be paid back. The time period in which Shipper must act will be determined based on the necessity to protect and ensure firm service. Absent a mutual agreement between Transporter and Shipper or the declaration of a Cautionary Condition pursuant to Section 11 of the GT&C, in no event shall the specified time be less than three calendar days from the date of Transporter's notification. Upon Transporter's declaration of a Cautionary Condition pursuant to Section 11 of the GT&C, Transporter may require Shipper to withdraw or pay back quantities of Gas, pursuant to Section 6.1 of this Rate Schedule, within one calendar day.
- 6.3 Pursuant to the operational conditions described in Section 6.1 above, unless otherwise agreed by Shipper and Transporter, (i) any parked quantity not withdrawn as required by Section 6.1 shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims, (Transporter will credit the net value of confiscated quantities pursuant to GT&C Section 14.3) and, (ii) any loaned quantity not paid back as required by Section 6.1 of this Rate Schedule shall be sold to Shipper at the highest price, determined as 200% of the Bidweek Price published in Natural Gas Intelligence Bidweek Survey as the higher of the Malin or Opal average price, among either:
- (a) the Month in which the authorized loan occurred;
  - (b) the Month in which redelivery of the authorized loan was scheduled but did not occur; or
  - (c) any Month between (a) and (b) above.

- 6.4 If Transporter receives a valid PAL nomination complying with a notification pursuant to Section 6.1 of this Rate Schedule but is unable to confirm or schedule such nomination, the obligation of Shipper to comply with that notification, but not the obligation to submit nominations, shall be suspended until such time as Transporter's operational conditions permit such nomination to be confirmed and scheduled. Furthermore, under the circumstances described by this Section 6.4, the penalty provision of Section 6.3 of this Rate Schedule shall not apply until such nomination is able to be confirmed and scheduled. Additionally, Transporter and Shipper may mutually agree to extend the agreed upon term of the PAL RO for the amount of time that the transaction was unable to be scheduled.
- 6.5 Shipper is required to withdraw all parked quantities and pay back all loaned quantities no later than the termination date of the PAL RO. Upon termination of a PAL RO, (i) any parked quantity not withdrawn shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims, and (ii) any loaned quantity not paid back shall be sold to Shipper the highest price, determined as 200% of the Bidweek Price published in Natural Gas Intelligence Bidweek Survey as the higher of the Malin or Opal average price, among either:
- (a) the Month in which the authorized loan occurred;
  - (b) the Month in which redelivery of the authorized loan was scheduled but did not occur; or
  - (c) any Month between (a) and (b) above.

In the event parked quantities remain in Transporter's System and/or loaned quantities have not been paid back to Transporter's System after the expiration of any PAL RO executed by Shipper and Transporter, Transporter and Shipper may mutually agree to an extended time frame and/or modified terms (which may include the rate) of such PAL RO, to permit Shipper to pay back and/or return such quantities. If Shipper and Transporter do not agree to an extended time frame and/or modified terms, the rate charged under the PAL RO shall be the maximum rate as set forth on the Statement of Rates.

- 6.6 Shipper or its suppliers shall be responsible for reporting and payment of any royalty, tax, or other burdens on Natural Gas volumes received by Transporter pursuant to this Section 6 of this Rate Schedule and Transporter shall not be obligated to account for or pay such burdens.



7. EXECUTION OF AGREEMENTS

Upon Shipper's request for PAL service, Transporter will provide one Agreement to be executed in paper form to each Shipper requesting PAL service. The Agreement will evidence the intent of the parties that the Agreement, in combination with information provided on all subsequent PAL ROs executed by Shipper, will comprise the contractual agreement of the parties.

8. GENERAL TERMS AND CONDITIONS; SUPERSEDING EFFECT

Except as otherwise expressly indicated in this Rate Schedule or by the executed Agreement, all of the GT&C contained in this Tariff, including without limitation (from and after their effective date) any future modifications, additions, deletions to said GT&C, are applicable to service rendered under this Rate Schedule and, by this reference, are made a part hereof. For purposes of this Rate Schedule, the term "PAL RO" shall be substituted for all references to the term "Transportation Service Agreement" where such term appears in the GT&C. To the extent of any conflict, contradiction or ambiguity arising between the GT&C, on the one hand, and any PAL RO, on the other, the GT&C shall govern over and supersede any conflicting, contradictory or ambiguous provision of the relevant PAL RO, unless such provision of the PAL RO has been filed with and specifically accepted by the Commission, in which case it shall be construed harmoniously with the GT&C to the maximum extent possible.

RATE SCHEDULE SS-1  
Interruptible Hourly Swing Service

1. AVAILABILITY

- 1.1 This Rate Schedule is available to any Operator that currently receives or will receive Gas at a delivery point where service under Rate Schedule SS-1 may be provided. This service will be provided by Transporter, and provides for quantity swings for eligible Operators on an interruptible basis and subject to available capacity, when the Operator desires hourly swing service, and when:
- (a) Operator has made a request for Interruptible Swing Service pursuant to the provisions set forth in Section 4 of the GT&C;
  - (b) Operator has satisfied the Creditworthiness provisions specified in Section 4.12 herein; and
  - (c) Operator and Transporter have executed an Interruptible Swing Service Agreement ("SS-1 Agreement" or "Agreement") pursuant to the terms of this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule SS-1 shall allow the Operator, on an Hourly basis, to receive more or less than 1/24th of the scheduled quantities of Gas at designated delivery point(s). Scheduled transportation service shall be allocated based on the confirmed nominations of the underlying Agreement(s). Quantities delivered above or below daily scheduled quantities shall be allocated to the SS-1 Agreement and shall be subject to the provisions of the Agreement and the GT&C.
- 2.2 Swing service hereunder is interruptible and subject to interruption at any time. Such interruptions may be in effect for extended periods of time. Swing service shall be available when in Transporter's reasonable judgment, Transporter has capacity available to provide such service without detriment or disadvantage to Transporter's firm obligations, or system operational needs.

All Rate Schedule SS-1 delivery points and related Rate Schedule SS-1 Operators shall be posted on Transporter's EBB in advance of Transporter's use of such points for swing service. Such delivery points shall be point(s) not serviced by an operational balancing agreement.

### 3. INTERRUPTIBLE SWING SERVICE CHARGE

- 3.1 Applicable Rates: The applicable rates for service hereunder shall be, subject to the other provisions hereof, the rates agreed to by Transporter and Operator as set forth in the Agreement.
- (a) Commodity Charge. The Operator shall be charged an amount each Month obtained by multiplying a commodity rate as set forth in Exhibit A to the Agreement by the end-of-Day quantities allocated to the Agreement at each designated delivery point which exceeds the greater of 5 percent or 100 Dth of the daily total scheduled quantities at such delivery points during the Month.
- 3.2 Adjustment of Rates:
- (a) Transporter may file with FERC to change the rates listed on the Statement of Rates applicable to service under this Rate Schedule. Any such changed rates shall be charged beginning on the date the new rates become effective, subject to any refunds, surcharges or other conditions that are permitted or required by FERC and subject to the terms of the SS-1 Agreement.
- (b) Transporter, at its sole discretion, may from time to time and at any time selectively discount on a non-discriminatory basis any or all of the rates on the Statement of Rates applicable to any individual Operator pursuant to Section 4.13 of the GT&C; provided, however, that such discounted rates shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Statement of Rates. Downward adjustment to any rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term for such discounted rate specified in the SS-1 Agreement, the rate for Transportation service shall revert to the maximum rate under this Rate Schedule.
- (c) Notwithstanding anything to the contrary contained in this Rate Schedule or in the Tariff, Transporter and Operator may, as provided in Section 4.14 of the GT&C of the Tariff, negotiate a rate for service under this Rate Schedule. The minimum and maximum rates in the Statement of Rates shall not be applicable to service provided pursuant to such negotiated rates.

### 4. BALANCING AND RECALL OF ALLOCATED QUANTITIES

- 4.1 Operators are expected to cause nominations to the delivery points designated in their Agreement to be at levels which approximate estimated usage at such Points.
- (a) For each designated delivery point, Transporter shall provide Operator with hourly and cumulative balances of over-deliveries and under-deliveries which are allocated to the Agreement.

- 4.1 (continued)
- (b) Operators are expected to use reasonable efforts to adjust, or cause to be adjusted, the confirmations to the designated delivery point to reduce the cumulative balance under the Agreement to net to zero.
- 4.2 Unless otherwise agreed on a non-discriminatory basis, Transporter may require the Operator to eliminate no more than 10 percent of its outstanding Rate Schedule SS-1 balance or up to 5,000 Dth on any Day, whichever amount is greater, by the end of the next full Gas Day under the following conditions:
- (a) The cumulative allocated balance under an Agreement at the end of any Month is in the same direction as the previous Month (i.e., either positive or negative).
- (b) When, in Transporter's reasonable judgment such action is necessary to allow Transporter to fulfill higher priority commitments, or is required as a result of Transporter's operational requirements.
- 4.3 For Sections 4.2 (a) and (b) above, Transporter shall notify Operator by telephone and in writing or on Transporter's EBB to reduce the cumulative allocated balance as provided in this section above. If Transporter receives a valid nomination and confirmation from Operator but is unable to schedule such nomination, the obligation of Operator to comply with that notification, but not the obligation to submit nominations, shall be suspended until such time as Transporter's operational conditions permit such nomination to be confirmed and scheduled. Cumulative allocated balances (i) for overdeliveries not removed pursuant to this section, or by the end of the term of an Agreement, shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims, (Transporter will credit the net value of confiscated quantities pursuant to GT&C Section 14.3) and (ii) for underdeliveries not returned pursuant to this section or by the end of the term of an Agreement shall be sold to Operator at 150% of Transporter's Cash Out Index Price.

## 5. UNAUTHORIZED HOURLY SCHEDULING PENALTY

- 5.1 Unauthorized Hourly Scheduling Penalty. Hourly deliveries of Gas in excess of the hourly aggregate scheduled quantities authorized under transportation agreements delivered to delivery points designated in the SS-1 Agreement shall be subject to the Unauthorized Hourly Scheduling Rate as applied pursuant to this Section 5.1. Operator shall pay an amount obtained by multiplying the largest quantity of such Unauthorized Hourly Scheduling Penalty Gas greater than 500 Dth during any one Hour of a Day times (i) the Unauthorized Hourly Scheduling Rate on the Statement of Rates during Non-Cautionary Conditions or (ii) two times the Unauthorized Hourly Scheduling Rate on the Statement of Rates during Cautionary Conditions.

6. CONDITIONS OF SERVICE

6.1 Termination of a Rate Schedule SS-1 Agreement shall not relieve Operator of the obligation to pay money due to Transporter. All warranties and indemnities shall survive the termination of an Agreement.

7. GENERAL TERMS AND CONDITIONS; SUPERSEDING EFFECT

Except as otherwise expressly indicated in this Rate Schedule or by the executed SS-1 Agreement, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to hourly swing service rendered under this Rate Schedule and, by this reference, are made a part hereof. To the extent of any conflict, contradiction or ambiguity arising between the GT&C, on the one hand, and any SS-1 Agreement, on the other, the GT&C shall govern over and supersede any conflicting, contradictory or ambiguous provision of the relevant SS-1 Agreement, unless such provision of the Agreement has been filed with and specifically accepted by the Commission, in which case it shall be construed harmoniously with the GT&C to the maximum possible extent.

RATE SCHEDULE HSP  
Headstation Pooling Service

1. AVAILABILITY

1.1 This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as “Pooler”) for the aggregation of Natural Gas supplies by Transporter when Pooler and Transporter have executed an agreement under this Rate Schedule HSP (“Agreement”).

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This Rate Schedule shall apply to all services rendered by Transporter for Pooler within a Pooling Area, pursuant to the executed Agreement under this Rate Schedule HSP.

2.2 Transporter shall create Headstation Pools at locations which Transporter determines in its reasonable discretion provide reasonable points for aggregation and further downstream transportation. All pooling points shall be posted on Transporter's EBB and receipt point(s) available to each Pool shall also be specified by Pooling Area. Transporter shall give at least 30 Days advance notice via Transporter's EBB prior to modification of the scope of a Pooling Area.

2.3 Service under this Rate Schedule HSP shall permit the Pooler to nominate and aggregate receipts of Natural Gas quantities within a Pooling Area to the related Pool for subsequent redelivery to designated TSA(s) (Downstream Agreement(s)) that are transporting such Gas from the pool aggregation point to delivery point(s) on Transporter's transmission system, or for redelivery to another Pooling Agreement at the same pool aggregation point. Additionally, a Pooler may receive Gas from another Pooler's account at the same pool aggregation point. The scheduling and allocation of pooled quantities shall be determined by the priority of the Downstream Agreement(s).

2.4 Pooler may nominate Natural Gas supplies from any designated receipt point(s) within the Pooling Area, or from another Pooler's account in the same Pooling Area, in accordance with the provisions of GT&C Section 6. Such nominated quantities shall be aggregated at the Pool and treated as quantities received at a single receipt point for Downstream Shipper(s) nominating quantities of Gas from the Pool for downstream transportation, or for use in another Pool account in the same Pooling Area.

2.5 Downstream Shipper(s) (including other Poolers) shall receive nominated quantities of Gas at a Pool according to the priorities provided by the Pooler under this Rate Schedule HSP in accordance with GT&C Section 6 and to the extent such priorities are not in conflict with other scheduling priorities stated in this Tariff.

- 2.6 Allocation of Gas for Pooler(s) under this Rate Schedule HSP shall be determined according to the provisions of GT&C Section 10.
- 2.7 For purposes of determining imbalances under this Rate Schedule HSP, overdeliveries at one receipt point within a Pooling Area may be offset by underdeliveries at another receipt point within the same Pooling Area. Nothing contained in this provision shall eliminate Pooler's obligations to resolve imbalances as described under GT&C Section 10.

### 3. CHARGES

Each Month Pooler shall pay to Transporter the following charges:

- 3.1 Commodity Charges. None.
- 3.2 Imbalance Management. Pooler shall be subject to the imbalance management provisions set forth in GT&C Section 10.

### 4. FUEL REIMBURSEMENT

- 4.1 Fuel reimbursement does not apply to this Rate Schedule HSP.

### 5. TITLE TRANSFER TRACKING SERVICE

- 5.1 Title Transfer Tracking (“TTT”) shall be provided pursuant to GT&C Section 6.7.
- 5.2 Title Transfer Tracking Procedures
  - (a) For any Day when Pooler desires Transporter to track a title transfer for Pooler's account under this Rate Schedule, then Pooler shall nominate to Transporter in accordance with the GT&C of this Tariff, specifying:
    - (i) the quantity of gas subject to the title transfer;
    - (ii) the selling and/or purchasing parties; and
    - (iii) the desired eligible Headstation Pool.
  - (b) When Pooler's nomination is properly confirmed subject to the limitations set forth in this Rate Schedule, then such quantity shall constitute a TTT quantity at that Headstation Pool.
  - (c) Pooler is required to balance the quantities nominated for sale and for purchase under TTT Service at each Headstation Pool in each nomination cycle and for each Day.

6. CONDITIONS OF SERVICE

- 6.1 Termination Obligations. Termination of a Rate Schedule HSP Agreement shall not relieve the Pooler of the obligation to correct any quantity imbalances or relieve Pooler of the obligation to render payment due to Transporter under such Agreement. All warranties and indemnities shall survive the termination of the Agreement.
- 6.2 Agents. Pooler must provide written notice to Transporter of the name, and any other pertinent information, of another person that has agency authority to act for Pooler pursuant to an Agreement under Rate Schedule HSP. The Pooler remains bound by its obligations under an Agreement, and commitments made by the Agent on behalf of the Pooler are binding on the Pooler as if made by the Pooler. The Pooler must provide prompt written notice of the termination of the agency.

7. GENERAL TERMS AND CONDITIONS

All of the GT&C of this Tariff, except as modified in the Agreement, are hereby specifically incorporated herein and made a part of this Rate Schedule HSP.