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RATE SCHEDULES

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 Fuel 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 this section and contains adequate information for all of the items specified in Section 3.2, subject to any necessary verification of such information and to the following:
 - A. A request shall not be valid and Transporter shall not be required to grant any such request: (1) for which adequate Capacity is not available on any portion of Transporter's System necessary to provide such service; (2) as to which Transporter does not have the operational capability to effect receipt, transportation and/or delivery on a firm basis consistent with the terms and conditions of this Rate Schedule FTS; (3) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire facilities to enable it to perform such services; (4) unless and until Shipper has provided Transporter with the information required in Section 3.2 hereof; (5) if Transporter determines, based on the credit analysis referenced in Section 3.2F, that Shipper does not possess sufficient financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (6) if the service requested would not comply with this Rate Schedule FTS; or (7) if the service requested is at less than the applicable maximum rate; provided, however, that Transporter may agree to provide service hereunder at a discounted rate or Negotiated Rate consistent with this Rate Schedule FTS.
 - B. Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request, in whole or in part, due to lack of Capacity or if the request is incomplete or does not comply with this Rate Schedule FTS. If a request is substantially but not entirely complete, Transporter shall inform Shipper of the specific items needed to complete the request consistent with this Rate Schedule and the General Terms and Conditions of this Tariff.

- C. Transporter shall tender an FTS Agreement to Shipper for execution within twenty-four (24) hours of when Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute an FTS Agreement hereunder within ten (10) Days after Transporter has tendered the FTS Agreement for execution.
- 3.2 Requests for service hereunder shall be deemed valid only after the information specified in this section is provided by Shipper via Transporter's Interactive Website or in writing to:

ROCKIES EXPRESS PIPELINE LLC
Commercial Operations
370 Van Gordon Street
Lakewood, CO 80228
Facsimile Number (303) 763-3515
E-mail: REX@tallgrassenergyllp.com

The information required for a valid request shall be as follows:

A. GAS QUANTITIES

The request shall specify in Dth the aggregate MDQ, as well as the Maximum Daily Receipt Quantity (MDRQ) for each Primary Receipt Point and the Maximum Daily Delivery Quantity (MDDQ) for each Primary Delivery Point, exclusive of applicable Fuel and Lost and Unaccounted-for Gas; provided, however, that Transporter shall not be obligated to accept requests for an aggregate MDQ of less than one hundred (100) Dth per Day.

B. RECEIPT POINT(S)

The request shall specify the Primary Receipt Point(s) at which Shipper desires Transporter to receive Gas. Each Receipt Point will have an MDRQ. The sum of all such MDRQs shall equal the aggregate MDQ stated in the FTS Agreement.

C. DELIVERY POINT(S)

The request shall specify the Primary Delivery Points(s) at which Shipper desires Transporter to deliver Gas. Each Delivery Point will have an MDDQ. The sum of all such MDDQs shall equal the aggregate MDQ stated in the FTS Agreement.

D. LIMITATION OF POINTS

- (1) A Shipper may request any number of Primary Receipt and Primary Delivery Points so long as the summation of quantities at all Primary

Receipt Points and at all Primary Delivery Points equals the aggregate MDQ stated in the FTS agreement.

- (2) The availability to Shipper of Secondary Receipt and Delivery Points, and the related priorities and volumes, are governed by the General Terms and Conditions of this Tariff.

E. TERM OF SERVICE

The request shall specify:

- (1) The date service is requested to commence; and
- (2) The date service is requested to terminate.

F. CREDIT

Acceptance of a request is contingent upon a satisfactory credit appraisal by Transporter in accordance with the General Terms and Conditions of this Tariff.

G. COMPLIANCE WITH TRANSPORTER'S TARIFF

Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule FTS, including the applicable General Terms and Conditions of this Tariff as revised from time-to-time.

H. COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, if available, or when an initial Nomination for service under an executed FTS Agreement is submitted, and when any subsequent changes occur:

- (1) Affiliation of the Shipper with Transporter;
- (2) The identity of the Shipper, including whether it is a local distribution company, an interstate pipeline company, an intrastate pipeline company, an end user, a producer, or a marketer.

I. SHIPPER CONTACT INFORMATION

The request shall include Shipper's name, billing address, representative, and general correspondence address.

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 FL&U and Electric Power Costs required in transporting Gas hereunder, as provided by Section 38 and Section 40 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 A. 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 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).
- B. Incremental Facility Charge. When the construction of new facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. Shipper may elect to (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 facility charge will include the cost of the facilities plus any related taxes, 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 corporate income tax effects thereof, according to the following formula:

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

- 5.4 The ACA will be assessed, when applicable, as provided in Section 30 of the General Terms and Conditions of this Tariff, on volumes delivered by Transporter for Shipper under this Rate Schedule FTS.
- 5.5 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule FTS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further, Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.
- B. If, at any time and from time-to-time, the Commission or any other governmental authority having jurisdiction in the premises allows or permits Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the FTS Agreement or a separate discount Agreement, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) Days after a written request by Transporter. If, at any time and from time-to-time, the Commission or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for transportation service hereunder, the rate shall, subject to any contrary provision of the FTS Agreement or a separate discount Agreement, be decreased to such reduced rate.
- 5.6 Transporter may from time-to-time and at any time, upon twenty-four (24) hours' verbal or written notice, subject to any provisions on discounting in the FTS Agreement or in a separate discount Agreement, and subject to Section 12.6 of the General Terms and Conditions of this Tariff, charge any individual Shipper for service under this Rate

Schedule FTS a rate which is lower than the applicable maximum rate set forth in this Tariff; provided, however, that such rate may not be less than the applicable minimum rate for service under Rate Schedule FTS set forth in this Tariff unless otherwise agreed to in writing between Transporter and Shipper pursuant to Section 33 of the General Terms and Conditions of this Tariff. Transporter will confirm any verbal notice of the applicable rate in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected. Unless otherwise agreed in the FTS Agreement or in a separate discount Agreement, Transporter may at any time further change such rate (subject to any restrictions as to maximum or minimum rates set out in this Tariff, the FTS Agreement and/or any discount Agreement) upon twenty-four (24) hours' verbal notice to Shipper, which notice shall be confirmed in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected. Transporter shall file with the Commission any and all reports as required by the Commission's Regulations with respect to the institution or discontinuance of any discount.

- 5.7 All revenues collected and volumes retained by Transporter as a result of providing service under this Rate Schedule FTS shall be retained by Transporter, unless Transporter has otherwise specifically agreed or been ordered by FERC to provide for a different disposition of such amounts.

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), either by zone or in total, but not both. 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 locations listed below:

Location of Receipt or Delivery Point, as applicable:

Pipeline Segment	East of:	West or South of & Including:	Index
600-650 100-120		Wamsutter	CIG, Rocky Mountains
130-160	Wamsutter	Cheyenne	Cheyenne Hub
200-290	Cheyenne	PEPL-Audrain County, MO	Northern Natural Demarc
300-320	PEPL	IL / IN Border	Chicago Citygates
330-390	IL / IN Border	Clarington	Columbia Gas, Appalachia

- 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 a 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 BHS

BACKHAUL TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule BHS 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 Capacity available on all affected portions of its System and the operational capability to satisfy; and (b) after review by Transporter, executes a Backhaul Transportation Service Agreement (BHS Agreement) with Transporter applicable to service under this Rate Schedule BHS. The form of BHS Agreement is contained in this Tariff. There is no limitation on the number of BHS Agreements any one Shipper may have.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The transportation service provided under this Rate Schedule BHS shall be performed in accordance with Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations. This Rate Schedule BHS shall apply to all Gas transported by Transporter for Shipper pursuant to a BHS Agreement.
- 2.2 Service provided under this Rate Schedule is limited to Backhaul transportation only. Backhaul is the transportation of Gas which is nominated for receipt and delivery opposite of the designated flow direction of Transporter's pipeline segments. Backhaul transportation service on Transporter's mainline pipeline system is applicable only on those segments that are unidirectional as reflected on Transporter's Interactive Website.
- 2.3 Acceptance of nominations and scheduling of Gas shall be subject to sufficient forward haul segment transportation volumes to effectuate the transportation of Gas under this Rate Schedule. Receipt and Delivery Point availability may be subject to displacement.
- 2.4 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 BHS 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 BHS Agreement. Transporter shall not be required to accept any Gas tendered in excess of the Maximum Daily Quantity (MDQ), plus other deductions, specified in the BHS Agreement. The service hereunder shall be provided on a uniform hourly basis as specified in Section 5 of the General Terms and Conditions of this Tariff.
- 2.5 Shippers may designate multiple Primary Receipt Point(s) each of which will have a Maximum Daily Receipt Quantity (MDRQ); the sum of which will equal the MDQ. Such

Primary Receipt Point(s) must be downstream of all Primary Delivery Points. Secondary Receipt Point(s) are available to the extent they are downstream (i.e., designated flow direction of the pipeline) of all Delivery Points and are within or between the zones used to calculate the Reservation Charge.

- 2.6 Shipper may designate multiple Primary Delivery Point(s) each of which will have a Maximum Daily Delivery Quantity (MDDQ); the sum of which will equal the MDQ. Such Primary Delivery Point(s) must be upstream of all Primary Receipt Points. Secondary Delivery Point(s) are available to the extent they are upstream (i.e., designated flow direction of the pipeline) of all Receipt Points and are within or between zones used to calculate the Reservation Charge.
- 2.7 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.
- 2.8 Shippers holding Capacity under this Rate Schedule BHS may segment or release such Capacity in accordance with the General Terms and Conditions of this Tariff, subject to such activity not creating a forward haul transaction relative to the designated flow direction of the pipeline.

3. VALID REQUESTS

- 3.1 A request for service under this Rate Schedule BHS shall be valid as of the date received if it complies with this section and contains adequate information for all of the items specified in Section 3.2, subject to any necessary verification of such information and to the following:
 - A. A request shall not be valid and Transporter shall not be required to grant any such request: (1) for which adequate Capacity is not available on any portion of Transporter's System necessary to provide such service; (2) as to which Transporter does not have reasonable assurance of Day-to-Day of the operational capability to effect receipt, transportation and/or delivery consistent with the terms and conditions of this Rate Schedule BHS; (3) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire facilities to enable it to perform such services; (4) unless and until Shipper has provided Transporter with the information required in Section 3.2 hereof; (5) if Transporter determines, based on the credit analysis referenced in Section 3.2F, that Shipper does not possess sufficient financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (6) if the service requested would not comply with this Rate Schedule

BHS; or (7) if the service requested is at less than the applicable maximum rate; provided, however, that Transporter may agree to provide service hereunder at a discounted rate or Negotiated Rate consistent with this Rate Schedule BHS.

- B. Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request, in whole or in part, due to lack of Capacity or if the request is incomplete or does not comply with this Rate Schedule BHS. If a request is substantially but not entirely complete, Transporter shall inform Shipper of the specific items needed to complete the request consistent with this Rate Schedule and the General Terms and Conditions of this Tariff.
- C. Transporter shall tender a BHS Agreement to Shipper for execution within twenty-four (24) hours of when Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute a BHS Agreement hereunder within ten (10) Days after Transporter has tendered the BHS Agreement for execution.

- 3.2 Requests for service hereunder shall be deemed valid only after the information specified in this section is provided by Shipper via Transporter's Interactive Website or in writing to:

ROCKIES EXPRESS PIPELINE LLC
Commercial Operations
370 Van Gordon Street
Lakewood, CO 80228
Facsimile Number (303) 763-3515
E-mail: REX@tallgrassenergyllp.com

The information required for a valid request shall be as follows:

A. GAS QUANTITIES

The request shall specify in Dth the aggregate MDQ, as well as the MDRQ for each Primary Receipt Point and the MDDQ for each Primary Delivery Point, exclusive of applicable Fuel and Lost and Unaccounted-for Gas; provided, however, that Transporter shall not be obligated to accept requests for an aggregate MDQ of less than one hundred (100) Dth per Day.

B. RECEIPT POINT(S)

The request shall specify the Primary Receipt Point(s) at which Shipper desires Transporter to receive Gas. Each Receipt Point will have an MDRQ.

The sum of all such MDRQs shall equal the aggregate MDQ stated in the BHS Agreement.

C. DELIVERY POINT(S)

The request shall specify the Primary Delivery Points(s) at which Shipper desires Transporter to deliver Gas. Each Delivery Point will have an MDDQ. The sum of all such MDDQs shall equal the aggregate MDQ stated in the BHS Agreement.

D. LIMITATION OF POINTS

- (1) A Shipper may request any number of Primary Receipt and Primary Delivery Points so long as the summation of quantities at all Primary Receipt Points and at all Primary Delivery Points equals the aggregate MDQ stated in the BHS agreement.
- (2) The availability to Shipper of Secondary Receipt and Delivery Points, and the related priorities and volumes, are governed by the General Terms and Conditions of this Tariff.

E. TERM OF SERVICE

The request shall specify:

- (1) The date service is requested to commence; and
- (2) The date service is requested to terminate.

F. CREDIT

Acceptance of a request is contingent upon a satisfactory credit appraisal by Transporter in accordance with the General Terms and Conditions of this Tariff.

G. COMPLIANCE WITH TRANSPORTER'S TARIFF

Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule BHS, including the applicable General Terms and Conditions of this Tariff as revised from time-to-time.

H. COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, if available, or when an initial Nomination for service under an executed BHS Agreement is submitted, and when any subsequent changes occur:

- (1) Affiliation of the Shipper with Transporter;
- (2) The identity of the Shipper, including whether it is a local distribution company, an interstate pipeline company, an intrastate pipeline company, an end user, a producer, or a marketer.

I. SHIPPER CONTACT INFORMATION

The request shall include Shipper's name, billing address, representative, and general correspondence address.

4. TERM

- 4.1 The term of service hereunder shall be set forth in the BHS 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 a BHS Agreement. Upon termination of any BHS Agreement, and subject to any such rollover or right of first refusal, service by Transporter to Shipper there under shall be terminated and automatically abandoned.

5. RATE

The applicable rates, including any surcharges, for 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 BHS, 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 Fuel and Lost and Unaccounted-for (FL&U) and Electric Power Costs (EPC), as applicable, required in transporting Gas hereunder, as provided by Section 38 and Section 40 of the General Terms and Conditions of this Tariff, and at the maximum rate stated on the currently effective applicable rate sheet, unless otherwise negotiated pursuant to Section 33 of the General Terms and Conditions of this Tariff. Fuel will be assessed if the Gas received or delivered to Shipper under this Rate Schedule is transported through a booster compressor; otherwise, only the system-wide L&U will be assessed under this Rate Schedule.
- 5.3 During periods of service interruption at Primary Points and Primary Paths under this Rate Schedule, Transporter shall provide a Reservation Charge credit to Shipper for quantity nominated but not delivered on each Day of interruption. This credit shall constitute a Shipper's exclusive remedy for any such interruption.
- 5.4 A. 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 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).
- B. Incremental Facility Charge. When the construction of new facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. Shipper may elect to (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 facility charge will include the cost of the facilities plus any related taxes, 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 corporate income tax effects thereof, according to the following formula:
- $$\text{Tax Reimbursement} = [\text{Tax Rate} \times (\text{CIAC} - \text{Present Value of Tax Depreciation})] \times [1 + \{\text{Tax Rate}/(1 - \text{Tax Rate})\}]$$
- 5.5 The ACA will be assessed, when applicable, as provided in Section 30 of the General Terms and Conditions of this Tariff, on volumes delivered by Transporter for Shipper under this Rate Schedule BHS.

- 5.6 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule BHS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further, Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.
- B. If, at any time and from time-to-time, the Commission or any other governmental authority having jurisdiction in the premises allows or permits Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the BHS Agreement or a separate discount Agreement, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) Days after a written request by Transporter. If, at any time and from time-to-time, the Commission or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for transportation service hereunder, the rate shall, subject to any contrary provision of the BHS Agreement or a separate discount Agreement, be decreased to such reduced rate.
- 5.7 Transporter may from time-to-time and at any time, upon twenty-four (24) hours' verbal or written notice, subject to any provisions on discounting in the BHS Agreement or in a separate discount Agreement, and subject to Section 12.6 of the General Terms and Conditions of this Tariff, charge any individual Shipper for service under this Rate Schedule BHS a rate which is lower than the applicable maximum rate set forth in this Tariff; provided, however, that such rate may not be less than the applicable minimum rate for service under Rate Schedule BHS set forth in this Tariff unless otherwise agreed to in writing between Transporter and Shipper pursuant to Section 33 of the General Terms and Conditions of this Tariff. Transporter will confirm any verbal notice of the applicable rate in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected. Unless otherwise agreed in the BHS Agreement or in a separate discount Agreement, Transporter may at any time further change such rate (subject to any restrictions as to maximum or minimum rates set out in this Tariff, the BHS Agreement and/or any discount Agreement) upon twenty-four (24) hours' verbal notice to Shipper, which notice shall be confirmed in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected. Transporter shall file with the Commission any and all reports as required by the Commission's Regulations with respect to the institution or discontinuance of any discount.

- 5.8 All revenues collected and volumes retained by Transporter as a result of providing service under this Rate Schedule BHS shall be retained by Transporter, unless Transporter has otherwise specifically agreed or been ordered by FERC to provide for a different disposition of such amounts.

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 BHS 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 shall be specified in Dth in the BHS 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 BHS 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 BHS 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 BHS Agreement), either by zone or in total, but not both. 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 BHS Agreement, which exceeds the MDQ on any Day under such BHS 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 locations listed below:

Location of Receipt or Delivery Point, as applicable:

Pipeline Segment	East of:	West or South of & Including:	Index
600-650 100-120		Wamsutter	CIG, Rocky Mountains
130-160	Wamsutter	Cheyenne	Cheyenne Hub
200-290	Cheyenne	PEPL-Audrain County, MO	Northern Natural Demarc
300-320	PEPL	IL / IN Border	Chicago Citygates
330-390	IL / IN Border	Clarington	Columbia Gas, Appalachia

- 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 a 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 (b) 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 this section and contains adequate information for all of the items specified in Section 3.2, subject to any necessary verification of such information and to the following:
- A. A request shall not be valid and Transporter shall not be required to grant any such request: (1) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire facilities to enable it to perform such services; (2) unless and until Shipper has provided Transporter with the information required in Section 3.2 hereof; (3) if Transporter determines, based on the credit analysis referenced in Section 3.2D, that Shipper does not possess sufficient financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (4) if the service requested would not comply with this Rate Schedule ITS; or (5) if the service requested is at less than the applicable maximum rate; provided, however, that Transporter may agree to provide service hereunder at a discount consistent with this Rate Schedule ITS.
 - B. Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request because such request is incomplete or does not comply with this Rate Schedule ITS. If a request is substantially but not entirely complete, Transporter shall inform Shipper of the specific items needed to complete the request consistent with this Rate Schedule and the General Terms and Conditions of this Tariff.
 - C. Transporter shall tender an ITS Agreement to Shipper for execution within twenty-four (24) hours of when Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute an ITS Agreement hereunder within ten (10) Days after the ITS Agreement has been tendered by Transporter for execution.
- 3.2 Requests for service hereunder shall be deemed valid only after the information specified in this section is provided by Shipper via Transporter's Interactive Website or in writing to:

ROCKIES EXPRESS PIPELINE LLC
Commercial Operations
370 Van Gordon Street
Lakewood, CO 80228
Facsimile Number (303) 763-3515
Email: REX@tallgrassenergyllp.com

The information required for a valid request shall be as follows:

A. GAS QUANTITIES

The request shall specify in Dth the aggregate MDQ, exclusive of applicable Fuel and Unaccounted-for Gas; provided, however, that Transporter shall not be obligated to accept requests for an aggregate MDQ of less than one hundred (100) Dth per Day.

B. AVAILABILITY OF POINTS

- (1) A Shipper may utilize all available Receipt and Delivery Points on Transporter's System under any ITS Agreement, subject to the General Terms and Conditions of this Tariff.
- (2) The available volume and priorities at any Point shall be governed by the General Terms and Conditions of this Tariff.

C. TERM OF SERVICE

The request shall specify:

- (1) The date service is requested to commence; and
- (2) The date service is requested to terminate.

D. CREDIT

Acceptance of a request is contingent upon a satisfactory credit appraisal by Transporter in accordance with the General Terms and Conditions of this Tariff.

E. COMPLIANCE WITH TRANSPORTER'S TARIFF

Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule ITS, including the applicable General Terms and Conditions of this Tariff as revised from time-to-time.

F. COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, if available, or when an initial Nomination for transportation under an executed ITS Agreement is submitted, and when any subsequent changes occur:

- (1) Affiliation of the Shipper with Transporter;
- (2) The identity of the Shipper, including whether it is a local distribution company, an interstate pipeline company, an intrastate pipeline company, an end user, a producer, or a marketer.

G. SHIPPER CONTACT INFORMATION

The request shall include Shipper's name, billing address, representative, and general correspondence address.

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 Fuel and Lost and Unaccounted-for Gas and Electric Power Costs in transporting Gas hereunder, as provided by Section 38 and Section 40 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 A. 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 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).
- B. Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. Shipper may elect to (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 facility charge will include the cost of the facilities plus any related taxes, 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 corporate income tax effects thereof, according to the following formula:
- $$\text{Tax Reimbursement} = [\text{Tax Rate} \times (\text{CIAC} - \text{Present Value of Tax Depreciation})] \times [1 + \{\text{Tax Rate}/(1 - \text{Tax Rate})\}]$$
- 5.4 The ACA charge will be assessed, when applicable, as provided in Section 30 of the General Terms and Conditions of this Tariff, on volumes delivered by Transporter for Shipper under this Rate Schedule ITS.
- 5.5 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule ITS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further, Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.
- B. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises allows or permits Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the ITS Agreement or a separate discount Agreement, be increased to the highest such rate. Should additional

documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) Days after a written request by Transporter. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for transportation service hereunder, the rate shall, subject to any contrary provision of the ITS Agreement or a separate discount Agreement, be decreased to such reduced rate.

- 5.6 Transporter may from time-to-time and at any time, upon twenty-four (24) hours' verbal or written notice, or by Shipper's election to nominate service consistent with the terms of the applicable service discount rate offers posted by Transporter on its Interactive Website from time-to-time and subject to any provisions on discounting in the ITS Agreement or in a separate discount Agreement, and subject to Section 12.6 of the General Terms and Conditions of this Tariff, charge any individual Shipper for service under this Rate Schedule ITS a rate which is lower than the applicable maximum rate set forth in this Tariff; provided, however, that such rate charged may not be less than the applicable minimum rate for service under Rate Schedule ITS set forth in this Tariff as applicable. Transporter will confirm any verbal notice of the applicable rate in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected. Unless otherwise agreed in the ITS Agreement or in a separate discount Agreement, Transporter may at any time further change such rate (subject to any restrictions as to maximum or minimum rates set out in this Tariff, the ITS Agreement and/or any discount Agreement) upon twenty-four (24) hours' verbal notice to Shipper, which notice shall be confirmed in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected. Transporter shall file with the Commission any and all reports as required by the Commission's Regulations with respect to the institution or discontinuance of any discount.
- 5.7 All revenues collected and volumes retained by Transporter as a result of providing service under this Rate Schedule ITS shall be retained by Transporter unless Transporter has otherwise specifically agreed or been ordered by FERC to provide for a different disposition of such amounts.

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 volumes 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 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 MDQ), either by zone or in total, but not both. 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 locations listed below:

Location of Receipt or Delivery Point, as applicable:

Pipeline Segment	East of:	West or South of & Including:	Index
600-650 100-120		Wamsutter	CIG, Rocky Mountains
130-160	Wamsutter	Cheyenne	Cheyenne Hub
200-290	Cheyenne	PEPL-Audrain County, MO	Northern Natural Demarc
300-320	PEPL	IL / IN Border	Chicago Citygates
330-390	IL / IN Border	Clarington	Columbia Gas, Appalachia

- 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 a 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 volumes 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 this Section 4 and contains adequate information on all of the items specified in Sections 4.3A and 4.3B, subject to any necessary verification of such information and to the following:
- A. A request shall not be valid and Transporter shall not be required to grant any such request: (1) which could in Transporter's judgment interfere with efficient operation of its System or with service to any firm Shipper; (2) which would require the construction, modification, expansion, or acquisition of any facilities to enable it to perform such services; provided, however, that Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire any facilities; (3) unless and until Shipper has provided Transporter with the information required in Section 4.2 hereof and the assurances required under

Section 1.3 hereof; (4) if Transporter determines, based on the credit analysis referenced in Section 4.3A, that Shipper does not possess sufficient financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (5) if the service requested would not comply with this Rate Schedule PALS; or (6) if the service requested is at less than the applicable maximum rate; provided, however, that Transporter may agree to provide service hereunder at a discount consistent with this Rate Schedule PALS. Nothing herein is intended to govern the scheduling and Curtailment of service once a request for service has been granted pursuant to Section 4 hereof and while Agreements under this Rate Schedule are in effect. Such matters are governed by Section 3 of this Rate Schedule and the applicable General Terms and Conditions of this Tariff.

B. Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request, in whole or in part, due to lack of Capacity or System capability or if the request is incomplete or does not comply with this Rate Schedule PALS.

(1) Any request shall be null and void unless it is complete and complies with this Rate Schedule PALS.

(2) If Transporter cannot satisfy a request due to insufficient System Capacity or capability, such request shall be deemed null and void upon notification by Transporter that it cannot perform the service requested. Transporter may at any time tender a PALS Agreement to Shipper, consistent with Shipper's request, which may be conditional on the future availability of System Capacity and capability.

(3) Transporter shall tender a PALS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute a PALS Agreement hereunder within ten (10) Days after Transporter has tendered a PALS Agreement for execution. An executed PALS RO must be submitted to Transporter prior to commencement of service.

4.2 Requests for service hereunder shall be deemed valid only after Shipper has entered into all necessary arrangements to assure that upstream and downstream transportation, if any, will be in place prior to the commencement of service on Transporter's pipeline, and the following information is provided to Transporter by Shipper via Transporter's Interactive Website or in writing to:

ROCKIES EXPRESS PIPELINE LLC
Commercial Operations
370 Van Gordon Street
Lakewood, CO 80228

Facsimile Number (303) 763-3515

E-mail: REX@tallgrassenerlyp.com

A. For a PALS Agreement to be valid, the following information must be provided:

(1) GAS QUANTITIES

The request shall specify in Dth the Maximum Aggregate Quantity (MAQ) and the Maximum Daily Quantity (MDQ) to be parked or loaned under any and all outstanding PALS RO Agreements.

(2) TERM OF SERVICE

The request shall specify a minimum term of 24 hours, the date service is requested to commence and to terminate (Primary term), whether the request is subject to an evergreen provision (permitting an extension) and/or a buyout provision (permitting early termination).

(3) CREDIT

Acceptance of a request is contingent upon a satisfactory credit appraisal by Transporter in accordance with the General Terms and Conditions of this Tariff.

(4) COMPLIANCE WITH PALS TARIFF

Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule PALS, including the applicable General Terms and Conditions of this Tariff for any Park and Loan Service provided under the PALS Agreement and any related PALS RO.

(5) COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, and shall be updated when any PALS RO is executed:

(a) Affiliation of the Shipper with Transporter;

(b) The identity of the Shipper, including whether it is a local distribution company, an end-user, a producer, a marketer, or other customer type.

- B. To implement a specific park and/or loan transaction, Transporter and the Shipper with a PALS Agreement in effect shall enter into a PALS RO. For a PALS RO to be valid, the following information must be provided:

(1) SERVICE TYPE/PALS AGREEMENT

The PALS RO must specify that it relates to service under Rate Schedule PALS and must specify the PALS Agreement to which the PALS RO relates.

(2) GAS QUANTITIES

The PALS RO shall specify in Dth the Maximum Aggregate Quantity (MAQ RO) and the Maximum Daily Quantity (MDQ RO) to be parked and/or loaned under the specific transaction; provided that the sum of all MAQ ROs and MDQ ROs under all pending PALS ROs cannot exceed the MAQ and MDQ under the applicable PALS Agreement. The PALS RO shall specify the minimum daily and aggregate volumes and shall set out a park and/or loan schedule containing the quantity and timing information specified in Section 7 of this Rate Schedule PALS.

(3) POINTS

The PALS RO shall specify the Point(s) at which Gas is to be parked or loaned. Any mutually agreeable Point(s) on Transporter's System may be utilized for service under this Rate Schedule PALS. Unless otherwise mutually agreed, the Point for completion of the park and loan must be the same as the Point at which the park or loan was initiated.

(4) TERM OF SERVICE

(a) The request shall specify:

(1) The date service is requested to commence;

(2) The date service is requested to terminate.

(b) The term may include a range of permitted commencement and termination dates for service under the PALS RO, or for any portion of such service. No termination date may extend beyond the term of the PALS Agreement.

(5) SHIPPER CONTACT PERSONNEL

The PALS RO shall specify the persons to be contacted by Transporter in connection with the PALS RO.

(6) RATE

The PALS RO shall specify the rates under Section 6.1 of this Rate Schedule PALS at which the park or loan service will be provided. Rates may vary by time period, volumes or other permissible discounting parameters, within the applicable maximum and minimum rates.

(7) SHIPPER ASSURANCES

Shipper shall provide Transporter the assurances required by Section 1.3 of this Rate Schedule PALS in connection with each PALS RO.

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 volumes 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 volumes when compared to the allocated volumes 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 Overrun Service

- A. Overrun Service Charges apply if a Shipper nominates and Transporter confirms volumes 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 locations listed below:

Location of PALS RO Point, as applicable:

Pipeline Segment	East of:	West or South of & Including:	Index
600-650 100-120		Wamsutter	CIG, Rocky Mountains
130-160	Wamsutter	Cheyenne	Cheyenne Hub
200-290	Cheyenne	PEPL-Audrain County, MO	Northern Natural Demarc
300-320	PEPL	IL / IN Border	Chicago Citygates
330-390	IL / IN Border	Clarington	Columbia Gas, Appalachia

- 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.

- 6.3 A. 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).
- B. If Transporter constructs, acquires or modifies any facilities to perform service hereunder, then, as specified in an Agreement related thereto between the parties
Shipper shall reimburse Transporter for the cost of such facilities or facility modifications as described in Section 5.3B of the ITS Rate Schedule of this Tariff.
- 6.4 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule PALS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further, Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.
- B. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises allows or permits Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the PALS Agreement or PALS RO, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within fifteen (15) Days after a written request by Transporter. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for service hereunder, the rate shall be decreased to such reduced rate.
- 6.5 Transporter may from time-to-time and at any time, upon twenty-four (24) hours' verbal or written notice, subject to any provisions on discounting in the PALS Agreement or PALS RO, and subject to Section 12.6 of the General Terms and Conditions of this Tariff, charge any individual Shipper for service under this Rate Schedule PALS a rate which is lower than the applicable maximum rate set forth in this Tariff; provided, however, that such rate charged may not be less than the applicable minimum rate for service under Rate Schedule PALS set forth in this Tariff. Unless otherwise agreed in the PALS Agreement or PALS RO, Transporter may at any time further change such rate (subject to any restrictions as to maximum or minimum rates set out in this Tariff, the PALS

Agreement and/or PALS RO) upon twenty-four (24) hours' verbal notice to Shipper, which notice shall be confirmed in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected. Transporter shall file with the FERC any and all reports as required by FERC's Regulations with respect to the institution or discontinuance of any discount.

- 6.6 All revenues collected and volumes retained by Transporter as a result of providing service under this Rate Schedule PALS shall be retained by Transporter unless Transporter has otherwise specifically agreed or been ordered by FERC to provide for a different disposition of such amounts.

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 volumes by the Shipper or Transporter shall also be specified in the PALS RO. The quantities may be specified as a range of volumes (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 volume and time limits. The schedule may provide for flexibility in total volumes and in the daily volumes 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 volumes 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, during the period of time the Gas is scheduled to be returned pursuant to the applicable PALS RO.

Location of PALS RO Point, as applicable:

Pipeline Segment	East of:	West or South of & Including:	Index
600-650 100-120		Wamsutter	CIG, Rocky Mountains
130-160	Wamsutter	Cheyenne	Cheyenne Hub
200-290	Cheyenne	PEPL-Audrain County, MO	Northern Natural Demarc
300-320	PEPL	IL / IN Border	Chicago Citygates
330-390	IL / IN Border	Clarington	Columbia Gas, Appalachia

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 which 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 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.
- 2.4 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.

- 2.5 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 this section and contains adequate information for all of the items specified in Section 3.2, subject to any necessary verification of such information and to the following:
- A. Submission of a request for service hereunder shall constitute Shipper's agreement with the terms and conditions of this Rate Schedule PAWS, including the applicable General Terms and Conditions of this Tariff as revised from time-to-time.
 - B. Acceptance of a request is contingent upon a satisfactory credit appraisal by Transporter in accordance with the General Terms and Conditions of this Tariff.
 - C. A request shall not be valid and Transporter shall not be required to grant any such request: (1) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire facilities to enable it to perform such services; (2) unless and until Shipper has provided Transporter with the information required in Section 3.2 hereof; (3) if Transporter determines, based on the credit analysis referenced in Section 3.1B, that Shipper does not possess sufficient financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (4) if the service requested would not comply with this Rate Schedule PAWS; or (5) if the service requested is at less than the applicable maximum rate; provided, however, that Transporter may agree to provide service hereunder at a discount consistent with this Rate Schedule PAWS.
 - D. Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request because such request is incomplete or does not comply with this Rate Schedule PAWS. If a request is substantially but not entirely complete,

Transporter shall inform Shipper of the specific items needed to complete the request consistent with this Rate Schedule and the General Terms and Conditions of this Tariff.

- E. Transporter shall tender a PAWS Agreement to Shipper for execution after Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute a PAWS Agreement hereunder within ten (10) Days after the PAWS Agreement has been tendered by Transporter for execution.

- 3.2 Requests for service hereunder shall be deemed valid only after the information specified in this section is provided by Shipper via Transporter's Interactive Website or in writing to:

ROCKIES EXPRESS PIPELINE LLC
Commercial Operations
370 Van Gordon Street
Lakewood, CO 80228
Facsimile Number (303) 763-3515
e-mail: REX@tallgrassenergyllp.com

The information required for a valid request shall be as follows:

A. SHIPPER CONTACT INFORMATION

The request shall include Shipper's name, billing address, representative, and general correspondence address.

B. GAS QUANTITIES

The request shall specify in Dth the aggregate MDQ; provided, however, that Transporter shall not be obligated to accept requests for an aggregate MDQ of less than one hundred (100) Dth per Day.

C. TERM OF SERVICE

The request shall specify the date service is requested to commence. Service shall terminate in accordance with the provisions of Section 4 of this Rate Schedule PAWS.

D. COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, and when any subsequent changes occur:

- (1) Affiliation of the Shipper with Transporter;

- (2) The identity of the Shipper, including whether it is a local distribution company, an interstate pipeline company, an intrastate pipeline company, an end user, a producer, or a marketer.

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 A. 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 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).

- B. Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. Shipper may elect to (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 facility charge will include the cost of the facilities plus any related taxes, 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 corporate income tax effects thereof, according to the following formula:

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

- 5.4 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.
- 5.5 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule PAWS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further, Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.
- B. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises allows or permits Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the PAWS Agreement or a separate rate agreement, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) Days after a written request by Transporter. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for transportation service hereunder, the rate shall, subject to any contrary provision of the PAWS Agreement or a separate rate agreement, be decreased to such reduced rate.

- 5.6 Transporter may from time-to-time and at any time, upon written notice, subject to any provisions on discounting in the PAWS Agreement or in a separate rate agreement, and subject to Section 12.6 of the General Terms and Conditions of this Tariff, charge any individual Shipper for service under this Rate Schedule PAWS a rate which is lower than the applicable maximum rate set forth in this Tariff; provided, however, that such rate charged may not be less than the applicable minimum rate for service under Rate Schedule PAWS set forth in this Tariff. Transporter will confirm any verbal notice of the applicable rate in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected.
- 5.7 All revenues collected and volumes retained by Transporter as a result of providing service under this Rate Schedule PAWS shall be retained by Transporter unless Transporter has otherwise specifically agreed or been specifically ordered by FERC to provide for a different disposition of such amounts.

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 locations listed below:

Location of Receipt or Delivery Point, as applicable:

Pipeline Segment	East of:	West or South of & Including:	Index
600-650 100-120		Wamsutter	CIG, Rocky Mountains
130-160	Wamsutter	Cheyenne	Cheyenne Hub
200-290	Cheyenne	PEPL-Audrain County, MO	Northern Natural Demarc
300-320	PEPL	IL / IN Border	Chicago Citygates
330-390	IL / IN Border	Clarington	Columbia Gas, Appalachia

- 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, 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.

RATE SCHEDULE IBS

INTERRUPTIBLE BALANCING SERVICE

1. AVAILABILITY

- 1.1 This Rate Schedule IBS is an interruptible balancing service available to any entity (hereinafter called Shipper) which:
- A. Submits to Transporter a valid request as defined in Section 3 hereof;
 - B. Executes an Interruptible Balancing Service Agreement ("IBS Agreement") with Transporter applicable to service under this Rate Schedule IBS;
 - C. Meets the qualifications set out in Section 1.2 below; and
 - D. Submits one or more Access Requests for daily balancing services and is confirmed by Transporter for a total volume range of such quantities, as consistent with Section 6 hereunder, as Shipper's right and obligation on any day to receive and pay for daily balancing services so as to permit increases or decreases in actual deliveries from nominated daily quantities.
- 1.2 To be eligible for service under this Rate Schedule IBS, the Shipper must identify the service under its IBS Agreement as being for one specified Delivery Point for each IBS Agreement. Service hereunder is intended to provide interruptible daily park or loan services to meet changes in demand behind a specified Delivery Point serving certain end-use facilities and/or changes in a local distribution customer ("LDC") service area. Limited aggregation of end-use facilities behind a single Delivery Point is permitted. Such end-use facilities need not be directly connected to Transporter's system, but the conditions specified in Section 3.2C of this Rate Schedule IBS must be met. The offering of IBS Service hereunder is conditioned upon Shipper nominating to the Delivery Point transportation quantities under an FTS or ITS Agreement to which the IBS Agreement is linked, consistent with Section 3.2A of this Rate Schedule IBS. The Delivery Point must be a physical point of delivery (either primary or secondary) available under the linked transportation Agreement and may not be a Hub or Pooling Point.

2. APPLICABILITY, CHARACTER AND PRIORITY OF SERVICE

- 2.1 This Rate Schedule IBS shall apply to all interruptible balancing services provided by Transporter for a Shipper at a specified Delivery Point. A Shipper may nominate service hereunder pursuant to daily balancing Access Requests under Section 6 of this Rate Schedule IBS. This service will be provided based on line pack and/or operational Gas capability and

- on offsetting Access Requests under Section 6 of this Rate Schedule IBS. It is understood that Transporter is not providing a supply or storage service under this Rate Schedule IBS.
- 2.2 This service is designed to help a Shipper accommodate differences between nominated and actual gas flows to a specified Delivery Point under the FTS or ITS Agreement to which the IBS Agreement is linked consistent with Section 3.2A of this Rate Schedule IBS.
- 2.3 Transporter shall not be required to provide service hereunder:
- A. In excess of Shipper's confirmed daily Access Request under the IBS Agreement and as determined under Section 6.1 hereof;
 - B. In excess of the maximum allowable cumulative IBS Balance (the Cumulative Balance under an IBS Agreement may not exceed two times Shipper's MDQ, absent agreement by Transporter) or in excess of the MDQ of the IBS Agreement; or
 - C. If Transporter determines on a non-discriminatory basis that the offering of requested balancing services to Shipper at a designated Delivery Point would reduce its ability to satisfy existing obligations to higher priority services or maintain the integrity of its System.
- 2.4 Priorities of service for purposes of scheduling and curtailment shall be governed by Section 3 of the General Terms and Conditions of this Tariff.
- 2.5 The service provided under this Rate Schedule IBS shall be performed in accordance with Part 284 of the Commission's Regulations. Shipper shall only request service under this Rate Schedule IBS 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 IBS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.

3. VALID REQUESTS

- 3.1 A request for service under this Rate Schedule IBS shall be valid as of the date received if it complies with this section and contains adequate information for all of the items specified in Section 3.2, subject to any necessary verification of such information and to the following:
- A. A request shall not be valid and Transporter shall not be required to grant any such request: (1) which could in Transporter's judgment interfere with operation of its System or with service to any firm Shipper; (2) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that

Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire facilities to enable it to perform such services; (3) unless and until Shipper has provided Transporter with the information required in Section 3.2 hereof; (4) if Transporter determines, based on the credit analysis referenced in Section 3.2E, that Shipper does not possess sufficient financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (5) if the service requested would not comply with this Rate Schedule IBS; or (6) if the service requested is at less than the applicable maximum rate; provided, however, that Transporter may agree to provide service hereunder at a discount or negotiated rate consistent with this Tariff.

- B. Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request because such request is incomplete or does not comply with this Rate Schedule IBS. If a request is substantially but not entirely complete, Transporter shall inform Shipper of the specific items needed to complete the request consistent with this Rate Schedule and the General Terms and Conditions of this Tariff.
 - C. Transporter shall tender an IBS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute an IBS Agreement hereunder within ten (10) Days after the IBS Agreement has been tendered by Transporter for execution. A daily Access Request is required to commence service on any day.
- 3.2 Requests for service hereunder shall be deemed valid only after the information specified in this section is provided by Shipper via Transporter's Interactive Website or in writing to:

ROCKIES EXPRESS PIPELINE LLC
Commercial Operations
370 Van Gordon Street
Lakewood, CO 80228
Facsimile Number (303) 763-3515
Email: REX@tallgrassenergyllp.com

The information required for a valid request shall be as follows:

A. LINKED TRANSPORTATION AGREEMENT

Shipper shall identify in its request the upstream FTS or ITS Agreement to which service hereunder will be linked. The balancing service hereunder shall relate to the volumes nominated and allocable at the Rate Schedule IBS Delivery Point under the linked transportation Agreement. The effectiveness of this IBS Agreement and the confirmation of daily Access Requests is contingent upon Shipper having and continuing in effect the linked FTS or ITS Agreement, unless the parties agree on a substitute linked transportation Agreement. The linked FTS transportation Agreement may be a

released transportation Agreement but the Replacement Shipper under the linked FTS Agreement must also hold an IBS Agreement at the Delivery Point and be the same Shipper on any day when services are rendered hereunder.

B. CONTRACT QUANTITY

- (1) The request must specify the MDQ under the IBS Agreement. The MDQ of the IBS Agreement may be equal to or less than the MDQ of the linked transportation Agreement and shall represent the maximum quantity to be parked or loaned hereunder on any Gas Day to balance variations between actual and scheduled flows at the Delivery Point under the linked transportation agreement. If the transportation Agreement is linked to more than one IBS Agreement, then the sum of the MDQs under all IBS Agreements served by that linked transportation Agreement must be equal to or less than the transportation contract MDQ. Subject to the above limitations, the MDQ under the IBS Agreement shall be as specified by Shipper in its request for service; provided, however, that the MDQ may not exceed the higher of: (i) the highest daily usage served by Transporter at the Delivery Point during the prior twelve (12) months; or (ii) the highest daily usage which will be served by Transporter at such Delivery Point during the ensuing twelve (12) months as reasonably projected by Shipper and Transporter. The MDQ shall be re-determined at the request of either Shipper or Transporter no earlier than six (6) months after the then most recent MDQ determination or at any time by mutual agreement.
- (2) The request must specify the Cumulative Balance under the IBS Agreement. The Cumulative Balance shall represent the maximum quantity owed by Shipper as parks or loans, as delineated separately for total cumulative park or loan quantities in Dth, and shall not exceed two times the IBS Agreement MDQ, unless otherwise agreed to in writing.

C. DEMAND FACILITIES SERVED BEHIND DELIVERY POINT

Shipper shall identify the load characteristics of LDC and/or specific end-use facility or facilities for which balancing service is to be provided under the IBS Agreement at or behind the Delivery Point. The IBS Agreement may cover multiple end-use facilities as long as they are served by the designated Delivery Point. The location of such Rate Schedule IBS Delivery Point must be geographically consistent with the location of the LDC and/or end-use facility or facilities. Electronic measurement equipment must be in place and the information must be accessible to Transporter such that real time data on deliveries to the end-use facility or facilities are available to Transporter.

- (1) The request shall contain a statement either: (i) that the service under the IBS Agreement will be used to meet changes in demand for the specified LDC and/or end-use facility or facilities identified in the request directly connected to Transporter's system; or (ii) that service under the IBS Agreement will be used

for LDC and/or end-use facility or facilities identified in the request and behind the Rate Schedule IBS Delivery Point and the requirements of (2) below are or will be met. Where a facility or facilities are not directly connected to Transporter, the end-use facility or facilities must facilitate changes in flow through a point operator which is interconnected with Transporter's system facilities at the Rate Schedule IBS Delivery Point.

- (2) Where an LDC and/or end-use facility is not directly connected to Transporter's system, separate real-time measurement data sharing agreements must be executed among Transporter, the Shipper, the operator of the end-use facility and the point operator. These real time measurement data sharing agreements must provide (i) that the point operator will monitor the use of the service to assure that service is being provided hereunder to the end-use facility or facilities consistent with this Rate Schedule IBS; and (ii) that, during periods when deliveries to the LDC and/or end-use facility are from more than one source, gas from Transporter is deemed the first gas delivered to and used by the LDC and/or end-use facility unless otherwise agreed to in a Predetermined Allocation Agreement. Transporter will provide to the point operator relevant flow and nomination information related to the IBS Agreement. Service hereunder for any end-use facility not directly connected to Transporter shall be contingent upon satisfaction on a continuing basis of these requirements.

D. TERM OF SERVICE

The first date service is requested to commence and last date service is to terminate (Primary Term) under Rate Schedule IBS, or whether the request is subject to an evergreen provision (permitting an extension).

E. CREDIT

Shipper shall provide with this request information necessary for Transporter to conduct a credit appraisal. Service by Transporter hereunder is subject to Shipper meeting the credit requirements set forth in Section 13 of the General Terms and Conditions of this Tariff.

F. COMPLIANCE WITH TRANSPORTER'S TARIFF

Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule IBS, including the applicable General Terms and Conditions of this Tariff as revised from time-to-time.

G. COMMISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, if available, or when an initial Nomination for transportation under an executed IBS Agreement is submitted, and when any subsequent changes occur:

- (1) Affiliation of the Shipper with Transporter; and
- (2) The identity of the Shipper, including whether it is a local distribution company, an interstate pipeline company, an intrastate pipeline company, an end user, a producer, or a marketer.

H. SHIPPER CONTACT INFORMATION

The request shall include Shipper's name, billing address, representative, and general correspondence address.

I. DAILY ACCESS REQUEST QUANTITIES

Access Requests, in the form and manner prescribed by Section 6 herein, setting forth the requested quantities must be submitted by Shipper in accordance with this Rate Schedule IBS. The request shall include an estimate of the quantity, within MDQ, to be nominated for potential park or loan on any Gas Day to implement balancing services hereunder at the Delivery Point for the linked transportation agreement. As applicable, Shipper or Point Operator must separately identify the volumes attributed to the specific Delivery Point covered by the IBS Agreement.

4. TERM

- 4.1 The term of service hereunder shall be set forth in the IBS Agreement between Shipper and Transporter, and shall not be less than one Gas Day or the duration of a confirmed Access Request pursuant to Section 6 hereunder. The term of this IBS Agreement will terminate upon the earlier of: (i) termination of the IBS Agreement; (ii) a capacity release under the linked FTS agreement that results in the MDQ available to Shipper being less than the MDQ of the IBS Agreement; or (iii) expiration of the FTS or ITS Agreement to which the IBS Agreement is linked, unless the parties mutually agree to substitute a new linked transportation Agreement.
- 4.2 Upon termination or expiration of any IBS Agreement, service by Transporter to Shipper there under shall cease and shall be automatically abandoned.

5. RATE

- 5.1 Shipper shall pay Transporter each month for service under this Rate Schedule IBS the sum of the following charges:
 - A. A Daily Access Charge on confirmed total volume of daily Access Requests as provided in Section 5.2 below; and
 - B. Any other applicable charges and penalties set out in this Rate Schedule IBS or the General Terms and Conditions of this Tariff.

- 5.2 The Access Charge shall be the product of the then effective applicable Daily Access Rate under the IBS Agreement multiplied by the sum, for each Gas Day of the billing month, of the absolute Dth quantity of Access Requests nominated by Shipper and confirmed by Transporter. Confirmed Access Request quantities for balancing increases from nominations ("swing-up loans") are added to Access Requests for balancing decreases ("swing-down parks") and are not netted in deriving the absolute quantity for purposes of billing of the Access Charge.
- 5.3 The maximum and minimum rates applicable to this Rate Schedule IBS are set forth in the Currently Effective Rates section of this Tariff. Unless otherwise agreed to in writing or as set forth herein, maximum applicable tariff rates shall apply to confirmed daily Access Request quantities.
- 5.4 By mutual agreement between Transporter and Shipper or as otherwise set forth herein, discounts or Negotiated Rates may be limited to specific quantities or periods hereunder.
- 5.5 Transporter may from time-to-time and at any time, upon twenty-four (24) hours' oral or written notice, or by Shipper's election to nominate service consistent with the terms of the applicable service discount rate offers posted by Transporter on its Interactive Website from time-to-time, and subject to any provisions on discounting in the IBS Agreement or in a separate discount Agreement, and subject to Section 12.6 of the General Terms and Conditions of this Tariff, charge any individual Shipper for service under this Rate Schedule IBS a rate which is lower than the applicable maximum rate set forth in this Tariff; provided, however, that such rate charged may not be less than the applicable minimum rate for service under Rate Schedule IBS set forth in this Tariff as applicable. Transporter will confirm any oral notice of the applicable rate in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected. Unless otherwise agreed in the IBS Agreement or in a separate discount Agreement, Transporter may at any time further change such rate (subject to any restrictions as to maximum or minimum rates set out in this Tariff, the IBS Agreement and/or any discount Agreement) upon twenty-four (24) hours' oral notice to Shipper, which notice shall be confirmed in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected. Transporter shall file with the Commission any and all reports as required by the Commission's Regulations with respect to the institution or discontinuance of any discount.
- 5.6 Where a Shipper has agreed to pay a Negotiated Rate or a rate under a Negotiated Rate Formula, 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 or a rate under a Negotiated Rate Formula shall specify the Negotiated Rate or Negotiated Rate Formula on which the Shipper is willing to agree.
- 5.7 Notwithstanding the foregoing, the Access Charge for any Gas Day shall be reduced to the extent that Transporter curtails or interrupts service under Rate Schedule IBS that day, with

the reduction to be calculated by multiplying the applicable Daily Access Rate times that portion of the confirmed Access Request which is adversely affected by the curtailment or interruption.

5.8 If on any Gas Day the balancing service volumes hereunder exceed: a) Shipper's MDQ; b) Shipper's maximum allowed Cumulative IBS Balance for park or loan under the IBS Agreement; or c) the confirmed daily Access Request quantities determined under Section 6.1 hereof, Shipper shall pay either an authorized overrun rate, or an unauthorized overrun rate consistent with Section 7 of this Rate Schedule.

5.9 A. 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 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).

B. Incremental Facility Charge. When the construction of new facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. Shipper may elect to (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 facility charge will include the cost of the facilities (including Transporter overheads) plus any related taxes, 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 income tax effects thereof, according to the following formula:

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

5.10 A transportation commodity charge and related Fuel and Lost and Unaccounted-for Gas (FL&U) shall be paid once, but only once, under the linked transportation Agreement associated with any IBS Balance. Shipper shall not pay commodity charges and related FL&U for transportation associated with IBS Payback, except to the extent transportation charges under the linked transportation Agreement are required to satisfy the prior sentence and the conditions set forth in Section 6.3B hereunder. Any ACA, transition cost charges or other generally applicable surcharges shall also be assessed under such linked transportation Agreement and no additional such charges shall be assessed under Rate Schedule IBS.

5.11 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule IBS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further,

Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.

- B. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises allows or permits Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the IBS Agreement or a separate discount Agreement, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) Days after a written request by Transporter. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for transportation service hereunder, the rate shall, subject to any contrary provision of the IBS Agreement or a separate discount Agreement (including a negotiated rate agreement), be decreased to such reduced rate.

- 5.12 All revenues collected and volumes retained by Transporter as a result of providing service under this Rate Schedule IBS shall be retained by Transporter unless Transporter has otherwise specifically agreed or been ordered by FERC to provide for a different disposition of such amounts.

6. ACCESS REQUESTS, PAYBACK NOMINATIONS, BALANCING SERVICE CHARGES, OVERRUN CHARGES, AND CASHOUT

- 6.1 Subject to the remainder of this Section 6, on any Gas Day and at that time when transportation nominations are due, Shipper may submit an Access Request for balancing service under its IBS Agreement up to its MDQ of park and/or loan.
 - A. The Access Request, which shall constitute Shipper's nomination under the IBS Agreement, shall specify for a Gas Day the volume and direction to park or loan as balancing services and must reference the specific end user at a Delivery Point to which the service relates. An Access Charge shall apply on the confirmed total volume Transporter will utilize to meet increases (swing-up) or decreases (swing-down) in actual flows at the Delivery Point from confirmed nominated daily quantities under the linked transportation agreement.
 - B. For a Shipper to request service hereunder, that Shipper must have in effect a linked FTS or ITS Agreement consistent with Section 3.2A of this Rate Schedule IBS. The Access Request must reference the linked transportation Agreement.
 - C. Intraday Access Requests may be submitted for new or increased balancing services, consistent with the nomination deadlines otherwise applicable under this Tariff. Intraday Access requests may not be submitted which decrease the level of previously confirmed Access Requests for the same gas day. The priority for scheduling and confirming Intraday Access Request increases shall be consistent with the priorities set forth in

Section 6.2 of this Rate Schedule IBS and Section 7.6 of the General Terms and Conditions of this Tariff.

- 6.2 Transporter shall confirm Access Requests made each Gas Day under an IBS Agreement which are consistent with this Rate Schedule IBS and, in Transporter's reasonable judgment, Transporter has the line pack capability to provide such service, 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. It is understood that Transporter is not providing a supply or storage service under this Rate Schedule IBS.
- A. A confirmed Access Request for a Gas Day shall permit a Shipper to receive balancing service hereunder related to the linked transportation Agreement without further notice. Shipper shall not, however, be obligated to use such balancing volumes, i.e., Access Requests do not establish changes to scheduled transportation nominations and are used to define the level of balancing service available to the Shipper that day to cover IBS Balance volumes allocated under Section 6.2B. Further, this service is subject to the curtailment provisions of the General Terms and Conditions of this Tariff.
- B. Transporter shall account separately for each Gas Day's imbalance services under the IBS Agreement. Differences on any Gas Day between nominations and physical gas flow at the specified Delivery Point and associated with the linked FTS or ITS Agreement shall be allocated to the IBS Agreement up to the confirmed Access Request quantities. The resulting allocated imbalance volume, which may be positive or negative, shall be added to the IBS Agreement Cumulative Balance and the linked FTS or ITS Agreement will not reflect an imbalance at the delivery point for such quantities. Actual volumes allocated to the linked transportation Agreement at the Delivery Point may be pursuant to a predetermined allocation Agreement. Service hereunder allows Shipper to have daily imbalances or variances within the level of the confirmed Access Request. Any volume allocated to Shipper at the Delivery Point on any Gas Day in excess of 1) the confirmed Access Request quantity for park or loan under this Section 6; 2) the MDQ of the IBS contract; and/or 3) the maximum allowable Cumulative Balance shall be subject to additional overrun charges pursuant to Section 7 of this Rate Schedule.
- 6.3 Transporter shall provide to Shipper on its Interactive Website the best available information on the IBS Balances under an IBS Agreement by 10:00 a.m. CCT for the next Gas Day. Transporter shall identify both the IBS Balance for the Gas Day ("Daily Balance") and the Cumulative Balance. The Daily Balance parked or loaned shall equal Transporter's allocation under Section 6.2 to balance the linked transportation agreement on that Gas Day. Shipper shall be obligated, based upon Shipper's projected requirements and information provided by Transporter, to nominate in the next Gas Day's timely nomination cycle to payback and bring its Daily Balance and Cumulative Balance to zero ("IBS Payback nomination"). Transporter may adjust the Daily and Cumulative Balance information in future periods, and Shipper's future payback obligations shall be adjusted accordingly, but Shipper should nominate IBS Payback nominations based upon available information provided by Transporter.

- A. The IBS Payback nomination shall be separately identified and may require companion nominations under transportation agreements, as applicable: 1) for IBS Payback of parks to be consumed at the IBS Delivery Point, the Shipper only needs to nominate the quantities of gas under the IBS Agreement and no further transportation nomination or charges apply; 2) for IBS Payback of loans for delivery to other than the IBS Delivery Point, the payback quantities must be nominated under a transportation agreement (but not necessarily the linked Agreement) to which transportation charges from the IBS Delivery point to the nominated delivery point shall apply; and 3) for IBS Payback of loans, the Shipper must acquire and nominate supply from a receipt point on the linked transportation Agreement for delivery to the IBS Delivery Point, to which transportation charges to the IBS Delivery point will apply.
 - B. IBS Payback nominations of loan balances and IBS payback of park balances for delivery to other than the IBS Delivery Point shall be evaluated for scheduling and curtailment priority purposes on the same basis as other nominations under the linked transportation Agreement or at the mutually agreed points. Transportation capacity rights and commodity charges and FL&U, consistent with Section 5.10 of this Rate Schedule IBS, shall apply under the linked transportation Agreement for payback of loan quantities and for park IBS Payback for delivery to other than the IBS Delivery Point. IBS Payback nominations for park balances to the IBS Delivery Point require no additional transportation and are not assessed transportation commodity charges or FL&U.
 - C. In instances where the IBS Payback of a loan balance exceeds the capacity rights under the linked transportation agreement, such volumes shall be deemed transportation overrun and evaluated by Transporter for scheduling purposes on the same basis as other overrun requests. Transporter confirmed quantities for IBS Payback of a parked balance to the IBS Delivery Point will not incur additional commodity or FL&U charges and will not result in incurrence of any overrun charges. IBS Payback of park balances to other than the IBS Delivery Point requires capacity rights and be subject to the scheduling priority of the selected transportation agreement.
 - D. Transporter has the right to delay or limit IBS Payback. To the extent Transporter does not confirm an IBS Payback nomination, or the nomination is limited by MDQ under the IBS Agreement, Shipper shall be obligated to make a timely IBS Payback nomination in each subsequent daily nomination period until the IBS Balance for that day has been eliminated; provided, however, that if Transporter advises Shipper that no IBS Payback nominations will be accepted until a specified future date or will be limited in a specified way over a defined period for scheduling reasons, no overrun charges under Section 6.5 or Section 7.1(A) shall apply until Transporter has confirmed and permitted Payback volumes. The IBS Payback period shall be extended by each day the IBS Payback nomination is not confirmed by Transporter.
- 6.4 Each Daily Balance must be zeroed-out through the IBS Payback nomination process in this Section 6 by the end of three (3) Gas Days or such extended period allowed pursuant to Section 6.3D above. IBS Balances for each Gas Day shall otherwise incur additional charges

equal to the Park/Loan Daily Balance Rate or the Mandatory Balancing Provisions of this Rate Schedule IBS that shall otherwise apply, unless otherwise agreed to in writing by Transporter.

- 6.5 The quantity parked or loaned each Gas Day to effectuate balancing under the linked transportation agreement shall constitute the Daily Balance. Each Daily Balance shall be accounted for separately for purposes of applying Park/Loan Balance Rate charges, without netting of Daily Balances, pursuant to the provisions of this Section 6. If Shipper fails to nominate and deliver IBS Payback quantities to reduce a Daily Balance (positive-park or negative-loan balance) in the next Gas Day and at a level sufficient to rectify the daily IBS Balance within three (3) Gas Days, then the Park/Loan Balance Rate shall apply, with no tolerance or exemption, beginning on the fourth (4th) Gas Day to the remaining Daily Balance quantity parked or loaned and shall continue to be assessed each Gas Day thereafter and until the Daily Balance for a Gas Day is nominated, confirmed and delivered so as to eliminate the Daily Balance. IBS Payback nominations shall be applied to the oldest Daily Balance ("first in, first out") and IBS Payback quantities may be designated by Shipper as the first gas through the meter for allocation under predetermined allocation agreements at Receipt Points under the linked transportation agreement or the specified Delivery Point under the IBS Agreement. The Park/Loan Balance Rate, including charges associated with potential overrun of the IBS Balance, will be assessed if Payback nominations are not effectuated due to: 1) a lack of gas supply to Payback loan quantities; 2) a failure of a downstream operator to confirm Shipper daily nomination quantities equal to the Payback of park quantities; or 3) insufficient actual flow quantities for the planned Gas Day are allocated to Payback quantities. Upon Transporter's notice, the Mandatory Balancing Provisions of Section 8 hereunder may apply, as applicable, to any Daily Balance not otherwise eliminated.

7. OVERRUN SERVICE

- 7.1 Authorized Overrun Service. Upon request of Shipper, Transporter may (but is not obligated to) provide balancing services on a Gas Day in excess of: a) the MDQ; b) the Cumulative Balance; or c) confirmed daily Access Request quantities. Balancing service park or loan quantities in excess of such thresholds shall be offered where, in Transporter's reasonable judgment, the Capacity and operating capability of its System will permit such service 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 and shall be deemed "Authorized Overrun Service Quantities or AOR". Shipper shall pay Transporter the maximum rate for Authorized Overrun Service Quantities, as applicable, and per this Tariff unless otherwise agreed to in writing and set forth below:
- A. For those quantities parked or loaned on any Gas Day which exceeds the maximum IBS Agreement Cumulative Balance for parks or loans, respectfully, an Authorized Overrun Park/Loan Balance Rate shall apply to such quantities parked or loaned;
 - B. For those quantities parked or loaned on any Gas Day which exceeds the confirmed daily Access Request quantities for park or loan, respectfully, but within the defined

MDQ of park and loan under the IBS Agreement, an Authorized Overrun Daily Access Rate shall apply to such excess quantities parked or loaned; and

- C. For those quantities parked or loaned on any Gas Day which exceeds the MDQ under the IBS Agreement, the Authorized IBS Contract MDQ Overrun Rate shall apply.

- 7.2 **Unauthorized Overrun Service.** During periods for which Transporter has declared a Directional Notice, Critical Time or Unilateral Action phases of Transporter's Operational Control Sequence, as defined in Section 36 of the General Terms and Conditions of this Tariff during which interruptible services, such as IBS are not available, any Overrun Service hereunder shall be "Unauthorized Overrun Service." For Unauthorized Overrun Service Shipper shall pay Transporter an Unauthorized Overrun Service Charge. Such Unauthorized Overrun Service Charge shall equal the amount of Gas in Dth received by Shipper at the Delivery Point designated under an IBS Agreement, which exceeds Shipper's Nomination on any Day under the associated transportation 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 locations listed below:

Location of Delivery Point:

Pipeline Segment	East of:	West or South of & Including:	Index
600-650 100-120		Wamsutter	CIG, Rocky Mountains
130-160	Wamsutter	Cheyenne	Cheyenne Hub
200-290	Cheyenne	PEPL-Audrain County, MO	Northern Natural Demarc
300-320	PEPL	IL / IN Border	Chicago Citygates
330-390	IL / IN Border	Clarington	Columbia Gas, Appalachia

- 7.3 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. Unauthorized Overrun Service Charges stated above may apply to overrun quantities parked or loaned in violation of the Directional Notice or Critical Time orders.
- 7.4 In each instance when a 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.

- 7.5 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; however, in the event of such waiver the Authorized Overrun Service Charge shall be payable by 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.

8. MANDATORY BALANCING PROVISIONS

- 8.1 Mandatory Balancing shall apply where an IBS balance remains and is not rectified: (a) at the end of the term specified in any applicable IBS Agreement; or (b) where Shipper fails to comply with the Payback provisions of Section 6 hereof to eliminate the IBS balance; and (c) the Shipper fails to eliminate the IBS balance after Transporter's notice is given pursuant to Sections 8.2 or 8.3 hereof.
- 8.2 Transporter may 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 In the event that Transporter notifies an IBS Shipper under this Section 8, such notice shall specify the parked IBS Balance to be removed or the loaned IBS Balance to be returned, 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 IBS Agreement shall terminate and the provisions of Sections 8.4A and 8.4B shall apply to any remaining IBS Balance.
- 8.4 A. In the event that Shipper has an IBS park balance at the termination of the IBS Agreement, 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 Park/Loan Balance Rate charges pursuant to this Rate Schedule IBS, unless such other applicable Park/Loan Balance Rates are agreed to in the IBS Agreement.

- B. Conversely, if the Shipper has not redelivered an IBS loan balance quantities at the termination date of the IBS Agreement, then Shipper must purchase the unreturned Balance at 150% of the highest daily spot price for the Day as reflected for the indice 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, applicable to the period of time and Delivery Point (where and when) the IBS loan was taken.

Pipeline Segment	East of:	West or South of & Including:	Index
600-650 100-120		Wamsutter	CIG, Rocky Mountains
130-160	Wamsutter	Cheyenne	Cheyenne Hub
200-290	Cheyenne	PEPL-Audrain County, MO	Northern Natural Demarc
300-320	PEPL	IL / IN Border	Chicago Citygates
330-390	IL / IN Border	Clarington	Columbia Gas, Appalachia

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 8.4B due to failure of Shipper to redeliver a loan balance, 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.

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.

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