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## **RATE SCHEDULES**

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## **RATE SCHEDULE FT FIRM TRANSPORTATION SERVICE**

### **1. AVAILABILITY**

- a. This Rate Schedule is available for firm transportation of natural gas provided by Tallgrass Interstate Gas Transmission, LLC ("Transporter") for any party ("Shipper"), when:
  1. Shipper has requested to have gas transported under this Rate Schedule FT;
  2. Shipper and Transporter have executed a Firm Transportation Service Agreement in the form contained in the FERC Gas Tariff under this Rate Schedule; and
  3. Transporter has determined that it will have available sufficient uncommitted capacity to provide the firm service requested by Shipper.
- b. Service will be contracted for on a first-come, first-served basis.
- c. Transportation service shall include exchanges, forward-haul and back-haul service.
- d. No fee exchange service is available in Transporter's reasonable discretion and in a non-discriminatory manner when Transporter and Shipper agree that such service is mutually beneficial and produces substantially equal benefits.
- e. Seasonal capacity will only be sold at points where (1) capacity varies throughout the year due to operational constraints and (2) all year round capacity has been contracted at that point.

### **2. APPLICABILITY AND CHARACTER OF SERVICE**

- a. This rate schedule shall apply to the firm transportation of natural gas on Transporter's system, except as provided in Section 16 of the General Terms and Conditions of the FERC Gas Tariff of which this Rate Schedule is a part. Transporter shall receive from Shipper, or for the account of Shipper, at

those points on Transporter's system as specified in an executed FT Service Agreement between Shipper and Transporter (hereinafter referred to as "Primary Receipt Points") for transportation, daily quantities of gas tendered for the account of Shipper up to Shipper's Maximum Daily Transportation Quantity (MDTQ), plus fuel reimbursement and other deductions, as specified in the Service Agreement.

- b. Transporter shall receive from Shipper daily quantities of gas up to Shipper's Maximum Daily Receipt Quantity (MDRQ) at each individual Primary Receipt Point. Transporter shall, if capacity is available, on any day receive at any Primary Receipt Point, a quantity of gas in excess of the applicable Maximum Daily Receipt Quantity (MDRQ). Transporter shall, if capacity is available, on any day receive gas at any other receipt point (Secondary Receipt Point). Transporter shall receive at all primary and secondary receipt points, on any day, a quantity of gas not to exceed the MDTQ, plus fuel reimbursement and other deductions.

Nominations at Secondary Receipt Points will interrupt IT deliveries if necessary to meet the FT nomination. Upon receipt of natural gas for Shipper's account, Transporter shall, after a reduction for the Fuel Reimbursement Quantity and any other deductions, transport and deliver for the account of Shipper the thermal equivalent of such gas at the "Primary Delivery Point(s)" as specified in the Service Agreement. Transporter shall, if capacity is available, on any day, deliver at any other delivery point (Secondary Delivery Point). If additional capacity is available at a Primary Delivery Point, Shipper may use this capacity on a secondary basis in order to receive volumes in excess of the Maximum Daily Delivery Quantity (MDDQ) reserved at the Primary Delivery Point. Transporter shall deliver at all primary and secondary delivery points, on any day, a quantity of gas not to exceed the MDTQ. Transporter will provide non-discriminatory access to secondary points so as not to hamper the capacity release program.

- c. Transporter shall, if capacity is available, on any day, receive and deliver a quantity of gas in excess of the applicable MDTQ.

## 2.1 ADDITIONAL FACILITIES

In no event shall Transporter be obligated to provide any transportation service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities; however, Transporter may add facilities and/or expand the system, on a non-discriminatory basis, whenever such is deemed, in

Transporter's reasonable judgment, to be economically, operationally, and technically feasible, subject to the following conditions:

- a. Transporter has received an executed revised Service Agreement from existing and prospective Shipper(s) requesting such additional facilities or expansion of capacity;
- b. Transporter does not have physical facilities or adequate capacity in the system to accommodate requests for capacity of existing and prospective Shippers accepted by Transporter pursuant to Section 4.1 hereof;
- c. Transporter and Shipper enter into a facilities agreement which is subject to the provisions of Section 5.3(a);
- d. The nature, extent and timing of facilities required shall be at the reasonable discretion of Transporter; and
- e. Transporter receives acceptable assurance of financial reliability from any Shipper requesting additional capacity.

## 2.2 REDUCTION IN MDTQ

Shipper may reduce a portion of its MDTQ under its Service Agreement, to the extent that all of the following conditions are satisfied:

- a. the Service Agreement was entered into as consideration for Transporter's agreement to construct new mainline expansion facilities to provide new incremental transportation service to Shipper through such facilities;
- b. Shipper is a local distribution company (LDC) and Transporter is providing service to Shipper under the Service Agreement to one or more primary delivery points which are located in Shipper's exclusive LDC service territory; and
- c. the desired MDTQ reduction is directly related to Transporter providing new incremental firm transportation service under this rate schedule to a pre-existing end-use consumer (i.e., an end-use customer connected to Shipper's LDC system prior to or as of the effective date of the LDC's Service Agreement) of Shipper which is located within the same exclusive LDC service territory of Shipper, and such firm transportation

service will displace the firm service currently provided by Shipper creating a bypass to such end-user.

- d. the reduction in MDTQ for bypass shall be no more than the equivalent quantity and for a term equal to the lesser of:
  - i. the term such end-user holds capacity directly from Transporter; or
  - ii. the remaining primary term of the Service Agreement with Shipper executed to support construction of new mainline expansion facilities.
- e. Shipper must provide notice of its election to so reduce the MDTQ within sixty (60) days of any such bypass, or it shall be deemed to have waived the opportunity for a MDTQ reduction associated with the specific bypass.

### **3. SERVICE DEFINITIONS**

#### **3.1 FUEL REIMBURSEMENT QUANTITY**

- a. The Fuel Reimbursement Quantity shall be that portion of Shipper's natural gas received by Transporter for transportation which shall be retained by Transporter as compensation for gas used in rendering service to Shipper, including Company-used gas, lost and unaccounted for gas. This gas shall be retained by Transporter reducing the thermally equivalent volumes available for delivery to Shipper. The Fuel Reimbursement Quantity shall be stated as a percentage of the natural gas received by Transporter at the Point(s) of Receipt.
- b. Title to Fuel Reimbursement Quantity shall vest in Transporter upon receipt at the Receipt Point(s) at no cost and free and clear of all adverse claims.
- c. The Fuel Reimbursement Quantity will be determined pursuant to Section 15 of the General Terms and Conditions of the FERC Gas Tariff.

#### **3.2 MAXIMUM DAILY TRANSPORTATION QUANTITY**

The Maximum Daily Transportation Quantity (MDTQ) shall be the maximum quantity of natural gas, in Dth, which Transporter agrees to deliver on any day for the account of Shipper at all Delivery Point(s). Such delivery points and such MDTQ shall be specified in the executed Service Agreement.

### 3.3 PRIMARY RECEIPT POINT(S)

Primary Receipt Points are those receipt points from which the Shipper desires firm service and which are set forth in the Service Agreement. The volume specified for a Primary Receipt Point shall not exceed the available firm capacity at that point.

### 3.4 SECONDARY RECEIPT POINT(S)

A Shipper holding FT Service may nominate from any number of Secondary Receipt Points subject to the provisions below. The sum of the nominated quantities at all Primary and Secondary Receipt Points, less fuel reimbursement and other deductions, shall not exceed the Maximum Daily Transportation Quantity (MDTQ) of the Agreement on any given day.

- a. Secondary Receipt Points are all other receipt points which are not set forth as Primary Receipt Points in the Service Agreement. If Shipper nominates Secondary Receipt Points and the maximum reservation rate of the path used is greater than the maximum reservation rate of the primary path, Shipper will be billed the difference in the maximum reservation rates unless otherwise agreed to in writing by Transporter.
- b. In case of a capacity release, if a Replacement Shipper utilizes any Secondary Receipt Point, the Releasing Shipper shall not be responsible for maximum reservation charges for Receipt Points outside the Rate Zone where the Primary Receipt Point is located. Transporter will assess the additional reservation charge(s) to the acquiring shipper if applicable.

3.5 NOMINATIONS AT PRIMARY OR SECONDARY RECEIPT POINT(S). Shippers served under Rate Schedule FT may nominate at either primary or secondary receipt points. Nominations at secondary points will interrupt IT service if necessary in order to secure sufficient capacity to meet the firm service requirements.

3.6 MAXIMUM DAILY RECEIPT QUANTITY (At Individual Receipt Point). The Maximum Daily Receipt Quantity (MDRQ) shall mean the maximum quantity of natural gas which Transporter agrees to receive on any day at an indicated Primary Receipt Point as specified in the executed Service Agreement; provided however, that the sum of the Maximum Daily Receipt Quantities (MDRQs) at all Primary Receipt Points shall not be in excess of the Maximum

Daily Transportation Quantity (MDTQ) specified in the executed Service Agreement.

**3.7 PRIMARY DELIVERY POINT(S)**

Primary Delivery Point(s) are those delivery points to which the Shipper desires firm service and which are set forth in the Service Agreement. The volume specified for a Primary Delivery Point shall not exceed the available firm capacity at that point.

**3.8 SECONDARY DELIVERY POINT(S)**

A Shipper holding FT Service may nominate from any number of Secondary Delivery Points subject to the provisions below. The sum of the nominated quantities at all Primary and Secondary Delivery Points, less fuel reimbursement and other deductions, shall not exceed the Maximum Daily Transportation Quantity (MDTQ) of the Agreement on any given day.

- a. Secondary Delivery Points are all other delivery points which are not set forth as Primary Delivery Points in the Service Agreement. If Shipper uses Secondary Delivery Points and the maximum reservation rate of the path used is greater than the maximum reservation rate of the primary path, Shipper will be billed the difference in the maximum reservation rates unless otherwise agreed to in writing by Transporter.
- b. In case of a capacity release, if a Replacement Shipper utilizes any Secondary Delivery Point, the Releasing Shipper shall not be responsible for maximum reservation charges for Delivery Points outside the Rate Zone where the Primary Delivery Point is located. Transporter will assess the additional reservation charge(s) to the acquiring shipper if applicable.

**3.9 NOMINATIONS AT PRIMARY OR SECONDARY DELIVERY POINT(S)**

Shippers served under this FT Rate Schedule may nominate at either primary or secondary delivery points. Nominations at secondary points will interrupt IT service if necessary in order to secure sufficient capacity to meet the firm service requirements. However, interruption shall not occur until Transporter has given IT service customers 24-hour notice, unless interruption is due to an Intra-day nomination in which Section 3 of the General Terms and Conditions will apply.

**3.10 MAXIMUM DAILY DELIVERY QUANTITY**

(At Individual Delivery Point). The Maximum Daily Delivery Quantity (MDDQ) shall mean the maximum quantity of natural gas which Transporter agrees to deliver on any day at any indicated Primary Delivery Point as specified in the executed Service Agreement; provided however, the sum of the Maximum Daily Delivery Quantities at all Primary Delivery Points shall not be in excess of the Maximum Daily Transportation Quantity specified in the executed Service Agreement.

**4. REQUIREMENTS FOR VALID REQUEST FOR FIRM TRANSPORTATION SERVICE**

- 4.1 All Shippers requesting firm transportation service must submit a completed Transportation Service Request Form as set forth in this Tariff. No gas will be scheduled for receipt and delivery until all such information and a completed Transportation Service Request Form has been received by Transporter. All completed Transportation Request Forms are to be submitted on Transporter's Interactive Web Site or sent to:

Tallgrass Interstate Gas Transmission, LLC

Lakewood, CO 80228-8304

Attention: Account Services Department

Telephone: (303)763-2950

Facsimile: (303)763-3515

E-mail: TEP@tallgrassenergyllp.com

- 4.2 A request for service must include the following:
- a. Primary Delivery Points must be grouped by rate zone. For each delivery rate zone, primary receipt points must be specified. The sum of MDRQ for Primary Receipt Points associated with any delivery zone must not exceed the sum of the MDDQs for that rate zone.
  - b. PREPAYMENT. A payment to Transporter of an amount equal to the Reservation Charge applicable to the proposed service for a one month period, or ten thousand dollars (\$10,000), whichever is less, which amount shall be credited to Shipper's initial invoice for this service or refunded to Shipper.
  - c. CREDIT INFORMATION

- (1) A copy of Shipper's most recent audited financial statements, or at Transporter's option, a bank reference satisfactory to Transporter;
  - (2) A copy of Shipper's most recent Annual Report and SEC Form 10-K, if applicable; and
  - (3) A completed Credit Application Form; the form of which is contained in this tariff.
- 4.3 A Firm Transportation Service Agreement shall be executed by Shipper and Transporter following Transporter's acceptance of Shipper's request for service.

## **5. RATES**

### 5.1 RATES

The applicable rates, including any surcharges, for firm transportation service are set forth in the currently effective rate schedule of this FERC Gas Tariff, as revised from time to time. Unless otherwise agreed in writing between Transporter and Shipper under Section 36 of the General Terms and Conditions, the applicable rate shall not be in excess of the maximum rate nor less than the minimum rate.

### 5.2 MONTHLY BILL

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

#### a. RESERVATION CHARGE

The reservation charge shall be the product of:

- (1) the Maximum Reservation Rate as stated in the currently effective rate schedule for each Primary Path, unless otherwise agreed to in writing; provided, if Shipper nominates Secondary Receipt and/or Delivery Points and the Maximum Reservation Rate of the path nominated is greater than the Maximum Reservation Rate of the primary path, Shipper will be billed the difference in the Maximum Reservation Rates for the applicable

period and quantities, unless otherwise agreed to in writing;  
and

- (2) the MDDQ specified by Primary Path in Shipper's FT Service Agreement.

b. COMMODITY CHARGE

The commodity rate multiplied by the volume in Dth of gas delivered by Transporter during the month at the Point(s) of Delivery.

c. DAILY OVERRUN CHARGES

- (1) Authorized Overrun Charge. If on any day Transporter has capacity available and Shipper desires to transport gas exceeding the Maximum Daily Delivery Quantity total for any rate zone, or in the aggregate exceeding the Maximum Daily Transportation Quantity (by accepting separate nominations in excess of these quantities) Transporter may authorize delivery of the gas. Quantities of gas moved in excess of the MDDQ total by rate zone or the MDTQ will be subject to a charge equal to the authorized overrun rate as shown per the applicable rate schedule of this tariff.
- (2) Unauthorized Overrun Charge. A daily overrun charge shall be paid by Shipper for taking a daily quantity of gas which was not nominated exceeding the Maximum Daily Delivery Quantity (MDDQ) total for any rate zone, exceeding the level to which deliveries have been curtailed, or in the aggregate, exceeding the Maximum Daily Transportation Quantity (MDTQ). Quantities of overrun gas in excess of the greater of five percent (5%) or 50 Dth over the above quantities, following a notice period of forty-eight(48) hours or such shorter period as deemed necessary by Transporter to protect its system integrity, will be subject to a charge equal to the quantity in excess of the tolerance multiplied by the rate for unauthorized overruns set forth in per the applicable rate schedule of this tariff. Quantities of overrun gas less than the tolerance, or for which notice has not been given, will be subject to a charge equal to the overrun quantity multiplied by the authorized overrun rate set forth in the applicable rate section of this tariff.

- (3) Notwithstanding the charges provided herein, Transporter has the right to reduce receipts or deliveries in excess of the MDTQ at any time in its reasonable discretion, as necessary to protect the integrity of its system, including the maintenance of service to other customers.
- (4) During periods when Directional Notices or Critical Time Operational Flow Orders are in effect, any overruns would be subject to the provisions of Section 29 of the General Terms and Conditions.
- (5) The Unauthorized Overrun penalties shall be refunded pursuant to Section 35 of the General Terms and Conditions of this Tariff.

d. MONTHLY BALANCING

- (1) If requested by Shipper, cumulative imbalances may be injected into or withdrawn from a leased storage service, effective the month in which the imbalance occurred, if available. Injections and withdrawals will be in accordance with the applicable tariff provisions and rates governing leased storage. Imbalances may be traded among a Shipper's transportation agreements as long as the trade reduces the imbalance to Transporter.
- (2) To assist Shippers in arranging offsets, Transporter will post on its Interactive Website the total Monthly Imbalance of any Shipper which has notified Transporter that it has elected to have such information posted. Notification by the Shipper may be in writing or on Transporter's Interactive Website and shall be effective by 8:00 a.m. on the next Business Day if the notification is received by 11:45 a.m. on a Business Day. Imbalance information authorized for posting through such notification shall be posted no later than the ninth Business Day of the month after the imbalance occurred. Shippers shall have the ability to post and trade imbalances, and imbalance information shall remain posted until the seventeenth business Day of the month after the imbalance occurred.
- (3) Transporter shall enable the imbalance trading process by:
  - (a) Receiving the Request for Imbalance Trade;
  - (b) Receiving the Imbalance Trade Confirmation;

- (c) Sending the Imbalance Trade Notification; and
  - (d) Reflecting the trade prior to or on the next monthly Shipper Imbalance or cashout.
- (4) Imbalance trades can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. Imbalance trades are considered final when confirmed by the confirming trader and effectuated by Transporter.
- (5) After receipt of an Imbalance Trade Confirmation, Transporter shall send the Imbalance Trade Notification to the initiating trader and the confirming trader no later than noon (CT) the next Business Day.
- (6) Transporter will charge for or credit for any shipper imbalances remaining after the imbalance netting and trading procedures set out in subsections (1) through (5) above, according to the schedule below.

<b>Imbalance as a % of Actual Deliveries</b>	<b>Rate as a % of KMIGT Credit**</b>	<b>Average Spot Index KMIGT Charge*</b>
0% - 5%	100%	100%
Greater than 5%	125%	75%

\* The highest of the "Spot Gas Prices Delivered to Pipelines" for CIG or PEPL, under the Average column for each week (or the superseding reference number if the titling is revised), as applicable to the area where Transporter purchases make-up gas for the negative imbalance, as published in "Natural Gas Intelligence" for the month in which the imbalance occurred.

\*\* The lowest of the "Spot Gas Prices Delivered to Pipelines" for CIG or PEPL, under the Average column for each week (or the superseding reference number if the titling is revised), as applicable to the area(s) where the positive imbalance originated as published in "Natural Gas Intelligence" for the month in which the imbalance occurred.

5.3 Shipper shall reimburse Transporter for:

a. ADDITIONAL FACILITY CHARGE

If Transporter, in its reasonable discretion, agrees to add new facilities or expand existing facilities, including compression, Transporter will allow Shipper to choose either:

- (1) A contribution-in-aid of construction associated with such facilities, including a gross-up for applicable state and federal income tax expense; and/or
- (2) A reimbursement schedule setting the terms, the rate, and the conditions for reimbursement of the additional facility charge, including an obligation to reimburse Transporter, upon demand, for any unamortized capital charges, under an agreed upon amortization schedule, which may remain in service by Transporter to Shipper under this rate schedule is terminated prior to the end of said amortization period.
- (3) Transporter will allocate additional facility charges among multiple Shippers pro-rata, based on the percentage of requested use of the facilities.

b. FILING FEES

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

- 5.4 In the event of a force majeure occurrence as defined in Section 16 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper shall not be relieved from its obligation to make payment of amounts then due or which become due. If Shipper's obligation to pay a daily imbalance or a portion of the monthly balancing charge under this rate schedule is a direct consequence of an imbalance which occurs as a result of Transporter's force majeure as defined in Section 16 of the General Terms and Conditions of Transporter's FERC Gas Tariff, such Shipper shall be relieved of such charges.

**6. GENERAL TERMS AND CONDITIONS**

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

## **INTERRUPTIBLE TRANSPORTATION SERVICE (Applicable to Rate Schedule IT)**

### **1. AVAILABILITY**

- a. This Rate Schedule is available for interruptible transportation of natural gas provided by Tallgrass Interstate Gas Transmission, LLC ("Transporter") for any party ("Shipper"), when:
  1. Shipper has elected to have gas transported under this Rate Schedule IT; and
  2. Shipper and Transporter have executed an Interruptible Transportation Service Agreement in the form contained in the FERC Gas Tariff under this Rate Schedule.
- b. Service will be contracted for on a first-come, first-served basis.
- c. Transportation service shall include exchanges, forward-haul and back-haul service.
- d. No fee exchange service is available in Transporter's reasonable discretion and in a non-discriminatory manner when Transporter and Shipper agree that such service is mutually beneficial and produces substantially equal benefits.

### **2. APPLICABILITY AND CHARACTER OF SERVICE**

- a. This rate schedule shall apply to the interruptible transportation of natural gas on Transporter's system, subject to Section 16 of the General Terms and Conditions of this FERC Gas Tariff, under this Rate Schedule. Such interruptible service shall be provided to Shipper only to the extent capacity is available after Transporter has provided service to its firm customers and to those interruptible customers with higher priority, pursuant to the General Terms and Conditions. Service hereunder shall consist of the acceptance by Transporter of natural gas from or for the account of Shipper at Receipt Point(s) under the IT Agreement, the transportation of that natural gas through Transporter's system, and the delivery of that natural gas, adjusted for Fuel Gas and Gas Lost and Unaccounted For as set out in the General Terms and Conditions, by Transporter to Shipper or for Shipper's account at Delivery Point(s) under IT Agreement. Upon receipt of gas for Shipper's

account, Transporter shall, after a deduction for the Fuel Reimbursement Quantity and any other deductions, transport and deliver for the account of Shipper the thermal equivalent of such gas at the Delivery Points, as specified in the Service Agreement.

## 2.1 ADDITIONAL FACILITIES

In no event shall Transporter be obligated to provide any transportation service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities; however, Transporter may add facilities and/or expand the system on a non-discriminatory basis whenever such is deemed, in Transporter's reasonable judgment, to be economically, operationally, and technically feasible, subject to the following conditions:

- a. Transporter has received an executed revised service agreement from existing and prospective Shipper(s) requesting such additional facilities or expansion of capacity;
- b. Transporter does not have physical facilities or adequate capacity in the system to accommodate requests for service of existing and prospective Shippers accepted by Transporter pursuant to Section 4.1 hereof;
- c. Transporter and Shipper enter into a facilities agreement which is subject to the provisions of Section 5.3(a);
- d. The nature, extent and timing of facilities required shall be at the reasonable discretion of Transporter; and
- e. Transporter receives acceptable assurance of financial reliability from any Shipper requesting additional capacity.

## 3. SERVICE DEFINITIONS

### 3.1 FUEL REIMBURSEMENT QUANTITY

- a. Fuel Reimbursement Quantity shall be that portion of Shipper's natural gas received by Transporter for transportation which shall be retained by Transporter as compensation for gas used in rendering service to Shipper, including Company-used gas, and lost and unaccounted for gas. This gas shall be retained by Transporter reducing the thermally equivalent volumes available for delivery to Shipper. The Fuel

Reimbursement Quantity shall be stated as a percentage of the natural gas received by Transporter at the Point(s) of Receipt.

- b. Title to Fuel Reimbursement Quantity shall vest in Transporter upon receipt at the Receipt Point(s) at no cost and free and clear of all adverse claims.
- c. The Fuel Reimbursement Quantity will be determined pursuant to Section 15 of the General Terms and Conditions of the FERC Gas Tariff.

### 3.2 MAXIMUM DAILY TRANSPORTATION QUANTITY.

The Maximum Daily Transportation Quantity (MDTQ) shall be the maximum quantity of natural gas in Dth which Transporter agrees to deliver to Shipper on any day for the account of Shipper at any nominated Delivery Point(s), should capacity be available. Such delivery points and such MDTQ shall be specified in the executed Service Agreement.

### 3.3 APPROVED DAILY NOMINATION

The Approved Daily Nomination shall mean that quantity of gas which Transporter has approved to be transported on a particular day.

## **4. REQUIREMENTS FOR VALID REQUEST FOR INTERRUPTIBLE TRANSPORTATION SERVICE**

- 4.1 All Shippers requesting interruptible transportation service must submit a completed Transportation Service Request Form as set forth in Volume 1-A of this Tariff. No gas will be scheduled for receipt and delivery until all such information and a completed Transportation Service Request Form has been received by Transporter.

All completed Transportation Service Request Forms are to be submitted on Transporter's Interactive Web Site or sent to:

Tallgrass Interstate Gas Transmission, LLC

Lakewood, CO 80228-8304  
Attention: Account Services Department

Telephone: (303)763-2950  
Facsimile: (303)763-3515

E-mail: TEP@tallgrassenergyllp.com

#### 4.2 CREDIT INFORMATION

A request for service must include the following credit information:

- (1) A copy of Shipper's most recent audited financial statements or, at Transporter's option, a bank reference satisfactory to Transporter;
- (2) A copy of Shipper's most recent Annual Report and SEC Form 10-K, if applicable; and
- (3) A completed Credit Application Form, the form of which is contained in this tariff.

4.3 An Interruptible Transportation Service Agreement shall be executed by Shipper and Transporter following Transporter's acceptance of Shipper's request for service.

### **5. RATES**

#### 5.1 RATES

The applicable maximum and minimum unit rates including any surcharges for interruptible transportation service are set forth per the applicable effective rate section of this FERC Gas Tariff, as revised from time to time, unless negotiated rates pursuant to Section 36 of the General Terms and Conditions have otherwise been agreed to in writing between Transporter and Shipper. Shipper and Transporter may otherwise agree to discounted rates pursuant to Section 33 of the General Terms and Conditions, in which case the applicable unit rate shall not be in excess of the maximum rate nor less than the minimum rate, as agreed to in writing between Transporter and Shipper 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.

#### 5.2 MONTHLY BILL

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

## a. COMMODITY CHARGE

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

## b. MONTHLY BALANCING

(1) If requested by Shipper, cumulative imbalances may be injected into or withdrawn from a leased storage service, effective the month in which the imbalance occurred, if available. Injections and withdrawals will be in accordance with the applicable tariff provisions and rates governing leased storage. Imbalances may be traded among a Shipper's transportation agreements as long as the trade reduces the imbalance to Transporter.

(2) To assist Shippers in arranging offsets, Transporter will post on its Interactive Website the total Monthly Imbalance of any Shipper which has notified Transporter that it has elected to have such information posted. Notification by the Shipper may be in writing or on Transporter's Interactive Website and shall be effective by 8:00 a.m. on the next Business Day if the notification is received by 11:45 a.m. on a Business Day. Imbalance information authorized for posting through such notification shall be posted no later than the ninth Business Day of the month after the imbalance occurred. Shippers shall have the ability to post and trade imbalances, and imbalance information shall remain posted until the seventeenth business Day of the month after the imbalance occurred.

(3) Transporter shall enable the imbalance trading process by:

- (a) Receiving the Request for Imbalance Trade;
- (b) Receiving the Imbalance Trade Confirmation;
- (c) Sending the Imbalance Trade Notification; and
- (d) Reflecting the trade prior to or on the next monthly Shipper Imbalance or cashout

(4) Imbalance trades can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the

trade. Imbalance trades are considered final when confirmed by the confirming trader and effectuated by Transporter.

- (5) After receipt of an Imbalance Trade Confirmation, Transporter shall send the Imbalance Trade Notification to the initiating trader and the confirming trader no later than noon (CT) the next Business Day.
- (6) Transporter will charge for or credit for any shipper imbalances remaining after the imbalance netting and trading procedures set out in subsections (1) through (6) above, according to the schedule below.

<b>Imbalance as a % of Actual Deliveries</b>	<b>Rate as a % of KMIGT Charge*</b>	<b>Average Spot Index KMIGT Credit**</b>
0% - 5%	100%	100%
Greater than 5%	125%	75%

\* The highest of the "Spot Gas Prices Delivered to Pipelines" for CIG or PEPL, under the Average column for each week (or the superseding reference number if the titling is revised), as applicable to the area where Transporter purchases make-up gas for the negative imbalance, as published in "Natural Gas Intelligence" for the month in which the imbalance occurred.

\*\* The lowest of the "Spot Gas Prices Delivered to Pipelines" for CIG or PEPL, under the Average column for each week (or the superseding reference number if the titling is revised), as applicable to the area(s) where the positive imbalance originated as published in "Natural Gas Intelligence" for the month in which the imbalance occurred.

5.3 Shipper shall reimburse Transporter for:

a. **ADDITIONAL FACILITY CHARGE**

When Transporter in its reasonable discretion agrees to add new facilities or expand existing facilities, including compression, in order to provide service, Transporter will require:

- (1) A contribution-in-aid of construction associated with such facilities, including a gross-up for applicable state and federal income tax expense; and/or
- (2) A reimbursement schedule setting the terms, the rate, and the conditions for reimbursement of the additional facility charge, including an obligation to reimburse Transporter, upon demand, for any unamortized capital charges, under an agreed upon amortization schedule, which may remain if service by Transporter to Shipper under this rate schedule is terminated prior to the end of said amortization period.

b. **FILING FEES**

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

- 5.4 In the event of a force majeure occurrence as defined in Section 16 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper shall not be relieved from its obligation to make payment of amounts then due or which become due. If Shipper's obligation to pay a daily imbalance charge or a portion of the monthly balancing charge under this rate schedule is a direct consequence of an imbalance which occurs as a result of Transporter's force majeure as defined in Section 16 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper shall be relieved of such charges.

**6. GENERAL TERMS AND CONDITIONS**

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

## **RATE SCHEDULE NNS NO-NOTICE SERVICE**

### **1. AVAILABILITY**

This Rate Schedule is available for No-Notice Service provided by Tallgrass Interstate Gas Transmission, LLC ("Transporter") for any party ("Shipper"), when:

- a. Shipper has requested service under this Rate Schedule NNS;
- b. Shipper and Transporter have executed a No-Notice Service Agreement in the form contained in the FERC Gas Tariff under this Rate Schedule;
- c. Transporter has determined that it will have available sufficient uncommitted capacity to provide the No-Notice Service requested by Shipper;
- d. Shipper will have sufficient gas storage inventories to meet Transporter's No-Notice Service requirements; and
- e. Service will be contracted for on a first-come, first-served basis.

### **2. APPLICABILITY AND CHARACTER OF SERVICE**

2.1 This rate schedule shall apply to the combination of Firm Transportation ("FT") and Firm Storage Services ("FSS") on Transporter's system, except as provided in Section 16 of the General Terms and Conditions of this Tariff.

#### **2.2 ADDITIONAL FACILITIES**

In no event shall Transporter be obligated to provide any No-Notice Service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities; however, Transporter may add facilities and/or expand the system, on a non-discriminatory basis, whenever such is deemed, in Transporter's reasonable judgment, to be economically, operationally, and technically feasible, subject to the following conditions:

- a. Transporter has received an executed revised service agreement from existing and prospective Shipper(s) requesting such additional facilities or expansion of capacity;

- b. Transporter does not have physical facilities or adequate capacity in the system to accommodate requests for capacity of existing and prospective Shippers accepted by Transporter pursuant to Section 4.1 hereof;
  - c. Transporter and Shipper enter into a facilities agreement which is subject to the provisions of Section 5.3a of this Rate Schedule NNS;
  - d. The nature, extent and timing of facilities required shall be at the reasonable discretion of Transporter; and
  - e. Transporter receives acceptable assurance of financial reliability from any Shipper requesting additional capacity.
- 2.3 Nominations at primary points are unnecessary for No-Notice Service. Subject to the provisions of this Rate Schedule NNS, No-Notice Service provides for: (1) daily firm service at the specified primary point(s) of any shipper requirements, up to the No-Notice Maximum Daily Contract Quantity (MDCQ); (2) daily injection into or withdrawal from a No-Notice storage account of any excess receipts or deliveries, respectively, at the Shipper's NNS primary points; and (3) resolution of daily imbalances which Shipper has incurred at the Shipper's NNS primary points under FT or IT Service Agreement(s).
- 2.4 No-Notice Service may be released or segmented under the applicable provisions of the General Terms and Conditions of this Tariff and subject to the provisions of this Rate Schedule NNS.
- 2.5 No-Notice Service Shippers will be able to 1) nominate or release the embedded FT, and/or 2) nominate or release the embedded storage as FSS. When nominating or releasing the embedded FT, storage is the primary receipt point and all other receipt points are secondary. If either the transportation or storage component of the No-Notice Service is nominated or released separately, the applicable MDCQ under the No-Notice Service Agreement will be reduced by such amounts used separately.
- 2.6 Any nomination or release of the FT component, separate from NNS, shall be subject to the provisions of Rate Schedule FT.
- 2.7 Any nomination or release of the FSS component, separate from NNS, will be subject to the provisions of Rate Schedule FSS.

- 2.8 Storage inventories may be traded between FSS, ISS, NNS, CMC-1 or CMC-2 contracts subject to the provisions of Section 3.7 and the MSQ provisions of Section 5.2c of this Rate Schedule NNS. Parties must notify Transporter in writing of their desire to trade, the quantity to be traded, and the effective date of any trade. Such trades may be executed on a prospective basis only, unless otherwise agreed on a non-discriminatory basis.
- 2.9 Upon expiration of the NNS agreement, any gas remaining in storage will be treated and billed as if it were an ISS agreement. Any gas remaining in inventory sixty (60) days after expiration of the NNS agreement will be confiscated by Transporter. The realized value of any gas confiscated by Transporter pursuant to this Section shall be credited back to Shippers under the provisions of Section 35 of the General Terms and Conditions of this Tariff.
- 2.10 Transporter shall have the ability to waive the specific provisions of Rate Schedule NNS provided such waiver is non-discriminatory and does not adversely affect service to other shippers.

### **3. SERVICE DEFINITIONS**

#### **3.1 FUEL REIMBURSEMENT QUANTITY**

- a. The fuel reimbursement quantity shall be that portion of Shipper's natural gas received by Transporter for transportation which shall be retained by Transporter as compensation for gas used in rendering service to Shipper, including Company-used gas, and lost and unaccounted for gas. This gas shall be retained by Transporter reducing the thermally equivalent volumes available for delivery to Shipper. The fuel reimbursement quantity shall be stated as a percentage of the natural gas received by Transporter at the point(s) of receipt.
- b. Title to the fuel reimbursement quantity shall vest in Transporter upon receipt at the receipt point(s) at no cost and free and clear of all adverse claims.
- c. The Fuel Reimbursement Quantity will be determined pursuant to Section 15 of the General Terms and Conditions of the FERC Gas Tariff.

3.2 MAXIMUM DAILY CONTRACT QUANTITY

The Maximum Daily Contract Quantity (MDCQ) shall be the maximum quantity of natural gas in Dth which Transporter agrees to deliver as No-Notice Service. Each Dth of MDCQ of NNS represents a Dth of FSS deliverability and a Dth of FT capacity from storage to the delivery point(s).

3.3 MAXIMUM DAILY DELIVERY QUANTITY (MDDQ) (at individual delivery point(s))

The maximum quantity of natural gas which Transporter agrees to deliver under No-Notice Service on any day at any indicated primary delivery point, as specified in the executed Service Agreement, shall be the Maximum Daily Delivery Quantity (MDDQ). Provided, however, that in the event allocated quantities delivered at delivery points exceed the MDCQ as specified in the executed service agreement, Shipper shall be subject to the overrun provisions of Sections 5.2c(1) or 5.2c(3) of this Rate Schedule NNS.

3.4 PRIMARY RECEIPT POINT

The primary receipt point for No-Notice Service is the Huntsman Storage Facility (PIN 994000).

3.5 PRIMARY DELIVERY POINT(S)

Primary Delivery Point(s) are those delivery points which are set forth as primary in the Service Agreement. The total of all MDDQ's specified for any Primary Delivery Point shall not exceed the total available firm capacity at that point.

3.6 SECONDARY POINT(S)

A Shipper holding NNS may nominate NNS at Secondary Points consistent with the provisions of Sections 2.5 and 2.6 above. The sum of the allocated quantities at all points, less fuel reimbursement and other deductions, shall not exceed the MDCQ of the No-Notice Service Agreement on any given day. Provided, however, that in the event the allocated quantities exceed the MDCQ, Shipper shall be subject to the overrun provisions of Sections 5.2c(1) or 5.2c(3) of this Rate Schedule NNS.

- a. Secondary Points are all other points which are not set forth as the Primary Points in the No-Notice Service Agreement. If Shipper nominates Secondary Points and the maximum reservation rate of the

path used is greater than the maximum reservation rate of the primary path, Shipper shall be billed the difference in the maximum applicable reservation rates unless otherwise agreed to in writing by Transporter.

- b. In case of a capacity release, if a Replacement Shipper utilizes any Secondary Point(s), the Releasing Shipper shall not be responsible for maximum reservation charges for point(s) outside the Rate Zone(s) where the Primary Point(s) is located. Transporter will assess the additional reservation charge(s) to the acquiring shipper, if applicable.

### 3.7 MAXIMUM STORAGE QUANTITY

The Maximum Storage Quantity (MSQ) shall be the maximum quantity of natural gas in Dth which Transporter agrees to store for the account of Shipper. Such MSQ shall be specified in Dth in the executed Service Agreement.

- a. Any quantities of stored gas in excess of the MSQ shall be subject to the provisions of Sections 5.2c(2) and 5.2c(3) of this Rate Schedule NNS.
- b. Negative storage inventories will not be allowed. If a Shipper's inventory level is negative (less than zero), Transporter shall deem such negative quantities as loaned quantities under Rate Schedule S-PALS and applicable charges shall result.

### 3.8 INJECTION QUANTITY (at the inlet of Transporter's Huntsman Storage Facility)

The Injection Quantity (IQ) means the maximum quantity of natural gas which Transporter agrees to receive from Shipper at the inlet side of Transporter's Huntsman Storage Facility for injection into storage as specified in the executed Service Agreement.

- a. The IQ equals 1/90 of the Shipper's MSQ.
- b. Injections into a No-Notice Storage account can be made: (1) by nominating deliveries to the Huntsman Storage Facility either by using other transportation agreements or by using the embedded FT component of the No-Notice Service on a secondary basis as permitted under this Rate Schedule NNS; (2) by Transporter receiving over-delivered quantities at the Shipper's NNS primary delivery points from other transportation agreements, which are then injected into storage;

(3) by acquiring inventory from another storage service account; or  
(4) by receiving gas by means other than acquisition of storage inventory.

- c. Any injection quantity in excess of the Shipper's IQ will incur overrun charges as defined in Section 5.2c(2) or 5.2c(3) of this Rate Schedule NNS.

3.9 WITHDRAWAL QUANTITY (at the outlet side of Transporter's Huntsman Storage Facility)

The Withdrawal Quantity (WQ) means the maximum quantity of natural gas which Transporter agrees to withdraw from its Huntsman Storage Facility on any day, as specified in the executed Service Agreement.

- a. The WQ equals 1/45 of the Shipper's MSQ.
- b. Withdrawals from a No-Notice Storage account can be made: (1) by nominating receipts from the Huntsman Storage Facility either by using other transportation agreements or by using the embedded FT component of the No-Notice Service on a secondary basis as permitted under this Rate Schedule NNS; (2) by Transporter delivering quantities at the Shipper's NNS primary delivery points as a result of under-deliveries from other transportation agreements, which are then withdrawn from storage; (3) by selling inventory to another storage service account; or (4) by selling gas by means other than disposition of storage inventory.
- c. In order for a Shipper's full WQ to be available, an inventory greater than forty percent (40%) of Shipper's MSQ is required. Any withdrawal quantity in excess of the Shipper's WQ will incur overrun charges as defined in Section 5.2c(2) or 5.2c(3) of this Rate Schedule NNS.
- d. If a Shipper's inventory is equal to or less than forty percent (40%) and greater than twenty percent (20%) of its MSQ, its WQ will be reduced by twenty-five percent (25%) and any withdrawal quantity in excess of the reduced WQ will incur overrun charges as defined in Section 5.2c(2) or 5.2c(3) of this Rate Schedule NNS.
- e. If a Shipper's inventory is equal to or less than twenty percent (20%) of its MSQ and greater than zero, its WQ will be reduced by fifty percent (50%) and any withdrawal quantity in excess of the reduced

WQ will incur overrun charges as defined in Section 5.2c(2) or 5.2c(3) of this Rate Schedule NNS.

- f. If a Shipper's inventory is zero, its WQ will be reduced by 100% and any withdrawal quantity in excess of the reduced WQ will incur overrun charges as defined in Section 5.2c(2) or 5.2c(3) of this Rate Schedule NNS.

- 3.10 Notwithstanding the above, IQ or WQ overrun quantities resulting from monthly transportation imbalance trades shall not be subject to IQ or WQ authorized overrun charges.

#### **4. REQUIREMENTS FOR VALID REQUEST FOR NO-NOTICE SERVICE**

##### **4.1 NO-NOTICE REQUEST FORM**

All Shippers requesting No-Notice Service must submit a completed Service Request Form as set forth in Volume 1-A of this Tariff. No gas will be scheduled for NNS until all such information, including a completed Service Request Form and a No-Notice Service Agreement which has been fully executed by both parties, have been received by Transporter.

All completed Service Request Forms are to be submitted on Transporter's Interactive Web Site or sent to:

Tallgrass Interstate Gas Transmission, LLC  
Lakewood, Colorado 80228-8304  
Attn: TIGT Business Management & Development  
Telephone: (303) 763-2950  
Facsimile: (303) 763-3515  
E-mail: TEP@tallgrassenergyllp.com

- 4.2 A request for service must include the following:

- a. **PREPAYMENT**

A payment to Transporter of an amount equal to the Capacity Reservation Charge applicable to the proposed service for a one month period, or ten thousand dollars (\$10,000), whichever is less, which amount shall be credited to Shipper's initial invoice for this service or refunded to Shipper if service cannot be provided.

- b. **CREDIT INFORMATION**

- (1) A copy of Shipper's most recent audited financial statements, or at Transporter's option, a bank reference satisfactory to Transporter;
- (2) A copy of Shipper's most recent Annual Report and SEC Form 10-K, if applicable; and
- (3) A completed Credit Application Form; the form of which is contained in this tariff.

#### 4.3 SERVICE AGREEMENT

A No-Notice Service Agreement shall be executed by Shipper and Transporter following Transporter's acceptance of Shipper's request for service.

### 5. RATES

#### 5.1 RATES

The applicable rates, including any surcharges, for No-Notice Service are set forth in Volume 1-A of this FERC Gas Tariff, as revised from time to time. Unless otherwise agreed in writing between Transporter and Shipper under Section 36 of the General Terms and Conditions, the applicable rate shall not be in excess of the maximum rate nor less than the minimum rate. Fuel reimbursement quantity set forth on the applicable rate section of Transporter's Tariff, shall be charged prior to injection of gas into storage. The commodity rate applicable to NNS shall be charged on withdrawal of the gas from storage.

#### 5.2 MONTHLY BILL

Commencing for the month in which the NNS Agreement is effective and each month thereafter, Transporter shall charge and Shipper shall pay Transporter the sum of the following amounts:

##### a. RESERVATION CHARGE

The reservation charge shall be the product of:

- (1) the Maximum Reservation Rate as stated on the applicable rate section in this Tariff for each Primary Path, unless otherwise agreed to in writing; provided, if Shipper nominates Secondary

Receipt and/or Delivery Point(s) and the Maximum Reservation Rate of the path nominated is greater than the Maximum Reservation Rate of the Primary Path, Shipper will be billed the difference in the Maximum Reservation Rates for the applicable period and quantities, unless otherwise agreed to in writing; and

- (2) the MDDQ specified by Primary Path in Shipper's NNS Agreement.

b. COMMODITY CHARGE

The commodity rate multiplied by the volume in Dth of gas delivered by Transporter during the month at the Point(s) of Delivery.

c. DAILY OVERRUN CHARGES

- (1) Authorized Overrun Charge (for MDDQ and MDCQ). If, on any day, Shipper exceeds the MDDQ for any rate zone, or in the aggregate, exceeds the MDCQ contained in Shipper's No-Notice Service Agreement, Transporter may authorize such additional quantities of gas. Quantities of gas moved in excess of the MDDQ by rate zone or the MDCQ will be subject to a charge equal to the applicable NNS authorized overrun rate as shown on the applicable rate section of this Tariff multiplied by the overrun quantity, unless otherwise agreed to in writing by Transporter.
- (2) Authorized Overrun Charge (for WQ, IQ and MSQ). If, on any day, Shipper exceeds its applicable WQ or IQ, and has not exceeded its MDDQ or MDCQ, as defined under this Rate Schedule NNS, such quantities shall be subject to an overrun charge equal to the Interruptible Storage Service (ISS) rate as shown on the applicable rate section of this Tariff multiplied by the overrun quantity, unless otherwise agreed to in writing by Transporter. If on any day, Shipper exceeds its applicable MSQ as defined under this Rate Schedule NNS, such quantities shall be subject to an overrun charge equal to the Interruptible Storage Service (ISS) rate as shown on the applicable rate section of this Tariff multiplied by the daily average overrun quantity during the month, unless otherwise agreed to in writing by Transporter.

- (3) Unauthorized Overrun Charge. In addition to the authorized overrun charge, an unauthorized overrun charge shall be paid by Shipper for exceeding the daily quantity of gas established as the Shipper's MDDQ by rate zone, MDCQ, WQ, IQ or MSQ as contained in the NNS Agreement. Quantities of unauthorized overrun gas in excess of the greater of five percent (5%) or 50 Dth over the stated allowable maximum quantities, following a notice period of forty-eight (48) hours or such shorter period as deemed necessary by Transporter to protect its system integrity, will be subject to the unauthorized overrun charge, equal to the quantity in excess of the tolerance multiplied by the NNS rate for unauthorized overruns set forth per the applicable rate section of this Tariff.
- (4) Notwithstanding the charges provided herein, Transporter has the right to reduce receipts or deliveries in excess of the MDCQ at any time, in its reasonable discretion, as necessary to protect the integrity of its system, including maintenance of service to other shippers.
- (5) During periods when Directional Notices or Critical Time Operational Flow Orders are in effect, any overruns shall be subject to the provisions of Section 29 of the General Terms and Conditions of this Tariff.
- (6) The Unauthorized Overrun Penalties shall be refunded pursuant to Section 35 of the General Terms and Conditions of this Tariff.

d. SMALL CUSTOMER EXEMPTION

For a five (5) year period from the date of implementation of Transporter's restructured services, and continuing through the term of the Stipulation and Agreement in Docket No. RP98-117, et. al. (Stipulation and Agreement), and in Transporter's next two base rate proceedings promulgated under Section 4 of the Natural Gas Act (Section 4 general base rate proceeding), an existing small customer whose current contract quantity as of the date of implementation is equal to or less than 5000 Dth per day, will qualify for the Small Customer Exemption. This exemption shall only be available to those small customers who take one hundred percent (100%) NNS, with all their Delivery points on one contract. During the term of the Stipulation and Agreement, such small customers will be billed at the rates stated in the applicable rate section of TGIT's FERC Gas Tariff,

which are based upon the applicable maximum reservation charges for No-Notice Service (NNS) shippers and the applicable NNS injection and withdrawal rates. Such small customer rates reflect a single reservation rate and injection and withdrawal rates for deliveries in the East Zone.

In Transporter's next two Section 4 general base rate proceedings, the single reservation rate applicable to qualifying small customers will be based on the following formula:

After calculating the applicable No-Notice (NNS) rates for the East/N-Px area and the East S area, Transporter will multiply each such rate by fifty percent (50%), producing one-half the East/N-Px NNS rate (Factor A) and one-half the East S NNS rate (Factor B).

Next, the single Central to East Zone SCS reservation rate shall be derived by taking the weighted average of Factors A and B, using the following weighted percentages: 85% of Factor A and 15% of Factor B.

Other than rates charged, SCS Shippers are subject to all NNS terms and conditions, including General Terms and Conditions of this tariff.

If after the course of the next two Section 4 general base rate proceedings filed by Transporter, it chooses to propose changes to the SCS rate schedule, such changes will be proposed to be effective prospectively from the date of a final Commission Order addressing any such changes.

5.3 Shipper shall reimburse Transporter for:

a. ADDITIONAL FACILITY CHARGE.

When Transporter in its reasonable discretion, agrees to add new facilities or expand existing facilities, including compression, in order to provide service, Transporter will require:

- (1) A contribution-in-aid of construction associated with such facilities, including a gross-up for applicable state and federal income tax expense; and/or
- (2) A reimbursement schedule setting the terms, the rate, and the conditions for reimbursement of the additional facility charge, including an obligation to reimburse Transporter, upon demand,

for any unamortized capital charges, under an agreed upon amortization schedule, which may remain in service by Transporter to Shipper under this rate schedule is terminated prior to the end of said amortization period.

b. **FILING FEES**

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

5.4 In the event of a force majeure occurrence as defined in Section 16 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper shall not be relieved from its obligation to make payment of amounts that are due or which become due.

**6. GENERAL TERMS AND CONDITIONS**

The applicable General Terms and Conditions of this Tariff are hereby made a part of this Rate Schedule. To the extent 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 entity (hereinafter called Shipper) which submits to Tallgrass Interstate Gas Transmission, LLC (hereinafter called Transporter):
- (a) 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 PAL 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 PAL 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 held or loaned by Transporter for a specified period defined in the PALS RO. It is understood that Transporter is providing the PAL 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 a storage or transportation service under this Rate Schedule PALS. 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 29.2, Operational Parameters, of the General Terms and Conditions of this Tariff and subject to Section 8 hereof.
- 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 the Shipper, the same point must be utilized to initiate and to complete a specific park and loan transaction. If an alternative point is agreed upon, Shipper must pay for transportation service between the agreed-upon receipt and delivery points. 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: shall consist of Transporter's receipt of a quantity of natural 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: shall consist of Transporter lending a specified quantity of natural 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 Web Site the availability of PALS from time to time.

**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 Sections 22.6 and 16.3, respectively, 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 4.3(a) and 4.3(b), 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 4.2(d), 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 may agree, however, to construct, modify, expand or acquire facilities to perform service under this Rate Schedule PALS on a non-discriminatory basis whenever such is deemed, in Transporter's reasonable judgment, to be economically, operationally and technically feasible, subject to the following conditions:
- (1) Transporter has received an executed revised service agreement from existing and prospective Shipper(s) requesting such additional facilities or expansion of capacity;
  - (2) Transporter does not have physical facilities or adequate capacity in the system to accommodate requests for service of existing and prospective Shippers accepted by Transporter pursuant to Section 4.1 hereof;
  - (3) Transporter and Shipper enter into a facilities agreement, which is subject to the provisions of Section 2.1 of the Interruptible Transportation service Rate Schedule of this Tariff;
  - (4) The nature, extent and timing of facilities required shall be at the reasonable discretion of Transporter; and
  - (5) Transporter receives acceptable assurance of financial reliability from any Shipper requesting capacity. Transporter shall maintain a separate record of the nature and costs of such facilities and assess new facility charges in accordance with

Section 5.3(a) of the Interruptible Transportation service Rate Schedule of this Tariff.

- (c) Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request, in whole or in part. Any request shall be null and void unless it is substantially complete and complies with this Rate Schedule. In the event a request is substantially but not entirely complete, Transporter shall inform Shipper in writing of the specific items needed to complete the PALS Agreement, after which Shipper shall have fifteen (15) days to provide the specified information. In the event such information is not received within fifteen (15) days, Shipper's request shall be null and void.
  - (d) 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 and tender a PALS Agreement hereunder within ten (10) days after the PALS Agreement has been tendered by Transporter for execution. An executed PALS RO must be submitted to Transporter prior to commencement of service.
- 4.2 In addition to the information provided in the PALS Agreement, Shipper also shall provide the following information to Transporter with its initial request for service:
- (a) 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.
  - (b) Shipper will warrant for itself, its successors and assigns, that it will at the time of delivery to Transporter have title to all gas free and clear of

all liens, encumbrances, and claims whatsoever. Shipper will indemnify Transporter and hold it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of adverse claims of any or all persons or parties to said gas, including claims for royalties, taxes, license fees or charges applicable to such gas or to the delivery thereof to Transporter under this Rate Schedule; and

- (c) 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.

- 4.3 Requests for service hereunder shall be deemed valid only after the following information is provided by Shipper via Transporter's Interactive Web Site or in writing to:

Tallgrass Interstate Gas Transmission, LLC  
Marketing Department

370 Van Gordon Street  
Lakewood, CO 80228-8304  
Facsimile Number: (303) 763-3515  
e-mail: TEP@tallgrassenergyllp.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 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 the date service is requested to commence and to terminate (primary term), and whether the request is subject to an evergreen provision (permitting an extension) and/or a buyout provision (permitting early termination);

(3) CREDIT

The request shall include a completed Credit Application Form, the form of which is contained in this Tariff. 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 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:

- (i) Affiliation of the Shipper with Transporter; and
- (ii) 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 volume and shall set out a park and/or loan schedule containing the quantity and timing information specified in Section 7 of this Rate Schedule;

(3) POINTS

The request 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 or loan must be the same as the point at which the park or loan was initiated;

(4) TERM OF SERVICE

The request shall specify:

- (i) The date service is requested to commence;
- (ii) The date service is requested to terminate; and
- (iii) 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 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 hereof in connection with each PALS RO.

**5. TERM**

- 5.1 The term of service hereunder shall be set forth in the PALS Agreement between Shipper and Transporter. 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; provided, however, that both the PALS Agreement and related PALS RO(s) shall include a buyout provision, permitting early termination by Shipper or Transporter subject to a mutually agreed upon exit fee. Upon termination of any PALS Agreement and of any PALS RO, service by Transporter to Shipper thereunder shall be terminated and automatically abandoned.
- 5.2 Transporter may terminate any PALS Agreement if Transporter is required by the FERC or some other agency or court to provide service for others utilizing the interruptible system capacity or capabilities required for service under such PALS Agreement, or if Transporter ceases (after receipt of any requisite regulatory authorization) to offer service of the type covered by the PALS Agreement. Settlement of such terminated agreement shall be pursuant to Section 8.4.

**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) an Initial Rate for each unit of gas tendered for park or taken for loan during that month;
  - (ii) a Park/Loan Balance Rate for 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) a Completion Rate for 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.

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.

- (1) 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.
  - (2) 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.
- (b) 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 5.2(b) of the IT Rate Schedule of this Tariff.
  - (c) 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 in subsection (a) is specified in the PALS RO. However, 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 38 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.
  - (d) 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 Authorized overrun 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). Authorized overrun charges will be assessed at the maximum PALS rate, unless otherwise agreed to in writing by Transporter.
- 6.3 (a) Shipper shall reimburse Transporter within five (5) days after costs have been incurred by Transporter for all fees 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, either:
- (1) Shipper shall reimburse Transporter for the cost of such facilities or facility modifications as described in Section 5.3(a) of the Interruptible Transportation service Rate Schedule of this Tariff; or
- (2) Transporter shall assess a monthly charge reflecting such facility costs.
- 6.4 (a) Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates and charges applicable under this Rate Schedule PALS, including both the level and design of such rates and charges; and/or (2) the terms and conditions of this Rate Schedule PALS. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure that its provisions are just and reasonable.
- (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, 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 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 and gas in kind collected by Transporter as a result of providing service under this Rate Schedule PALS shall be retained by Transporter unless Transporter has otherwise explicitly agreed on a different disposition of such amounts. Where crediting or refund mechanisms apply under other provision(s) of this Tariff or pursuant to effective FERC orders or settlements, such mechanisms shall supersede this Section to the extent necessary to carry out such provision(s).

## **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 hold 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 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 and 8.3(b) 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 Operational Flow Orders pursuant to the notice provisions of Section 29.2 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 Section 3 hereof, 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 Web Site. 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 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, and the PALS RO shall be subject to termination in accordance with the terms of such notice. The provisions of Sections 8.4(a) and 8.4(b) shall then apply.
- 8.4 (a) In the event that Shipper still has gas parked at the end of its contract term or because of failure 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.
- (b) Conversely, if the Shipper has not redelivered gas which was loaned by Transporter by the end of its contract term 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 highest Weekly Index Prices (WIPs) of the "Spot Gas Prices Delivered to Pipelines" for CIG or PEPL, as published in "Natural Gas Intelligence" during the term of the loan. In the event that the information used to determine the WIPs for the term of the loan is not available, then the Shipper must purchase the unreturned balance at 150% of the highest monthly index price of the "Spot Gas Priced Delivered to Pipelines" for CIG or PEPL, as published in "Natural Gas Intelligence" during the term of the loan. The amounts collected in excess of 100% of the highest Weekly or Monthly Index Price, as applicable, are subject to refund in accordance with Section 35 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 charges set forth in Section 29.2 of the General Terms and Conditions of this Tariff.
- (c) The tariff provisions of Sections 8.4(a) and (b) above will be implemented by Transporter on a non-discriminatory basis.
- 8.5 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 or daily fees 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.

**9. GENERAL TERMS AND CONDITIONS**

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

## **RATE SCHEDULE S-PALS**

### **STORAGE PARK AND LOAN SERVICE**

#### **1. AVAILABILITY**

- 1.1 This Storage Park and Loan Service (S-PALS) Rate Schedule is an interruptible service available to any entity (hereinafter called Shipper) which submits to Tallgrass Interstate Gas Transmission, LLC (hereinafter called Transporter):
- (a) A valid request for service under this Rate Schedule S-PALS as defined in Section 4 hereof and executes an agreement for such service (S-PALS Agreement); and
  - (b) Enters into one or more valid S-PALS Request Orders (S-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 S-PALS Agreement.
- 1.2 Shipper shall arrange separately with Transporter and others as necessary for any transportation attendant to the S-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 S-PALS RO.

#### **2. APPLICABILITY AND CHARACTER OF SERVICE**

- 2.1 This Rate Schedule S-PALS shall apply to all S-PALS services which are rendered by Transporter pursuant to an executed S-PALS Agreement and related S-PALS RO. Under Rate Schedule S-PALS, a Shipper may nominate a quantity of gas at mutually agreeable point(s) on Transporter's system, to be held or loaned by Transporter for a specified period defined in the S-PALS RO. It is understood that Transporter is providing the S-PALS service hereunder through the use of its storage facilities and storage gas; Transporter is not providing a gas supply service under this Rate Schedule S-PALS, nor is Transporter providing an attendant firm or interruptible storage or transportation service to or from the S-PALS point. 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 S-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 29.2, Operational Parameters, of the General Terms and Conditions of this Tariff and subject to Section 8 hereof.
- 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 S-PALS. Unless an alternative point is agreed upon by Transporter and the Shipper, the same point must be utilized to initiate and to complete a specific park and loan transaction. If an alternative point is agreed upon, Shipper must pay for transportation service between the agreed-upon receipt and delivery points. The specific point(s) for a park or loan shall be set forth in the applicable S-PALS RO.
- 2.4 Subject to the provisions of Section 2.2 above, Storage Park and Loan Services available under this Rate Schedule S-PALS include:
- (a) Park Service: shall consist of Transporter's receipt of a quantity of natural gas at the designated point(s) on the designated date(s), requested by Shipper under an S-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 point(s) and on the designated date(s) set forth in such S-PALS RO.
  - (b) Loan Service: shall consist of Transporter lending a specified quantity of natural gas, requested by Shipper and approved by Transporter, from designated point(s) set forth in Shipper's S-PALS RO, and the Shipper's redelivery of and Transporter's acceptance of such volumes for Shipper's account at the designated point(s) on the designated date(s) set forth in such S-PALS RO.
- 2.5 Transporter will post on its Interactive Web Site the availability of S-PALS.

**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 S-PALS RO. Nominations for any day or for any nomination cycle must be consistent with the S-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 S-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 S-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 S-PALS RO. Service under Rate Schedule S-PALS is provided on an interruptible basis.
- 3.2 Priorities of service for the purposes of scheduling and curtailment shall be governed by Sections 22.6 and 16.3, respectively, 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 S-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 S-PALS shall apply.

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

- 4.1 A request for service under this Rate Schedule S-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 4.3(a) and 4.3(b), 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 4.2(d), 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 S-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 S-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 may agree, however, to construct, modify, expand or acquire facilities to perform service under this Rate Schedule S-PALS on a non-discriminatory basis whenever such is deemed, in Transporter's reasonable judgment, to be economically, operationally and technically feasible, subject to the following conditions:
- (1) Transporter has received an executed revised service agreement from existing and prospective Shipper(s) requesting such additional facilities or expansion of capacity;
  - (2) Transporter does not have physical facilities or adequate capacity in the system to accommodate requests for service of existing and prospective Shippers accepted by Transporter pursuant to Section 4.1 hereof;
  - (3) Transporter and Shipper enter into a facilities agreement, which is subject to the provisions of Section 2.1 of the Interruptible Transportation service Rate Schedule of this Tariff;
  - (4) The nature, extent and timing of facilities required shall be at the reasonable discretion of Transporter; and
  - (5) Transporter receives acceptable assurance of financial reliability from any Shipper requesting capacity. Transporter shall maintain a separate record of the nature and costs of

such facilities and assess new facility charges in accordance with Section 5.3(a) of the Interruptible Transportation service Rate Schedule of this Tariff.

- (c) Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request, in whole or in part. Any request shall be null and void unless it is substantially complete and complies with this Rate Schedule. In the event a request is substantially but not entirely complete, Transporter shall inform Shipper in writing of the specific items needed to complete the S-PALS Agreement, after which Shipper shall have fifteen (15) days to provide the specified information. In the event such information is not received within fifteen (15) days, Shipper's request shall be null and void.
- (d) Transporter shall tender a S-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 and tender a S-PALS Agreement hereunder within ten (10) days after the S-PALS Agreement has been tendered by Transporter for execution. An executed S-PALS RO must be submitted to Transporter prior to commencement of service.

4.2 In addition to the information provided in the S-PALS Agreement, Shipper also shall provide the following information to Transporter with its initial request for service:

- (a) The Storage Park and Loan Service provided for under this Rate Schedule S-PALS shall be performed under Part 284 of FERC's Regulations. Shipper shall only tender gas under this Rate Schedule S-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 S-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;

- (b) Shipper will warrant for itself, its successors and assigns, that it will at the time of delivery to Transporter have title to all gas free and clear of all liens, encumbrances, and claims whatsoever. Shipper will indemnify Transporter and hold it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of adverse claims of any or all persons or parties to said gas, including claims for royalties, taxes, license fees or charges applicable to such gas or to the delivery thereof to Transporter under this Rate Schedule; and
  - (c) 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.
- 4.3 Requests for service hereunder shall be deemed valid only after the following information is provided by Shipper via Transporter's Interactive Web Site or in writing to:

Tallgrass Interstate Gas Transmission, LLC  
Account Services Department  
370 Van Gordon Street  
Lakewood, CO 80228-8304  
Facsimile Number: (303) 763-3515  
E-mail: TEP@tallgrassenergyllp.com

- (a) For an S-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 Maximum Daily Quantity (MDQ) to be parked or loaned under any and all outstanding S-PALS RO Agreements.

- (2) TERM OF SERVICE

The request shall specify the date service is requested to commence and to terminate (primary term), and whether the request is subject to an evergreen provision (permitting an extension) and/or a buyout provision (permitting early termination);

(3) CREDIT

The request shall include a completed Credit Application Form, the form of which is contained in this Tariff. 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 S-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 S-PALS, including the applicable General Terms and Conditions for any Storage Park and Loan Service provided under the S-PALS Agreement and any related S-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 S-PALS RO is executed:

- (i) Affiliation of the Shipper with Transporter;
- (ii) 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 storage park and/or loan transaction, Transporter and the Shipper with an S-PALS Agreement in effect shall enter into an S-PALS RO. For an S-PALS RO to be valid, the following information must be provided:

(1) SERVICE TYPE/S-PALS AGREEMENT

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

(2) GAS QUANTITIES

The S-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 S-PALS ROs cannot exceed the MAQ and MDQ under the applicable S-PALS Agreement. The S-PALS RO shall specify the minimum daily and aggregate volume and shall set out a park and/or loan schedule containing the quantity and timing information specified in Section 7 of this Rate Schedule;

(3) POINTS

The request 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 S-PALS. Unless otherwise mutually agreed, the point for completion of the park or loan must be the same as the point at which the park or loan was initiated.

(4) TERM OF SERVICE

The request shall specify:

- (i) The date service is requested to commence;
- (ii) The date service is requested to terminate; and
- (iii) The term may include a range of permitted commencement and termination dates for service under the S-PALS RO, or for any portion of such service. No termination date may extend beyond the term of the S-PALS Agreement;

(5) SHIPPER CONTACT PERSONNEL

The S-PALS RO shall specify the persons to be contacted by Transporter in connection with the S-PALS RO;

(6) RATE

The S-PALS RO shall specify the rates under Section 6.1 at which the storage 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 hereof in connection with each S-PALS RO.

**5. TERM**

5.1 The term of service hereunder shall be set forth in the S-PALS Agreement between Shipper and Transporter. The S-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 S-PALS Agreement; provided, however, that both the S-PALS Agreement and related S-PALS RO(s) may include a buyout provision, permitting early termination by Shipper or Transporter subject to a mutually agreed upon exit fee. Upon termination of any S-PALS Agreement and of any S-PALS RO, service by Transporter to Shipper thereunder shall be terminated and automatically abandoned.

5.2 Transporter may terminate any S-PALS Agreement if Transporter is required by the FERC or some other agency or court to provide service for others utilizing the interruptible system capacity or capabilities required for service under such S-PALS Agreement, or if Transporter ceases (after receipt of any requisite regulatory authorization) to offer service of the type covered by the S-PALS Agreement. Settlement of such terminated agreement shall be pursuant to Section 8.4.

**6. RATE**

6.1 (a) For the Storage Park and Loan Service rendered to Shipper under this Rate Schedule S-PALS, Shipper shall pay Transporter each month the sum of the following charges:

(i) an Initial Rate for each unit of gas tendered for park or taken for loan during that month;

(ii) a Park/Loan Balance Rate for each unit of gas which is parked or loaned under this Rate Schedule S-PALS for that month (such charge shall be calculated on the basis of the daily ending balance for each S-PALS RO for each day of the month); and

- (iii) a Completion Rate for 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 S-PALS are set forth in the Currently Effective Rates section of this Tariff. Excluding fuel and loss, 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 S-PALS Initial Rate on a per unit basis. On any day, the Initial Rate, the Park/Loan Balance Rate and the Completion Rate assessed for any park and loan may not be less than the minimum applicable S-PALS Rate.
  - (i) 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.
  - (ii) 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 S-PALS RO but is not confirmed by Transporter, the Park/Loan Balance Rate shall only be assessed as if the nomination had been confirmed.
  
- (c) Shipper shall pay any other applicable charges, penalties and fees set out in this Rate Schedule S-PALS or the General Terms and Conditions of this Tariff. Deviations from the approved S-PALS RO nominated volumes when compared to the allocated volumes will be assessed cashout charges under Section 5.2(b) of the IT Rate Schedule of this Tariff.
  
- (d) Charges payable by any Shipper shall be based on the maximum rates set forth in this Tariff applicable to Rate Schedule S-PALS, which rates are hereby incorporated herein, unless a lower rate for the charge in subsection (a) is specified in the S-PALS RO. However, 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 38 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.

- (e) Transporter and Shipper may mutually agree on a charge for fuel and loss in lieu of providing gas in-kind for fuel reimbursement under this Rate Schedule S-PALS. Such charge shall be determined by multiplying the applicable percentage fuel and loss rate set forth on the currently effective, applicable section of this Tariff, by a mutually agreed-upon index reference price per Dth.
  - (f) Except as provided in Sections 6.1(d) and (e), Shipper shall provide gas in-kind for fuel and loss reimbursement applicable to this Rate Schedule S-PALS as set forth on the currently effective, applicable Section of this Tariff.
  - (g) The charges referenced herein cover only Storage 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 S-PALS RO.
- 6.2 Authorized overrun charges apply if a Shipper nominates and Transporter confirms volumes in excess of the approved MAQ and/or MDQ in the S-PALS agreement, or if Shipper fails to comply with any quantity or timing parameter in an S-PALS RO (unless the failure results from Transporter not confirming a nomination properly submitted). Authorized overrun charges will be assessed at the maximum S-PALS rate, unless otherwise agreed to in writing by Transporter. An unauthorized overrun charge of up to \$10 per Dth applies if the overrun is not nominated and confirmed. Such unauthorized overrun charge shall be assessed only following posting of a notice, which shall provide for a notice period of forty-eight (48) hours or such shorter notice period as deemed necessary by Transporter to protect its system integrity. Transporter may waive or discount unauthorized overrun charges on a non-discriminatory basis.
- 6.3
- (a) Shipper shall reimburse Transporter within five (5) days after costs have been incurred by Transporter for all fees 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, either:

- (1) Shipper shall reimburse Transporter for the cost of such facilities or facility modifications as described in Section 5.3(a) of the Interruptible Transportation service Rate Schedule of this Tariff; or
  - (2) Transporter shall assess a monthly charge reflecting such facility costs.
- 6.4
  - (a) Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates and charges applicable under this Rate Schedule S-PALS, including both the level and design of such rates and charges; and/or (2) the terms and conditions of this Rate Schedule S-PALS. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure that its provisions are just and reasonable.
  - (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 S-PALS Agreement or S-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 S-PALS Agreement or S-PALS RO, charge any individual Shipper for service under this Rate Schedule S-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 S-PALS set forth in this Tariff. Unless otherwise agreed in the S-PALS Agreement or S-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 S-PALS Agreement and/or S-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 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 and gas in kind collected by Transporter as a result of providing service under this Rate Schedule S-PALS shall be retained by Transporter unless Transporter has otherwise explicitly agreed on a different disposition of such amounts. Where crediting or refund mechanisms apply under other provision(s) of this Tariff or pursuant to effective FERC orders or settlements, such mechanisms shall supersede this Section to the extent necessary to carry out such provision(s).

## **7. QUANTITY**

Each S-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 S-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 S-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 hold or loan for the account of Shipper hereunder on an interruptible basis for the specific transaction covered by the S-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 S-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 S-PALS Agreement. If a Shipper exceeds the timing parameter in the applicable S-PALS RO (unless such failure is due to Transporter not confirming a nomination properly submitted), it shall be subject to overrun 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 S-PALS Agreement or S-PALS RO; (b) where the Shipper fails to comply either with the requirements of Transporter's notice referenced in Sections 3 and 8.3(b) hereof; or (c) where Shipper fails to comply with the schedule of activities set forth in the applicable S-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 Operational Flow Orders pursuant to the notice provisions of Section 29.2 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 an S-PALS Shipper under this Section 8 or Section 3 hereof, 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 Web Site. 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 S-PALS RO shall terminate and the provisions of Section 8.4 shall apply.
- (b) In the event that a Shipper fails to comply with the schedule of activities set forth in the applicable S-PALS RO, Transporter shall notify Shipper as provided above in Section 8.3(a), and the S-PALS RO shall be subject to termination in accordance with the terms of such notice. The provisions of Sections 8.4(a) and 8.4(b) shall then apply.
- 8.4 (a) In the event that Shipper still has gas parked at the end of the term of the S-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 35 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 S-PALS balance rate pursuant to this Tariff, unless such other applicable balance rate is agreed to in the S-PALS Agreement.

- (b) Conversely, if the Shipper has not redelivered gas which was loaned by Transporter by the end of the term of the S-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 highest Daily Price Survey, Midpoint Price (Flow Date) for the Cheyenne Hub or Panhandle, Tx.-Okla., as published in "Platt's Gas Daily" publication during the period of time the Gas is scheduled to be returned pursuant to the applicable S-PALS RO. In the event that the information used to determine the highest Daily Price Survey, Midpoint Price is not available for the period of time the Gas is scheduled to be returned pursuant to the applicable S-PALS RO, then the Shipper must purchase the unreturned balance at 150% of the highest weekly index price of the "Spot Gas Prices Delivered to Pipelines" for the Cheyenne Hub or Panhandle, as published in "Natural Gas Intelligence" during the period of time the Gas is scheduled to be returned pursuant to the applicable S-PALS RO. The amounts collected in excess of 100% of the highest Daily or Weekly Index Price, as applicable, and net of related costs, are subject to refund in accordance with Section 35 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 charges set forth in Section 29.2 of the General Terms and Conditions of this Tariff.

- (c) The tariff provisions of Sections 8.4(a) and (b) above will be implemented by Transporter on a non-discriminatory basis.

- 8.5 (a) In circumstances where Shipper is unable to eliminate its S-PALS RO balance because Transporter is unable to accept the S-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 S-PALS RO balance corresponding to the time Transporter was unable to accept the S-PALS RO nomination. Shipper shall not incur any penalty or daily fees as to that portion of the balance resulting from Transporter's inability to accept the S-PALS RO nomination. Such extension shall only apply in instances where a Shipper's inability to eliminate the S-PALS RO balance is attributable to Transporter's inability to accept and confirm S-PALS RO nominations. Shipper remains responsible to nominate the appropriate level of transportation to meet Transporter's notification requirements.

- (b) To the extent 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 S-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 to by Transporter, any volume not removed or repaid in kind will be subject to the provisions of Section 8.4(a) or 8.4(b), as applicable.

## **9. GENERAL TERMS AND CONDITIONS**

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

## **RATE SCHEDULE CMC-1**

### **Cheyenne Market Center Service**

#### **1. AVAILABILITY**

This Rate Schedule CMC-1 is available to any entity (hereinafter referred to as "Shipper") which has requested firm Cheyenne Market Center Service pursuant to Section 3 of this Rate Schedule, and after review and acceptance of such request by Tallgrass Interstate Gas Transmission, LLC (hereinafter called "Transporter"), has executed a Service Agreement with Transporter for service under this Rate Schedule. Such Service Agreement shall be in the form contained in Transporter's FERC Gas Tariff of which this Rate Schedule CMC-1 is a part. Transporter is not obligated to provide service for which capacity is not available, or which would require the construction or the acquisition of new facilities, or the modification or expansion of existing facilities.

#### **2. APPLICABILITY AND CHARACTER OF SERVICE**

The firm service provided hereunder is comprised of the receipt of gas at the applicable Cheyenne Market Center receipt point(s), storage of gas in Transporter's storage facility up to the Maximum Storage Volume ("MSV") set forth in the Service Agreement, and the subsequent re-delivery of gas back to the applicable Cheyenne Market Center delivery point(s) on a uniform hourly basis, subject to the General Terms and Conditions of this Tariff and further provisions of the Service Agreement. Shipper will be responsible for arranging transportation service on any upstream or downstream pipeline(s) such that Transporter's performance of service under this Rate Schedule is not impaired. Transporter shall not be liable for actions of any upstream or downstream pipeline.

##### **2.1 Receipt and Delivery Points:**

- A. Shipper may designate in the Service Agreement one or more primary points of receipt, each of which will have a Maximum Daily Receipt Quantity ("MDRQ") net of the Fuel, Loss and Unaccounted For Reimbursement Quantity.
- B. Shipper may designate in the Service Agreement one or more primary points of delivery, each of which will have a Maximum Daily Delivery Quantity ("MDDQ") net of the Fuel, Loss and Unaccounted For Reimbursement Quantity.

- C. Points of receipt and delivery for CMC-1 service, as well as for capacity release of CMC-1 service, will be listed on Transporter's Cheyenne Market Center Master Point List ("MPL") on its interactive website. Any MPL point that a Shipper does not select as a primary point shall be available to a Shipper, or Replacement Shipper, as a secondary point of receipt or delivery, as applicable.
1. Shipper may nominate from secondary points of receipt up to the aggregate MDRQ capacity, which has been reserved in the Cheyenne Market Center area.
  2. Shipper may nominate to secondary points of delivery up to the aggregate MDDQ capacity, which has been reserved in the Cheyenne Market Center area.
  3. To be valid points on the MPL, meters must have telemetered electronic flow measurement, flow control equipment, be designated by Transporter as Cheyenne Market Center Points, and be located on or within the area of facilities designated to provide service under Rate Schedule CMC-1, as defined herein.
  4. Points may be added to the MPL by Transporter at its sole discretion.
  5. Points may be deleted from the MPL by Transporter from time-to-time consistent with the Commission's rules and regulations.
- D. Service provided at the primary and secondary points of receipt and primary and secondary points of delivery shall be provided on a firm basis subject to the nomination, scheduling, curtailment and interruption provisions of the General Terms and Conditions of this Tariff.

2.2 Interaction with other Transportation Services:

Shipper may utilize the service under this Rate Schedule CMC-1 in conjunction with a separate transportation agreement, by nominating under a separate transportation agreement, a receipt from or delivery to the Huntsman Storage point together with a nomination to use CMC-1 Service. In addition to the applicable Reservation Charge paid under this Rate Schedule CMC-1 and charges incurred under the separate transportation service agreement, Shipper shall pay the applicable Commodity Injection or Commodity Withdrawal Charge, as appropriate, and the FL&U factor(s) under

this Rate Schedule CMC-1, for such activity. When this option is elected, the transportation service utilized shall be subject to the provisions of the applicable transportation rate schedule.

### **3. SERVICE DEFINITIONS**

- 3.1 MAXIMUM DAILY RECEIPT QUANTITY ("MDRQ") - Shall mean the maximum quantity of natural gas that Transporter agrees to receive on any day at a Primary Receipt Point as specified in the executed Service Agreement net of the Fuel, Loss and Unaccounted For Reimbursement Quantity. The sum of all MDRQ's shall equal the IQ.
- 3.2 MAXIMUM DAILY DELIVERY QUANTITY ("MDDQ") - Shall mean the maximum quantity of natural gas that Transporter agrees to deliver on any day at a Primary Delivery Point as specified in the executed Service Agreement net of the Fuel, Loss and Unaccounted For Reimbursement Quantity. The sum of all MDDQ's shall equal the WQ.
- 3.3 MAXIMUM DAILY WITHDRAWAL QUANTITY ("WQ") - Shall mean the maximum quantity of natural gas that Transporter agrees to withdraw from its storage facilities on any day. The total of the MDDQs in the executed Service Agreement shall equal the Shipper's full WQ, which shall equal the product of 0.0104 multiplied by the MSV.
- 3.4 MAXIMUM DAILY INJECTION QUANTITY ("IQ") - Shall mean the maximum quantity of natural gas that Transporter agrees to receive from Shipper at the inlet side of Transporter's storage facilities for injection into storage on any day. The total of the MDRQs specified in the executed Service Agreement shall equal the Shipper's full IQ, which shall equal the product of 0.0064 multiplied by the MSV.
- 3.5 MAXIMUM STORAGE VOLUME ("MSV") - Shall mean the maximum quantity of natural gas Transporter agrees to store on behalf of the Shipper at the Transporter's storage facilities on any day. Shipper's MSV shall be as specified in the executed Service Agreement.

### **4. VALID REQUESTS FOR SERVICE**

- 4.1 A request for service under this Rate Schedule CMC-1 shall be valid as of the date received if it complies with this Section and contains adequate information on all of the items specified, 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) for which Transporter does not have the operational capability to effect receipt, transportation, storage or delivery on a firm basis consistent with the terms and conditions of this Rate Schedule CMC-1; (3) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that Transporter may agree in its sole 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 4.2 hereof; (5) if Transporter determines, based on the credit analysis referenced in Section 4.2(f), 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 CMC-1; 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 discount or at a negotiated rate consistent with this Rate Schedule CMC-1. Nothing herein is intended to govern the curtailment of service once a request for service has been granted pursuant to this Section and while a CMC-1 Service Agreement is in effect. Such curtailment is governed by the 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 CMC-1.
1. Any request shall be null and void unless it is substantially complete and complies with this Rate Schedule CMC-1. In the event a request is substantially but not entirely complete, Transporter shall inform Shipper in writing of the specific items needed to complete the CMC-1 Service Agreement, after which Shipper shall have ten (10) days to provide the specified information. In the event such information is not received within ten (10) days, Shipper's request shall be null and void.
  2. Transporter shall tender a CMC-1 Service Agreement to Shipper for execution when Shipper's written request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute a CMC-1

Service Agreement hereunder within ten (10) days after a CMC-1 Service Agreement has been tendered by Transporter for execution.

- 4.2 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:

Tallgrass Interstate Gas Transmission, LLC  
370 Van Gordon St.  
Lakewood, CO 80228  
Attention: Marketing Group  
E-mail: TEP@tallgrassenergyllp.com

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

A. GAS QUANTITIES

The request shall specify in Dth the Maximum Storage Contract Volume ("MSV"), the MDRQ for each primary point, which in aggregate shall equal the product of 0.0064 and the MSV, and MDDQ for each primary point, which in aggregate shall equal the product of 0.0104 and the MSV, with the MDRQ and MDDQ stated exclusive of the applicable Fuel, Loss and Unaccounted For Reimbursement Quantity. The availability of the MSV, MDRQ and MDDQ on any day are subject to the provisions of this Rate Schedule CMC-1 and the General Term and Conditions of Transporter's FERC Gas Tariff.

B. RECEIPT POINT(S)

The request shall specify the primary point(s) at which Shipper desires Transporter to receive gas and including the associated MDRQ.

C. DELIVERY POINT(S)

The request shall specify the primary point(s) at which Shipper desires Transporter to deliver gas and including the associated MDDQ.

D. LIMITATION OF POINTS

A Shipper may request only those points listed on the MPL as designated CMC-1 Receipt and Delivery Points.

E. TERM OF SERVICE

The request shall specify the date service is requested to commence, and the date service is requested to terminate. However, the term of service hereunder shall be no less than one (1) year, unless otherwise agreed to in writing by Transporter, and shall be set forth in the CMC-1 Service Agreement between Shipper and Transporter.

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 CMC-1 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 CMC-1, including the applicable General Terms and Conditions of this Tariff.

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 CMC-1 Service 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;
3. The state(s) where the field or well producing the gas to be transported is located; and

4. The state(s) of the ultimate end user of the gas.

I. SHIPPER CONTACT INFORMATION

Specify the person(s) to be contacted by Transporter in connection with the CMC-1 Service Agreement.

**5. RATE**

The applicable rates, including any surcharges applicable to CMC-1 Service, are set forth in Volume 1-A of this FERC Gas Tariff, as revised from time to time. Unless otherwise agreed in writing between Transporter and Shipper under Section 36 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.

5.1 Subject to Section 36 of the General Terms and Conditions of this Tariff, Shipper shall pay Transporter each month under this Rate Schedule CMC-1 the sum of the following amounts:

- (a) a Transportation Reservation Charge, which shall equal the result of the Shipper's MSV divided by 12 multiplied by the Transportation Reservation Rate;
- (b) a Transportation Commodity Charge, which shall equal the Transportation Commodity Rate multiplied by each Dth of gas (net of fuel) delivered;
- (c) a Storage Deliverability Reservation Charge, which shall equal the result of the Shipper's MSV divided by 12 multiplied by the Storage Deliverability Reservation Rate;
- (d) a Storage Capacity Reservation Charge, which shall equal result of the Shipper's MSV divided by 12 multiplied by the Storage Capacity Reservation Rate;
- (e) a Storage Injection Charge, which shall equal the Storage Injection Rate multiplied by the volume in Dth of gas injected by Transporter;
- (f) a Storage Withdrawal Charge, which shall equal the Storage Withdrawal Rate multiplied by the volume in Dth of gas withdrawn by Transporter; and
- (g) any Overrun charge, if applicable.

- 5.2 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 36 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.
- 5.3 Shipper shall reimburse Transporter within five (5) days after costs have been incurred by Transporter for all fees 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.
- 5.4 If Transporter in its reasonable discretion, agrees to construct, acquire or modify any facilities to perform service hereunder as specified in an agreement between the Transporter and applicable Shipper(s), the applicable Shipper(s) signing such an agreement shall reimburse Transporter for the cost of such facilities or facility modifications either:
- A. As a contribution-in-aid of construction associated with such facilities, including a gross-up for applicable state and federal income tax expense; or
  - B. Transporter shall assess a monthly charge reflecting such facility costs including an obligation to reimburse Transporter, upon demand, if transportation service is terminated prior to the agreed upon reimbursement period.
- 5.5 The ACA charge, and any other applicable surcharges, will be assessed when applicable, as provided in the General Terms and Conditions of this Tariff, on volumes delivered by Transporter for Shipper under this Rate Schedule CMC-1.
- 5.6 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates and charges applicable under this Rate Schedule CMC-1, including both the level and design of such rates and charges; or (2) the terms and conditions of this Rate Schedule CMC-1. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff, as may be found necessary, to assure that its provisions are just and reasonable.

- 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 CMC-1 Service 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 higher or lower rate for service hereunder, the rate shall be increased or decreased to such level, subject to any contrary provision of the CMC-1 Service Agreement or any discount or negotiated rate agreement.

#### 5.7 Overrun Service

- A. Authorized Overruns shall be the quantity of Gas nominated and scheduled as service hereunder that exceeds the contract aggregate MDRQ, aggregate MDDQ or MSV. Authorized Overruns and interruptible service(s) shall have equal scheduling priority, and shall be scheduled based on rate from highest to lowest, except that any negotiated rates in excess of maximum rates shall be deemed as maximum rates for scheduling purposes. Authorized Overrun and interruptible services at the same rates shall be scheduled pro rata. Shipper shall pay for any Dth of Authorized Overrun, the product of the Authorized Overrun volume multiplied by the applicable CMC-1 Service Overrun rate set forth on the applicable section of the Tariff, subject to any contrary provision of the CMC-1 Service Agreement or a separate discount agreement. Inventory volume less than zero shall not be allowed. On any day which the inventory volume is less than zero, including upon contract termination, such negative inventory volume shall be charged the maximum CMC-1 Service Overrun rate and automatically cashed out at 200% of the highest average daily price for gas at Cheyenne for the month as published in Gas Daily under the Daily Price Survey.
- B. During times of system constraint or critical time under Section 29 of the General Terms and Conditions of this Tariff, Shippers will be subject to a daily Unauthorized Overrun charge as stated on the applicable tariff section for any gas that is tendered to Transporter by

Shipper for receipt or delivery which has not been nominated and confirmed by Transporter and that exceeds either the aggregate MDRQ, aggregate MDDQ, or MSV as stated in the Service Agreement, unless otherwise agreed to in writing.

- 5.8 Fuel, Loss and Unaccounted For Reimbursement Quantity. The Fuel, Loss and Unaccounted For Reimbursement Quantity shall be that portion of Shipper's natural gas received by Transporter for transportation and storage which shall be retained by Transporter as compensation for gas used in rendering service, including Company-used Gas, and Lost and Unaccounted-for Gas. Shipper shall reimburse Transporter for the Fuel, Loss and Unaccounted For Reimbursement Quantity required in transporting and storing gas hereunder at the maximum rate set forth in Volume 1-A of this FERC Gas Tariff.

## **6. SERVICE CONDITIONS**

### **6.1 Redelivery of Stored Gas**

Available withdrawal quantities of gas will vary according to the percentage of Shipper's stored volume to the MSV. In order for the Shipper's full WQ to be available, a minimum inventory greater than fifteen percent (15%) of its MSV must be in the Shipper's storage account. If the Shipper's stored volume is equal to or less than 15% of its MSV, the Shipper's withdrawal rights will be reduced as follows:

Inventory $\leq$ 15% but $>$ 5% of MSV	50% WQ rights
Inventory $\leq$ 5% of MSV	25% WQ rights
Inventory = 0	0 WQ rights

WQ Overruns will be charged during reduced withdrawal rights periods for quantities withdrawn in excess of the applicable reduced WQ amount.

- 6.2 In-Ground Transfers of Storage Volume. Shipper may transfer, by sale or otherwise, all or a portion of its gas in storage under Rate Schedule CMC-1 to or from another CMC-1, CMC-2, FSS, ISS, or NNS Shipper, subject to the following conditions:
- A. To conduct an In-Ground Transfer the following are required:
1. The In-Ground Transfer does not cause Transporter's obligation to provide firm service to increase and the transfer does not otherwise adversely affect Transporter's operations, which determinations shall be made at Transporter's sole discretion;

2. Both the transferee and transferor of the stored volume provide Transporter with verification of the transfer in writing on a Business Day at least four (4) hours prior to the Evening Nomination Cycle for the Date of Transfer;
  3. The In-Ground Transfer does not cause either Shipper's storage inventory balance to go below zero (0) or above MSV as specified in the applicable service agreement(s); and
  4. Transfers shall be effective as of the start of the Date of Transfer, assuming receipt of the verification required in Section 6.2A.2, above. Transporter shall recognize the transfer for purposes of computing available stored volume on and after the Date of Transfer.
  5. Shippers will not be allowed to avoid overrun charges or any penalties via an In-Ground Transfer, unless otherwise agreed to in writing by Transporter.
  6. The party receiving the In-Ground Transfer agrees to pay any applicable charges at the time of the transfer for which the party delivering the transfer has not previously paid.
- B. In addition to the conditions set forth above, In-Ground Transfers from FSS or NNS service to CMC-1 service shall be allowed only if the In-Ground Transfer from NNS or FSS to CMC-1 is not used to satisfy any cycling requirements applicable under NNS or FSS service unless otherwise agreed to in writing.
- C. Upon expiration of the CMC-1 Agreement, any gas remaining in storage will be treated and billed as if it were a PALS Agreement. Any gas remaining in inventory sixty (60) Days after expiration of the CMC-1 Agreement will be confiscated by Transporter.
- 6.3 Shipper may not effectuate transfers to or from volumes stored under this Rate Schedule CMC-1 that resolve transportation imbalances existing under FT, IT or NNS (including SCS rate convention customers) Agreements.
- 6.4 In the event of Capacity Release under this CMC-1 Rate Schedule, in the aggregate or which results in separate storage and transportation components, the releasing Shipper's WQ and IQ shall be reduced by the

corresponding amount of MDRQ and MDDQ released, pursuant to Section 3 of this CMC-1 Rate Schedule.

**7. 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 CMC-1. To the extent that the General Terms and Conditions of this Tariff are inconsistent with the provisions of this Rate Schedule CMC-1, the provisions of this Rate Schedule CMC-1 shall govern.

## **RATE SCHEDULE CMC-2**

### **Cheyenne Market Center Service**

#### **1. AVAILABILITY**

This Rate Schedule CMC-2 is available to any entity (hereinafter referred to as "Shipper") which has requested firm Cheyenne Market Center Service pursuant to Section 3 of this Rate Schedule, and after review and acceptance of such request by Tallgrass Interstate Gas Transmission, LLC (hereinafter called "Transporter"), has executed a Service Agreement with Transporter for service under this Rate Schedule. Such Service Agreement shall be in the form contained in Transporter's FERC Gas Tariff, of which this Rate Schedule CMC-2 is a part. Transporter is not obligated to provide service for which capacity is not available, or which would require the construction or the acquisition of new facilities, or the modification or expansion of existing facilities.

#### **2. APPLICABILITY AND CHARACTER OF SERVICE**

The firm service provided hereunder is comprised of the receipt of gas at the applicable Cheyenne Market Center receipt point(s), storage of gas in Transporter's storage facility up to the Maximum Storage Volume ("MSV") set forth in the Service Agreement, and the subsequent re-delivery of gas back to the applicable Cheyenne Market Center delivery point(s) on a uniform hourly basis, subject to the General Terms and Conditions of this Tariff and further provisions of the Service Agreement. Shipper will be responsible for arranging transportation service on any upstream or downstream pipeline(s) such that Transporter's performance of service under this Rate Schedule is not impaired. Transporter shall not be liable for actions of any upstream or downstream pipeline.

##### **2.1 Receipt and Delivery Points:**

- A. Shipper may designate in the Service Agreement one or more primary points of receipt, each of which will have a Maximum Daily Receipt Quantity ("MDRQ") net of the Fuel, Loss and Unaccounted For Reimbursement Quantity.
- B. Shipper may designate in the Service Agreement one or more primary points of delivery, each of which will have a Maximum Daily Delivery Quantity ("MDDQ") net of the Fuel, Loss and Unaccounted For Reimbursement Quantity.

- C. Points of receipt and delivery for CMC-2 service, as well as for capacity release of CMC-2 service, will be listed on Transporter's Cheyenne Market Center Master Point List ("MPL") on its interactive website. Any MPL point that a Shipper does not select as a primary point shall be available to a Shipper, or Replacement Shipper, as a secondary point of receipt or delivery, as applicable.
1. Shipper may nominate from secondary points of receipt up to the aggregate MDRQ capacity, which has been reserved in the Cheyenne Market Center area.
  2. Shipper may nominate to secondary points of delivery up to the aggregate MDDQ capacity, which has been reserved in the Cheyenne Market Center area.
  3. To be valid points on the MPL, meters must have telemetered electronic flow measurement, flow control equipment, be designated by Transporter as Cheyenne Market Center Points, and be located on or within the area of facilities designated to provide service under Rate Schedule CMC-2, as defined herein.
  4. Points may be added to the MPL by Transporter at its sole discretion.
  5. Points may be deleted from the MPL by Transporter from time-to-time consistent with the Commission's rules and regulations.
- D. Service provided at the primary and secondary points of receipt and primary and secondary points of delivery shall be provided on a firm basis subject to the nomination, scheduling, curtailment and interruption provisions of the General Terms and Conditions of this Tariff.

2.2 Interaction with other Transportation Services:

Shipper may utilize the service under this Rate Schedule CMC-2 in conjunction with a separate transportation agreement, by nominating under a separate transportation agreement, a receipt from or delivery to the Huntsman Storage point together with a nomination to use CMC-2 Service. In addition to the applicable Reservation Charge paid under this Rate Schedule CMC-2 and charges incurred under the separate transportation service agreement, Shipper shall pay the applicable Commodity Injection or Commodity Withdrawal Charge, as appropriate, and the FL&U factor(s) under

this Rate Schedule CMC-2, for such activity. When this option is elected, the transportation service utilized shall be subject to the provisions of the applicable transportation rate schedule.

### **3. SERVICE DEFINITIONS**

- 3.1 MAXIMUM DAILY RECEIPT QUANTITY ("MDRQ") - Shall mean the maximum quantity of natural gas that Transporter agrees to receive on any day at a Primary Receipt Point as specified in the executed Service Agreement, net of the Fuel, Loss and Unaccounted For Reimbursement Quantity. The sum of all MDRQ's shall equal the IQ.
- 3.2 MAXIMUM DAILY DELIVERY QUANTITY ("MDDQ") - Shall mean the maximum quantity of natural gas that Transporter agrees to deliver on any day at a Primary Delivery Point as specified in the executed Service Agreement, net of the Fuel, Loss and Unaccounted For Reimbursement Quantity. The sum of all MDDQ's shall equal the WQ.
- 3.3 MAXIMUM DAILY WITHDRAWAL QUANTITY ("WQ") - Shall mean the maximum quantity of natural gas that Transporter agrees to withdraw from its storage facilities on any day. The total of the MDDQs in the executed Service Agreement shall equal the Shipper's full WQ, which shall equal the product of 0.0104 multiplied by the MSV.
- 3.4 MAXIMUM DAILY INJECTION QUANTITY ("IQ") - Shall mean the maximum quantity of natural gas that Transporter agrees to receive from Shipper at the inlet side of Transporter's storage facilities for injection into storage on any day. The total of the MDRQ's specified in the executed Service Agreement shall equal the Shipper's full IQ, which shall equal the product of 0.0064 multiplied by the MSV.
- 3.5 MAXIMUM STORAGE VOLUME ("MSV") - Shall mean the maximum quantity of natural gas Transporter agrees to store on behalf of the Shipper at the Transporter's storage facilities on any day. Shipper's MSV shall be as specified in the executed Service Agreement.

### **4. VALID REQUESTS FOR SERVICE**

- 4.1 A request for service under this Rate Schedule CMC-2 shall be valid as of the date received if it complies with this Section and contains adequate information on all of the items specified, 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) for which Transporter does not have the operational capability to effect receipt, transportation, storage or delivery on a firm basis consistent with the terms and conditions of this Rate Schedule CMC-2; (3) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that Transporter may agree in its sole 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 4.2 hereof; (5) if Transporter determines, based on the credit analysis referenced in Section 4.2(f), 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 CMC-2; 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 discount or at a negotiated rate consistent with this Rate Schedule CMC-2. Nothing herein is intended to govern the curtailment of service once a request for service has been granted pursuant to this Section and while a CMC-2 Service Agreement is in effect. Such curtailment is governed by the 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 CMC-2.
1. Any request shall be null and void unless it is substantially complete and complies with this Rate Schedule CMC-2. In the event a request is substantially but not entirely complete, Transporter shall inform Shipper in writing of the specific items needed to complete the CMC-2 Service Agreement, after which Shipper shall have ten (10) days to provide the specified information. In the event such information is not received within ten (10) days, Shipper's request shall be null and void.
  2. Transporter shall tender a CMC-2 Service Agreement to Shipper for execution when Shipper's written request for service is accepted. Unless waived by Transporter, a request

for service shall be invalid if Shipper fails to execute a CMC-2 Service Agreement hereunder within ten (10) days after a CMC-2 Service Agreement has been tendered by Transporter for execution.

- 4.2 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:

Tallgrass Interstate Gas Transmission, LLC  
370 Van Gordon St.  
Lakewood, CO 80228  
Attention: Marketing  
e-mail: TEP@tallgrassenergyllp.com

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

A. GAS QUANTITIES

The request shall specify in Dth the Maximum Storage Contract Volume ("MSV"), the MDRQ for each primary point, which in aggregate shall equal the product of 0.0064 and the MSV, and MDDQ for each primary point, which in aggregate shall equal the product of 0.0104 and the MSV, with the MDRQ and MDDQ stated exclusive of the applicable Fuel, Loss and Unaccounted For Reimbursement Quantity. The availability of the MSV, MDRQ and MDDQ on any day are subject to the provisions of this Rate Schedule CMC-2 and the General Term and Conditions of Transporter's FERC Gas Tariff.

B. RECEIPT POINT(S)

The request shall specify the primary point(s) at which Shipper desires Transporter to receive gas and including the associated MDRQ.

C. DELIVERY POINT(S)

The request shall specify the primary point(s) at which Shipper desires Transporter to deliver gas and including the associated MDDQ.

D. LIMITATION OF POINTS

A Shipper may request only those points listed on the MPL as designated CMC-2 Receipt and Delivery Points.

E. TERM OF SERVICE

The request shall specify the date service is requested to commence; and the date service is requested to terminate. However, the term of service hereunder shall be no less than one (1) year, unless otherwise agreed to in writing by Transporter, and shall be set forth in the CMC-2 Service Agreement between Shipper and Transporter.

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 CMC-2 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 CMC-2, including the applicable General Terms and Conditions of this Tariff.

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 CMC-2 Service 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;
3. The state(s) where the field or well producing the gas to be transported is located; and

4. The state(s) of the ultimate end user of the gas.

I. SHIPPER CONTACT INFORMATION

Specify the person(s) to be contacted by Transporter in connection with the CMC-2 Service Agreement.

**5. RATE**

The applicable rates, including any surcharges applicable to CMC-2 Service, are set forth in Volume 1-A of this FERC Gas Tariff, as revised from time to time. Unless otherwise agreed in writing between Transporter and Shipper under Section 36 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.

5.1 Subject to Section 36 of the General Terms and Conditions of this Tariff, Shipper shall pay Transporter each month under this Rate Schedule CMC-2 the sum of the following amounts:

- (a) a Transportation Reservation Charge, which shall equal the result of the Shipper's MSV divided by 12 multiplied by the Transportation Reservation Rate;
- (b) a Transportation Commodity Charge, which shall equal the Transportation Commodity Rate multiplied by each Dth of gas (net of fuel) delivered;
- (c) a Storage Deliverability Reservation Charge, which shall equal the result of the Shipper's MSV divided by 12 multiplied by the Storage Deliverability Reservation Rate;
- (d) a Storage Capacity Reservation Charge, which shall equal result of the Shipper's MSV divided by 12 multiplied by the Storage Capacity Reservation Rate;
- (e) a Storage Injection Charge, which shall equal the Storage Injection Rate multiplied by the volume in Dth of gas injected by Transporter;
- (f) a Storage Withdrawal Charge, which shall equal the Storage Withdrawal Rate multiplied by the volume in Dth of gas withdrawn by Transporter; and
- (g) any Overrun charge, if applicable.

- 5.2 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 36 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.
- 5.3 Shipper shall reimburse Transporter within five (5) days after costs have been incurred by Transporter for all fees 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.
- 5.4. If Transporter in its reasonable discretion, agrees to construct, acquire or modify any facilities to perform service hereunder as specified in an agreement between the Transporter and applicable Shipper(s), the applicable Shipper(s) signing such an agreement shall reimburse Transporter for the cost of such facilities or facility modifications either:
- A. As a contribution-in-aid of construction associated with such facilities, including a gross-up for applicable state and federal income tax expense; or
  - B. Transporter shall assess a monthly charge reflecting such facility costs including an obligation to reimburse Transporter, upon demand, if transportation service is terminated prior to the agreed upon reimbursement period.
- 5.5 The ACA charge, and any other applicable surcharges, will be assessed when applicable, as provided in the General Terms and Conditions of this Tariff, on volumes delivered by Transporter for Shipper under this Rate Schedule CMC-2.
- 5.6 A. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates and charges applicable under this Rate Schedule CMC-2, including both the level and design of such rates and charges; or (2) the terms and conditions of this Rate Schedule CMC-2. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff, as may be found necessary, to assure that its provisions are just and reasonable.

- 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 CMC-2 Service 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 higher or lower rate for service hereunder, the rate shall be increased or decreased to such level, subject to any contrary provision of the CMC-2 Service Agreement or any discount or negotiated rate agreement.

#### 5.7 Overrun Service

- A. Authorized Overruns shall be the quantity of Gas nominated and scheduled as service hereunder that exceeds the contract aggregate MDRQ, aggregate MDDQ or MSV. Authorized Overruns and interruptible service(s) shall have equal scheduling priority, and shall be scheduled based on rate from highest to lowest, except that any negotiated rates in excess of maximum rates shall be deemed as maximum rates for scheduling purposes. Authorized Overrun and interruptible services at the same rates shall be scheduled pro rata. Shipper shall pay for any Dth of Authorized Overrun, the product of the Authorized Overrun volume multiplied by the applicable CMC-2 Service Overrun rate set forth on the applicable tariff section of this Tariff, subject to any contrary provision of the CMC-2 Service Agreement or a separate discount agreement. Inventory volume less than zero shall not be allowed. On any day which the inventory volume is less than zero, including upon contract termination, such negative inventory volume shall be charged the maximum CMC-2 Service Overrun rate and automatically cashed out at 200% of the highest average daily price for gas at Cheyenne for the month as published in Gas Daily under the Daily Price Survey.
- B. During times of system constraint or critical time under Section 29 of the General Terms and Conditions of this Tariff, Shippers will be subject to a daily Unauthorized Overrun charge as stated on the

applicable Tariff Section of this Tariff for any gas that is tendered to Transporter by Shipper for receipt or delivery which has not been nominated and confirmed by Transporter and that exceeds either the aggregate MDRQ, aggregate MDDQ or MSV as stated in the Service Agreement, unless otherwise agreed to in writing.

- 5.8 Fuel, Loss and Unaccounted For Reimbursement Quantity. The Fuel, Loss and Unaccounted For Reimbursement Quantity shall be that portion of Shipper's natural gas received by Transporter for transportation and storage which shall be retained by Transporter as compensation for gas used in rendering service, including Company-used Gas, and Lost and Unaccounted-for Gas. Shipper shall reimburse Transporter for the Fuel, Loss and Unaccounted For Reimbursement Quantity required in transporting and storing gas hereunder at the maximum rate set forth in Volume 1-A of this FERC Gas Tariff.

## **6. SERVICE CONDITIONS**

### **6.1 Redelivery of Stored Gas**

Available withdrawal quantities of gas will vary according to the percentage of Shipper's stored volume to the MSV. In order for the Shipper's full WQ to be available, a minimum inventory greater than fifteen percent (15%) of its MSV must be in the Shipper's storage account. If the Shipper's stored volume is equal to or less than 15% of its MSV, the Shipper's withdrawal rights will be reduced as follows:

Inventory $\leq$ 15% but $>$ 5% of MSV	50% WQ rights
Inventory $\leq$ 5% of MSV	25% WQ rights
Inventory = 0	0 WQ rights

WQ Overruns will be charged during reduced withdrawal rights periods for quantities withdrawn in excess of the applicable reduced WQ amount.

- 6.2 In-Ground Transfers of Storage Volume. Shipper may transfer, by sale or otherwise, all or a portion of its gas in storage under Rate Schedule CMC-2 to or from another CMC-1, CMC-2, FSS, ISS or NNS Shipper, subject to the following conditions:
- A. To conduct an In-Ground Transfer the following are required:
1. The In-Ground Transfer does not cause Transporter's obligation to provide firm service to increase and the transfer does not

otherwise adversely affect Transporter's operations, which determinations shall be made at Transporter's sole discretion;

2. Both the transferee and transferor of the stored volume provide Transporter with verification of the transfer in writing on a Business Day at least four (4) hours prior to the Evening Nomination Cycle for the Date of Transfer;
  3. The In-Ground Transfer does not cause either Shipper's storage inventory balance to go below zero (0) or above MSV as specified in the applicable Service Agreement(s); and
  4. Transfers shall be effective as of the start of the Date of Transfer, assuming receipt of the verification required in Section 6.2A.2, above. Transporter shall recognize the transfer for purposes of computing available stored volume on and after the Date of Transfer.
  5. Shippers will not be allowed to avoid overrun charges or any penalties via an In-Ground Transfer, unless otherwise agreed to in writing by Transporter.
  6. The party receiving the In-Ground Transfer agrees to pay any applicable charges at the time of the transfer for which the party delivering the transfer has not previously paid.
- B. In addition to the conditions set forth above, In-Ground Transfers from FSS or NNS service to CMC-2 service shall be allowed only if the In-Ground Transfer from NNS or FSS to CMC-2 is not used to satisfy any cycling requirements applicable under NNS or FSS service unless otherwise agreed to in writing.
- C. Upon expiration of the CMC-2 Agreement, any gas remaining in storage will be treated and billed as if it were a PALS Agreement. Any gas remaining in inventory sixty (60) days after expiration of the CMC-2 Agreement will be confiscated by Transporter.

### 6.3 Intra-day Nominations

In addition to the intra-day nominations under Section 3 of the General Terms and Conditions of this Tariff, Shipper may make two out-of-cycle (OOC) intra-day nominations per day to be effective on a prospective basis on any hour of the Gas Day if such intra-day nomination is submitted at least

2 hours prior to the time the OOC intra-day nomination is to become effective. Shipper must confirm service availability with Transporter's Gas Control prior to submitting the OOC nomination by both telephone and email. The total nominations for any hour of the Gas Day shall not exceed 1/24 of Shipper's MDRQ or MDDQ, unless otherwise authorized by Transporter. Shipper's OOC intra-day nomination shall be implemented upon confirmation by the operators of the Points of Receipt and Delivery and if Transporter's system operating conditions will allow such OOC intra-day nomination, except that such an OOC intra-day nomination will not be implemented to the extent it would result in a change to any other Shipper's scheduled and flowing quantities for that Gas Day. Quantities shall be deemed to be flowing if the operator at the Point of Receipt and Point of Delivery has confirmed Shipper's nomination.

Shipper must nominate separately any injection or withdrawal intra-day nominations for both OOC and NAESB cycle intra-day nominations.

- 6.4 Shipper may not effectuate transfers to or from volumes stored under this Rate Schedule CMC-2 that resolve transportation imbalances existing under FT, IT or NNS (including SCS rate convention customers) Agreements.
- 6.5 In the event of Capacity Release under this CMC-2 Rate Schedule, in the aggregate or which results in separate storage and transportation components, the releasing Shipper's WQ and IQ shall be reduced by the corresponding amount of MDRQ and MDDQ released, pursuant to Section 3 of this CMC-1 Rate Schedule.

## **7. 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 CMC-2. To the extent that the General Terms and Conditions of this Tariff are inconsistent with the provisions of this Rate Schedule CMC-2, the provisions of this Rate Schedule CMC-2 shall govern.

## **RATE SCHEDULE FSS FIRM STORAGE SERVICE**

### **1. AVAILABILITY**

This Rate Schedule is available for Firm Storage Service (FSS) provided by Tallgrass Interstate Gas Transmission, LLC ("Transporter") for any party ("Shipper"), when:

- a. Shipper has requested to have gas storage service under this Rate Schedule FSS;
- b. Shipper and Transporter have executed a Firm Storage Service Agreement in the form contained in this Rate Schedule; and
- c. Transporter has determined that it will have available sufficient uncommitted capacity to provide the Firm Storage Service requested by Shipper.
- d. Service will be contracted for on a first-come, first-served basis.

### **2. APPLICABILITY AND CHARACTER OF SERVICE**

2.1 Nominated Firm Storage Service will be available through the use of Transporter's storage facility.

- a. This rate schedule shall apply to the firm storage of natural gas on Transporter's system, except as provided in Section 16 of the General Terms and Conditions of this Tariff. Transporter shall receive at the inlet side of Transporter's storage facility, as specified in an executed FSS Agreement between Shipper and Transporter, daily quantities of gas tendered for the account of Shipper up to Shipper's Injection Quantity (IQ), as specified in the Service Agreement. Transporter shall not be obligated to, but may at its option, on any day receive at the inlet side of Transporter's storage facility, a quantity of gas in excess of the applicable Injection Quantity (IQ).
- b. Upon receipt of natural gas for Shipper's account, Transporter shall, after a reduction for the Fuel Reimbursement Quantity, and any other deductions, store the gas for the account of Shipper up to Shipper's Maximum Storage Quantity (MSQ). Transporter shall deliver at the

outlet side of Transporter's storage facility, for the account of Shipper, a quantity of stored gas up to Shipper's Withdrawal Quantity (WQ). Transporter shall not be obligated to, but may at its option, on any day deliver at the outlet side of Transporter's storage facility, a quantity of gas in excess of the WQ.

- c. Transporter shall have the ability to waive the specific provisions of Rate Schedule FSS provided such waiver is non-discriminatory and does not adversely affect service to other shippers.

## 2.2 ADDITIONAL FACILITIES

In no event shall Transporter be obligated to provide Firm Storage Service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities. However, Transporter may expand the system on a non-discriminatory basis whenever such is deemed, in Transporter's reasonable judgment, to be economically, operationally, and technically feasible, subject to the following conditions:

- a. Transporter has received an executed revised service agreement from existing and prospective Shipper(s) requesting such additional facilities or expansion of capacity;
- b. Transporter does not have physical facilities or adequate capacity in the system to accommodate requests for capacity of existing and prospective Shippers accepted by Transporter pursuant to Section 4.1 hereof;
- c. Transporter and Shipper enter into a facilities agreement which is subject to the provisions of Section 5.3a of this Rate Schedule FSS;
- d. The nature, extent and timing of facilities required shall be at the reasonable discretion of Transporter; and
- e. Transporter receives acceptable assurance of financial reliability from any Shipper requesting additional capacity.

- 2.3 Firm Storage Service is only available for injection into and withdrawal from Shipper's FSS account on a nominated basis. Use of FSS requires nominated attendant transportation service to transport gas to and from Shipper's FSS

account. For attendant transportation agreements, the full transportation commodity charge will only be assessed on withdrawals, not injections.

- 2.4 Storage inventories may be traded between FSS, ISS, NNS, CMC-1 or CMC-2 contracts subject to the provisions of Section 3.2 and the MSQ provisions of Section 5.2 of this Rate Schedule FSS. Parties must notify Transporter in writing of their desire to trade, the quantity to be traded and the effective date of any trade. Such trades may be executed on a prospective basis only unless otherwise agreed on a non-discriminatory basis.
- 2.5 Upon expiration of the FSS agreement, any gas remaining in storage will be treated and billed as if it were an ISS agreement. Any gas remaining in inventory sixty (60) days after expiration of the FSS agreement will be confiscated by Transporter. The realized value of any gas confiscated by Transporter pursuant to this Section shall be credited back to Shippers under the provisions of Section 35 of the General Terms and Conditions of this Tariff.

### **3. SERVICE DEFINITIONS**

#### **3.1 FUEL REIMBURSEMENT QUANTITY**

- a. The Fuel Reimbursement Quantity shall be that portion of Shipper's natural gas received by Transporter for storage which shall be retained by Transporter as compensation for the gas used in rendering service to Shipper, including Company-used gas, and lost and unaccounted for gas. This gas shall be retained by Transporter reducing the thermally equivalent volumes available for withdrawal by Shipper. The Fuel Reimbursement Quantity shall be stated as a percentage of the natural gas injected by Transporter at the inlet side of Transporter's storage facility.
- b. Title to Fuel Reimbursement Quantity shall vest in Transporter upon receipt at the inlet side of Transporter's storage facility at no cost and free and clear of all adverse claims.
- c. The Fuel Reimbursement Quantity will be determined pursuant to Section 15 of the General Terms and Conditions of the FERC Gas Tariff.

#### **3.2 MAXIMUM STORAGE QUANTITY**

The Maximum Storage Quantity (MSQ) shall be the maximum quantity of natural gas in Dth which Transporter agrees to store for the account of

Shipper. Such MSQ shall be specified in Dth in the executed Service Agreement.

- a. Any quantities of stored gas in excess of the MSQ shall be subject to the provisions of Sections 5.2e and 5.2f of this Rate Schedule FSS.
- b. Negative storage inventories will not be allowed. If a Shipper's inventory level is negative (less than zero), Transporter shall deem such negative quantities as loaned quantities under Rate Schedule S-PALS and applicable charges shall result.

### 3.3 INJECTION QUANTITY (at the inlet of Transporter's Huntsman Storage Facility)

The Injection Quantity (IQ) means the maximum quantity of natural gas which Transporter agrees to receive from Shipper at the inlet side of Transporter's Huntsman Storage Facility for injection into storage as specified in the executed Service Agreement.

- a. The IQ equals 1/90 of the Shipper's MSQ.
- b. Any injection quantity in excess of the Shipper's IQ will incur overrun charges as defined in Section 5.2e or 5.2f of this Rate Schedule FSS.

### 3.4 WITHDRAWAL QUANTITY (at the outlet side of Transporter's Huntsman Storage Facility)

The Withdrawal Quantity (WQ) means the maximum quantity of natural gas which Transporter agrees to withdraw from its Huntsman Storage Facility on any day, as specified in the executed Service Agreement.

- a. The WQ equals 1/45 of the Shipper's MSQ.
- b. In order for a Shipper's full WQ to be available, an inventory greater than forty percent (40%) of Shipper's MSQ is required. Any withdrawal quantity in excess of the Shipper's WQ will incur overrun charges as defined in Section 5.2e or 5.2f of this Rate Schedule FSS.
- c. If a Shipper's inventory is equal to or less than forty percent (40%) and greater than twenty percent (20%) of its MSQ, its WQ will be reduced by twenty-five percent (25%) and any withdrawal quantity in excess of the reduced WQ will incur overrun charges as defined in Section 5.2e or 5.2f of this Rate Schedule FSS.

- d. If a Shipper's inventory is equal to or less than twenty percent (20%) of its MSQ and greater than zero, its WQ will be reduced by fifty percent (50%) and any withdrawal quantity in excess of the reduced WQ will incur overrun charges as defined in Section 5.2e or 5.2f of this Rate Schedule FSS.
  - e. If a Shipper's inventory is zero, its WQ will be reduced by 100% and any withdrawal quantity in excess of the reduced WQ will incur overrun charges as defined in Section 5.2e or 5.2f of this Rate Schedule FSS.
- 3.5 Notwithstanding the above, IQ or WQ overrun quantities resulting from monthly transportation imbalance trades shall not be subject to IQ or WQ authorized overrun charges.

### 3.6 NOMINATIONS

Nominations under the FSS Rate Schedule will interrupt ISS if necessary in order to secure sufficient capacity to meet the firm service requirements or due to intra-day nominations applicable to Section 3 of the General Terms and Conditions of this Tariff. However, Transporter will make reasonable efforts to notify ISS shippers before interruption.

## **4. REQUIREMENTS FOR VALID REQUEST FOR FIRM STORAGE SERVICE**

### 4.1 FIRM STORAGE SERVICE REQUEST FORM

All Shippers requesting Firm Storage Service must submit a completed Service Request Form as set forth in Volume 1-A of this Tariff. No gas will be scheduled for injection or withdrawal until all information, including a completed Service Request Form and a Firm Storage Service Agreement which has been fully executed by both parties, have been received by Transporter.

All completed Request Forms are to be submitted on Transporter's Interactive Web Site or sent to:

Tallgrass Interstate Gas Transmission, LLC  
Lakewood, CO 80228-8304  
Attn: Marketing  
Telephone: (303)763-2950  
E-mail: TEP@tallgrassenergyllp.com

- 4.2 A request for service must include the following:

a. PREPAYMENT

A payment to Transporter of an amount equal to the sum of the Deliverability and Capacity Reservation Charges applicable to the proposed service for a one month period, or ten thousand dollars (\$10,000), whichever is less, which amount shall be credited to Shipper's initial invoice for this service or refunded to Shipper.

b. CREDIT INFORMATION

- (1) A copy of Shipper's most recent audited financial statements, or at Transporter's option, a bank reference satisfactory to Transporter;
- (2) A copy of Shipper's most recent Annual Report and SEC Form 10-K, if applicable; and
- (3) A completed Credit Application Form; the form of which is contained in this tariff.

4.3 SERVICE AGREEMENT

A Firm Storage Service Agreement shall be executed by Shipper and Transporter following Transporter's acceptance of Shipper's request for service.

**5. RATES**

5.1 RATES

The applicable rates for Firm Storage Service are set forth in Volume 1-A of this FERC Gas Tariff, as revised from time to time. Unless otherwise agreed in writing between Transporter and Shipper under Section 36 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.

5.2 MONTHLY BILL

Commencing for the month in which the FSS Agreement is effective and each month thereafter, Transporter shall charge and Shipper shall pay Transporter the sum of the following amounts:

a. DELIVERABILITY RESERVATION CHARGE

The Deliverability Reservation Charge shall be the product of:

- (1) the Maximum Deliverability Reservation rate, unless otherwise agreed to in writing; and
- (2) the Withdrawal Quantity (WQ) specified in Shipper's FSS Agreement.

b. CAPACITY RESERVATION CHARGE

The Capacity Reservation Charge shall be the product of:

- (1) The Maximum Capacity Reservation Rate, unless otherwise agreed to in writing; and
- (2) The Maximum Storage Quantity (MSQ) specified in Shipper's FSS Agreement.

c. COMMODITY INJECTION CHARGE

The applicable commodity injection charge multiplied by the volume in Dth of gas injected by Transporter during the month.

d. COMMODITY WITHDRAWAL CHARGE

The applicable commodity withdrawal charge multiplied by the volume in Dth of gas withdrawn by Transporter during the month.

e. AUTHORIZED OVERRUN CHARGE (for WQ, IQ and MSQ)

If, on any day, Shipper exceeds its applicable WQ or IQ, as defined under this Rate Schedule FSS, such quantities shall be subject to an overrun charge equal to the Interruptible Storage Service (ISS) rate as shown on the applicable rate section of this Tariff multiplied by the overrun quantity, unless otherwise agreed to in writing by Transporter. If on any day, Shipper exceeds its applicable MSQ as defined under this Rate Schedule FSS, such quantities shall be subject to an overrun charge equal to the Interruptible Storage Service (ISS) rate as shown on the applicable rate section of this Tariff, multiplied by the daily average overrun quantity during the month, unless otherwise agreed to by Transporter.

f. UNAUTHORIZED OVERRUN CHARGE

In addition to the authorized overrun charge, an unauthorized overrun charge shall be paid by Shipper for exceeding the daily quantity of gas established as the Shipper's WQ, IQ or MSQ as contained in the Shipper's FSS Agreement. Quantities of unauthorized overrun gas in excess of the greater of five percent (5%) or 50 Dth over the stated allowable maximum quantities, following a notice period of forty-eight (48) hours or such shorter period as deemed necessary by Transporter to protect its system integrity, will be subject to the unauthorized overrun charge, equal to the quantity in excess of the tolerance multiplied by the FSS rate for unauthorized overruns set forth on the applicable rate section of this Tariff.

g. Notwithstanding the charges provided herein, Transporter has the right to reduce receipts or deliveries in excess of the Shipper's maximum quantities as stated in its Firm Storage Service Agreement at any time, in its reasonable discretion, as necessary to protect the integrity of its system, including maintenance of service to other shippers.

h. During periods when Directional Notices or Critical Time Operational Flow Orders are in effect, any overruns shall be subject to the provisions of Section 29 of the General Terms and Conditions of this Tariff.

i. The Unauthorized Overrun Penalties shall be refunded pursuant to Section 35 of the General Terms and Conditions of this Tariff.

5.3 Shipper shall reimburse Transporter for:

a. ADDITIONAL FACILITY CHARGE

When Transporter in its reasonable discretion agrees to add new facilities or expand existing facilities, including compression, in order to provide storage service, Transporter will require:

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

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

b. **FILING FEES**

Any and all filing and approval fees required in connection with Shipper's Service Agreement that Transporter is obligated to pay to the FERC or any other governmental authority having jurisdiction shall be reimbursed by Shipper to Transporter. Any filing and approval fees paid by Shippers will not be included in Transporter's cost of service.

Any reimbursement due Transporter by Shipper pursuant to this Section 5.3 shall be due and payable to Transporter within ten (10) days of the date of Transporter's invoice(s) for same.

**6. GENERAL TERMS AND CONDITIONS**

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

## **RATE SCHEDULE ISS**

### **INTERRUPTIBLE STORAGE SERVICE**

#### **1. AVAILABILITY**

This Rate Schedule is available for Interruptible Storage Service provided by Tallgrass Interstate Gas Transmission, LLC ("Transporter") for any party ("Shipper"), when:

- a. Shipper has elected to have gas stored under this Rate Schedule ISS; and
- b. Shipper and Transporter have executed an Interruptible Storage Service Agreement in the form contained in this Rate Schedule.
- c. Service will be contracted for on a first-come, first-served basis.

#### **2. APPLICABILITY AND CHARACTER OF SERVICE**

2.1 This rate schedule shall apply to Interruptible Storage Service on Transporter's system, except as provided in Section 16 of the General Terms and Conditions of this Tariff. Such interruptible service shall be provided to Shipper only to the extent capacity is available after operational needs and after Transporter has provided service to shippers with a higher priority.

##### **2.2 ADDITIONAL FACILITIES**

In no event shall Transporter be obligated to provide any storage service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities. However, Transporter may add facilities and/or expand the system on a non-discriminatory basis whenever such is deemed, in Transporter's reasonable judgment, to be economically, operationally, and technically feasible, subject to the following conditions:

- a. Transporter has received an executed revised Service Agreement from existing and prospective Shipper(s) requesting such additional facilities;
- b. Transporter does not have physical facilities to accommodate requests for service of existing and prospective Shippers accepted by Transporter pursuant to Section 4.1 hereof;

- c. Transporter and Shipper enter into a facilities agreement which is subject to the provisions of Section 5.3a of this Rate Schedule ISS;
  - d. The nature, extent and timing of facilities required shall be at the reasonable discretion of Transporter; and
  - e. Transporter receives acceptable assurance of financial reliability from any Shipper requesting additional capacity.
- 2.3 Interruptible Storage Service (ISS) is only available for injection into and withdrawal from Shipper's ISS account on an interruptible basis. Use of ISS requires attendant nominated transportation service to transport gas to and from Shipper's ISS account. For attendant transportation agreements, the full transportation commodity charge will only be assessed on withdrawals, not injections. Injections and withdrawals for ISS will be allowed to the extent capacity is available.
- 2.4 Storage inventories may be traded between FSS, ISS, NNS, CMC-1 or CMC-2 contracts subject to the provisions of this Rate Schedule ISS. Parties must notify Transporter in writing of their desire to trade, the quantity to be traded and the effective date of any trade. Such trades may be executed on a prospective basis only unless otherwise agreed on a non-discriminatory basis.
- 2.5 Any gas remaining in inventory sixty (60) days after expiration of the ISS Agreement will be confiscated by Transporter. The realized value of any gas confiscated by Transporter pursuant to this Section shall be credited back to Shippers under the provisions of Section 35 of the General Terms and Conditions of this Tariff.
- 2.6 Transporter shall have the ability to waive the specific provisions of Rate Schedule ISS provided such waiver is non-discriminatory and does not adversely affect service to other Shippers.

### **3. SERVICE DEFINITIONS**

#### **3.1 FUEL REIMBURSEMENT QUANTITY**

- a. The Fuel Reimbursement Quantity shall be that portion of Shipper's natural gas received by Transporter for storage which shall be retained by Transporter as compensation for the gas used in rendering service to Shipper, including Company-used gas, and lost and unaccounted for gas. This gas shall be retained by Transporter reducing the thermally equivalent volumes available for withdrawal by Shipper. The Fuel

Reimbursement Quantity shall be stated as a percentage of the natural gas injected by Transporter at the inlet side of Transporter's storage facility.

- b. Title to Fuel Reimbursement Quantity shall vest in Transporter upon receipt at the inlet side of Transporter's storage facility at no cost and free and clear of all adverse claims.
- c. The Fuel Reimbursement Quantity will be determined pursuant to Section 15 of the General Terms and Conditions of the FERC Gas Tariff.

### 3.2 MAXIMUM STORAGE QUANTITY

- a. The Maximum Storage Quantity (MSQ) shall be the maximum quantity of natural gas in Dth which Transporter agrees to store on any day for the account of Shipper should capacity be available. Such volumes shall be specified in the executed Service Agreement.
- b. Negative storage inventories will not be allowed. If a Shipper's storage inventory level is negative (less than zero), Transporter shall deem such negative quantities to be loaned quantities under Rate Schedule S-PALS and applicable charges shall result.

## **4. REQUIREMENTS FOR VALID REQUEST FOR INTERRUPTIBLE STORAGE SERVICE**

### 4.1 INTERRUPTIBLE STORAGE SERVICE REQUEST FORM

All Shippers requesting Interruptible Storage Service must submit a completed Service Request Form as set forth in Volume 1-A of this Tariff. No gas will be scheduled for injection or withdrawal until all information, including a completed Service Request Form and an Interruptible Storage Service Agreement which has been fully executed by both parties, have been received by Transporter.

All completed Request Forms are to be submitted on Transporter's Interactive Web Site or sent to:

Tallgrass Interstate Gas Transmission, LLC

Lakewood, CO 80228-8304  
Attention: Marketing

Telephone: (303)763-2950  
E-mail: TEP@tallgrassenergyllp.com

4.2 A request for service must include the following:

a. CREDIT INFORMATION

- (1) A copy of Shipper's most recent audited financial statements or, at Transporter's option, a bank reference satisfactory to Transporter;
- (2) A copy of Shipper's most recent Annual Report and SEC Form 10-K, if applicable; and
- (3) A completed Credit Application Form, the form of which is contained in this tariff.

4.3 SERVICE AGREEMENT

An Interruptible Storage Service Agreement shall be executed by Shipper and Transporter following Transporter's acceptance of Shipper's request for service.

**5. RATES**

5.1 RATES

The applicable maximum and minimum rates for Interruptible Storage Service are set forth in Volume 1-A of this FERC Gas Tariff, as revised from time to time. Unless otherwise agreed in writing between Transporter and Shipper under Section 36 of the General Terms and Conditions, the applicable rate shall not be in excess of the maximum rate nor less than the minimum rate.

5.2 MONTHLY BILL

Commencing for the month in which the ISS Agreement is effective and each month thereafter, Transporter shall charge and Shipper shall pay Transporter a commodity charge derived from multiplying the applicable ISS rate by Shipper's daily average storage inventory in Dth during the month.

5.3 Shipper shall reimburse Transporter for:

a. ADDITIONAL FACILITY CHARGE

When Transporter in its reasonable discretion agrees to add new facilities or expand existing facilities, including compression, in order to provide Interruptible Storage Service, Transporter will require:

- (1) A contribution-in-aid of construction associated with such facilities, including a gross-up for applicable state and federal income tax expense; and/or
- (2) A reimbursement schedule setting the terms, the rate, and the conditions for reimbursement of the additional facility charge, including an obligation to reimburse Transporter, upon demand, for any unamortized capital charges, under an agreed upon amortization schedule, which may remain if service by Transporter to Shipper under this rate schedule is terminated prior to the end of said amortization period.

b. **FILING FEES**

Any and all filings and approval fees required in connection with Shipper's Service Agreement that Transporter is obligated to pay to the FERC or any other governmental authority having jurisdiction shall be reimbursed by Shipper to Transporter. Any filing and approval fees paid by Shippers will not be included in Transporter's cost of service.

- c. Any reimbursement due Transporter by Shipper pursuant to this Section 5.3 shall be due and payable to Transporter within ten (10) days of the date of Transporter's invoice(s) for same.

**6. GENERAL TERMS AND CONDITIONS**

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

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