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**FERC GAS TARIFF**

**TALLGRASS INTERSTATE GAS  
TRANSMISSION, LLC**

Fifth Revised Volume No. 1  
(SUPERSEDING Fourth Revised Volume Nos. 1-A and 1-B)

Filed with the  
FEDERAL ENERGY REGULATORY COMMISSION

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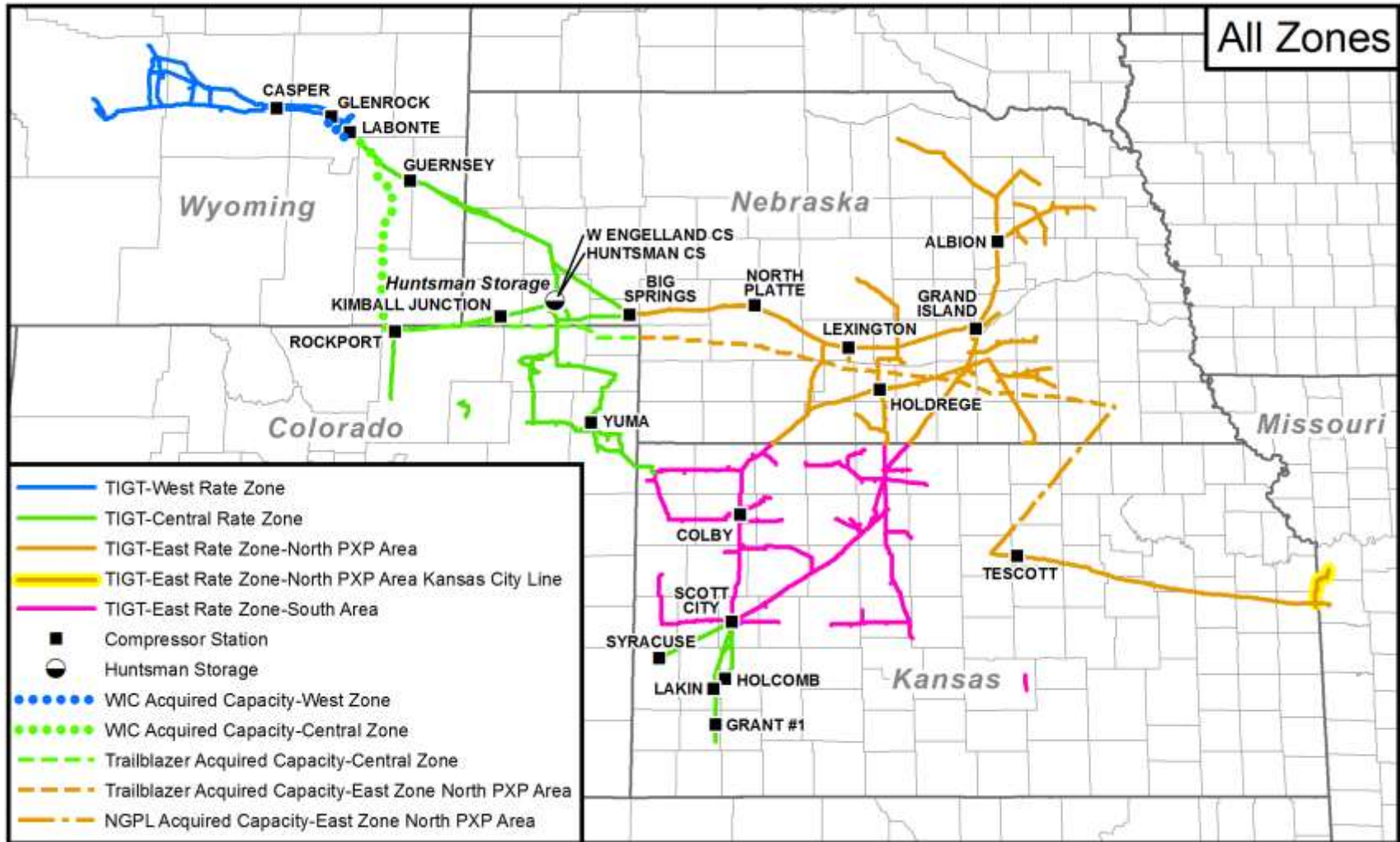
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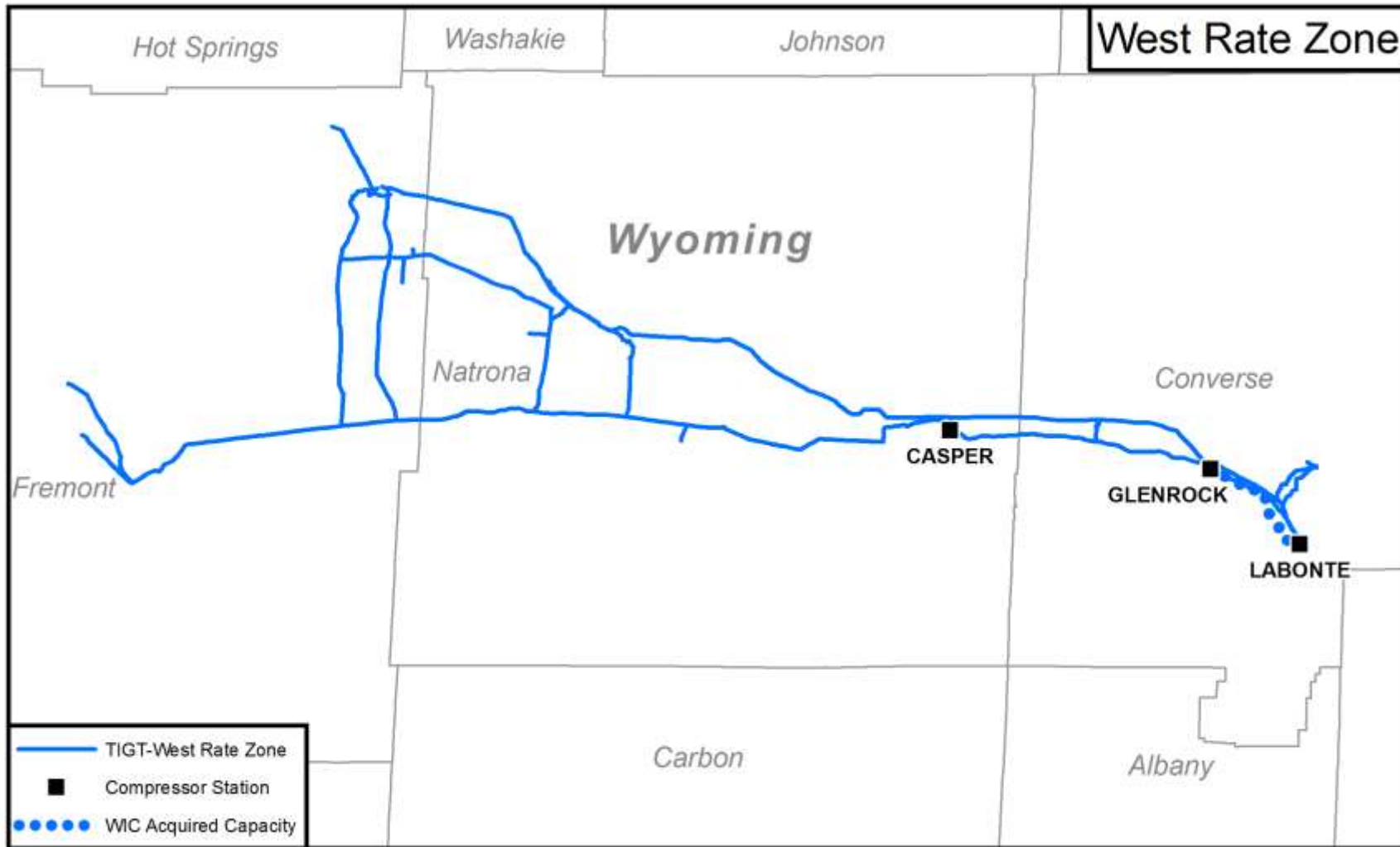
## **PRELIMINARY STATEMENT**

Tallgrass Interstate Gas Transmission, LLC (TIGT) is a "natural gas company" under the definition of Section 2(6) of the Natural Gas Act and is subject to the jurisdiction of the Commission. TIGT's operations include the exchange, transportation and storage of natural gas. TIGT operates in the States of Colorado, Kansas, Nebraska, Missouri and Wyoming, performing one or more of these functions.

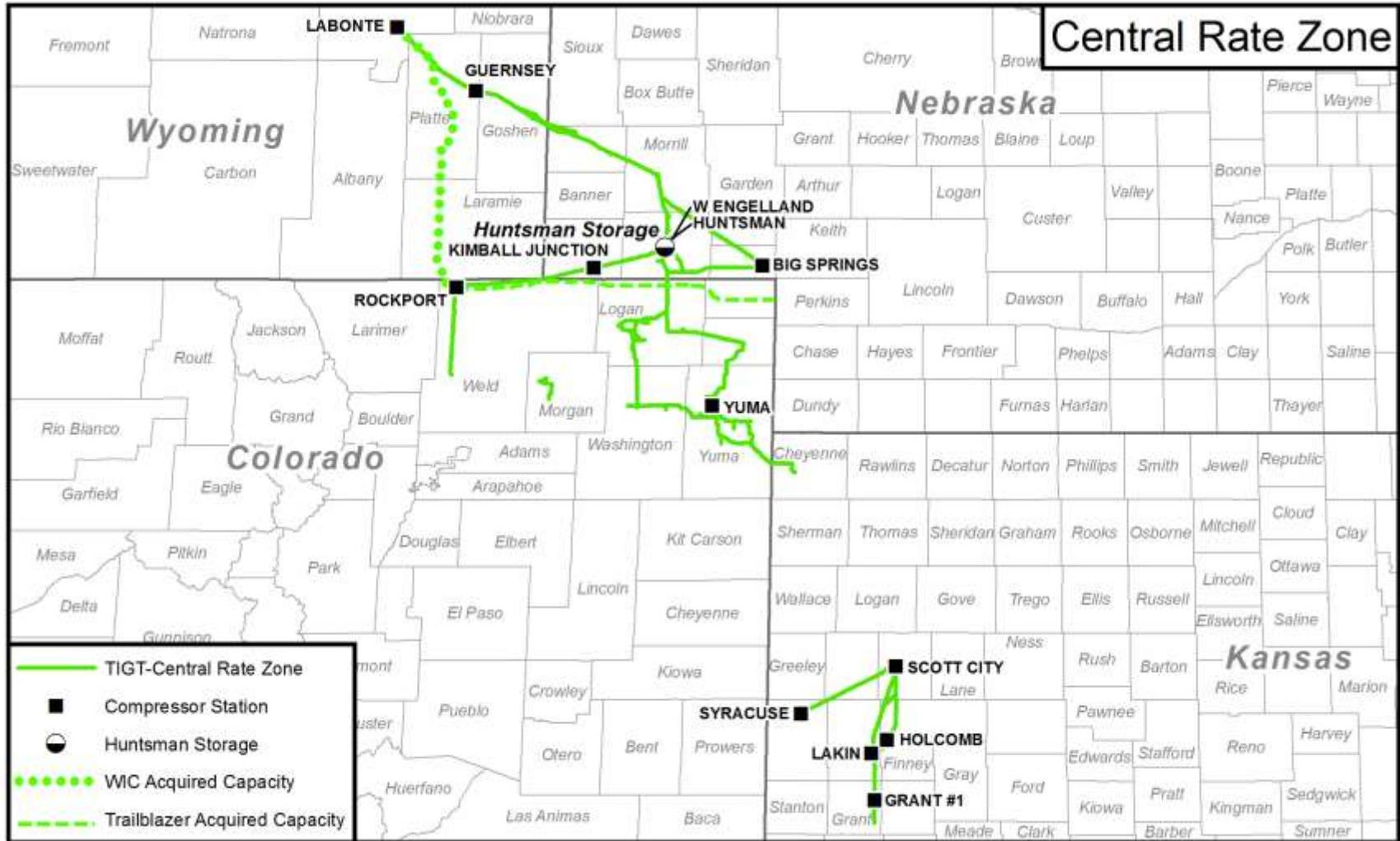
## TIGT SYSTEM MAPS



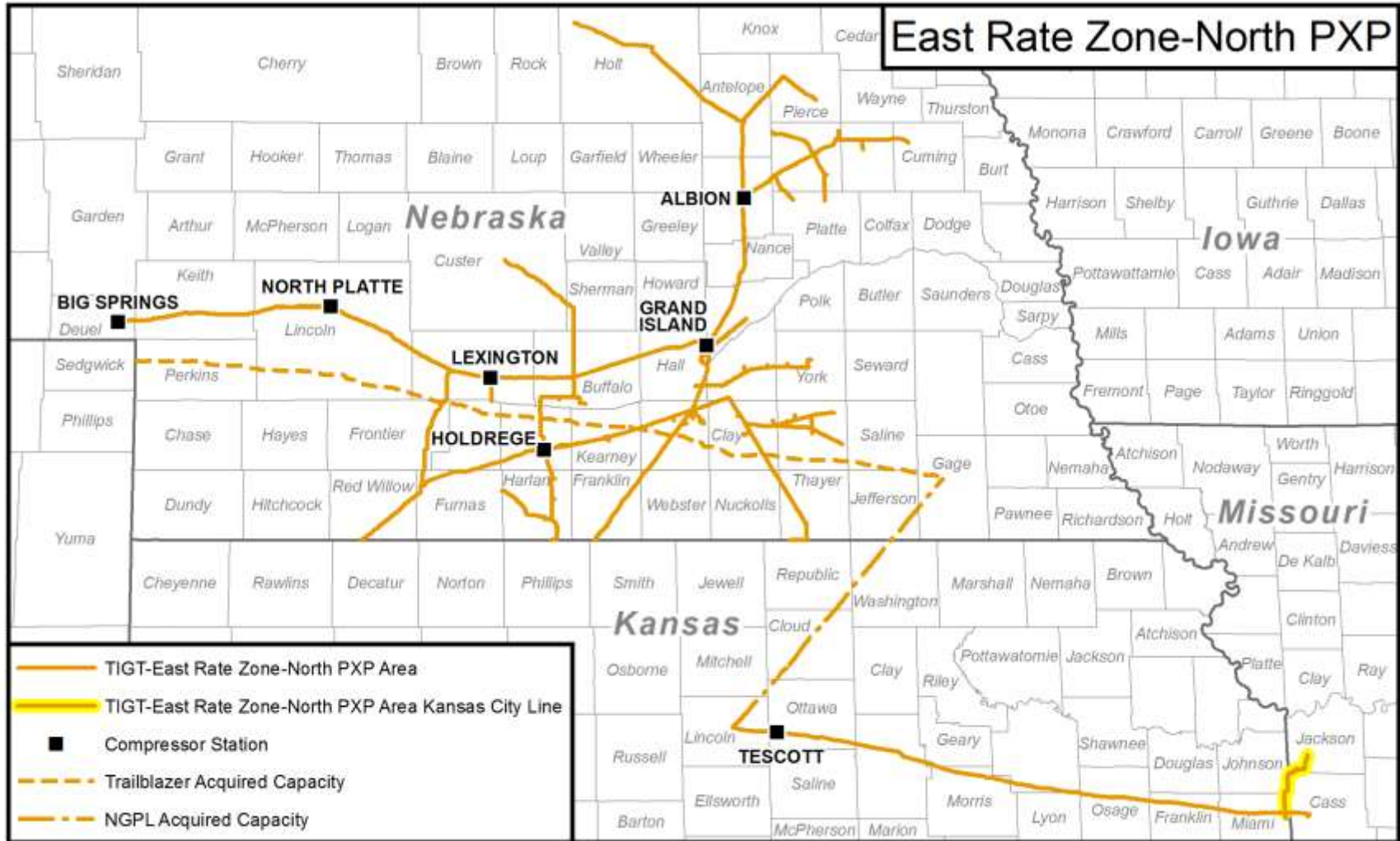
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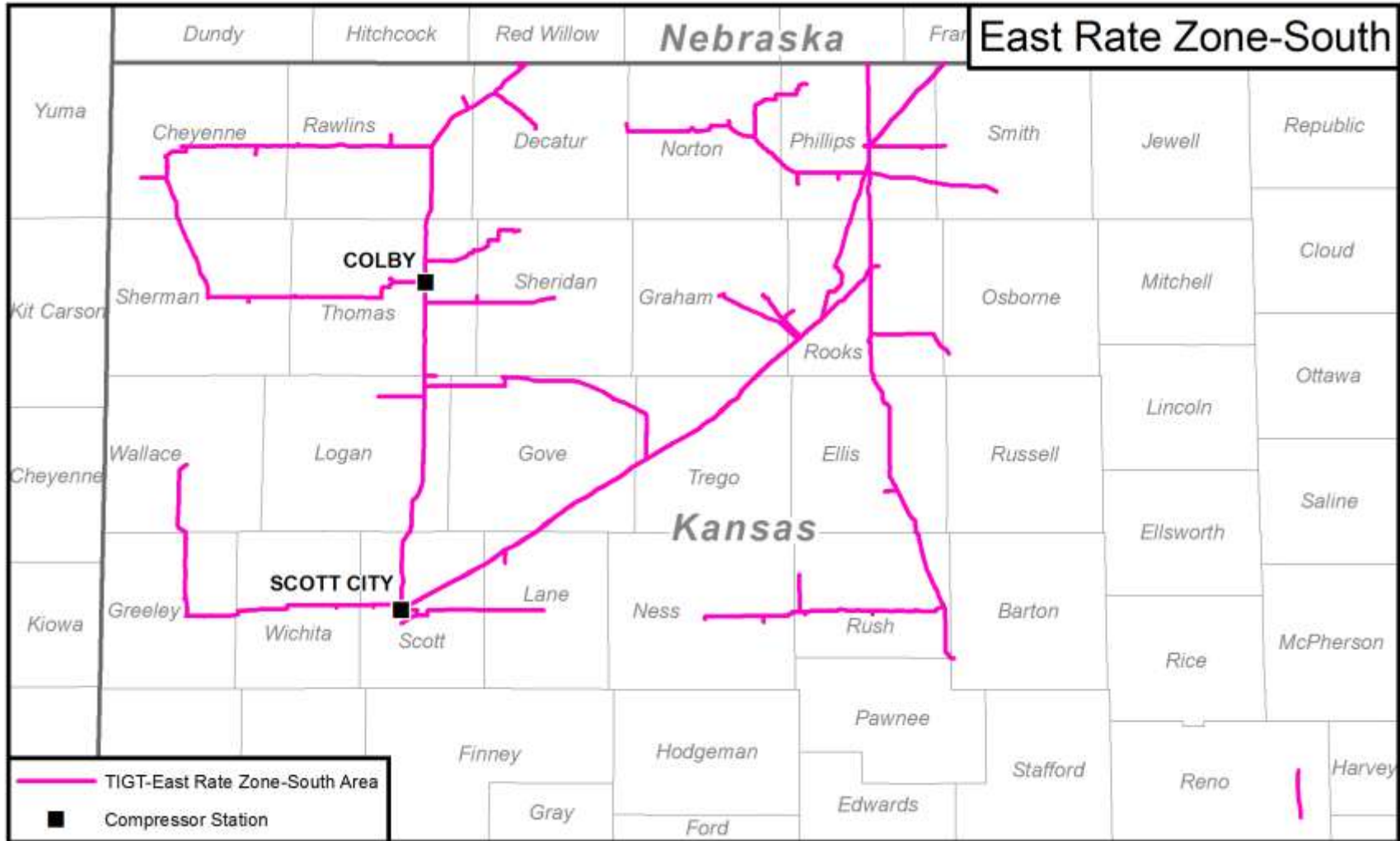
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- ◆ No-Notice Service (NNS)
- ◆ Small Customer Service (SCS)
- ◆ Park and Loan Service (PALS)
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- ◆ Cheyenne Market Center (CMC-1 and CMC-2)
- ◆ Firm Storage Service (FSS)
- ◆ Interruptible Storage Service (ISS)
- ◆ ACA & Other
- ◆ Fuel and Loss Reimbursement

**Firm Transportation (FT) <sup>2/</sup>**

Delivery Point	Receipt Point	Maximum Reservation Rate <sup>1/</sup>	Maximum Commodity Rate <sup>1/</sup>	Minimum Commodity Rate <sup>1/</sup>	Authorized Overrun Charges <sup>5/</sup>	
					Maximum Commodity Rate	Minimum Commodity Rate
West	West	\$ 6.6864	\$0.0204	\$0.0204	\$0.2402	\$0.0204
	Central	\$12.1388	\$0.0204	\$0.0204	\$0.4195	\$0.0204
	East S	\$15.3932	\$0.0204	\$0.0204	\$0.5265	\$0.0204
	East					
	N/Px	\$17.3397	\$0.0204	\$0.0204	\$0.5905	\$0.0204
Central	West	\$12.1388	\$0.0204	\$0.0204	\$0.4195	\$0.0204
	Central	\$ 6.9030	\$0.0204	\$0.0204	\$0.2473	\$0.0204
	East S	\$10.1574	\$0.0204	\$0.0204	\$0.3543	\$0.0204
	East					
	N/Px	\$12.1039	\$0.0204	\$0.0204	\$0.4183	\$0.0204
East S	West	\$15.3932	\$0.0204	\$0.0204	\$0.5265	\$0.0204
	Central	\$10.1574	\$0.0204	\$0.0204	\$0.3543	\$0.0204
	East S	\$ 4.7050	\$0.0204	\$0.0204	\$0.1751	\$0.0204
	East					
	N/Px	\$6.6515	\$0.0204	\$0.0204	\$0.2391	\$0.0204
East N/Px	West	\$17.3397	\$0.0204	\$0.0204	\$0.5905	\$0.0204
	Central	\$12.1039	\$0.0204	\$0.0204	\$0.4183	\$0.0204
	East S	\$ 6.6515	\$0.0204	\$0.0204	\$0.2391	\$0.0204
	East					
	N/Px	\$ 6.6515	\$0.0204	\$0.0204	\$0.2391	\$0.0204
<b>Incremental Charges</b>						
Kansas City Line						
	(FT) <sup>3/</sup>	\$ 3.5003	\$0.0000	\$0.0000	\$0.1151	\$0.0000
Colorado Lateral						
	(FT) <sup>4/</sup>	\$ 8.0738	\$0.0000	\$0.0000	\$0.2654	\$0.0000
<b>Unauthorized Overrun Charges</b>						
All Del Pts	All Rec Pts	--	\$6.00	--		

\*\*\*\*\*

- 1/ Reservation Rates are \$/Dth.
  
- 2/ The firm transportation rates reflected herein are based from the receipt to the delivery points located within each rate zone (i.e. West, Central, East-South, and East-North PXP Rate Zones) reflected geographically on the system maps contained in this Tariff. Transporter will post on its Interactive Website all of the currently effective receipt and delivery points available for nomination on its interstate pipeline system and acquired capacity from third parties.
  
- 3/ Incremental Charge in addition to above stated zone rates. Charge is applicable to deliveries into Kansas City Metropolitan area.
  
- 4/ Incremental Charge in addition to above stated zone rates. Charge is applicable to deliveries off of the Colorado Lateral facilities authorized at Docket No. CP07-430-000. A Lost and Unaccounted-for retention factor of 0.10% will also apply to volumes delivered off of the Colorado Lateral. Gas received at the Cheyenne Hub to be delivered off of the Colorado Lateral will not incur the transportation zone rates.
  
- 5/ Equal to Interruptible Transportation maximum commodity rate by path as stated on Rate Schedule IT.

## Interruptible Transportation (IT) <sup>2/</sup>

Delivery Point	Receipt Point	Maximum Reservation Rate <sup>1/</sup>	Maximum Commodity Rate <sup>1/</sup>	Minimum Commodity Rate <sup>1/</sup>
West	West	--	\$0.2402	\$0.0204
	Central	--	\$0.4195	\$0.0204
	East S	--	\$0.5265	\$0.0204
	East N/Px	--	\$0.5905	\$0.0204
Central	West	--	\$0.4195	\$0.0204
	Central	--	\$0.2473	\$0.0204
	East S	--	\$0.3543	\$0.0204
	East N/Px	--	\$0.4183	\$0.0204
East S	West	--	\$0.5265	\$0.0204
	Central	--	\$0.3543	\$0.0204
	East S	--	\$0.1751	\$0.0204
	East N/Px	--	\$0.2391	\$0.0204
East N/Px	West	--	\$0.5905	\$0.0204
	Central	--	\$0.4183	\$0.0204
	East S	--	\$0.2391	\$0.0204
	East N/Px	--	\$0.2391	\$0.0204
<b>Incremental Charges</b>				
Kansas City Line (IT) <sup>3/</sup>		--	\$ 0.1151	\$ 0.0000
Colorado Lateral (IT) <sup>4/</sup>		--	\$ 0.2654	\$ 0.0000

\*\*\*\*\*

<sup>1/</sup> Reservation Rates are \$/Dth.

<sup>2/</sup> The interruptible transportation rates reflected herein are based from the receipt to the delivery points located within each rate zone (i.e. West, Central, East-South, and East-North PXP Rate Zones) reflected geographically on the system maps contained in this Tariff. Transporter will post on its Interactive Website all of the currently effective receipt and delivery points available for nomination on its interstate pipeline system and acquired capacity from third parties.

<sup>3/</sup> Incremental Charge in addition to above stated zone rates. Charge is applicable to deliveries into Kansas City Metropolitan area.

- 4/ Incremental Charge is in addition to above stated zone rates. Charge is applicable to deliveries off of the Colorado Lateral facilities authorized at Docket No. CP07-430-000. A Lost and Unaccounted-for retention factor of 0.10% will also apply to volumes delivered off of the Colorado Lateral. Gas received at the Cheyenne Hub to be delivered off of the Colorado Lateral will not incur the transportation zone rates.

## No-Notice Service (NNS)

Delivery Point 2/	Receipt Point	Maximum Reservation Rate 1/	Maximum Commodity Rate 1/	Minimum Commodity Rate 1/	Authorized Overrun	
					Maximum Commodity Rate 1/	Minimum Commodity Rate 1/
West	Central	\$16.2376	--	--	\$0.5711	\$.0373
Central		\$11.0018	--	--	\$0.3990	\$.0373
East S		\$14.2562	--	--	\$0.5059	\$.0373
East N/Px		\$16.2027	--	--	\$0.5699	\$.0373
<b>Unauthorized Overrun</b>						
All Del Pts	All Rec Pts	--	\$ 6.00	--		

	Maximum Reservation Rate 1/	Maximum Commodity Rate 1/	Minimum Commodity Rate 1/
Commodity Injection Rate	--	\$0.0169	\$0.0169
Commodity Withdrawal Rate	--	\$0.0373	\$0.0373

\*\*\*\*\*

- 1/ Reservation Rates are \$/Dth per Month. Commodity Charges are \$/Dth.
- 2/ The no-notice transportation rates reflected herein are based from the receipt to the delivery points located within each rate zone (i.e. West, Central, East-South, and East-North PXP Rate Zones) reflected geographically on the system maps contained in this Tariff. Transporter will post on its Interactive Website all of the currently effective receipt and delivery points available for nomination on its interstate pipeline system and acquired capacity from third parties.

## Small Customer Service (SCS)

Delivery Point <u>2/</u>	Receipt Point	Maximum Reservation Rate <u>1/</u>	Maximum Commodity Rate <u>1/</u>	Minimum Commodity Rate <u>1/</u>
West	Central	\$8.1188	--	--
Central		\$5.5009	--	--
East S		\$7.9334	--	--

	Maximum Reservation Rate <u>1/</u>	Maximum Commodity Rate <u>1/</u>	Minimum Commodity Rate <u>1/</u>
Commodity Injection Rate	--	\$0.0169	\$0.0169
Commodity Withdrawal Rate	--	\$0.0373	\$0.0373

\*\*\*\*\*

- 1/ Reservation Rates are \$/Dth per Month. Commodity Charges are \$/Dth.
- 2/ The small customer transportation rates reflected herein are based from the receipt to the delivery points located within each rate zone (i.e. West, Central, and East-South Rate Zones) reflected geographically on the system maps contained in this Tariff. Transporter will post on its Interactive Website all of the currently effective receipt and delivery points available for nomination on its interstate pipeline system and acquired capacity from third parties.

## Park and Loan Service (PALS)

	<b>Delivery Point</b>	<b>Receipt Point</b>	<b>Maximum Reservation Rate <u>1/</u></b>	<b>Maximum Commodity Rate <u>1/</u></b>	<b>Minimum Commodity Rate <u>1/</u></b>	<b>Authorized Overrun <u>2/</u></b>	
						<b>Maximum Commodity Rate <u>1/</u></b>	<b>Minimum Commodity Rate <u>1/</u></b>
Initial Rate	All	All	----	\$0.5289	\$0.0000	\$0.5289	\$0.0000
Park/Loan Balance Rate	All	All	----	\$0.2645	\$0.0000	\$0.5289	\$0.0000
Completion Rate	All	All	----	\$0.5289	\$0.0000	\$0.5289	\$0.0000

\*\*\*\*\*

1/ Reservation Rates are \$/Dth.

2/ The Unauthorized Overrun Charge is set out in Section 6.2 of the PALS Rate Schedule.

## Storage Park and Loan Service (S-PALS)

	Delivery Point	Receipt Point	Maximum Reservation Rate <u>1/</u>	Maximum Commodity Rate <u>1/</u>	Minimum Commodity Rate <u>1/</u>	Authorized Overrun <u>2/</u>	
						Maximum Commodity Rate <u>1/</u>	Minimum Commodity Rate <u>1/</u>
Initial Rate	All	All	----	\$0.6537	\$0.0338	\$0.6537	\$0.0338
Park/Loan Balance Rate	All	All	----	\$0.3269	\$0.0000	\$0.6537	\$0.0000
Completion Rate	All	All	----	\$0.6537	\$0.0000	\$0.6537	\$0.0000

\*\*\*\*\*

- 1/ Reservation Rates are \$/Dth. Commodity Charges are \$/Dth.
- 2/ The Unauthorized Overrun Charge is set out in Section 6.2 of the S-PALS Rate Schedule.

## CMC-1 and CMC-2 (Cheyenne Market Center)

	Maximum Reservation Rate <u>1/</u>	Maximum Commodity Rate <u>2/</u>	Minimum Commodity Rate <u>2/</u>
<b>CMC-1 <u>4/</u></b>			
Transportation	\$0.3342	\$0.0094	\$0.0094
Storage Deliverability	\$0.2593	-	-
Storage Capacity	\$0.2593	-	-
Storage Injection	-	\$0.0049	\$0.0049
Storage Withdrawal	-	\$0.0049	\$0.0049
Authorized Overrun Rate <u>3/</u>	-	\$0.6537	\$0.0338
<b>CMC-2 <u>4/</u></b>			
Transportation	\$0.3501	\$0.0094	\$0.0094
Storage Deliverability	\$0.2740	-	-
Storage Capacity	\$0.2740	-	-
Storage Injection	-	\$0.0049	\$0.0049
Storage Withdrawal	-	\$0.0049	\$0.0049
Authorized Overrun Rate <u>3/</u>	-	\$0.6537	\$0.0338
<b>CMC-2 (Huntsman 2009 Expansion Project) <u>4/</u></b>			
Transportation	\$0.1984	\$0.0094	\$0.0094
Storage Deliverability	\$1.0558	-	-
Storage Capacity	\$1.0558	-	-
Storage Injection		\$0.0049	\$0.0049
Storage Withdrawal		\$0.0049	\$0.0049
Authorized Overrun Rate <u>3/</u>		\$2.3243	\$0.0143

**Unauthorized Overrun Charge** of \$6.00 per Dth shall apply in addition to the above stated charges.

## Tallgrass Interstate Gas Transmission, LLC

FERC Gas Tariff  
Fifth Revised Volume No. 1

Currently Effective Rates - CMC  
Section Version: 1.0.0

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\*\*\*\*\*

- 1/ Reservation Rates are stated per Dth of Maximum Storage Volume (MSV).
- 2/ Commodity, Injection, Withdrawal and Authorized Overrun Rates are \$/dth.
- 3/ For capacity release of CMC-1 or CMC-2 service resulting in separate storage and transportation service components, the Authorized Overrun rate for the transmission component shall be \$0.5289, and the Authorized Overrun rate for the storage component shall be \$0.1248.
- 4/ Rates may be negotiated pursuant to Section 36 of the General Terms and Conditions of this Tariff.

## Firm Storage Service (FSS)

	<b>Delivery Point 2/</b>	<b>Receipt Point</b>	<b>Maximum Reservation Rate 1/</b>	<b>Maximum Commodity Rate 1/</b>	<b>Minimum Commodity Rate 1/</b>
Deliverability	ALL	ALL	\$2.0494		
Capacity	ALL	ALL	\$0.0455		
Injection Rate	ALL	ALL		\$0.0169	\$0.0169
Withdrawal Rate	ALL	ALL		\$0.0169	\$0.0169

### Unauthorized Overrun

<b>Delivery Point 2/</b>	<b>Receipt Point</b>	<b>Maximum Reservation Rate 1/</b>	<b>Maximum Commodity Rate 1/</b>	<b>Minimum Commodity Rate 1/</b>
All	All	--	\$ 6.00	--

\*\*\*\*\*

- 1/ Reservation Rates are \$/Dth per Month. Commodity Charges are \$/Dth.
- 2/ The firm storage transportation rates reflected herein are based from the receipt to the delivery points located within each rate zone (i.e. West, Central, East-South, and East-North PXP Rate Zones) reflected geographically on the system maps contained in this Tariff. Transporter will post on its Interactive Website all of the currently effective receipt and delivery points available for nomination on its interstate pipeline system and acquired capacity from third parties.

## Interruptible Storage Service (ISS)

	Delivery Point <u>2/</u> ,	Receipt Point	Maximum Reservation Rate <u>1/</u>	Maximum Commodity Rate <u>1/</u>	Minimum Commodity Rate <u>1/</u>
	ALL	ALL	---	\$0.1248	\$0.0338

\*\*\*\*\*

- 1/ Reservation Rates are \$/Dth per Month. Commodity Charges are \$/Dth.
  
- 2/ The interruptible storage transportation rates reflected herein are based from the receipt to the delivery points located within each rate zone (i.e. West, Central, East-South, and East-North PXP Rate Zones) reflected geographically on the system maps contained in this Tariff. Transporter will post on its Interactive Website all of the currently effective receipt and delivery points available for nomination on its interstate pipeline system and acquired capacity from third parties.

**ACA / <sup>1</sup>**

	<b>Delivery Point</b>	<b>Receipt Point</b>	<b>Maximum Reservation Rate</b>	<b>Maximum Commodity Rate</b>	<b>Minimum Commodity Rate</b>
	All	All	--	<u>2/</u>	<u>2/</u>

\*\*\*\*\*

1/ Additional charges applied to Rate Schedules FT, IT, NNS, CMC-1 and CMC-2 as required.

2/ Per Section 21 of General Terms and Conditions of this Tariff, Transporter incorporates by reference the ACA unit charge, as published on the FERC’s website located at <http://www.ferc.gov>, as the rate to be charged hereunder.

**Other**

	<b>Delivery Point</b>	<b>Receipt Point</b>	<b>Maximum Reservation Rate</b>	<b>Maximum Commodity Rate</b>	<b>Minimum Commodity Rate</b>
Processing Service	All	All	Negotiated	Negotiated	Negotiated
Sales Service	All	All	Negotiated	Negotiated	Negotiated

## Fuel and Loss Reimbursement

Service	%
<b>Transportation</b> (FT, IT, NNS) Fuel and Loss Percentage <u>1/</u> , <u>2/</u> <u>3/</u>	2.41%
<b>For Deliveries on Segments 800, 825, 850, 855 and 900</b>	2.31%
<b>Storage</b> (FSS, ISS, NNS) Fuel and Loss Percentage <u>4/</u>	1.83%
<b>S-PALS</b> Fuel and Loss Percentage <u>5/</u> , <u>6/</u>	1.83%
<b>CMC-1, CMC-2, and CMC-2 Huntsman 2009 Expansion Project</b> FL&U Rate <u>7/</u>	2.34%
FL&U Rate <u>8/</u>	0.88%

\*\*\*\*\*

- 1/ Backhauls within a Zone have no fuel use, however, will incur 0.10% Lost and Unaccounted for charge.
  
- 2/ The Transportation Fuel and Loss Reimbursement Percentage will be applied to receipt quantities. For those transport customers utilizing storage, the Transportation Fuel and Loss Reimbursement Charge will be applied when injecting into storage. The Transportation Fuel and Loss Percentage includes 0.10% for Lost and Unaccounted for gas.

- 3/ A Lost and Unaccounted-for retention factor of 0.10% will also apply to volumes delivered off of the Colorado Lateral.
- 4/ The Storage Fuel and Loss Reimbursement Percentage will be applied to injection quantities. The Storage Fuel and Loss Reimbursement Percentage includes 0.10% for Lost and Unaccounted for Gas.
- 5/ The S-PALS Fuel and Loss Reimbursement Percentage will be applied to the initial parked or loaned quantities. The S-PALS Fuel and Loss Reimbursement Percentage includes 0.10% for Lost and Unaccounted for Gas.
- 6/ In lieu of providing gas in-kind for fuel reimbursement under Rate Schedule S-PALS, Shipper may pay a charge for fuel and loss reimbursement as set forth in Section 6.1(f) of the S-PALS Rate Schedule.
- 7/ A Fuel, Loss and Unaccounted For Reimbursement ("FL&U") Rate will be assessed upon injection of gas into Transporter's system under an appropriate CMC-1 or CMC-2 Service Agreement that is not used in conjunction with another Firm or Interruptible transportation service agreement. For Capacity Release of CMC service resulting in separate storage and transportation service components, the FL&U rate for the transmission component shall be 1.46% and the FL&U rate for the storage component shall be 0.88%.
- 8/ An FL&U Rate will be assessed upon injection of gas into Transporter's system under an appropriate CMC-1 or CMC-2 Service Agreement. Such Rate includes the loss and unaccounted for and CMC injection component of the service and will only apply when CMC service is used in conjunction with another transportation service agreement, which has the Huntsman Storage field nominated as a delivery point, pursuant to Section 2.2 of Rate Schedules CMC-1 and CMC-2.

**STATEMENT OF NEGOTIATED RATES** 1/2/3/4/

Shipper Name, K #, and Service Type	K Term	Month	Dth/Day	RESV Charge, CMDY Charge	Recpt. Point(s)/Zone, Del. Point(s)/Zone
Tenaska Marketing Ventures (As Filed 5/30/14)  553249 (FT)	6/1/14th rough10/ 31/19	All	2,250	5/	5/
Colorado Springs Utilities (As filed 5/30/14)  550378 (CMC-2)	6/1/04 through 5/31/18	All	1,500,000	7/	7/
City of Hastings/Hastings Utilities (As amended and restated and filed on 7/29/11)  26295 (FT)	10/1/1993 through 8/31/2021	All	16,000	6/	6/

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- 1/ Reservation Charge is \$/Dth per Month. Commodity Charge is \$/Dth.
- 2/ In addition to the above referenced rates, unless otherwise agreed to by Transporter, Shipper shall pay all applicable charges as contained in Transporter's Tariff. Shipper shall also provide, unless otherwise agreed to by Transporter, fuel reimbursement in such additional quantities as specified in Transporter's Tariff.
- 3/ The recourse rates applicable to this service are the maximum rates applicable to the referenced rate schedule as stated per the currently effective rate Section of Transporter's Tariff.
- 4/ Shipper's negotiated rate contract with Transporter does not deviate in any material aspect from the Form of Service Agreement in Transporter's tariff.
- 5/ This information is set out in the Negotiated Rate Agreement and Transportation Service Agreement on file with the Commission.

- 6/ This information is set out in the Negotiated Rate Agreement and Transportation Service Agreement (inclusive of a negotiated fuel rate) on file with the Commission.
  
- 7/ This information is set out in the Negotiated Rate Agreement currently on file with the FERC. The Service Agreement deviates from the Form of Service Agreement found in this Tariff and is listed as such in the Non-conforming Section of this FERC Gas Tariff.

**STATEMENT OF NEGOTIATED RATES 1/2/3/4/**

<b>Shipper Name, K #, and Service Type</b>	<b>K Term</b>	<b>Month</b>	<b>Dth/Day</b>	<b>RESV Charge, CMDY Charge</b>	<b>Recpt. Point(s)/Zone,  Del. Point(s)/Zone</b>
Midwest Energy, Incorporated  (As filed 7/01/13)  Contract No. 1557 (FT)	10/1/1998 through 6/30/2016	All	6,587 – (negotiated)  15,372 (agreement’s full amount)	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Grasslands Energy Marketing LLC  (As filed 8/30/13)  Contract No. 568599 (FT)	9/1/2013 through 8/31/2018	ALL	7,500 Dth/day	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Cross Timbers Energy Services, Inc.  (As filed 1/31/14)  Contract No. 568942 (FT)	11/1/2013 through 10/31/2016	ALL	10,000 Dth/day	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Chesapeake Energy Marketing, Inc.  (As filed 10/31/13)  Contract No. 568947 (FT)	11/1/2013 through 10/31/2016	ALL	40,000 Dth/day	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
Fifth Revised Volume No. 1

Negotiated Rates - 1  
Section Version: 17.0.0

<b>Shipper Name, K #, and Service Type</b>	<b>K Term</b>	<b>Month</b>	<b>Dth/Day</b>	<b>RESV Charge, CMDY Charge</b>	<b>Recpt. Point(s)/Zone,  Del. Point(s)/Zone</b>
DCP Midstream Marketing, LLC  (As filed 7/23/14)  Contract No. 569025 (FT)	11/1/2013 through 9/30/18	ALL	10,218 Dth/day through 11/30/2013  20,218 Dth/day 12/1/13 through 9/30/18	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
DCP Midstream Marketing, LLC  (As filed 10/31/13)  Contract No. 568946 (FT)	11/1/2013 through 3/31/16	ALL	40,000 Dth/day	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Nebraska Corn Processing LLC  (As filed 4/30/14)  Contract No. 555941 (FT)	8/1/2010 through 10/31/2018	ALL	1,500 Dth/day	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Nebraska Corn Processing LLC  (As filed 4/30/14)  Contract No. 568165 (FT)	9/19/2012 through 10/31/2018	ALL	1,300 Dth/day	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Trenton Agri Products LLC  (As filed 4/30/14))  Contract No. 550443	5/1/2004 through 3/31/2020	ALL	2,500 Dth/day	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
Fifth Revised Volume No. 1

Negotiated Rates - 1  
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<b>Shipper Name, K #, and Service Type</b>	<b>K Term</b>	<b>Month</b>	<b>Dth/Day</b>	<b>RESV Charge, CMDY Charge</b>	<b>Recpt. Point(s)/Zone,  Del. Point(s)/Zone</b>
Prairie Horizon Agri- Energy LLC  (As filed 4/30/14)  Contract No. 551577	7/15/2006 through 7/31/2017	ALL	3,400 Dth/day	<u>5</u> / <u>5</u> /	<u>5</u> / <u>5</u> /

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- 1/ Reservation Charge is \$/Dth per Month. Commodity Charge is \$/Dth.
- 2/ In addition to the above referenced rates, unless otherwise agreed to by Transporter, Shipper shall pay all applicable charges as contained in Transporter's Tariff. Shipper shall also provide, unless otherwise agreed to by Transporter, fuel reimbursement in such additional quantities as specified in Transporter's Tariff.
- 3/ The recourse rates applicable to this service are the maximum rates applicable to the referenced rate schedule as stated per the currently effective rate Section of Transporter's Tariff.
- 4/ Shipper's negotiated rate contract with Transporter does not deviate in any material aspect from the Form of Service Agreement in Transporter's tariff.
- 5/ This information is set out in the Negotiated Rate Agreement and Transportation Service Agreement on file with the FERC.

**STATEMENT OF NEGOTIATED RATES** 1/2/3/4/

Shipper Name, K #, and Service Type	K Term	Month	Dth/Day	RESV Charge, CMDY Charge	Recpt. Point(s)/Zone, Del. Point(s)/Zone
ONEOK Field Services (As filed on 6/26/09) 517923 (IT)	8/1/2000 month to month	All	<u>5/</u>	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Atmos Energy Corporation (As filed 2/16/10) 552848 (FT)	11/10/08 through 11/9/18	All	55,000 Dth/Day (11-1-12 through 11-9-18)	<u>5/</u> <u>5/</u> <u>6/</u>	<u>5/</u> <u>5/</u>
Valero Renewable Fuels Company (As filed on 4/30/14) 551760 (FT)	7/1/07 through 10/22/18	All	10,000	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Preferred Sands of Genoa, LLC 553408 (FT)	10/23/08 through 10/22/18	All	1,345	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Green Plains, Wood River, LLC (As filed on 11/27/13) 553374 (FT)	10/23/08 through 10/22/18	All	9,000	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Husker Ag, LLC 553375 (FT)	10/23/08 through 10/22/18	All	3,500	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Green Plains Atkinson, LLC (As filed on 7/31/13) 553377 (FT)	10/23/08 through 10/22/18	All	1,000	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Atmos Energy Corporation (As filed on 06/06/2014) 554357 (CMC-2)	9/30/09 through 3/31/24	All	2,000,000 Through 3/31/2015  1,500,000 4/01/2015 Through 3/31/2024	<u>7/</u> <u>7/</u>	<u>7/</u> <u>7/</u>

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- 1/ Reservation Charge is \$/Dth per Month. Commodity Charge is \$/Dth.
  
- 2/ In addition to the above referenced rates, unless otherwise agreed to by Transporter, Shipper shall pay all applicable charges as contained in Transporter's Tariff. Shipper shall also provide, unless otherwise agreed to by Transporter, fuel reimbursement in such additional quantities as specified in Transporter's Tariff.
  
- 3/ The recourse rates applicable to this service are the maximum rates applicable to the referenced rate schedule as stated per the currently effective rate Section of Transporter's Tariff.
  
- 4/ Shipper's negotiated rate contract with Transporter does not deviate in any material aspect from the Form of Service Agreement in Transporter's tariff.
  
- 5/ This information is set out in the Negotiated Rate Agreement currently on file with the FERC. The Service Agreement deviates from the Form of Service Agreement found in this Tariff and is listed as such in the Non-Conforming Agreements Section of this FERC Gas Tariff.
  
- 6/ This Negotiated Rate Agreement is inclusive of a negotiated fuel rate.
  
- 7/ This information is set out in the Negotiated Rate Agreement and Transportation Service Agreement on file with the FERC.

**STATEMENT OF NEGOTIATED RATES** 1/2/3/4/

Shipper Name, K #, and Service Type	K Term	Month	Dth/Day	RESV Charge, CMDY Charge	Recpt. Point(s)/Zone, Del. Point(s)/Zone
NorthWestern Corp. d/b/a NorthWestern Energy (As filed 9/27/13)  553772 (FT)	7/01/10 through 6/30/20	<u>6/</u>	39,331 (negotiated quantity)  45,378 (Agreement's total MDTQ)	<u>6/</u>  <u>6/</u>	<u>6/</u>  <u>6/</u>
NorthWestern Corp. d/b/a NorthWestern Energy (As filed 9/27/13)  30002 (NNS)	10/01/93 through 6/30/20	<u>6/</u>	9,600 (negotiated quantity)  12,153 (Agreement's total MDTQ)	<u>6/</u>  <u>6/</u>	<u>6/</u>  <u>6/</u>
Aventine Renewable Energy, Inc. (As filed on 03/28/14)  555366 (FT)	04/14/11 through 04/13/16	<u>5/</u>	10,000	<u>5/</u> <u>5/</u>	<u>5/</u> <u>5/</u>
Laclede Gas Company, Missouri Gas Energy Division (As filed on 07-11-13)  570 (FT)	10/01/97 through 09/30/17	<u>7/</u>	50,000	<u>7/</u> <u>7/</u>	<u>7/</u> <u>7/</u>
Tenaska Gas Storage, LLC (As filed 05/30/14)  947972 (CMC-2)	06/01/14 through 03/31/17	<u>6/</u>	1,000,000	<u>6/</u>	<u>6/</u>

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1/ Reservation Charge is \$/Dth per Month. Commodity Charge is \$/Dth.

- 2/ In addition to the above referenced rates, unless otherwise agreed to by Transporter, Shipper shall pay all applicable charges as contained in Transporter's Tariff. Shipper shall also provide, unless otherwise agreed to by Transporter, fuel reimbursement in such additional quantities as specified in Transporter's Tariff.
- 3/ The recourse rates applicable to this service are the maximum rates applicable to the referenced rate schedule as stated per the currently effective rate Section of Transporter's Tariff.
- 4/ Shipper's negotiated rate contract with Transporter does not deviate in any material aspect from the Form of Service Agreement in Transporter's tariff.
- 5/ This information is set out in the Negotiated Rate Agreement currently on file with the FERC. The Service Agreement deviates from the Form of Service Agreement found in this Tariff and is listed as such in the Non-Conforming Agreements Section of this FERC Gas Tariff.
- 6/ This information is set out in the Negotiated Rate Agreement and Transportation Service Agreement on file with the FERC.
- 7/ This information is set out in the Negotiated Rate Agreement and Transportation Service Agreement (inclusive of negotiated fuel rate) on file with the FERC.

## NON-CONFORMING AGREEMENTS

The Commission has directed that the following Agreements be filed with the Commission because they contain provisions which do not conform to Transporter's *pro-forma* service agreements:

Atmos Energy Corporation, Transportation Rate Schedule FTS Agreement, filed with the Commission on February 16, 2010 (Contract No. 552848).

Valero Renewable Fuels Company, Transportation Rate Schedule FTS Agreement, filed with the Commission on September 12, 2008, March 28, 2014 and April 30, 2014 (Contract No. 551760).

Preferred Rocks of Genoa, LLC, Transportation Rate Schedule FTS Agreement, filed with the Commission on September 12, 2008 (Contract No. 553408).

Green Plains Wood River, LLC, Transportation Rate Schedule FTS Agreement, filed with the Commission on September 12, 2008 and amended and restated on November 27, 2013 (Contract No. 553374).

Husker Ag, LLC, Transportation Rate Schedule FTS Agreement, filed with the Commission on September 12, 2008 (Contract No. 553375).

Green Plains Atkinson, LLC, Transportation Rate Schedule FTS Agreement, filed with the Commission on September 12, 2008, February 28, 2013, and July 31, 2013 (Contract No. 553377).

Colorado Springs Utilities, Transportation Rate Schedule CMC-2, filed with the Commission on March 1, 2010, on May 30, 2013 and May 30, 2014 (Contract No. 550378).

ONEOK Field Services Company, Transportation Rate Schedule IT filed with the Commission on June 26, 2009 (Contract No. 517923).

## **NON-CONFORMING AGREEMENTS**

The Commission has directed that the following Agreements be filed with the Commission because they contain provisions which do not conform to Transporter's pro-forma service agreements:

Black Hills Utility Holdings, Inc., Transportation Rate Schedule FTS Agreement, filed with the Commission on May 31, 2013 (Contract No. 29011).

Aventine Renewable Energy, Inc., Rate Schedule FTS Agreement, filed with the Commission on April, 14 2011 and March 28, 2014 (Contract No. 555366).

## **RATE SCHEDULES**

- ◆ Firm Transportation (FT)
- ◆ Interruptible Transportation (IT)
- ◆ No-Notice Service (NNS)
- ◆ Park and Loan Service (PALS)
- ◆ Storage Park and Loan Service (S-PALS)
- ◆ CMC-1
- ◆ CMC-2
- ◆ Firm Storage Service (FSS)
- ◆ Interruptible Storage Service (ISS)

## **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 Transporter's Interactive Web Site. . 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. 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 TIGT Credit**</b>	<b>Average Spot Index TIGT 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.

e. **ACA CHARGE**

The ACA charge, and any other applicable surcharges, will be assessed when applicable, as provided in the General Terms and Conditions, on volumes delivered by Transporter for Shipper under this Rate Schedule FT.

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 if 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**

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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 Transporter's Interactive Web Site . 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@tallgrassenergylp.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 TIGT Charge*</b>	<b>Average Spot Index TIGT 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.

c. **ACA CHARGE**

The ACA charge, and any other applicable surcharges, will be assessed when applicable, as provided in the General Terms and Conditions, on volumes delivered by Transporter for Shipper under this Rate Schedule IT.

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 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

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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 All Shippers requesting No-Notice Service must submit a completed service request form as set forth in Transporter's Interactive Web Site. 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. 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.

e. ACA CHARGE

The ACA charge, and any other applicable surcharges, will be assessed when applicable, as provided in the General Terms and Conditions, on volumes delivered by Transporter for Shipper under this Rate Schedule NNS.

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 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, 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 All Shippers requesting PALS must submit a completed service request form as set forth in Transporter's Interactive Web Site. 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 4.3(a)(3), 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 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 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.
  - (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 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, 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 All Shippers requesting S-PALS must submit a completed service request form as set forth in Transporter's Interactive Web Site. 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 4.3(a)(3), 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 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 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.

- (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 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 All Shippers requesting CMC-1 service must submit a completed request for service form as set forth in Transporter's Interactive Web Site. 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 4.3(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 pursuant to Section 15 of the General Terms and Conditions at the maximum rate set forth in 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 All Shippers requesting CMC-2 service must submit a completed request for service form as set forth in Transporter's Interactive Web Site. 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 4.3(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 pursuant to Section 15 of the General Terms and Conditions at the maximum rate set forth in 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 All Shippers requesting Firm Storage Service must submit a completed service request form as set forth in Transporter's Interactive Web Site. 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 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  
Attn: 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

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 Transporter's Interactive Web Site. 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 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: 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.

## **GENERAL TERMS AND CONDITIONS**

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## **GENERAL TERMS AND CONDITIONS**

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## 1. APPLICATION AND AVAILABILITY

The following General Terms and Conditions apply to the extent indicated and to the extent not superseded by inconsistent provisions in each of Transporter's service rate schedules.

## 2. DEFINITIONS

The following terms shall have the meanings defined below:

- 2.1 "Approved Daily Nomination" is that quantity of gas which Transporter has approved to be transported on a particular day.
- 2.2 "Balance and Balancing" means the Shipper's obligation to cause deliveries to equal receipts, with due consideration given to Fuel Reimbursement Quantities, and other deductions.
- 2.3 "British Thermal Unit" ("Btu") is the amount of energy required to increase the temperature of one (1) pound of water one (1) degree Fahrenheit at sixty (60) degrees Fahrenheit and is equivalent to one (1) therm. The standard Btu is the International Btu, which is also called the Btu (IT); the standard joule is the joule specified in the SI system of units.
- 2.4 "Business Day" is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.
- 2.5 "Capacity" means the gas volume which any particular segment of the Transporter's facilities can accommodate based on Transporter's reasonable judgment.
- 2.6 "Company-used Gas" means the quantity of gas consumed by the Transporter as fuel and for other purposes in its gas operations, not including lost and unaccounted for gas.
- 2.7 "CT" means central o'clock time.
- 2.8 "Cubic Foot of Gas" shall mean the volume of gas which occupies one (1) cubic foot of space at a temperature of sixty (60) degrees Fahrenheit and under an absolute dry pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute (psia).
- 2.9 "Curtailement" is used interchangeably with the term "interruption".
- 2.10 "Customer" means any party who has requested service from the Transporter and executed a contract for such service with the Transporter.

- 2.11 "Day" is a period of twenty-four (24) consecutive hours beginning and ending at 9:00 a.m. (CT).
- 2.12 "Dekatherm" ("Dth") is one million (1,000,000) British thermal units.
- 2.13 "FERC" or "Commission" means the Federal Energy Regulatory Commission and any other governmental body or bodies succeeding to, lawfully exercising, or superseding any powers of the Federal Energy Regulatory Commission.
- 2.14 "Gas" or "Natural Gas" is any mixture of hydrocarbons or of hydrocarbons and non-combustible gas, in a gaseous state, consisting essentially of methane; or all merchantable gases that conform to the quality specifications set forth in the service agreement.
- 2.15 "GID" is the Global Identification Number identifying a customer legal entity.
- 2.16 "Imbalance" means the difference between the Total Energy Content in Dth of transportation gas received by the Transporter for the Shipper's account and the Total Energy Content in Dth of transportation gas delivered by the Transporter to the Shipper or for the Shipper's account at the Shipper's Delivery Point, with due regard given to Fuel Reimbursement Quantities, and other deductions.
- 2.17 "Interactive Web Site" shall mean the Internet web site maintained by Transporter for communication regarding transportation and storage service in accordance with applicable Commission regulations and GISB standards, as more fully described in Section 38 of these General Terms and Conditions.
- 2.18 "Interruptible" means that Transporter has the right to stop, in whole or in part, receipt, transportation, or delivery of natural gas at any time. Transporter shall provide as much advance notice as is practical to Shipper, except as may otherwise be specifically provided for in this Tariff.
- 2.19 "Interruption" means suspension, either in total or in part, of service due to the Transporter's inability to provide service to a customer for any reason.
- 2.20 "Intra-Day Nomination" shall mean a nomination submitted after the Timely Nomination Cycle, defined in Section 3 of these General Terms and Conditions, whose effective time is no earlier than the beginning of the gas Day and which runs through the end of that gas Day.

- 2.21 "Lost and Unaccounted-For Gas" means the difference between the sum of all input quantities of gas received into the Transporter's system and the sum of all output quantities of gas delivered from the Transporter's system, which difference shall exclude company-used gas and shall include, but not be limited to, gas vented, storage lost, and loss as a result of an event of force majeure.
- 2.22 "Month" is a period beginning at 9:00 a.m.(CT) on the first Day of the calendar month and ending at the same time on the first Day of the next month.
- 2.23 "Monthly Billing Period" is the calendar month.
- 2.24 "Operational Balancing Agreement" ("OBA") means a contract between Transporter and the entity ("OBA Party") operating the facilities at a point(s) of interconnection with Transporter's system which describes the manner in which differences between actual flows and nominated quantities will be resolved between Transporter and the OBA Party.
- 2.25 "Party" means Shipper or Transporter.
- 2.26 "PIN" is the Point Identification Number.
- 2.27 "Point of Delivery" or "Delivery Point" is the point where Transporter delivers gas to Shipper (or for Shipper's account) that has been transported or stored by Transporter for Shipper.
- 2.28 "Point of Receipt" or "Receipt Point" means the point where Transporter receives gas from Shipper (or for Shipper's account) to be transported or stored by Transporter for Shipper.
- 2.29 "Point of Unbundling" will be either at receipt points into Transporter's transmission system or at points upstream (towards the production of that gas) of Transporter's transmission system.
- 2.30 "Pooling Point" means 1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the disaggregation of gas from a single physical or logical point to multiple physical and/or logical points.
- 2.31 "psi" is the pressure measured in pounds per square inch.

- 2.32 "psia" means pounds per square inch absolute.
- 2.33 "psig" means pounds per square inch gauge.
- 2.34 "Quantity of Gas" or "Gas" when used to refer to a quantity of gas shall mean the Total Energy Content.
- 2.35 "Recourse Rate" for a service is the maximum applicable rate for that service as shown in the applicable rate schedule in the *Currently Effective Rates* Section of this Tariff.
- 2.36 "Service Agreement" means a written agreement, and any exhibits, attachments and/or amendments, for gas service, which is executed by Transporter and Shipper.
- 2.37 "Shipper/Buyer" is the party with whom a service agreement is executed.
- 2.38 "Standard Reporting Basis" means standardization of the reporting basis for gross heating value as Btu(IT)/cubic foot at standard conditions of 14.73 psia, 60 degrees F, and dry. Standardize the reporting standard for megajoules/cubic meter as 101.325 kPa, 15 degrees C, and dry, and for gigacalories as 1.03546 Kg/cm<sup>2</sup> and 15.6 degrees C and dry.
- 2.39 "Total Energy Content" is that amount determined by multiplying the total heating value by the volume of gas in cubic feet, adjusted for as-delivered water content.
- 2.40 "Total Heating Value" is the number of Btus produced by complete combustion, at a constant pressure, of the amount of gas which would occupy a volume of (1) cubic foot at a temperature of 60 degrees Fahrenheit on a water-free basis and at a pressure of 14.73 p.s.i.a. with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion has condensed to the liquid state.
- 2.41 "Transportation" means movement of gas from the receipt point to the delivery point.
- 2.42 "Transporter" is Tallgrass Interstate Gas Transmission, LLC (TIGT).

- 2.43 "Transporting Pipeline" means any pipeline delivering transportation gas to the Receipt Point(s) or taking gas from the Delivery Point(s) specified in the Service Agreement. The transporting pipeline may include facilities owned by Transporter, an affiliate of Transporter, or a third party.
- 2.44 "Year" is a period of three hundred sixty-five (365) Days commencing and ending at 9:00 a.m.(CT), provided that any year which contains that date of February 29 shall consist of three hundred sixty-six (366) Days.

### 3. NOMINATIONS, CONFIRMATIONS AND BALANCING

#### 3.1 GENERAL

- A. Transporter provides personnel available to handle nominations seven (7) Days a week, twenty-four (24) hours a Day. Whenever Shipper desires service, Shipper shall furnish to Transporter a separate nomination for each nominated Receipt and Delivery Point under each Agreement with a beginning and end date, or beginning hour, if applicable, for flow which can be for any duration within the term of the applicable Agreement. When a nomination for a date range is received, each Day within that range is considered an original nomination. When a subsequent nomination is received for one or more Days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the Days specified. The Days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.
- B. For Timely Nominations, a rollover option is available such that a Shipper shall have the ability to nominate for several Days, months, or years, provided the nomination begin and end dates are within the term of the Shipper's contract.
- C. If an upstream or downstream party requires additional information, if the volumes transported are subject to a discounted rate, or if additional information is otherwise required by Transporter, then, upon notification by Transporter, Shipper must include in each nomination such additional information as is specified by Transporter. Nominations must be submitted to Transporter through Transporter's Interactive Web Site, or through such other electronic means as are mutually agreed upon by Transporter and Shipper. The Shipper should adhere to nomination, confirmation and scheduling deadlines. Transporter may waive, on a non-discriminatory basis, any submittal deadline in this Section 3.
- D. The standard quantity for nominations, confirmation and scheduling is dekatherms per gas Day in the United States, gigajoules per gas Day in Canada and gigacalories per gas Day in Mexico. (For reference, 1 dekatherm = 1,000,000 Btu's; 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial

purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The standard Btu is the International Btu, which is also called the Btu (IT); the standard joule is the joule specified in the SI system of units. The International Btu is specified for use in the gas measurement standards of the American Gas Association, the American Petroleum Institute, the Gas Processors Association and the American Society for Testing Materials. For non-commercial purposes, these associations note that the exact conversion factor is 1.05505585262 Gigajoules per Dekatherm.

- E. Shipper shall include in any nominations: 1) Receipt and Delivery Points; 2) the daily quantity of gas to be received by Transporter at each Receipt Point; 3) fuel reimbursement quantities for volumes at each specified Receipt Point; 4) the daily quantity to be delivered by Transporter at each specified Delivery Point on the desired gas Day; 5) any daily volumes to satisfy past imbalances ; 6) Shipper-defined beginning and ending dates; and 7) the upstream and/or downstream party's identifier(s). The total receipt nominations, less the fuel reimbursement quantity and any other deductions, must equal the equivalent thermal quantity of delivery nominations.
- F. A No-Notice Shipper is only required to make nominations when separately using the FT or FSS service embedded in the NNS service. If the primary receipt and/or delivery point is an off-system facility point, a nomination on Transporter's system is required to confirm the nomination for NNS.

### 3.2 STANDARD NOMINATION CYCLES

- A. The Timely Nomination Cycle: 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by Transporter; noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by shipper and point operator (central clock time on the Day prior to flow).
- B. (i) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by Transporter; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by

- Transporter from upstream and downstream connected parties; 10:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (CT on the Day prior to flow).
- (ii) Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on Transporter's system to receive notice that it is being bumped should be effective at 9:00 a.m. on gas Day; and when an Evening Nomination causes another Service Requester on Transporter's system to receive notice that it is being bumped, scheduled quantities should be effective at 9:00 a.m. on gas Day.
- C. The Intra-Day 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by Transporter; 10:30 a.m. to send Quick response; 1:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 2:00 p.m. for transporter to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (CT on the gas Day). Scheduled quantities resulting from Intra-Day 1 Nominations should be effective at 5:00 p.m. gas Day.
- D. The Intra-Day 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by Transporter; 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators (CT on the gas Day). Scheduled quantities resulting from Intra-Day 2 Nominations should be effective at 9:00 p.m. on gas Day. Bumping is not allowed during the Intra-Day 2 Nomination Cycle.
- E. For purposes of Section 3.2 (b)(c) and (d), "provide" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.
- F. The rights of a Releasing shipper to recall capacity within any nomination cycle shall be governed by Section 23.14 of these General Terms and Conditions.

- G. A Shipper which has been awarded firm capacity in a capacity release may submit a nomination using such capacity at the next available opportunity for nominations under this Section 3.2 which occurs on or after the time capacity is awarded, including an intraday nomination in either the Intra-day 1 or the Intra-day 2 Nomination Cycle, and which is consistent with Section 23.9(d) of these General Terms and Conditions.

### 3.3 TIMELY NOMINATIONS

- A. Timely nominations are nominations submitted consistent with the standard nomination cycle set out in Section 3.2.
- B. Nominations received after the timely nomination deadline will be scheduled after the nominations received by that deadline.

### 3.4 REQUIRED NOMINATION CHANGES

If estimated daily flows under a particular transportation Agreement differ from the confirmed nominations, or if an imbalance has occurred due to some other reason, then prospective nomination change(s) (either receipt or delivery adjustments) may be required to bring the receipt and delivery volumes into balance. When a Shipper receives notification of a required change in the nomination, the Shipper shall be responsible for informing upstream and downstream parties of the prospective change and providing Transporter with a nomination as required in accordance with Section 3.2 hereof.

### 3.5 CONFIRMATIONS

- A. Nominations made in accordance with Sections 3.2, 3.3, 3.4 and 3.6 hereof shall not become effective until Transporter has confirmed the nominated receipts and deliveries with upstream and downstream parties, subject to Section 3.5 (b). Shipper shall designate the appropriate person(s) who has the authority to resolve allocation issues, if requested by Transporter and, the appropriate person(s) to confirm nominations. Confirmations must be submitted to Transporter through Transporter's Interactive Web Site, or such other electronic means as are mutually agreed upon by Transporter and Shipper.
- B. Subject to Section 3.2 and the other provisions of this Tariff, Transporter shall provide Shippers and point operators via the Interactive Web Site, or by EDI, the quantities that have been scheduled to flow for that Shipper and point operator on the next Day.

- C. Default confirmation procedures are as follows:
- (i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity will be the new confirmed quantity.
  - (ii) With respect to the processing of requests for increases during Intra-day Nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation response, the previously scheduled quantity will be the new confirmed quantity.
  - (iii) With respect to the processing of requests for decreases during Intra-day Nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity will be the new confirmed quantity. Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the Intra-day Nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.
  - (iv) With respect to Section 3.5(c)(i),(ii), and (iii), if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider will provide the Service Requester with the following information to explain why the nomination failed, as applicable:
    - (1) the Service Requester's Transportation Service Provider did not conduct the confirmation;

- (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming Party did not conduct the confirmation;
- (3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the Gas or submit the nomination;
- (4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation; and
- (5) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.

This information will be imparted to the Service Requester on the Scheduled Quantity document.

### 3.6 INTRA-DAY NOMINATIONS

- A. An "Intra-Day Nomination" shall mean a nomination submitted after the Timely Nomination Cycle whose effective time is no earlier than the beginning of the gas Day, defined in Section 3.2a, and which runs through the end of that gas Day.
- B. Transporter supports the nomination cycles set forth at Section 3.2 during non-Critical Times. During Critical Times, valid Intra-Day nominations may be submitted at any time.
- C. Transporter will provide notification of bumped volumes through the Scheduled Quantity Document, as posted on its Interactive Web Site, telephone, facsimile, or through Electronic Notice Delivery consistent with GISB Standards as adopted in Section 37 of the General Terms and Conditions. During non-Critical Times, Transporter will waive daily penalties applicable to bumped volumes on the Day of the bump. Transporter will also waive penalties if it fails to provide appropriate notice of the bump.
- D. For services that provide for Intra-Day nominations and scheduling, there is no limitation as to the number of Intra-Day nominations which a service requester may submit at any one standard nomination cycle or in total across all standard nomination cycles.

- E. Revised predetermined allocations (described in Section 8 hereof) may need to be submitted in conjunction with the Intra-Day Nomination in order to properly allocate the gas received at the nominated Receipt Point.
- F. Unless Transporter agrees to the contrary, the revised nomination under an Intra-Day nomination may be limited by Section 3.5c. Transporter and the interconnecting party will agree on the hourly flows of the Intra-Day Nomination.
- G. An Intra-Day Nomination is only effective for a single Day. There is no need to re-nominate if the Intra-Day Nomination is requested to modify the existing nomination. The Shipper should submit a new timely nomination if the Shipper wants to replace the previously submitted standing nomination or commence service for the next gas Day.

### 3.7 END-OF-GAS-DAY SCHEDULED QUANTITY DOCUMENT

At the end of each gas day, Transportation Service Providers should provide the final scheduled quantities for the just completed gas day. With respect to the implementation of this process via the 1.4.x scheduled quantity related standards, Transportation Service Providers should send an end of gas day Scheduled Quantity document. Receivers of the end of gas day Scheduled Quantity document can waive the sender's sending of the end of gas day Scheduled Quantity document.

### 3.8 OVERRUN QUANTITIES

Shippers submitting nominations via the Interactive Web Site or EDI for transportation of overrun volumes (volumes in excess of the applicable point or Agreement MDTQ) may either include such overrun volumes in their nominations for volumes within MDTQ, or may submit separate nominations for such overrun volumes. If the Shipper elects to submit a separate nomination, the Shipper should mark that nomination as being for overrun volumes.

- 3.9 If actual receipts or deliveries are more than ten percent (10%) over or under nominations, or if actual receipts differ from actual deliveries by more than ten percent (10%), Transporter will by means of the telephone, the informational postings portion of Transporter's web site, or electronic mail message, notify the Shipper that it has twenty four (24) hours in which to bring actual receipts or deliveries and nominations more closely into

agreement. If the discrepancy is not brought to ten (10%) within twenty four (24) hours, Transporter may adjust deliveries to compensate for the inaccurate nominations.

3.10 COMMINGLING OF GAS

Transporter shall have the unqualified right to commingle Shipper's natural gas with other gas in Transporter's storage system.

3.11 TRANSFER NOMINATIONS

A. Whenever gas is purchased at a Receipt Point (including a pooling point) on Transporter's System by an entity that is not going to nominate that gas for receipt by Transporter under a transportation Agreement, that entity must submit a transfer nomination to Transporter through Transporter's Interactive Web Site (or EDI), identifying the quantities (in Dth) and the entities from whom the gas is being bought and the entities to whom the gas is being sold. Such transfer nominations are needed in order to be able to confirm the nominated receipts at that point and thus such transfer nominations are due by the deadlines applicable to Shipper nominations, subject to Section 3.2. In addition to the transfer nomination, the purchasing entity should submit a predetermined allocation in accordance with Section 12 of these General Terms and Conditions if there is more than one buyer of the purchasing entity's gas.

B. A third party may provide title tracking services on Transporter's system as follows:

(1) The entity seeking to provide such a service (Third Party Account Administrator) shall so notify Transporter in writing, in which event Transporter shall establish an identification number for nominations involving the Third Party Account Administrator;

(2) Transfer nominations consistent with this Section 3.11 must be made by the Shipper tendering gas for delivery to the Third Party Account Administrator, where subsequent title to such gas is to be tracked by the Third Party Account Administrator; and

(3) The Third Party Account Administrator shall maintain records of any title transfers after delivery of gas to it and shall submit a nomination consistent with this Section 3.11 for delivery of gas

to the last party in the chain of title, which party shall also submit a nomination for receipt of the gas consistent with this Section 3.11.

### 3.12 NOMINATION PRIORITIES

As part of the nomination and transfer nomination process, if there is more than one supply source nominated to be delivered to a single Delivery Point or buyer, the nomination or transfer nomination should identify how and which supply sources should be cut in the event all nominated deliveries are not or cannot be made. Similarly, the nomination or transfer nomination should identify which delivery should be cut in the event gas is not or cannot be received as nominated (i.e., ranking). Ranking should be included in the list of data elements. Transportation service providers should use service requester provided rankings pursuant to Section 8 of these General Terms and Conditions when making reductions during the scheduling process when this does not conflict with tariff-based rules.

### 3.13 DELEGATION

A Shipper may delegate to any third party responsibility for submitting and receiving notices or nominations or performing other administrative duties under any Agreement, and an entity which controls a point of interconnection with Transporter may delegate to any third party responsibility for administering agreements regarding allocation of gas volumes at the point and/or for administering any Point Operator Agreement, subject to the following conditions:

- A. Any designation of such a representative, and any change in such designation must be in writing and must be submitted at least two (2) business days prior to the requested effective date.
- B. The written designation shall specify any limits on the authority of the representative, including any time limit on the designation; provided, however, that Transporter may reject any such limited designation if the limitations specified in the designation would result in an undue administrative burden.
- C. Transporter may rely on communications from Shipper's designated representative for all purposes except to the extent the designation is explicitly limited as specified in the preceding Section 3.13(b). Communications by Transporter to such designated representative shall be deemed notice to Shipper except to the extent the

representative's authority is explicitly limited with respect to the receipt of notice under the procedure set out in said Section 3.13(b).

- D. Any third party may administer multiple Agreements as the designated representative for one or more Shippers. However, such representative shall separately administer and account for each such Agreement.

### 3.14 SEGMENTATION

- A. A Shipper may segment its own firm Capacity to the extent operationally feasible. In addition, any Shipper may segment its firm Capacity in releasing to a Replacement Shipper to the extent operationally feasible. A Shipper segmenting its own firm Capacity shall effectuate such segmentation through the nomination process under this Section 3.14. Prior to segmenting their Transportation Capacity, NNS customers will be required to release the embedded Firm Transportation. When NNS customers segment the embedded Firm Transportation, storage will be the primary receipt point and all other receipt points will be secondary. If the embedded Firm Transportation is segmented, the availability of NNS will be reduced accordingly. A Shipper may release firm Capacity on a segmented basis to the extent consistent with this Section 3.14 by following the procedures set out in Section 23 of these General Terms and Conditions.
- B. For the purposes of this Section 3.14, a segmentation of firm Capacity (whether of Shipper's own Capacity or on release) shall be deemed operationally feasible unless: (i) the proposed segmentation would result in an increase in firm contractual obligation by Transporter on any segment or portion of its system; (ii) the proposed segmentation would be for the storage component of any firm service; (iii) the proposed segmentation would result in a physical haul in a direction opposite of the primary path under the Service Agreement being segmented, absent a determination by Transporter, which determination will be made within ten (10) Business Days of the request, that it can physically perform the segmentation as requested; (iv) the contract path resulting from the proposed segmentation would be entirely within a consolidated receipt or delivery point as defined in the Informational Postings portion of Transporter's Interactive Web Site; (v) the contract path resulting from the proposed segmentation would begin and end within the same reticulated segment in which the physical flow of Gas is not controlled or directed to a specific path as such reticulated segments are specifically identified in the Informational Postings portion of Transporter's Interactive Web Site; (vi) the proposed segmentation would create a new contract receipt or delivery point within a reticulated segment if that reticulated segment is within the primary path that is being segmented; or (vii) the proposed segmentation would occur outside the primary Capacity rights defined by the primary path(s) included in the Shipper's contract.

- C. In the event a path is segmented under this Section 3.14, as between the parties to a specific segmentation, the upstream path segment shall receive priority at all secondary points within the primary path upstream of the break point and the downstream path segment shall receive priority at all secondary points within the primary path downstream of the break point. Nothing in this section shall affect Shipper's priority rights to Secondary points outside the original primary path as outlined in Section 22.6a(2) of these General Terms and Conditions.
- D. If Transporter determines that it is operationally feasible, the Shipper (or Replacement Shipper in the case of a release) may nominate service at Receipt and Delivery Points for the path segment that results in a reverse flow from the original path, subject to the discount policy stated in Section 3.14(f) below.
- E. Subject to the availability of firm capacity at the primary point(s) and associated lateral or segment, a Shipper, a Replacement Shipper or a Subreplacement Shipper may change the primary Receipt or Delivery Points listed in the Service Agreement to new primary point(s) within the same zone if the Shipper (or in the case of a release, the Original Shipper) agrees to amend the Service Agreement to change the primary Receipt or Delivery Point accordingly. Transporter shall not be obligated to reserve firm capacity to reinstate the former primary points upon expiration of the segmentation or the capacity release.
- F. Previously discounted firm transportation rates for primary receipt and delivery points will not apply to service at alternate points. Unless otherwise agreed to in writing by Transporter, Shipper shall pay the maximum FT reservation and usage charges for service nominated at the alternate points. In addition, if primary receipt and delivery points are changed, the maximum FT reservation and usage charges shall apply at the new receipt or delivery point, unless Transporter otherwise agrees in writing.
- G. In the event segmentation of a Shipper's path or segmentation that results in a temporary release creates physical deliveries at one or more delivery point(s) within a zone, which in aggregate exceeds the original Shipper's Capacity rights within that zone, and Transporter schedules and confirms such segmentation, the original Shipper will be subject to the Authorized Overrun Charge pursuant to each rate schedule in this Tariff. In the event segmentation results in a

permanent release to a Replacement Shipper, that Replacement Shipper will be subject to the maximum applicable Transportation rates as set forth in Transporter's Tariff.

- H. To the extent segmentation results in an increase of a Shipper's or Replacement Shipper's firm contract rights and Transporter schedules and confirms that increase in firm contract rights, the Shipper or Replacement Shipper that caused such increase in firm contract rights will be subject to the Authorized Overrun Charge pursuant to each rate schedule in this Tariff. If a Capacity release occurs during the Day and the releasing Shipper has already submitted a nomination, the original Shipper may incur Authorized Overrun Charges as explained in Section 23.9(d) of these General Terms and Conditions.
- I. In the event Transporter determines that an approved segmentation is no longer operationally feasible, or was inadvertently confirmed, Transporter will notify Shipper that it must select alternate points. Unless Transporter determines that a shorter period of time is appropriate, Transporter will provide one gas Day's notice to Shipper to select alternate points. Transporter must attempt to give actual notice to Shipper of the need to select alternate points via e-mail, facsimile or telephone. Transporter will post on its Interactive Web Site within ten (10) Days the explanation for any revocation of a segmentation and whether the segmentation is unavailable on a temporary or continuing basis.
- J. Transporter reserves the right to evaluate and disallow segmentation on its system on a case-by-case basis for those situations that are not operationally feasible and not already described in this Section 3.14. Disallowance of segmentation requests will be made on a non-discriminatory basis and the Shipper will be notified of any disallowance within two (2) Business Days of the request. Transporter will post on its Interactive Web Site within ten (10) Business Days the explanation for any disallowance of segmentation not specifically described in this Tariff.

## 4. QUALITY

### 4.1 QUALITY SPECIFICATIONS

- A. The natural gas to be delivered by Transporter shall be of merchantable quality.
- B. Unless otherwise agreed to in the Service Agreement, gas tendered at each Point of Receipt shall comply with the following quality specifications:
  - (1) At a base pressure of 14.73 p.s.i.a. and a base temperature of 60 degrees Fahrenheit, such gas shall not contain more than:
    - (a) 1/4 grain of hydrogen sulphide per 100 cubic feet;
    - (b) 5 grains of total sulphur per 100 cubic feet;
    - (c) 1 grain of mercaptans per 100 cubic feet;
    - (d) 2.0 percent by volume of carbon dioxide;
    - (e) 7 pounds of water vapor per million cubic feet; or
    - (f) 10 parts per million (0.001 percent) by volume of oxygen.
  - (2) Such gas shall be commercial in quality and shall be free from any foreign material such as solids, sand, dirt, dust, gums, crude oil, water or hydrocarbons in the liquid phase, iron particles, and other objectionable substances which may be injurious to pipelines or which may interfere with its transportation or commercial utilization.
  - (3) The heat content of the gas shall mean the gross heating value per cubic foot measured on a dry basis at 14.73 p.s.i.a. delivered at the Point(s) of Receipt. The gas at each Receipt Point shall have a heat content not more than 1100 Btu nor less than 950 Btu per cubic foot. Gas at each Receipt Point located east of Big Springs shall be capable of being blended down to a maximum 1000 Btu per cubic foot. Transporter shall have the

right to waive such Btu limits if, in Transporter's reasonable judgment Transporter is able to accept gas with a Btu outside such limits without adversely affecting Transporter's operations.

- (4) The hydrocarbon dew point of such gas shall not exceed a temperature of 25 degrees Fahrenheit at the pressure existing at the Point of Receipt.

#### 4.2 QUALITY TESTING

- A. The Party operating the measuring equipment shall use approved standard methods in general use in the gas industry, and shall cause adequate tests to be made to determine the quality of the gas delivered. Such tests shall be made at intervals frequent enough that the gas conforms to these specifications.
- B. If gas tendered fails to meet the specifications of this Agreement, the measuring Party shall notify the other Party of such failure. The receiving Party may refuse to accept such gas. The Party tendering non-specification gas shall indemnify the receiving Party for any injury, damage, loss, or liability caused by the delivery of such gas, except to the extent the receiving Party knowingly and willingly accepts such non-specification gas.

## 5. MEASUREMENTS

- 5.1 The unit of volume for the purpose of measurement and for the determination of total heating value shall be the cubic foot of gas as defined in Section 2 above. Volumes of gas measured at prevailing meter pressures and temperatures shall be corrected to the unit of volume defined above by the procedures described herein below.
- A. Orifice Meters: Installation of orifice meters and the determination of volumes delivered through orifice meters shall conform to the recommendations in "Gas Measurement Committee Report Number Three" of the American Gas Association as amended, revised or superseded from time to time.
  - B. Turbine Meters: Installation of turbine meters and the determination of volumes delivered through turbine meters shall conform to the recommendations in "Transmission Measurement Committee Report Number Seven" of the American Gas Association as amended, revised or superseded from time to time.
  - C. Positive Displacement Meters: Installation of positive displacement meters and the determination of volumes delivered through such meters shall conform to the recommendations in "Gas Measurement Manual Displacement Measurement Part Number Two" of the American Gas Association as amended, revised or superseded from time to time.
- 5.2 The volume of gas delivered through each Point of Delivery and Receipt shall be corrected to a base temperature of sixty (60) degrees Fahrenheit by using:
- A. The arithmetic average of the hourly temperatures recorded by a properly installed continuously operated recording thermometer; or
  - B. A meter containing a temperature operated device, hereinafter referred to as a temperature compensated meter, through the operation of which the meter correctly registers the volume, corrected to sixty (60) degrees Fahrenheit; or
  - C. An assumed temperature of the gas flowing through the meters of fifty (50) degrees Fahrenheit in the case of any small volume delivery where Transporter does not elect to install a recording thermometer or temperature compensated meter; provided, however, in the event

Transporter does not install a recording thermometer or temperature compensated meter, Shipper may install a recording thermometer and in such case the temperature so recorded shall be used in correcting to a temperature of sixty (60) degrees Fahrenheit.

- 5.3 When orifice meters are used, the specific gravity of the gas delivered shall be determined by approved methods once a month, or as frequently as necessary for reasonably accurate determination, and the specific gravity so obtained shall be used in computing volumes of gas delivered hereunder.
- 5.4 The components for determining the deviation from Boyle's Law, at the pressure and temperature under which delivered, shall be determined by tests at intervals of twelve (12) months or at such shorter interval as is found necessary in practice and the correction factor so determined using American Gas Association "Report Number Eight" or American Gas Association "Project NX-19" shall be used in the computation of deliveries until the next test.
- 5.5 The heating value of the gas delivered shall be determined by approved recording calorimeters, chromatographs, continuous samplers, or other instruments, installed by Transporter at points on Transporter's pipeline system.
- 5.6 The cutoff for the closing of measurement is five (5) business days after business month.

## 6. MEASURING EQUIPMENT

- 6.1 Transporter and Shipper shall agree regarding arrangements for installation, ownership, operation and maintenance at or near Points of Receipt and Points of Delivery of measuring equipment, including heating value measuring equipment and telemetering equipment, which shall meet the qualifications set out in the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 If Shipper installs, maintains, or operates measuring equipment, such actions shall be pursuant to the specifications set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff. Transporter shall not be obligated to install such measuring equipment.
- 6.3 Shipper may install, operate and maintain, at its own expense, such check measuring equipment as it shall desire, provided that such check meters and equipment shall be so installed as not to interfere with the operation of Transporter's meters at or near the Point of Delivery. Transporter shall have access to such check measuring equipment at all reasonable hours but the reading, calibrating and adjusting thereof and changing of charts shall be done only by Shipper.
- 6.4 Both Transporter and Shipper shall have the right to be represented at any installing, reading, cleaning, changing, repairing, inspecting, calibrating or adjusting done in connection with the other's measuring equipment installed hereunder. The records from such measuring equipment shall remain the property of the owner but the owner upon request will submit to the other such records and charts, together with calculations therefrom, for its inspection and verification, subject to return within ten (10) days after receipt thereof.

## 7. METER TESTS AND ADJUSTMENTS

- 7.1 Transporter shall test its meters at reasonable intervals in the presence, if Shipper so elects, of Shipper's representatives. Shipper, at its own expense, may have tests or calibrations of Transporter's meters made at reasonable times, in the presence of Transporter's representatives.
- A. If, upon any test, measuring equipment is found to be accurate within two percent (2%) or less, previous readings of such equipment shall be considered correct in computing deliveries of gas hereunder; but such equipment shall be properly adjusted at once to record accurately.
  - B. If, upon any test, any measuring equipment shall be found to be inaccurate by an amount exceeding two percent (2%), then any previous readings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such adjustment shall be for a period extending over one-half of the time elapsed since the date of last test but not exceeding a correction period of thirty (30) days.
- 7.2 If for any reason Transporter's meters are out of service or out of repair so that the quantity of gas delivered is not correctly indicated by the reading, the gas received or delivered during the period such meters are out of service or out of repair shall be estimated and agreed upon on the basis of the best data available, using the first of the following methods which shall be feasible:
- A. By using the registration of any check meter or meters if installed and accurately registering;
  - B. By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or
  - C. By estimating the quantity of receipt or delivery based upon receipts or deliveries during preceding period(s) under similar conditions when the meter was registering accurately.
- 7.3 If Transporter institutes a new method or technique of gas measurement, such as electronic metering, such new method or technique may be substituted by Transporter in exercise of its reasonable judgment.

Transporter shall promptly inform Shipper of any such new technique adopted and the date of its implementation.

## 8. DETERMINATION OF RECEIPTS AND DELIVERIES

8.1 For purposes of billing, the order of nominated services through a particular delivery point, unless otherwise determined, will be:

- A. Nominated FT, CMC-1, CMC-2 and any associated storage withdrawals;
- B. Nominated IT and any associated storage withdrawals;
- C. Authorized contract overrun deliveries (when no-notice service not available);
- D. No-notice service and associated storage withdrawals;
- e. Nominated Park and Loan Service (PALS);
- F. Imbalance gas; and
- G. Unauthorized contract overrun deliveries (when no-notice service not available).

8.2 At any receipt or delivery point, Transporter will allocate flows to Shippers according to the following methodology:

- A. Gas will be allocated first to firm transportation through the point, up to the daily nomination. If insufficient gas is available to satisfy firm nominations, the available gas will be allocated pro rata based on firm nominations;
- B. Any remaining volumes will be allocated pro rata to interruptible transportation based on the approved nominations; and
- C. The transportation priority for fuel shall be the same as the level of service as the transaction to which it applies.

### 8.3 PREDETERMINED ALLOCATION AGREEMENTS

Transporter will enter into mutually acceptable predetermined allocation agreements with upstream or downstream parties to accommodate allocation methodologies different than that outlined in Section 8.2. The allocation

methodology types which two parties may agree upon are ranked, pro rata, percentage, swing and operator provided value. If the two parties cannot agree upon an allocation methodology, pro rata based upon confirmed nominations shall be used as the default method. The party responsible for custody transfer (the party performing the measurement function) shall provide the allocation. Two welded parties shall agree on who submits a pre-determined allocation methodology and who allocates at the point before gas flows. There is no need to submit pre-determined allocation if a transportation service provider has an operational balancing agreement in effect for a point. Only one pre-determined allocation methodology shall be applied per allocation period. The upstream or downstream party providing the point confirmation shall submit the pre-determined allocation to the allocating party after or during confirmation and before start of gas day. The allocating party shall send back confirmation of receipt of the pre-determined allocation within fifteen minutes. Transporter will accept GISB approved allocation methodology types from the upstream or downstream custody transfer party who is providing the point confirmation.

#### 8.4 OPERATIONAL BALANCING AGREEMENTS

Transporter will enter into mutually acceptable operational balancing agreements with upstream or downstream parties.

#### 8.5 Firm Storage Service and Interruptible Storage Service injections and withdrawals will be assumed to equal the approved nomination.

## 9. BILLING

9.1 Imbalance statements will be generated at the same time or prior to the generation of the transportation invoice. On or before the ninth business day after the end of the production month, Transporter shall render invoices for all charges applicable to the preceding month. The imbalance statement shall be rendered prior to or with the invoice. Rendered is defined as postmarked, time-stamped, and delivered to the designated site. Invoices will be based on actuals (if available) or best available data. Quantities at points where OBAs exist will be invoiced based on scheduled quantities. Invoices shall include any applicable credits, including those relating to demand charges for released capacity, if paid. When information necessary for billing purposes is in the control of Shipper, such information shall be delivered to Transporter by Shipper on or before the fifth business day of each month for the prior monthly billing period.

9.2 Both Transporter and Shipper shall have the right to examine, at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.

9.3 Transporter may invoice Shipper for additional charges which may be applicable. Shipper shall pay Transporter such charges within 10 days of the invoice date except where otherwise specified in a rate schedule.

### 9.4 BILLING ERRORS

In the event an error is discovered in the amount billed in any statement rendered by Transporter or paid thereunder, such error shall be adjusted within thirty (30) days of the determination, provided that claim shall have been made within sixty (60) days from the date of discovery of such error, but in any event within twelve (12) months from the date of any such statement.

### 9.5 PRIOR PERIOD ADJUSTMENTS

For treatment of measurement of prior period adjustments, Transporter shall treat the adjustment by taking it back to the production month. A meter adjustment becomes a prior period adjustment after the fifth business day following the business month. Transporter shall estimate missing or late measurement data and treat actual as a prior period adjustment, with the

measuring party to provide the estimate. Measurement data corrections shall be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Prior period adjustment time limits shall be six (6) months from the date of the initial transportation invoice and seven (7) months from date of initial sales with a three (3) month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

## 10. PAYMENTS

- 10.1 Shipper shall pay Transporter by Electronic Funds Transfer to a designated bank account established by Transporter for billed amounts equal to or greater than \$100,000 for all services rendered by Transporter. For billed amount less than \$100,000 Shipper shall pay Transporter by check to Transporter's designated address or at Shipper's election by Electronic Funds Transfer to a designated bank account established by Transporter. Payments shall be made by Shipper to Transporter within 10 days from the date of the invoice (Due Date) for all charges in accordance with the provisions of the applicable Rate Schedules. Payments made by Electronic Funds Transfer shall be considered to have been made on the date when such payment of good funds is received by Transporter. Any amount not paid when due shall bear interest at the rate specified in Section 154.501(d) of the Commission's regulations from the due date until paid.

Unpaid and Disputed Bills. If an invoice is in dispute, Shipper shall pay portion not in dispute and provide documentation identifying basis for the dispute with the payment, except when payment is made by electronic funds transfer, in which case the remittance detail is due within two (2) business days of the payment due date. Should Shipper fail to pay part or all of the amount of any such bill, interest thereon shall accrue at an average prime interest rate computed in a manner consistent with section 154.501(d) of the FERC's Regulations from the DUE DATE until date of receipt of payment by transporter. If such failure to pay continues 30 days after payment is due, Transporter, in addition to any other remedy it may have, after Transporter provides Shipper with 20 days prior written notice may suspend further service to Shipper until such amount is paid; provided however, that if Shipper in good faith disputes in writing the amount of any such bill or parts thereof and pays to Transporter such amounts as it concedes to be correct, and at any time thereafter within 30 days of the demand made by Transporter shall furnish a good and sufficient surety bond guaranteeing payment to Transporter of the amount ultimately found due upon such bills after a final determination, which may be either by agreement or judgment of the courts as may be the case, then Transporter shall not be entitled to suspend further service unless and until default be made in the condition of such bond. If resolution of the dispute is in favor of Shipper and the Shipper furnished a surety bond and any interest assessed instead of paying the disputed amount, then the Transporter shall reimburse Shipper for the cost of securing the surety bond and any interest assessed. No payment by Shipper

or the amount of a disputed bill shall prejudice the right of Shipper to claim an adjustment of the disputed bill.

- 10.2 Any payments received shall first be applied to accrued interest, then to additional charges due, then to the previously outstanding principal due, and lastly, to the most current principal due.

## 11. OPERATIONS BY SHIPPER

- 11.1 Upon any request Shipper shall furnish to Transporter, as far in advance as operations permit, estimates of the expected daily, monthly and annual quantities of natural gas required by Shipper.
- 11.2 At each Point of Receipt and Point of Delivery, each Party shall use reasonable efforts to deliver, or cause to be delivered, gas at reasonably uniform hourly and daily rates of flow; provided, however, either Party may request the other Party to change the rates of delivery or receipt. The Party requested to make such changes will do so to the extent that it can, in its judgment, without adversely affecting its deliveries of gas to any other customer.
- 11.3 Transporter shall, to the extent reasonable, deliver volumes for Shipper's account concurrently with the receipt of Receipt Volumes. It is recognized that the Parties may be unable to control exactly the quantities of gas received and delivered on any Day and that the quantities received by Transporter may vary from the quantities delivered on any Day. Such variations shall be kept to the minimum and shall be balanced as soon as practicable. Monthly cumulative net variations may result in the application of charges as provided in the Transportation Rate Schedules. Shipper and Transporter shall manage the receipts and deliveries so that the difference between receipt volumes and delivery volumes shall be kept as near zero as practicable, taking into account fuel reimbursement and other deductions. Further, Transporter shall be under no obligation to accept from Shipper gas in excess of the Approved Daily Nomination for the Receipt Point for that Day.

## 12. IMBALANCES

Transporter shall not be responsible for eliminating any imbalances in volumes between Shipper and any third party, including imbalances between local distribution companies and specific end users. Furthermore, Transporter shall not be obligated to deviate from its standard operating and accounting procedures in order to reduce or eliminate any such third party imbalances. No imbalance penalty shall be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty.

## 13. POSSESSION OF GAS

- 13.1 Shipper agrees to indemnify and hold Transporter harmless against any loss or cost incurred by Transporter on account of any liens, encumbrances and claims whatsoever. Transporter agrees to indemnify and hold Shipper harmless against any loss or cost incurred by Shipper on account of liens, encumbrances or claims resulting from any possession or transportation by Transporter.
- 13.2 Shipper shall be in exclusive control and possession of the gas until such has been received by Transporter at the Point(s) of Receipt and after the gas has been delivered to Shipper or for Shipper's account at the Point(s) of Delivery. The Party which is or is deemed to be in exclusive control and possession of such gas shall be responsible for all injury, damage, loss, or liability caused thereby. Transporter's responsibility with respect to Shipper's gas shall be deemed to be met if Transporter exercises due diligence in protecting such gas.

## 14. RIGHT TO DELIVER GAS

Shipper shall have a valid right to deliver the gas to be transported at the time of tender to Transporter. Each Party shall indemnify the other Party against all damages, costs, and expenses of any nature whatsoever arising from any claim against the gas.

## 15. FUEL AND LOSS REIMBURSEMENT

Applicable fuel and loss reimbursement retention percentages stated on a system-wide basis are set forth in the *Currently Effective Rates* Section of this FERC Gas Tariff unless otherwise agreed to in writing between Transporter and Shipper.

For current in-kind fuel reimbursement procedures, fuel rates should be made effective only at the beginning of the month.

## 16. LIMITATIONS ON OBLIGATIONS

### 16.1 FORCE MAJEURE

- a. It is expressly agreed that Transporter shall not be liable on any account whatsoever to Shipper for any failure, interruption or diminution in delivery of gas or any act, omission or circumstance occasioned by or in consequence of accident to or breakage of pipelines, equipment or machinery, explosions, landslides, earthquakes, fires, lightning, floods, washouts, freezing, storms, the elements, the making of repairs, alterations or replacements, strikes, lockouts or other industrial disturbances, riots, insurrections, civil disturbances, pestilence, acts of God or the public enemy, war, legal interferences, orders or requirements of any court of competent authority, depletion or destruction of gas wells or fields, diminution or failure of, or interference, partial or entire, with Transporter's pipeline system, or, and without limitation by the foregoing, any other causes beyond reasonable control of Transporter.
- b. Shipper shall not be liable to Transporter for any failure to accept natural gas when occasioned by or in consequence of accident or breakage of pipelines, equipment or machinery, explosions, fires, floods, freezing, storms, landslides, washouts, strikes, industrial disturbances, legal interferences, orders or requirements of competent authority, acts of God or the public enemy, or, and, without limitation by the foregoing, any other cause beyond reasonable control of Shipper. Any such cause or contingency, however, exempting Shipper from liability for non-performance (excepting where prevented by valid orders or requirements of Federal, State or other governmental regulatory bodies having jurisdiction in the premises) shall not relieve Shipper of its obligation to pay demand charges or reservation charges in accordance with the provisions of the applicable rate schedule.
- c. Each Party shall exercise reasonable diligence to remove any such interference with its receipt or delivery of gas and shall resume such take at the earliest practicable time.

### 16.2 SALES CURTAILMENT

- a. SUPPLY INSUFFICIENCY

Whenever in Transporter's judgment the availability of gas supply for sales service is insufficient, due to any cause whatsoever, at the point(s) of sale to satisfy the quantity of sales gas which all sales customers require, then sales deliveries will be curtailed as specified herein.

b. SALES CURTAILMENT PRIORITIES

PRIORITY 1

CATEGORY 1(a): Requirements of persons using natural gas in a dwelling for residential purposes, including apartment buildings and other multi-unit buildings, and requirements of small commercial consumers (including public and private institutions and local, state and Federal Governmental agencies) having requirements on a peak day of less than 50 Dth for purposes other than those involving manufacturing or electric power generation.

CATEGORY 1(b): Requirements for the following purposes:

1. in a school, defined as a facility the primary function of which is to deliver instruction to regularly enrolled students in attendance at such facility.
2. in a hospital, defined as a facility the primary function of which is delivering medical care to patients who remain at the facility, including nursing and convalescent homes.
3. for police and/or fire protection and in sanitation and correctional facilities.

PRIORITY 2

Any use of natural gas which has been certified by the Secretary of Agriculture as an essential agricultural use under Section 401(b) of the Natural Gas Policy Act unless the Commission, in consultation with the Secretary of Agriculture, determines, by rule or order, that the use of an alternative fuel is economically practicable and reasonably available. The definition of "alternative fuel" shall be that stated in 18 CFR 281.303(b) as amended from time to time. Peak day volumes shall be based on current requirements unless such volumes exceed contract or certificate limitations.

PRIORITY 3

CATEGORY 3(a):

All uses by commercial consumers having requirements on peak day of 50 Dth or more except for boiler fuel use by commercial consumers having requirements on a peak day of more than 300 Dth, and all industrial consumers or feedstock and process needs having requirements on a peak day of not more than 500 Dth and for ignition fuel and flame stabilization for boilers when fired by other fuels. Quantities attributed to ignition fuel and flame stabilization shall not exceed the amount required for safe operation.

CATEGORY 3(b):

Requirements of all consumers not specified in Priority, Priority 2, Priority 4, Priority 5, and Category 3(a) of this Priority 3.

PRIORITY 4

[Reserved for Essential Industrial Process and Feedstock uses of consumers having a peak day requirement in excess of 500 Dth.]

PRIORITY 5

Receipts, transportation, and deliveries of requirements for boiler fuel use by industrial and commercial customers having requirements for such use on a peak day of more than 300 Dth and deliveries of requirements for other industrial uses having a peak day requirement for such use of more than 500 Dth. Within Priority 5 there are the following steps which are listed from lowest to highest priority:

Step 1: Boiler fuel use by consumers having a requirement for such use on a peak day of more than 10,000 Dth.

Step 2: Boiler fuel use by consumers having a requirement for such use on a peak day of more than 3,000 Dth but not more than 10,000 Dth.

Step 3: Boiler fuel use by consumers having a requirement for such use on a peak day of more than 1,500 Dth but not more than 3,000 Dth.

Step 4: Boiler fuel use by consumers having a requirement for such use on a peak day of more than 300 Dth but not more than 1,500 Dth.

Step 5: Industrial use not specified in Steps 1, 2, 3 and 4 having a peak day requirement for such use of more than 500 Dth.

c. DEFINITIONS AND PROCEDURES

(1) The terms "commercial", "industrial", "boiler fuel", "industrial feedstock" and "industrial process" as used above, shall have the meaning adopted in rules promulgated by the Commission pursuant to Section 402 (d)(1) of the NGPA.

(2) For purposes of sales curtailment, the order of priorities, from highest to lowest, is as follows:

Priority 1(a)

Priority 1(b)

Priority 2

Priority 3(a)

Priority 3(b)

Priority 4

Priority 5, Step 5

Priority 5, Step 4

Priority 5, Step 3

Priority 5, Step 2

Priority 5, Step 1

(3) Transporter will issue curtailment orders to sale customers based upon the percentage of customer's peak day requirements represented by each curtailment category. Each sales customer will annually submit to Transporter a verified statement by September 1, setting forth the percentage of its peak day requirements represented by each curtailment category. In the absence of receipt of such verification, customer's entire billing demand shall be deemed to consist of Category 3(b) usage and will be treated as such for curtailment purposes.

(4) All curtailments in any priority shall be pro rata and requirements in a category shall be completely curtailed before any curtailment is applied to the next highest priority.

- (5) In the event that a supply insufficiency is applicable only to a specific point of sale, and the only curtailments required relate to that point of sale, then the curtailment prescribed above may be limited to customers served through such point.
- (6) Transporter will use reasonable efforts to provide at least four hours notice in advance of the time curtailment is to commence, except that, when due to an event of force majeure, Transporter will give such notice as may be practicable under the circumstances.

d. VARIATIONS IN PROCEDURES

The following variations in procedures are authorized:

- (1) Variations in the reduction of deliveries provided in this Section 16 shall be allowed when necessary to respond to emergency situations (including environmental emergencies and when public utility electric power plants lack an adequate supply of alternate fuel and are unable to obtain emergency power supplies from other sources) where supplemental deliveries are required to forestall irreparable injury to life or property.
- (2) Variations in the reduction of deliveries provided for in this Section 16 shall be allowed to provide, during periods of complete curtailment of gas for industrial operations or production, gas for industrial non-boiler fuel human needs requirements for space heating of plant offices, for heating of plant areas in which maintenance personnel are working up to a temperature of fifty-five (55) degrees Fahrenheit, and for heating such water as may be required by personnel and for minimum plant protection when the plant is shut down.
- (3) Customer may orally provide information supporting a variation in procedure, but must provide written verification of such information to Transporter within twenty-four (24) hours.

e. DEMAND CHARGE ADJUSTMENT

Any other provisions of this Gas Tariff notwithstanding, if Transporter does not deliver a volume equal to the billing demand of Customer as a result of any curtailments ordered pursuant to this Section 16, no

reduction or other adjustment shall be made in the demand charge or capacity reservation charge of Customer.

### 16.3 CAPACITY CURTAILMENT

- a. Whenever the capability of Transporter's system, due to any cause whatsoever, is such that Transporter is unable to receive, transport or deliver the quantity of gas which all customers served by Transporter require, including injection of gas into storage facilities, then receipts, transportation and deliveries will be curtailed as specified below.
- b. The order of transportation priority for purposes of interruption, from lowest to highest, is as follows:
  - (1) Interruptible service overrun
  - (2) Firm service overrun
  - (3) Interruptible services (IT, PALS, ISS)
  - (4) Secondary Firm service (FT, NNS, FSS, CMC-1, CMC-2)
    - a) Secondary Firm Service outside the primary path
    - b) Secondary Firm service within the primary path
  - (5) Primary Firm service (FT, NNS, FSS, CMC-1, CMC-2)
- c. Whenever the capacity of all or a portion of Transporter's system or system segment, due to any cause, is such that Transporter is unable to serve all Shippers receiving firm or interruptible services, service to Shippers shall be interrupted or reduced in the order of priorities set forth above, with all services under (1) being interrupted or reduced first, all services under (2) being interrupted or reduced second, all services under (3) being interrupted or reduced third, all services under (4) being interrupted or reduced fourth and services under (5) being interrupted or reduced last. When interruption or reduction is necessary within any one of the interruptible service categories above, Shippers receiving service at a lower rate will be interrupted before those Shippers receiving service at a higher rate. Should any Shippers have equal priority based on rate paid, available capacity shall be allocated pro rata based on accepted nominations.
- d. After all interruptible services have been interrupted, if sufficient capacity still does not exist to serve all firm customers, firm receipts, transportation and deliveries on a secondary basis will be curtailed next, pro rata based on nominations. Finally, firm receipts, transportation and deliveries on a primary basis will be reduced pro rata based on maximum daily contract quantities.

- e. For purposes of applying the above priorities, a Shipper paying a Negotiated Rate will be subject to the provisions of Section 36 below.

#### 16.4 SPECIFIC PIPELINE OR AREA REDUCTIONS

In the event that a receipt, transportation, and delivery capability limitation is applicable only to a specific pipeline or area of Transporter's system and the only receipt, transportation, and delivery reductions required relate to that pipeline or area, then the reductions prescribed in this Section 16 may be limited to such pipeline or area.

#### 16.5 LIABILITY

- a. If service under this Tariff is interrupted consistent with this Section 16, Transporter shall not be liable for damages of any kind, including consequential damages, to Shipper or others, except for interruptions caused by Transporter's negligence or willful misconduct.
- b. Transporter shall have the right, without liability to Shipper or consumers, to interrupt the transportation of gas when necessary to test, alter, modify, enlarge, or repair any facility or property comprising a part of, or appurtenant to, its pipeline system, or otherwise related to the operation thereof. Transporter shall endeavor to cause a minimum inconvenience to Shipper and consumers. Except in cases of unforeseen emergency, Transporter shall give advance notice of its intention to interrupt the transportation of gas, stating the anticipated timing and magnitude of each such interruption.

## 17. REMEDIES

- 17.1 No provision of these General Terms and Conditions regarding specific remedies shall bar Transporter from asserting any other remedy it may have at law or in equity.
- 17.2 In the event of a bona fide dispute between the Parties with respect to any invoices, Transporter shall have the right to discontinue the transportation of gas beginning 30 days after the issuance of a final non-appealable decision by a court of competent jurisdiction in favor of Transporter, if Shipper has failed to remedy or correct such violation within said 30-day period.

## 18. RIGHT OF FIRST REFUSAL PROCESS

Shippers under firm contracts, with a term of 12 consecutive months or more at maximum rates, or multi-year seasonal maximum rate contracts for services not offered for a full 12 months, may exercise the Right of First Refusal. Such agreements are not subject to pre-granted abandonment provided notice is given as described herein. A firm Shipper may elect to retain a portion of its capacity, subject to the Right of First Refusal process and have Transporter's pre-granted abandonment authority apply to the remainder of the capacity. A firm Shipper may not segregate its contract by geographic areas in exercising the Right of First Refusal. A Shipper paying a discounted rate or a negotiated rate will not have the Right of First Refusal, unless otherwise agreed to in writing by Transporter. Transporter and a Shipper under a firm contract may agree that Shipper shall have the right to extend the term of its existing contract pursuant to a negotiated contractual right of first refusal provision, which right shall be exercised in accordance with Sections 18.2 - 18.6, below. Transporter is not obligated to offer or agree, nor is Shipper required to agree, to any such contractual right of first refusal provision, provided, however, that to the extent Transporter offers or agrees to any such contractual right of first refusal provision, it must do so on a nondiscriminatory basis for similarly situated Shippers. A discounted or negotiated rate contract in effect on March 27, 2000 will be grandfathered and allowed the tariff Right of First Refusal at expiration of the contract. However, such grandfathered contract thereafter must be extended at maximum rates to keep the tariff Right of First Refusal, unless otherwise agreed to in writing. The process for exercising the tariff Right of First Refusal is as follows:

### 18.1 NOTICE

Transporter will provide no more than nine (9) months, and not less than six (6) months advance written notice of pending contract expiration to firm Shippers with contract terms of one (1) year or more. Shippers must give notice to Transporter no less than four (4) months before the expiration of its firm throughput contract that it wishes Transporter to post its capacity to begin the Right of First Refusal process.

Failure by the Shipper to give Transporter the notice specified in this section will result in the automatic abandonment of the entitlement and the Shipper's right to the subject capacity at the end of the contract term will cease.

## 18.2 BIDDING PROCESS

Upon Transporter's receipt of the Shipper's Right of First Refusal notice described in Section 18.1 above, Transporter will post the Shipper name, effective date, and primary receipt and delivery points and their associated capacity on the Informational Postings portion of its Interactive Web Site in order to solicit bids for the capacity.

A Bidder desiring to obtain the posted capacity must submit a bid via Facsimile 303-763-3515 to Transporter in accordance with Section 18.3 below, within thirty (30) calendar days of the posting to participate in the Right of First Refusal process.

If the tendered bids are less than maximum rate, Transporter will utilize an iterative bidding process. The highest bid will be posted on the Informational Postings portion of Transporters Interactive Web Site and each iteration's best offer will be posted on the Interactive Web Site for informational purposes, along with the name of the highest bidder. In subsequent iteration(s), bidders will have ten (10) days to respond to Transporter after a posting; thereafter, after each bidding period, Transporter will have up to five (5) days to perform an analysis to determine the best offer as described in Section 18.4 below. The bidding process must be completed forty-five(45) days before the end of the existing contract term.

If any bid submitted by a bidder is subsequently withdrawn, any new bids submitted by such bidder for the same path(s) must be at a higher rate. Transporter will have the right to reject, on a non-discriminatory basis, any bid not at the maximum rate.

## 18.3 CONTENTS OF BID

Service Agreements shall include the corresponding Shipper's bid and must contain the price, term, amount of capacity desired and primary receipt and delivery points.

When any Shipper bids the maximum rate, such Shipper is only required to bid up to the maximum rate for its requested receipt and delivery points, not the maximum rate which may apply to different receipt and delivery points which could be charged for such service.

Multiple bids (defined as different bids made for different portions of the total capacity) will be permitted.

#### 18.4 BEST OFFER

Transporter will determine which bid constitutes the best offer by determining the highest economic unit value (per Dth of capacity) to Transporter. A calculation based on the formula and interest rate set forth in Section 23.10 will be used to determine the highest economic unit value. The comparative economic unit value of each bid will be determined by calculating the Net Present Value (NPV) of the reservation charges or other form of revenue guarantee of each offer over either the term of the offer or five (5) years, whichever is less, and then dividing by the quantity of the respective bid. However, if the bid is at maximum rate and the term is more than five (5) years, the entire term will be considered in determining the economic unit value. For a Shipper's bid with a reservation rate or other form of revenue guarantee which exceeds the maximum Recourse Rate during all or any portion of the bid term, the NPV calculated for the bid may not exceed the NPV calculated assuming that the maximum Recourse Rate shall be in effect during the full term of the bid.

In the event equivalent offers are submitted, the capacity will be made available on a pro rata basis to the equal bidders. Should any of the equal bidders veto their pro rata allocation of the capacity, Transporter will then conduct a lottery to select the winning bidder, who will then, if the bid is not matched under Section 18.5 below, be allotted its requested capacity. The remainder of said capacity, if any, will be available to the other equal bidder(s) on a pro rata basis, which will again trigger the veto/lottery selection process.

Transporter will post the name of the winning bidder of the capacity for a period of no less than five (5) business days.

#### 18.5 MATCH

The original firm Shipper shall have the option to execute a firm service agreement which matches the bid constituting the highest economic unit value to Transporter as determined pursuant to Section 18.4, above. Transporter will notify the original firm Shipper within five (5) business days of the best offer it must match by tendering to such Shipper a service agreement. The service agreement must be executed by the original firm Shipper within fifteen (15) days of Transporter's tender thereof. Transporter is not required to accept an offer at less than the maximum rate.

18.6 NO BIDS OR NO ACCEPTABLE BIDS

Where there are no bids or no acceptable bids for the capacity and the original firm Shipper agrees to pay the maximum rate, service may be contracted for any term the original firm Shipper chooses. Transporter shall notify the original firm Shipper within five (5) business days that no bids or no acceptable bids were received. Upon such notice, the original firm Shipper shall have fifteen (15) days (or such extended period as may be mutually agreed between Transporter and Shipper) to notify Transporter in writing that it intends to exercise its option to continue receiving service at the maximum rate. Such notice shall be binding and shall include the term chosen by the original firm Shipper for which it is willing to pay the maximum rate. If the original firm Shipper fails to so notify Transporter within the above-prescribed timeframe, the Right of First Refusal shall expire. Transporter is not required to accept an offer at less than the maximum rate.

## 18.7 ROLLOVERS

- A. A Shipper under any Firm Service which has entered into a Service Agreement thereunder with a term of three (3) years or longer shall have a right to continue receiving service on a firm basis beyond the term of the existing Service Agreement and to rollover such Service Agreement for a three-year or greater term, subject to the following conditions:
1. Shipper must give Transporter written notice that it will utilize the rollover procedure the earlier of (a) the date of the notice period provided for in Shipper's contract; or (b) one (1) year prior to the expiration of the term of the Service Agreement. Such notice shall be binding on the Shipper. Any request for an increase in MDQ in total or at any primary point shall be treated as a request for new service, but only to the extent of the increase. Any notice hereunder specifying a decrease in MDQ in total or at any primary point shall not affect the existing Service Agreement during the remainder of its term.
  2. Within thirty (30) days after receipt of the notice described in 18.7A, above, Transporter will evaluate the creditworthiness of Shipper. If Shipper meets the requirements of Transporter's credit appraisal procedures, Transporter shall tender to Shipper an amended Service Agreement consistent with the requirements of this Tariff. Any Service Agreement amended pursuant to this Section 18.7 is expressly subject to agreement between Transporter and Shipper as to the applicable rate(s), including negotiated or discounted rates, that shall apply during the extended term under the rollover. No discount or negotiated rates applicable to the existing Service Agreement shall apply during the rollover term of a Service Agreement amended pursuant to this rollover provision, unless agreed to by Transporter. Shipper and Transporter shall execute such Service Agreement within thirty (30) days after Transporter tenders such amended Service Agreement to Shipper.
- B. Transporter and Shipper under a firm or interruptible contract may agree that Shipper shall have the right to extend the term of its existing contract pursuant to a negotiated contractual rollover provision. Transporter is not obligated to offer or agree, nor is Shipper required to agree, to any such contractual rollover provision, provided

however, that to the extent Transporter offers or agrees to any such rollover provision, it must do so on a nondiscriminatory basis for similarly situated Shippers.

- C. If Shipper and Transporter agree to rollover a Service Agreement pursuant to Section 18.7A or B, the Right of First Refusal procedure under this Section 18 shall not be necessary. Should Shipper secure the Right of First Refusal under an amended Service Agreement that resulted from a rollover, Shipper shall retain full rights to utilize such Right of First Refusal as it may apply during the term of the amended Service Agreement.

## 19. DULY CONSTITUTED AUTHORITIES

This FERC Gas Tariff, including these General Terms and Conditions and the respective obligations of the parties under the Service Agreement, is subject to valid current and future laws, orders, rules and regulations of duly constituted authorities having jurisdiction. Each Party's obligations under a Service Agreement is conditioned upon obtaining authorization from the appropriate governmental authorities.

## 20. NOTICES AND COMMUNICATION

Except as provided otherwise in this Tariff, communications between the Parties may be made by telephone or other mutually agreeable means without subsequent written confirmation, unless written confirmation is requested by either party hereto. Any notice, request, demand, statement or other formal communication shall only be deemed given when delivered by first class, certified or registered U.S. mail, overnight delivery, courier, facsimile or Electronic Notice Delivery consistent with GISB Standards as adopted in Section 37 of these General Terms and Conditions. Such delivery shall: (1) be sent to Transporter at the address specified in the Agreement, or through such electronic means as are available and authorized by Transporter, or to an address otherwise stated in a notice by Transporter to Shipper; and (2) be sent to Shipper at the address in the Agreement, through Electronic Notice Delivery, or at an address otherwise stated in a notice by Shipper to Transporter. Mailed communications shall be considered delivered when deposited in the United States mail, postage prepaid and registered, addressed to the address of Transporter or Shipper, or at such other address as either party shall designate by formal written notice. Notices pursuant to Section 16 of these General Terms and Conditions may be given orally.

## 21. FERC ACA PROVISIONS

### 21. FERC ACA

#### A. PURPOSE

For the purpose of funding of the Federal Energy Regulatory Commission's (FERC) costs incurred in any fiscal year, this Section 21 establishes an Annual Charge Adjustment (ACA) to be applicable to all of Transporter's Rate Schedules as required and as set forth below and in the *Currently Effective Rates* Section of this Tariff. Transporter shall not recover any annual charges recorded in FERC Account No. 928 in a NGA Section 4 rate case.

#### B. BASIS

Pursuant to FERC order issued March 21, 2013 at Docket No. RM12-14-000 (Order No. 776), Transporter incorporates by reference into this Tariff the ACA unit charge specified in the annual notice issued by the FERC entitled "FY [Year] Gas Annual Charges Correction for Annual Charges Unit Charge" as found on the Annual Charges pages of the Natural Gas section of the FERC's website, located at <http://www.ferc.gov>. This ACA unit charge shall be effective the first day of October following issuance of this notice and shall extend to the last day of September the following year (i.e., the duration of the fiscal year).

#### C. REMITTANCE TO THE FERC

Transporter shall remit to the FERC, not later than 45 days after receipt of the Annual Charge Billing, the Total Annual Charge stated in such billing.

## 22. GENERAL

For purposes of Transporter's Service Schedules the following subparagraphs also shall be applicable:

### 22.1 TARIFF CHANGES

- a. The rates, terms, and conditions, for Services may require change from time to time. Accordingly, Transporter's rates, terms and conditions, may from time to time be changed by appropriate lawful processes, including the filing of changed provisions with the FERC.
- b. Transporter shall give Shipper written notice of any filing of Tariff Sections with the Commission, reflecting any proposed change in such jurisdictional rates and charges. Transporter shall be entitled to collect such changed rate from Shipper commencing with the effective date of such change. Shipper shall be obligated to pay the changed rate, made effective in the manner described above, but nothing herein contained shall prejudice the rights of Shipper to contest at any time changes to the charges for the services rendered by Transporter.

### 22.2 LIMITATION OF SERVICE

After giving Shipper ten (10) days notice in which to comply, Transporter shall not be required to perform and may suspend service under the Agreement on behalf of any Shipper that fails to comply with any and all of the terms and conditions of the Service Agreement, including the applicable rate schedules and these General Terms and Conditions but excluding the suspension of service for non-payment in Article 17.2 of these General Terms and Conditions. In the event of such notice to Releasing Shipper of failure to comply with the provisions of Section 22.7 regarding creditworthiness, Transporter concurrently will provide a copy of the notice to any Replacement Shipper. Transporter may suspend service immediately if Shipper's actions or failure to act threaten the integrity of the Transporter's system.

### 22.3 ODORIZATION

Transporter shall have no obligation whatsoever to odorize the natural gas delivered, nor to maintain odorant levels in such gas.

#### 22.4 POOLING POINTS

If requested by a Shipper or supplier on Transporter's system, Transporter shall offer at least one pool. Deliveries from receipt points can be delivered directly into one pool and delivery points can receive quantities from at least one pool, excluding non-contiguous facilities. Transactions at pooling points shall not be consolidated for billing purposes.

#### 22.5 OWNERSHIP OF LIQUIDS/PROCESSING RIGHTS

Shippers have the right to process their own gas, or have their gas processed by a third party, unless otherwise provided by contract. Transporter recognizes Shipper's ownership rights to products removed from the gas. If gas is processed by Transporter, absent any other agreement, the Shipper will receive credit for extracted products based on allocated volumes and compositions at applicable receipt points to Transporter's transmission system, as follows: 98% of residue gas, 50% of net hydrocarbon liquids proceeds, and 20% of net helium proceeds. Transporter will individually negotiate on a non-discriminatory basis other processing arrangements with Shippers. If Transporter has Shipper's gas processed through a third party plant, and Shipper does not have a processing agreement with the third party plant, Transporter will pass through to Shipper all residue gas and net liquids proceeds received from the third party processor.

#### 22.6 SCHEDULING PRINCIPLES

a. The order for scheduling transportation services is as follows:

- (1) Firm Services at primary points (scheduled pro rata based on nominations);

Firm Services within the primary path will be scheduled across a constraint within the primary path equally regardless of whether primary or secondary receipt or delivery points are being utilized.

- (2) Firm Services at secondary points (scheduled pro rata based on nominations);

Firm Services at secondary points within the primary path have priority over Firm Services at secondary points outside the primary path.

- (3) Interruptible services at maximum (scheduled pro rata based on nominations);
  - (4) Interruptible transportation at maximum rates (scheduled pro rata based on nominations);
  - (5) Interruptible transportation at less than maximum rates (scheduled by rate);
  - (6) Park and Loan Services (PALS and S-PALS) (scheduled by rate); and
  - (7) Firm transportation overrun (scheduled pro rata based on nominations).
- b. Released capacity has the same priority as non-released capacity.
  - c. Firm Intra-day Nominations are entitled to bump scheduled interruptible volumes only during the Evening and Intra-day 1 Nomination Cycles, as defined in Section 6.1. Firm intra-day nominations are not entitled to bump already scheduled firm volumes.
  - d. Interruptible intra-day nominations are not entitled to bump already scheduled interruptible volumes.

## 22.7 CREDITWORTHINESS

Transporter shall not be required to perform or to continue service under any Rate Schedule for any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate creditworthiness; provided, however, such Shipper may receive service if Shipper prepays for such service or furnishes good and sufficient security, as determined by Transporter in its reasonable discretion, in an amount equal to the cost of performing the service requested by Shipper for a three (3) month period. Such cost of performing the service shall include, but not be limited to, the projected cost of transporting Shipper's gas or the equivalent of the cost of gas owed Transporter by the Shipper under an imbalance.

For purposes herein, the insolvency of a Shipper shall be evidenced by the filing by Shipper, or any parent entity thereof, of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving as properly filed, a petition seeking reorganization, arrangement, adjustment or

composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

## 22.8 INCIDENTAL PURCHASE AND SALE

Transporter is not providing a supply service under any Rate Schedule of this Tariff, but may buy and sell gas in connection with the provision of storage and transportation services. Without limitation of the foregoing, Transporter may buy and sell gas to the extent necessary to maintain system pressure, to manage system storage, to replenish any storage retained by Transporter for system operations, to provide adequate storage inventory to support storage services except to the extent the Shipper is responsible for such inventory, to maintain line pack and provide additional line pack for new facilities, to implement the cash-out imbalance procedures under Section 5 of the FT and IT Transportation Rate Schedules, and to perform other functions of Transporter in connection with transportation and storage services. Nothing herein shall impose on Transporter any obligation to provide a supply function to any of its transportation or storage Shippers.

Transporter will sell gas at any point on the system on a non-discriminatory basis. Buyer will be required to arrange with Transporter the necessary transportation and/or storage agreements from the point of sale.

The availability of gas for sale or interest in purchasing gas will be posted on Transporter's interactive web site to the extent feasible at least twenty-four (24) hours prior to the actual purchase or sale.

## 22.9 TERM COORDINATION

In some circumstances, Shipper may desire to extend and coordinate the term of its service agreement with Transporter ("Transporter Service Agreement") with the term of Shipper's service agreement ("Other Pipeline Service Agreement") on a planned, but not yet constructed, natural gas pipeline project ("Project") which will interconnect with Transporter and where the in-service date of the Project cannot be definitively ascertained. In such circumstance, Transporter shall agree, on a non-discriminatory basis, as part of the term provision of the Transporter Service Agreement that similarly situated Shippers may elect to extend the contract term of the Transporter Service Agreement, and any associated rate agreement, to

match the term of the Other Pipeline Service Agreement, subject to the following conditions:

- a. the Project is placed in service and Shipper is a shipper thereon; and
- b. Transporter has available capacity which has been posted and Shipper obtains such capacity on Transporter for the extension period of the Transporter Service Agreement through an Open Season or under otherwise applicable procedures.

## 23. CAPACITY RELEASE BY FIRM SHIPPERS

### 23.1 GENERAL

- a. Subject to the terms, conditions and limitations set forth in this Section 23, a Shipper holding capacity rights under an Eligible Firm Transportation Agreement shall have the right to release all or a portion of such capacity rights and, if a capacity release is effectuated under this Section 23, to receive a credit for reservation charge revenues received by Transporter from that other Shipper for such released capacity.
- b. The capacity release timeline set forth in this Section 23 applies to all parties involved in the capacity release process provided that: 1) all information provided by the parties to the transaction is valid and the Replacement Shipper (or Subreplacement Shipper, if applicable) has been determined to be creditworthy before the Qualified Bid is tendered, 2) for index-based capacity release transactions, the Releasing Shipper has provided Transporter with sufficient instructions to evaluate the corresponding bids according to the timeline, and 3) there are no special terms or conditions of the release. Further, Transporter may complete the capacity release process in a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by Transporter).
- c. Following is a summary of the capacity release process and deadlines set forth in greater detail in the remainder of this Section 23:
  - (1) For biddable releases (one (1) year or less):
    - (i) Offers should be tendered by 12:00 p.m. Central Clock Time on a Business Day;
    - (ii) The open season ends no later than 1:00 p.m. Central Clock Time on a Business Day (evaluation period begins at 1:00 p.m. Central Clock Time during which contingency is eliminated, determination of best bid is made, and ties are broken);
    - (iii) Evaluation period ends and award posting if no match required at 2:00 p.m. Central Clock Time;

- (iv) Match or award is communicated by 2:00 p.m. Central Clock Time;
  - (v) Match response by 2:30 p.m. Central Clock Time;
  - (vi) Award posting where match required by 3:00 p.m. Central Clock Time; and
  - (vii) Contract issued within one (1) hour of award posting (with a new contract number if applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (nomination is not contingent on a contract being issued or executed so long as the Replacement Shipper has preapproved credit).
- (2) For biddable releases (more than one (1) year):
- (i) Offers should be tendered by 12:00 p.m. Central Clock Time four (4) Business Days before award;
  - (ii) The open season ends no later than 1:00 p.m. Central Clock Time on the Business Day before timely nominations are due (open season is three Business Days);
  - (iii) Evaluation period begins at 1:00 p.m. Central Clock Time during which contingency is eliminated, determination of best bid is made, and ties are broken;
  - (iv) Evaluation period ends and award posting if no match required at 2:00 p.m. Central Clock Time;
  - (v) Match or award is communicated by 2:00 p.m. Central Clock Time;
  - (vi) Match response by 2:30 p.m. Central Clock Time;
  - (vii) Award posting where match required by 3:00 p.m. Central Clock Time; and

- (viii) Contract issued within one (1) hour of award posting (with a new contract number when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (nomination is not contingent on a contract being issued or executed so long as the Replacement Shipper has preapproved credit.
  
- (3) For non-biddable releases:
  - (a) Timely Cycle
    - i. Posting of prearranged deals not subject to bid are due by 10:30 a.m.;
    - ii. Contract issued within one (1) hour of posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract;
  
  - (b) Evening Cycle
    - i. Posting of prearranged deals not subject to bid are due by 5:00 p.m.;
    - ii. Contract issued within one (1) hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract;
  
  - (c) Intraday 1 Cycle
    - i. Posting of prearranged deals not subject to bid are due by 9:00 a.m.;
    - ii. contract issued within one (1) hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract;

(d) Intraday 2 Cycle

- i. Posting of prearranged deals not subject to bid are due by 4:00 p.m.;
- ii. Contract issued within one (1) hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.

23.2 DEFINITIONS

a. Bid Value

The value assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 23.10 or, if applicable, the bid evaluation procedures set forth in the Capacity Release Request.

b. Capacity Release Request

The request that a Releasing Shipper submits to initiate the capacity release procedure under this Section 23.

c. Eligible Firm Transportation Agreement

A transportation agreement under Rate Schedule FTS, NNS, FSS, CMC-1 or CMC-2.

d. Maximum Bid Volume

The maximum amount of capacity the Qualified Bidder agreed to accept in its Qualified Bid.

e. Minimum Bid Volume

The minimum amount of capacity the Qualified Bidder agreed to accept in its Qualified Bid.

f. Original Shipper

The entity who is the Shipper under an Eligible Firm Transportation Agreement (other than through a capacity release).

g. Prearranged Release

The binding written release agreement between a Releasing Shipper and a Prearranged Shipper covering Eligible Firm Transportation Agreement capacity rights, the effectiveness of which is subject only to: (1) the prequalification of the Prearranged Shipper under Section 23.15; and (2) the release of such capacity rights to the Prearranged Shipper as provided by this Section 23.

- (i) A Prearranged Release between a Releasing Shipper and an Asset Manager as that term is defined in 18 C.F.R. Section 284.8(h)(3), shall be defined for purposes of this Section 23, as a "Prearranged Asset Manager Release".
- (ii) A Prearranged Release between a Releasing Shipper and a Marketer Participating in a State-Regulated Retail Access Program, as that term is defined in 18 C.F.R. Section 284.8(h)(4), shall be defined for purposes of this Section 23, as a "Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program".
- (iii) A Prearranged Asset Manager Release and a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access program are exempt from the Open Season Requirements set forth in this Section 23.

h. Prearranged Shipper

A person or entity prequalified under Section 23.15 who has entered into a Prearranged Release with a Releasing Shipper for Eligible Firm Transportation Agreement capacity rights, including a Replacement Shipper under either a Prearranged Asset Manager Release, or a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program.

i. Qualified Bid

A binding bid prequalified under Section 23.15 by a Qualified Bidder for capacity rights subject to a Capacity Release Request under this Section 23.

j. Qualified Bidder

Any person or entity prequalified under Section 23.15 who bids for capacity rights being released under this Section 23, including a Replacement Shipper under either a Prearranged Asset Manager Release, or a Prearranged Release to a Marketer Participating in a Sate-Regulated Retail Access Program.

k. Released Firm Transportation Agreement

The agreement between Transporter and a Replacement Shipper or a Subreplacement Shipper by which the Replacement Shipper or Subreplacement Shipper confirms the receipt of capacity rights under an Eligible Firm Transportation Agreement released by a Releasing Shipper under this Section 23.

l. Releasing Shippers

Any Shipper holding capacity rights under an Eligible Firm Transportation Agreement or Released Firm Transportation Agreement who has released or seeks to release such capacity rights pursuant to this Section 23.

m. Replacement Shippers

A Shipper receiving capacity rights under an Eligible Firm Transportation Agreement pursuant to a direct release from an Original Shipper under this Section 23.

n. Short-term Prearranged Release

A Prearranged Release with a term of thirty-one (31) days or less.

o. Subreplacement Shippers

A Shipper receiving capacity rights released from an Eligible Firm Transportation Agreement by a Replacement Shipper or a Subreplacement Shipper under this Section 23.

p. Unit Bid Value

The unit value per Dth assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 23.10.

q. Winning Bid Value

The highest possible total Bid Value achievable under Section 23.10 for the Capacity Release Request from the Qualified Bids consistent with the Capacity Release Request and this Section 23.

### 23.3 RELEASE WITHOUT A PREARRANGED SHIPPER

A Shipper seeking to release its Eligible Firm Transportation Agreement capacity rights without a Prearranged Shipper shall deliver a Capacity Release Request to Transporter's Interactive Web Site (or in writing for posting on Transporter's Interactive Web Site if Transporter's Interactive Web Site is unavailable for receiving Capacity Release Requests) which sets forth:

- a. The Releasing Shipper's legal name, address and phone number, the Eligible Firm Transportation Agreement number, the date of the Eligible Firm Transportation Agreement and the name and title of the individual responsible for authorizing the capacity release;
- b. The quantity of the capacity (in Dth per day) and the transportation path(s) being released, including identification by Transporter's PIN Number of the Receipt Points, Delivery Points, and the firm capacity to be released at each such point;
- c. Whether the capacity being released is subject to recall and/or reput, and if so, the exact conditions for such recall and/or reput (which conditions must conform to Sections 23.5 and 23.14);
- d. The proposed effective date and proposed term of the release;
- e. Whether the Releasing Shipper wants Transporter to actively market the Releasing Shipper's capacity rights pursuant to Section 34 of these General Terms and Conditions;
- f. Whether the Releasing Shipper will accept Qualified Bids which are contingent on subsequent events (such as the subsequent purchase of upstream or downstream capacity), and if so, what events and the last date by which such contingency must be fulfilled;

- g. The starting date for the open season and the length of time for the open season (which must conform to Section 23.7);
- h. Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the volume transported, and if so, any minimum amount to be billed as a reservation charge even if there is no flow (or insufficient flow);
- i. Which of the bid evaluation procedures set forth in Section 23.10 the Shipper wishes to use, if any;
- j. Which one of the following methods is acceptable for bidding on the given capacity release offer:
  - (i) Non-index-based release - dollars and cents,
  - (ii) Non-index-based release -percentage of maximum rate, or
  - (iii) Index-based formula as detailed in the capacity release offer.

The bids for the given offer should adhere to the method specified by the Releasing Shipper. The bidder may bid the maximum reservation rate, in the Tariff, as an alternative to the method specified by the Releasing Shipper except when the release is index-based for the term of one year or less or utilizes market-based rates.

- k. Under a release of storage capacity, whether the capacity being released is subject to certain conditions on the sale and/or repurchase of gas in storage inventory and on there being a certain amount of gas left in storage at the end of the release and if so, any such conditions; and
- l. Any other applicable conditions (which must conform to Section 23.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 23.10 for evaluating Qualified Bids for its capacity rights, and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be rewarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 23.5(a).

#### 23.4 PREARRANGED RELEASE

Subject to Section 23.6, a Shipper seeking to release its Eligible Firm Transportation Agreement capacity rights to a Prearranged Shipper shall deliver a Capacity Release Request to Transporter's Interactive Web Site or via EDI at Transporter's designated site for an open Season. The Capacity Release Request shall set forth:

- a. The Releasing Shipper's legal name, address and phone Number, the Prearranged Shipper's legal name, and where applicable, identification of the Prearranged Replacement Shipper as an "Asset Manager" as that term is defined in 18 C.F.R. 284.8(h)(3) or a "Marketer Participating in a State-Regulated Retail Access Program" (as that term is defined in 18 C.F.R. 284.8(h)(4)), address, phone number, and facsimile number, the Eligible Firm Transportation Agreement number, the date of the Eligible Firm Transportation Agreement and the name and title of the individuals at the Releasing Shipper and the Prearranged Shipper responsible for authorizing the capacity release;
- b. A statement that the Prearranged Shipper has agreed to be bound by a capacity award to the Prearranged Shipper under this Section 23 by Transporter and to execute a Released Firm Transportation Agreement, which consists of Transporter's standard form of FTS, NNS, FSS, CMC-1 or CMC-2 Agreement and the terms and conditions of the Prearranged Release, in accordance with Transporter's Tariff. Such statement shall also set forth:
  - (1) The quantity of the capacity (in Dth per day) and the transportation path(s) being released, including identification by Transporter's PIN Number (or Common Code) of the Receipt Points, defining the released path(s) and the firm capacity to be released at each such point;
  - (2) The fixed reservation charge and/or volumetric charge the Prearranged Shipper has agreed to pay for the released capacity;
  - (3) Whether the capacity being released is subject to recall and/or reput in the Prearranged Release and, if so, the exact conditions of such recall and/or reput (which conditions must conform with Sections 23.5 and 23.14); and
  - (4) The proposed effective date of the Prearranged Release and the proposed term of the Prearranged Release.

- c. Whether the Releasing Shipper will accept Qualified Bids which are contingent on subsequent events (such as the purchase of upstream or downstream capacity), and if so, what events and the last date by which such contingency must be fulfilled;
- d. Whether the Releasing Shipper will accept Qualified Bids with longer terms or larger volumes, and if so, what is the maximum volume and the longest term the Releasing Shipper will accept;
- e. Whether the Releasing Shipper wants Transporter to actively market its capacity rights subject to the Prearranged Release pursuant to Section 34 of these General Terms and Conditions;
- f. The starting date for and the length of time for the open season (which must conform to Section 23.7) and the length of time [consistent with Section 23.9(b)] for the Prearranged Shipper to be able to match a winning Qualified Bid;
- g. Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the volume transported, and if so, any minimum amount to be billed as a reservation charge even if there is no flow (or insufficient flow);
- h. Which of the bid evaluation procedures set forth in Section 23.10 the Shipper wishes to use, if any;
- i. Which one of the following methods is acceptable for bidding on the given capacity release offer:
  - (i) Non-index-based release - dollars and cents,
  - (ii) Non-index-based release -percentage of maximum rate, or
  - (iii) Index-based formula as detailed in the capacity release offer.

The bids for the given offer should adhere to the method specified by the Releasing Shipper. The bidder may bid the maximum reservation rate, in the Tariff, as an alternative to the method specified by the Releasing Shipper except when the release is index-based for the term of one year or less or utilizes market-based rates.

- j. Under a release of storage capacity, whether the capacity being released is subject to certain conditions on the sale and/or repurchase

of gas in storage inventory and on there being a certain amount of gas left in storage at the end of the release and if so, any such conditions;

- k. Whether the release is a Prearranged Asset Manager Release as defined in Section 23.2(g)(i) hereof, and the Asset Manager's obligation to deliver gas to, or purchase gas from, the Releasing Shipper;
- l. Whether the release is a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program, as defined in Section 23.2(g)(ii);
- m. Any other applicable conditions (which must conform with Section 23.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 23.10 for evaluating Qualified Bids for its capacity rights, and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be awarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 23.5(a).

### 23.5 CAPACITY RELEASE REQUIREMENTS

- a. All terms and conditions relating to a release which is the subject of a Capacity Release Request: (1) must be nondiscriminatory and applicable to all potential bidders; (2) must be made available to Transporter for posting; (3) must relate to the details of acquiring or maintaining the transportation capacity rights on Transporter, consistent with this tariff and Order No. 712 which are the subject of the release; and (4) must not place any obligations or burdens on Transporter in addition to the terms and conditions applicable to a capacity release under this Section 23 which are specified in Transporter's Tariff. Any bid evaluation procedure elected by a Releasing Shipper different from Transporter's bid evaluation procedure set forth in Sections 23.10(b) through 23.10(d) must be objective, nondiscriminatory in all circumstances and contain a complete description of the bid evaluation procedure for posting on Transporter's Interactive Web Site. Transporter may require the Releasing Shipper to submit a working computer program to Transporter in diskette form which is compatible with Transporter's Interactive Web Site which will enable Transporter to make such

alternative bid evaluation entirely through Transporter's Interactive Web Site, The Releasing Shipper shall warrant that the computer diskette conforms to the bid evaluation procedure in the Capacity Release Request.

For the capacity release business process timing model, only the following methodologies are supported by Transporter and provided to Releasing Shippers as choices from which they may select and, once chosen, will be used in determining the awards from the bid(s) submitted. They are: (i) highest rate, (ii) net revenue and (iii) present value. For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of Transporter. However, Transporter is not required to offer other choices or similar timeline treatment for other choices, nor, is Transporter held to the timeline should the Releasing Shipper elect another method of evaluation.

- b. The term of any release of capacity sought under this Section 23 shall be at least one full day and shall not exceed the remaining term of the Eligible Firm Transportation Agreement.
- c. The quantity sought to be released under a Capacity Release Request shall not be less than one hundred (100) Dth per Day.
- d. (1) No capacity release under this Section 23 shall result in an increase in the total capacity set forth in the Eligible Firm Transportation Agreement with the Original Shipper for any segment of a path covered by such Eligible Firm Transportation Agreement. In the event a path is segmented by a capacity release under this Section 23, the upstream path segment shall receive all secondary points upstream of the break point and the downstream path segment shall receive all secondary points downstream of the break point. The direction of "forward" flow for path segments must be the same direction of "forward" flow for the original path. The Replacement Shipper may nominate service at Receipt and Delivery Points for the path segment that result in a reverse flow from the original path; however, such service will be treated as being outside of

the path as provided in Section 3 of Rate Schedules FTS and NNS.

- (2) The commodity and reservation charges applicable to deliveries to and from newly created path endpoints as a result of a path release shall be determined in accordance with Section 3 of Rate Schedules FTS, NNS, FSS, CMC-1 and CMC-2. The maximum rates that may be bid and charged for a Released Firm Transportation Agreement that is for a term greater than one (1) year are the maximum lawful rates applicable to the Eligible Firm Transportation Agreement held by the Original Shipper. There is no maximum rate limitation applicable to bids for capacity release for a term of one (1) year or less, if the release is to take effect on or before one (1) year from the date on which Transporter is notified of the release.
  - (3) No Replacement Shipper or Subreplacement Shipper shall have the right to change the primary Receipt or Delivery Points listed in the Eligible Firm Transportation Agreement, unless the Original Shipper and Transporter agree to amend the Eligible Firm Transportation Agreement to accordingly change the primary Receipt and Delivery Points.
- e. A Capacity Release Request may include the right by a Releasing Shipper to recall all or part of the capacity, and/or to reput all or part of the recalled capacity, at any time and from time to time. All recalls or reputs must be made in accordance with the other provisions of Transporter's Tariff, including Section 23.14 of these General Terms and Conditions.
- f. (1) The Releasing Shipper may withdraw its posted Capacity Release Request during an open season under this Section 23 where unanticipated circumstances justify and no minimum bid has been received; following the close of the open season, a Releasing Shipper may not reject a winning Qualified Bid.
- (2) Offer should be binding until written or electronic notice of withdrawal is received by Transporter.
- (3) Notice of a withdrawal of a Capacity Release Request must be delivered to Transporter's Interactive Web Site or via EDI no later than the end of the open season for the Capacity Release Request.

- g. A Replacement Shipper or Subreplacement Shipper may release the capacity under the provisions of this Section 23 (except as prohibited by the Federal Energy Regulatory Commission Regulations).
- h. Any Capacity Release Request not in compliance with this Section 23.5 and the other provisions of Transporter's Tariff shall be null and void and, even if posted, may be removed from Transporter's Interactive Web Site by Transporter at any time.

#### 23.6 OPEN SEASON EXCEPTIONS

An open season is not required for: (a) a Prearranged Release for more than one (1) year at the maximum reservation charge applicable to the capacity being released, (b) a Short-term Prearranged Release, (c) a Prearranged Asset Manager Release, as defined in Section 23.2(g)(i) hereof or (d) a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program, as defined in Section 23.2(g)(ii) hereof. A Capacity Release Request which is not subject to an open season need only contain the information required in Sections 23.4(a) and (b). Such Capacity Release Request must be delivered to Transporter's Interactive Web Site (or in writing for posting on Transporter's Interactive Web Site if Transporter's Interactive Web Site is unavailable for receiving Capacity Release Requests) sufficiently in advance so that the release may become effective under Section 23.9 before the release transaction is to commence. A Releasing Shipper may not 1) rollover, extend or in any way continue a Short-term Prearranged Release exempt from bidding under subsection (b) hereof without first complying with advance posting and bidding requirements, or 2) re-release with the same Replacement or Subreplacement Shipper until twenty-eight (28) days after the Short-term Prearranged Release has ended unless the Releasing Shipper complies with the Capacity Release Request provisions in Sections 23.3, 23.4 and 23.7, or the re-release qualifies for any of the other exemptions from bidding, referenced in subsection (a), (c) or (d) hereof.

#### 23.7 POSTINGS; OPEN SEASON

- a. A Capacity Release Request received by Transporter via EDI (which is applicable only for Prearranged Capacity Release Request) or through Transporter's Interactive Web Site prior to the starting time of the open season requested by the Releasing Shipper in its Capacity Release Request in conformance with this Section 23 shall be posted on Transporter's Interactive Web Site as requested. The posting shall contain the information contained in the Capacity Release Request, except that all identified information and the minimum price in any

minimum price condition requested to be held confidential by the Releasing Shipper (but not the existence of the minimum bid condition), shall be kept confidential and shall not be posted. The posting shall also include the maximum reservation charge, if applicable, (including all reservation surcharges) applicable to the capacity subject to the Capacity Release Request, the beginning and ending time for the open season and the time the notice was posted. Transporter shall post the Capacity Release Request upon receipt, unless the Releasing Shipper requests otherwise. If the Releasing Shipper requests a posting time, Transporter will comply with that request as long as it comports with the deadlines set forth in this Section 23.

- b. An open season shall consist of: (1) a one (1) hour period on a Business Day between 12:00 p.m. and 1:00 p.m. Central Clock Time or (2) any number (no fractions) of Business Days running from 12:00 p.m. Central Clock Time on a Business Day to 1:00 p.m. Central Clock Time on the following Business Day, as requested by the Releasing Shipper in its Capacity Release Request; provided, however, that any Capacity Release Request for a period of one (1) year or longer must have an open season of at least three (3) Business Days, for a period at least running from 12:00 p.m. Central Clock Time on a Business Day to 1:00 p.m. Central Clock Time two (2) Business Days later.
- c. A Releasing Shipper may not specify an extension of an open season or the match period for a Prearranged Release. Rather, the Releasing Shipper must submit a new Capacity Release Request.

#### 23.8 QUALIFIED BIDS FOR RELEASED CAPACITY RIGHTS

- a. At any time during an open season, a Qualified Bidder may submit a Qualified Bid to Transporter's Interactive Web Site (or in writing for posting on Transporter's Interactive Web Site if Transporter's Interactive Web Site is unavailable for receiving Qualified Bids) seeking released capacity rights under a Capacity Release Request. In addition to being prequalified for credit pursuant to Section 23.15, each Qualified Bid must include the following:
  - (1) The Qualified Bidder's legal name, address, phone number, telefax number, the name and title of the individual responsible for authorizing the Qualified Bid and identification of the capacity rights for which the Qualified Bid is made;

- (2) The term for the purchase;
  - (3) A Minimum Bid Volume and a Maximum Bid Volume (in Dth per day);
  - (4) The fixed reservation charge and/or volumetric charge that the Qualified Bidder agrees to pay for the capacity (and if a volumetric charge, any minimum amount to be billed as a reservation charge, which must be equal to or greater than any such amount designated by the Releasing Shipper);
  - (5) A statement that the Qualified Bidder agrees to all the terms and conditions of the Capacity Release Request, with only the modifications as expressly provided in its Qualified Bid, which modifications must be permitted by the Capacity Release Request and must conform with the requirements in Section 23. In the event that the Releasing Shipper has stated that Qualified Bid(s) may be contingent upon subsequent events and the Qualified Bidder submits such a contingent Qualified Bid, then the Qualified Bidder must state in full the nature of the condition and the last date by which the Qualified Bid is null and void if the contingency does not occur; and
  - (6) Agreement that the Qualified Bidder is bound by the terms and conditions of the capacity award by Transporter pursuant to this Section 23 to the Qualified Bidder, including Transporter's standard form of Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with Transporter's Tariff.
- b. The volume in a Qualified Bid may not be less than the minimum volume required for an Eligible Firm Transportation Agreement under Transporter's Tariff. Neither the volume nor the release term specified in a Qualified Bid may exceed the maximum volume or term specified in a Capacity Release Request, unless the Capacity Release Request specifically allows otherwise. A Qualified Bidder must accept all the terms and conditions of a Capacity Release Request submitted under Section 23.4 (involving a Prearranged Release) except for the level of the reservation charge and the MDQ, unless the Capacity Release Request specifically allows otherwise.



- a. For a Prearranged Release for which no open season is required under Section 23.6 and which is received by at least one (1) hour prior to a nomination deadline on a Day, Transporter shall award the capacity to the Prearranged Shipper within one (1) hour after release notification, provided that all applicable provisions of this Section 23 have been complied with.
- b. As to any other Prearranged Release, in the event there was no winning Qualified Bid(s) with a higher total Bid Value than the Prearranged Shipper's Bid Value, Transporter shall notify the Prearranged Shipper. If, during an open season, the winning Qualified Bid(s) have a higher total Bid Value than the Bid Value of the Prearranged Release under the bid evaluation procedure selected by the Releasing Shipper, Transporter shall notify the Prearranged Shipper of the terms and conditions of the winning Qualified Bid(s), except for any identification of the Qualified Bidder(s). The Prearranged Shipper may elect to match any or all of such winning Qualified Bid(s), but may not elect to match only a portion of a winning Qualified Bid. Such election shall consist of the Prearranged Shipper submitting notice to Transporter of its unconditional agreement to the terms and conditions of one or more of such winning Qualified Bid(s) in writing or electronic means. In the event of a timely match, then the Prearranged Shipper shall be awarded the released capacity. To the extent that the Prearranged Shipper fails to timely match (within the above time frame) the winning Qualified Bid(s) with a higher Bid Value, then the Qualified Bidder(s) who made the winning Qualified Bid shall be awarded the capacity. The timelines for the above actions shall be as provided in Section 23.1.
- c. For any other Capacity Release Request, the capacity rights shall be automatically awarded to the winning Qualified Bidder(s) when Transporter has identified the entity(s) to receive the released capacity under this Section 23.
- d. A capacity release shall become effective upon the awarding of capacity consistent with this Section 23. Nominations for gas service utilizing the released capacity shall be accepted at the next available nomination opportunity which occurs on or after the time the release becomes effective hereunder, consistent with 18 C.F.R. Section 284.12 (c)(1)(ii); provided that nominations cannot be effectuated prior to the beginning time specified in the release. Transporter shall issue a contract to the winning Qualified Bidder within one (1) hour after the capacity has been awarded. So long as the winning bidder has pre-

approved credit, that bidder can submit a nomination consistent with the above regardless of whether a contract with Transporter covering the capacity awarded has been issued or executed; provided, however, that a contract must be executed under the provisions of the relevant rate schedule regarding timely execution of a contract tendered by Transporter in order for a Shipper to have continued service beyond the maximum time specified for timely contract execution. If the original Shipper has already submitted a nomination on that day under the Agreement being released, and if the Replacement Agreement covering the released capacity is effective the same day, the original Shipper may incur overrun charges if his nomination exceeds the reduced contractual parameters under the original Agreement resulting from the release (i.e., if the original Shipper fails to reduce its nomination, or does not adequately reduce its nomination, at the first opportunity the Replacement Shipper has to nominate).

- e. Gas nominations for transportation pursuant to released capacity are subject to the provisions of Section 3 of these General Terms and Conditions. Gas nominations by a Shipper utilizing released capacity awarded by Transporter shall constitute Shipper's binding acceptance of the terms and conditions of the capacity award by Transporter pursuant to this Section 23, including Transporter's standard form of Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with Transporter's Tariff.
- f. Subject to the other provisions in this Section 23, in the event that there is no Qualified Bidder or Prearranged Shipper for posted Eligible Firm Transportation Agreement capacity during an open season, no capacity release will be awarded and the Releasing Shipper shall retain the capacity sought to be released.

#### 23.10 BID EVALUATION PROCEDURE

- a. Unless specifically requested otherwise by a Releasing Shipper in its Capacity Release Request, Qualified Bids for released capacity shall be evaluated pursuant to Sections 23.10(b) through 23.10(g) below. Any Qualified Bid which does not meet a minimum price condition stated in the Capacity Release Request shall be rejected outright. Any Qualified Bid with a contingency must have such contingency eliminated before 3:00 p.m. Central Clock Time following the close of the open season, unless the Releasing Shipper's offer has specified a later time; otherwise, such Qualified Bid will be rejected.

- b. Transporter shall calculate a Bid Value and Unit Bid Value for each Qualified Bid and Prearranged Release (if any), and shall calculate the Winning Bid Value, as follows:
- (1) For each month, the volume and reservation charge per Dth stated in the Qualified Bid shall be multiplied together to derive a gross monthly revenue figure. If the Qualified Bids contain volumetric-based charges permitted by the Capacity Release Request, then the gross monthly revenue figure shall be equal to any minimum amount designated by the bidder to be billed as a reservation charge even if there is no (or insufficient) flow.
  - (2) Each gross monthly revenue figure shall be discounted to a net present value figure as of the first day of the capacity release as sought in the Capacity Release Request, using the current Federal Energy Regulatory Commission interest rate as defined in 18 C.F.R. Section 154.501(d)(1).
  - (3) The net present value figures for the proposed release shall be summed, and such sum shall be the Bid Value.
  - (4) The Unit Bid Value is defined to equal the Bid Value divided by the product of: (i) the highest volume of capacity (in Dth) sought in the Qualified Bid for any day; multiplied by (ii) the release term (in months) in the Capacity Release Request; and multiplied further by (iii) thirty and four-tenths (30.4).
- c. The combination of Qualified Bid(s) with the highest possible total Bid Value (Winning Bid Value) for the capacity in the Capacity Release Request shall be the winning Qualified Bid(s). A Qualified Bid may be allocated less than its Maximum Bid Volume, but in no event shall the Qualified Bid be allocated less than its Minimum Bid Volume. It is recognized that this procedure is intended to result in the highest possible total Bid Value for the Releasing Shipper consistent with the Qualified Bids, and it is possible that a Qualified Bid with the highest individual Unit Bid Value may be rejected partially or in its entirety.
- d. If there is more than one combination of Qualified Bids with a total Bid Value equal to the Winning Bid Value this Section 23.10(d) provides the procedure for selecting just one such combination, and thereby the winning Qualified Bid(s).

Subject to the provisions in Sections 23.10(d)(1), (2) and (3) below, the selection of winning Qualified Bid(s) among Qualified Bids (or combinations thereof) of equal Winning Bid Value is based on the following order of preference: (i) pro rata, if possible; (ii) preference for a Qualified Bid with the highest Maximum Bid Volume; (iii) preference for a Qualified Bid with the lowest Minimum Bid Volume; and (iv) first come, first served.

The specific Qualified Bid selection procedure is as follows:

- (1) **Winning Bid Value Identification.** If there is only one Qualified Bid, or combination of Qualified Bids, which creates the Winning Bid Value, such Qualified Bid(s) shall be awarded the released capacity.
- (2) In order to break ties, Transporter shall identify all Qualified Bids which, alone or in combination with other Qualified Bids, can create the Winning Bid Value. Transporter shall rank order these Qualified Bids in order of their Unit Bid Value from highest to lowest. Then Transporter shall allocate the Capacity Release Request capacity first to the Maximum Bid Volume of each Qualified Bid with the highest Unit Bid Value; Transporter shall allocate any remainder to the Maximum Bid Volume of each Qualified Bid with the next highest Unit Bid Value; and so forth. If, at any step, the available Capacity Release Request capacity is less than the combined Maximum Bid Volumes of Qualified Bids with equal Unit Bid Values, then the Capacity Release Request capacity shall be allocated on a pro rata basis to each Qualified Bid based on its Maximum Bid Volume. To the extent such a pro rata allocation would result in a capacity allocation to one or more Qualified Bid(s) below its Minimum Bid Volume, then such below-minimum Qualified Bids shall be discarded in their entirety and the Capacity Release Request capacity shall instead be allocated on a pro rata basis (based on the Maximum Bid Volume of each Qualified Bid) among the remaining Qualified Bid(s).
- (3) In the event that the previous Section 23.10(d)(2) pro rata allocation procedure does not result in a single winning combination of Qualified Bid(s) with the Winning Bid Value, then Section 23.10(d)(2) shall be disregarded and the winning Qualified Bid(s) shall be determined in the following manner:

- (A) Transporter shall identify the highest individual Maximum Bid Volume for a Qualified Bid which, alone or in combination with other Qualified Bid(s), can create the Winning Bid Value. Transporter shall discard all Qualified Bid combinations which do not contain a Qualified Bid with such highest Maximum Bid Volume. Transporter shall identify the highest volume which can be allocated to such Qualified Bid with such highest Maximum Bid Volume in the remaining combinations and still have the Winning Bid Value. Transporter shall discard all combinations of Qualified Bid(s) which do not contain the highest such volume allocation. If this does not break the tie, then Transporter shall repeat the above procedure looking to the next highest Maximum Bid Volume, with the highest volume allocated thereto, within each remaining combination of Qualified Bid(s) with a Winning Bid Value; and so forth, until the tie is broken or all Qualified Bids in the remaining combinations are reviewed.
- (B) If the above does not break the tie, Transporter shall identify again the Qualified Bid within each remaining combination with the highest Maximum Bid Volume and the highest volume allocated to such Qualified Bid, and identify which such Qualified Bid has the lowest Minimum Bid Volume. Transporter shall discard all combinations which do not contain such Qualified Bid. If this does not break the tie, Transporter shall repeat the above procedure looking to the next highest Maximum Bid Volume, with the lowest Minimum Bid Volume, within each remaining combination of Qualified Bid(s) with the Winning Bid Value; and so forth, until the tie is broken or all Qualified Bid(s) in the remaining combination are reviewed.
- (C) If the above does not break the tie, Transporter shall identify again the Qualified Bid within each remaining combination with the highest Maximum Bid Volume. The combination containing such Qualified Bid that Transporter's Interactive Web Site shows was submitted and received earliest by the Interactive Web Site (or if Interactive Web Site is not available and the Qualified Bid was submitted in writing, the time Transporter

received the Qualified Bid) shall be the winning combination. The next highest Maximum Bid Volume within each remaining combination shall be used as necessary pursuant to the above first come, first served rule to break any remaining ties; and so forth as necessary to break any remaining ties.

- (4) In no event shall the combination of winning Qualified Bid(s) result in a total Bid Value less than the highest possible total Bid Value achievable from a combination of Qualified Bid(s) consistent with the Qualified Bids, the Capacity Release Request and this Section 23.
- (5) The Qualified Bid(s) allocated capacity under Sections 23.10(c) or 23.10(d) shall be winning Qualified Bid(s) to the extent of such capacity allocations.
- (6) Here are examples of the application of Section 23.10(d):

**EXAMPLE (1)**

Assume: Capacity Release Request = 100,000/day for 5 years

Qualified Bids:

	<b>Maximum Bid Volume</b>	<b>Term</b>	<b>Unit Bid Value</b>	<b>Minimum Bid Volume</b>
Bid (a)	20,000/day	5 years	\$.18	0
Bid (b)	10,000/day	5 years	\$.17	0
Bid (c)	85,000/day	5 years	\$.15	0

Winning Qualified Bids: There is only one combination of bids with the highest possible total Bid Value (Winning Bid Value). Therefore, Bid (a) receives its Maximum Bid Volume (20,000); Bid (b) receives its Maximum Bid Volume (10,000); Bid (c) receives 70,000.

**EXAMPLE (2)**

The assumptions remain the same as in Example (1), except that we assume that Bid (c) has a Minimum Bid Volume of 85,000.

Winning Qualified Bids: Again, there is only one combination of bids with the Winning Bid Value. Therefore, Bid (c) receives its Maximum Bid Volume (85,000) plus Bid (a) receives 15,000.

**EXAMPLE (3)**

The assumptions remain the same as in Example (1), except that we assume that Bid (a) has a Minimum Bid Volume of 20,000 and Bid (c) has a Minimum Bid Volume of 85,000.

Winning Qualified Bids: Again, there is only one combination of bids with the Winning Bid Value. Therefore, Bids (b) and (c) each receive their Maximum Bid Volumes. This combination leaves 5,000 unallocated, which stays with the Releasing Shipper.

**EXAMPLE (4)**

Assume: Capacity Release Request = 100,000/day for 5 years

Qualified Bids:

	<b>Maximum Bid Volume</b>	<b>Term</b>	<b>Unit Bid Value</b>	<b>Minimum Bid Volume</b>
Bid (a)	60,000/day	5 years	\$.18	0
Bid (b)	60,000/day	5 years	\$.18	0
Bid (c)	70,000/day	5 years	\$.18	45,000
Bid (d)	50,000/day	5 years	\$.18	15,000
Bid (e)	30,000/day	5 years	\$.18	10,000
Bid (f)	40,000/day	5 years	\$.17	0

Winning Qualified Bids: Bid (a) receives 30,000; Bid (b) receives 30,000; Bid (d) receives 25,000; and Bid (e) receives 15,000.

Explanation: There are many combinations of Bids (a), (b), (c), (d) and (e) with the same Winning Bid Value. Each Bid has the same Unit Bid Value. There is insufficient capacity being released to provide all the Maximum Bid Volumes for Bids (a), (b), (c), (d) and (e). Pursuant to Section 23.10(d)(2), a pro rata allocation is attempted. This would result in each bidder receiving 100/270 of its Maximum Bid Volume. In the case of Bid (c), Bid (c) would receive 70,000 (100/270) = 25,925 Dth. Since this figure is below Bid (c)'s Minimum Bid Volume of 45,000, Bid (c) must be discarded. Bids (a), (b), (d) and (e) are able to be allocated capacity based on a 100/270 pro rata factor. With Bid (c) discarded, the pro rata allocation factor is now 100/200 (i.e., one-half) so that Bids (a), (b), (d), and (e) each receive half of their Maximum Bid Volumes. Bid (c) receives zero (0) because its Minimum Bid Volume was too high for the initial pro rata allocation.

**EXAMPLE (5)**

Assume: Capacity Release Request = 100,000/day for 5 years

Qualified Bids:

	<b>Maximum Bid Volume</b>	<b>Term</b>	<b>Unit Value Bid</b>	<b>Minimum Bid Volume</b>
Bid (a)	60,000/day	5 years	\$.18	60,000
Bid (b)	60,000/day	5 years	\$.18	50,000
Bid (c)	70,000/day	5 years	\$.18	65,000
Bid (d)	50,000/day	5 years	\$.18	15,000
Bid (e)	30,000/day	5 years	\$.18	10,000
Bid (f)	40,000/day	5 years	\$.17	0

Winning Qualified Bids: Bid (c) receives 70,000. Bid (d) receives 30,000.

Explanation: Again, there are many combinations of Bids (a), (b), (c), (d) and (e) with the same Winning Bid Value. Pro rata allocation won't work, because each Bid would receive 100/270 of the capacity; only Bids (d) and (e) have low enough Minimum Bid Volumes for a pro rata allocation, and the sum of Bid (d)'s and Bid (e)'s Maximum Bid Volumes is less than 100,000. Under Section 23.10(d)(3)(A), we then look to the combinations of Bid(s) (a), (b), (c), (d) and (e) to identify the Bid with the highest Maximum Bid Volume. This is Bid (c). We allocate the highest volume to Bid (c) consistent with creating the Winning Bid Value, so 70,000 is allocated to (c). This leaves 30,000 to be allocated. Bids(a) and (b) have the next highest Maximum Bid Volume (60,000), but the Minimum Bid Volumes of Bids (a) and (b) are each too high to receive the remaining capacity. The next highest available Maximum Bid Volume is in Bid (d), which is allocated the remaining capacity of 30,000.

**EXAMPLE (6)**

The assumptions remain the same as in Example (5), except that we assume that Bids (c) and (d) were never made.

Winning Qualified Bids: Bid (b) receives 60,000. Bid (e) receives 30,000. Bid (f) receives 10,000.

Explanation: There are two combinations of Qualified Bids with the Winning Bid Value:

<b>Combination 1</b>	<b>Combination 2</b>
Bid (a): 60,000	Bid (b): 60,000
Bid (e): 30,000	Bid (e): 30,000
Bid (f): 10,000	Bid (f): 10,000

(Pro rata allocation pursuant to Section 23.10(d)(2) between Bids (a), (b) and (e) doesn't work, because only Bid (e) has a low enough Minimum Bid Volume to accept 100/150 capacity allocation and Bid (e) alone cannot create the Winning Bid Value). Under Section 23.10(d)(3)(A), we compare Combinations 1 and 2 for the highest individual Maximum Bid

Volumes, and find them all equal. Under Section 23.10(d)(3)(B), the tie breaker goes to the Winning Bid Value combination containing the Qualified Bid having the highest Maximum Bid Volume and the lowest Minimum Bid Volume. In this case, Bid (b) has the same (highest) Maximum Bid Volume as Bid (a) but a lower Minimum Bid Volume. Therefore, Combination 2 wins.

**EXAMPLE (7)** Assume:

Capacity Release Request = 100,000/day for 5 years

Qualified Bids (which were all received through Transporter's Interactive Web Site):

	<b>Maximum Bid Volume</b>	<b>Term</b>	<b>Unit Bid Value</b>	<b>Minimum Bid Volume</b>	<b>Bid</b>
Bid (a)	50,000/day	5 years	\$.18	50,000	
Bid (b)	50,000/day	5 years	\$.18	50,000	
Bid (c)	50,000/day	5 years	\$.18	50,000	

Winning Qualified Bids: The two Qualified Bids shown as received earliest by Transporter's Interactive Web Site shall each receive their Maximum Bid Volume.

Explanation: Clearly, any two Bids in combination have the same Winning Bid Value. Since the Bids are completely inflexible and have equivalent Maximum Bid Volumes and equivalent Minimum Bid Volumes, only Section 23.10(d)(3)(C) can be used to break the tie. The tie breaker looks to the Qualified Bid(s) shown as received earliest on Transporter's Interactive Web Site.

- e. In no event shall this Section 23.10 result in winning Qualified Bids with a total volume in excess of the capacity specified in the Capacity Release Request.
- f. The bid evaluation procedure set forth in this Section 23.10 shall only consider Qualified Bids to the extent they provide for an objectively quantifiable payment by the Qualified Bidder. A Qualified Bid based on

a percentage of Transporter's reservation charge shall be evaluated by Transporter based solely on the maximum reservation charge being charged by Transporter for such service as of the end of the open season.

- g. If the Releasing Shipper selected a bid evaluation procedure which is different from the procedure set forth in this Section 23.10, which procedure must comply with Section 23.5, Transporter shall determine the winning Qualified Bid(s) pursuant to the Releasing Shipper's bid evaluation procedure in its Capacity Release Request and computer diskette (if any) submitted by the Releasing Shipper pursuant to Section 23.5(a).

#### 23.11 CONFIRMATIONS; RELEASED FIRM TRANSPORTATION AGREEMENT

At the time the award of capacity under this Section 23 is posted, Transporter shall send the winning Qualified Bidder or the Prearranged Shipper confirmation of the capacity release awarded to such Qualified Bidder or Prearranged Shipper. Prior to Transporter awarding capacity on a Prearranged Release, the Prearranged Shipper shall confirm electronically the terms of the Prearranged Release.

#### 23.12 COMPLETED TRANSACTIONS

By 5:00 p.m. Central Clock Time after capacity has been awarded, Transporter shall post on its Interactive Web Site the name(s) of the winning Qualified Bidder(s), identification of the winning Qualified Bid(s) and any minimum bid conditions held confidential during the open season. The Releasing Shipper is responsible for reviewing the Qualified Bids to ensure that the released capacity was correctly awarded. The Releasing Shipper shall notify Transporter of any error in the award of capacity within one business day after such posting on Transporter's Interactive Web Site. In the event of an error, the capacity shall be reawarded by Transporter. As between Transporter and the Releasing Shipper, the Releasing Shipper shall indemnify and hold Transporter harmless as to any costs, damages or expenses relating to the bid evaluation procedure for which timely notice of an error was not provided to Transporter by the Releasing Shipper hereunder. Transporter shall correct an error in a timely fashion after receiving notice of such error from the Releasing Shipper or another person.

#### 23.13 BILLING

- a. Transporter shall bill the Replacement Shippers and the Subreplacement Shippers the rate(s) specified in the Released Firm

Transportation Agreements and any other applicable charges and each such Replacement Shipper and Subreplacement Shipper shall pay the billed amounts directly to Transporter. Transporter shall not be responsible for billing the Replacement Shipper for any amounts attributable to gas purchase or gas inventory volumes tied to a transportation or storage capacity release. Such charges shall be between the Releasing Shipper and Replacement Shipper. Transporter shall have the right to discount the commodity rates under the Released Firm Transportation Agreement. Transporter will support volumetric releases with volumetric commitments by fully accounting for volumetric and reservation components, consistent with the rules and regulations enunciated by the Federal Energy Regulatory Commission.

- b. A Releasing Shipper shall be billed the reservation charge associated with the entire amount of released capacity pursuant to its contract rate, which includes all non-commodity based charges under Transporter's Tariff for such released capacity including but not limited to additional direct-bill charges, with a concurrent conditional credit for payment of the reservation charge due from the Replacement or Subreplacement Shipper(s), as applicable, which received the released capacity. Releasing Shipper shall also be billed a marketing fee, if applicable, pursuant to the provisions of Section 34 of these General Terms and Conditions. As to any capacity released by a Releasing Shipper, the Releasing Shipper shall not be billed or be responsible for: (1) commodity charges; (2) scheduling charges or cashouts of imbalances; and (3) add-on charges and surcharges applicable to Transporter's commodity rates under Transporter's Tariff such as ACA, Fuel Gas and Unaccounted For Gas, which are incurred by a Replacement Shipper or Subreplacement Shipper which received the released capacity.
- c. If a Replacement Shipper or Subreplacement Shipper does not make payment to Transporter of the reservation portion of the charges due as set forth in its Released Firm Transportation Agreement, Transporter shall bill the Releasing Shipper(s) from whom such Replacement or Subreplacement Shipper received the capacity for the amount(s) due, including all applicable late charges authorized by Transporter's Tariff, and such amount shall be paid by such Releasing Shipper within ten (10) days of the receipt of such billing, or interest shall continue to accrue. In the event that the Replacement or Subreplacement Shipper has not paid such amount(s) due by the end of such ten (10) day period, then: (1) the Releasing Shipper has the

right to recall the capacity; and (2) Transporter's rights against the delinquent Replacement/Subreplacement Shipper shall be subrogated to the related rights of the Releasing Shipper. Transporter shall make a reasonable effort to collect from the Replacement/Subreplacement Shipper the amount(s) due. Such reasonable effort shall not include incurring costs from outside attorneys, collection agents or other third parties.

- d. All payments received from a Replacement or Subreplacement Shipper shall first be applied to reservation charges, then to late charges on reservation charges, then to scheduling charges and cashout amounts, then to late charges not on the reservation charges, and then last to commodity-based charges. Payments by Replacement or Subreplacement Shippers in excess of the total amount(s) due for the Released Firm Transportation Agreement capacity shall be a credit applied to any outstanding balance owed under any contract with Transporter, or a refund if requested in writing and no such outstanding balance exists.
- e. Pursuant to the provisions of Section 36 of the General Terms and Conditions, Transporter and Releasing Shipper may agree upon payment obligations and credit mechanisms in the event of capacity releases that vary from or are in addition to those set forth in this Section 23.13.

#### 23.14 NOMINATIONS/SCHEDULING; RECALLS AND REPUTS

- a. Recalling Capacity - General

Transporter supports the ability of a Releasing Shipper to specify as a condition of a Capacity Release offer which recall notification periods as set out below will be available for use by the parties to the release and whether recall notices must be provided on a Business Day. All Replacement and Subreplacement Shippers shall nominate and schedule natural gas for service hereunder directly with Transporter in accordance with the applicable procedures set forth in Section 3 of these General Terms and Conditions. In order for any capacity recall or capacity reput to be effective for a day, a Releasing Shipper must give prior notice of such recall or reput and any allocation of the capacity for a partial recall or reput to Transporter.

- b. Recall Nomination Timeline

Releasing shippers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at any of the daily nomination cycles consistent with the following (notice of the allocation of capacity between the Releasing Shipper and the Replacement Shipper hereunder is intended to be provided in a manner that will permit affected parties sufficient time to place nominations or take other corrective actions and thereby avoid penalties):

- i. Timely Recall Notification:
  - (a) A Releasing Shipper recalling capacity must provide notice of such recall to Transporter and to the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
  - (b) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due (Central Clock Time);
- ii. Early Evening Recall Notification:
  - (a) A Releasing Shipper recalling capacity must provide notice of such recall to Transporter and to the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
  - (b) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due (Central Clock Time);
- iii. Evening Recall Notification:
  - (a) A Releasing Shipper recalling capacity must provide notice of such recall to Transporter and to the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;
  - (b) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m.

on the day that Evening Nominations are due (Central Clock Time);

iv. Intra-Day 1 Recall Notification:

(a) A Releasing Shipper recalling capacity must provide notice of such recall to Transporter and to the first Replacement Shipper no later than 7:00 a.m. on the day that Intra-Day 1 Nominations are due;

(b) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intra-Day 1 Nominations are due (Central Clock Time);

v. Intra-Day 2 Recall Notification:

(a) A Releasing Shipper recalling capacity must provide notice of such recall to Transporter and to the first Replacement Shipper no later than 2:30 p.m. on the day that Intra-Day 2 nominations are due;

(b) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 3:30 p.m. on the day that Intra-Day 2 Nominations are due (Central Clock Time);

vi. Other

For recall notifications provided to Transporter prior to the recall notification deadlines specified in i through v of this Section 23.14B and received by Transporter between 7:00 a.m. and 5:00 p.m., Transporter shall provide notification to all affected Replacement Shippers no later than one (1) hour after receipt of such recall notification. For recall notifications provided to Transporter after 5:00 p.m. and prior to 7:00 a.m., Transporter shall provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification (Central Clock Time).

c. Methods of Notification

- i. The Replacement Shipper is to provide Transporter with no more than two (2) Internet e-mail addresses to be used for recall notification under Section 23.14B of these General Terms and Conditions. The obligation of Transporter to provide notification is waived until at least one (1) of the addresses has been provided. When Transporter sends internet e-mail notification for recalling capacity to each affected Replacement Shipper, the subject line of the e-mail shall include the following information separated by commas in the following order: (1) "Recall"; (2) the call notification period; (3) the effected date in YYYYMMDD format; (4) Transporter's name or abbreviation (excluding commas); and (5) Transporter's D-U-N-S number. The body of such e-mail notification shall contain at least the affected Replacement Shipper's contract number, the quantity of Capacity being recalled, and the offer number or award number, if necessary to uniquely identify the Capacity being recalled. For recalls that are effective at non-standard times, the appropriate recall notification period shall be included in the subject line and the effective time of the recall shall be in the body of the e-mail. If Transporter allows Capacity recall notification mechanisms in addition to internet e-mail, the notification shall include at least the same level of information. Affected Replacement Shippers must manage internal distribution of notifications of recall received from Transporter.
  - ii. The Releasing Shipper shall provide Capacity recall notification to Transporter through Transporter's Interactive Website. The Releasing Shipper shall provide notice to its affected Replacement Shipper at the same time it provides notification to Transporter. The recall notification must specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the capacity being recalled. The mode of notification must be mutually agreed upon between the Releasing and the Replacement Shipper.
  - iii. All recalled Capacity notices must indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a Capacity recall.
- d. Quantity Allocation

In the event of an Intra-Day Capacity recall, Transporter shall determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). In any recall notification provided to Transporter, the quantity must be expressed in terms of the adjusted total released Capacity entitlements based upon EPC. EPC means that portion of the Capacity that would have theoretically been available for use prior to the effective time of the Intra-Day recall based upon a cumulative uniform hourly use of the Capacity. The amount of the capacity allocated to the Replacement Shipper(s) must equal the original released Capacity less the recalled Capacity that is adjusted based upon the EPC. Transporter shall not be obligated to deliver in excess of the total daily contract quantity of the release as a result of any recall. The service flexibility available to either the Releasing Shipper or the Replacement Shipper for the subject Capacity shall not be less as a result of the recall.

e. Disputes

In the event of a dispute between the Releasing Shipper and any other person as to the validity of any recall or reput, or the status of the holder of the Capacity rights, Transporter shall be entitled to conclusively rely on any notice provided by the Releasing Shipper. The Original Shipper, Replacement Shipper and/or Subreplacement Shipper involved in any such dispute shall indemnify and hold Transporter harmless from any costs, damages or expenses relating to Transporter's reliance on such notice.

### 23.15 QUALIFICATION FOR PARTICIPATION IN THE CAPACITY RELEASE PROGRAM

- a. Any person wishing to become a Qualified Bidder and make a Qualified Bid must satisfy the creditworthiness requirements in Section 22.7 of these General Terms and Conditions prior to submitting a Qualified Bid under this Section 23. A person cannot bid for services which exceed its pre-qualified level of credit-worthiness. Transporter shall process--and encourages--applications from potential Qualified Bidders seeking prequalification for bids they may make in the future.
- b. Credit applications shall be completed in full with all information required to establish creditworthiness under the credit criteria included in Section 22.7 of these General Terms and Conditions. Should a potential bidder fail to satisfy such credit criteria, the potential bidder may still become a Qualified Bidder by providing a prepayment, letter

of credit, security interest or guarantee satisfactory to Transporter as further set forth in Section 22.7 of these General Terms and Conditions.

- c. Based on Transporter's continuing review of a Shipper's financial records, Transporter shall have the right to amend a Shipper's line of credit and lower or increase the quantity and term.
- d. Transporter's determination of a Shipper's creditworthiness is solely for Transporter's purposes under Transporter's Tariff and such determination is neither a representation nor a guarantee to a Releasing Shipper or any other entity as to the ability of a Replacement or Subreplacement Shipper to pay any outstanding amount under a Released Firm Transportation Agreement.

#### 23.16 COMPLIANCE BY SHIPPER

By acquiring released capacity, a Shipper agrees that it will comply with all provisions of Transporter's Tariff and all applicable Commission orders, rules and regulations. Such Shipper also agrees to be responsible to Transporter for compliance with all applicable terms and conditions of Transporter's Tariff, as well as the terms and conditions of the Released Firm Transportation Agreement.

#### 23.17 OBLIGATIONS OF RELEASING SHIPPER

- a. The Releasing Shipper shall continue to be liable and responsible for all reservation charges associated with the released capacity up to the reservation charge specified in such Releasing Shipper's Agreement with Transporter. The Releasing Shipper agrees that the award of capacity to a Replacement Shipper or Subreplacement Shipper shall automatically reduce the Releasing Shipper's firm capacity rights under the Agreement with Transporter effective on the effective date of the release for the period of the release, except for any period that the firm capacity is recalled by the Releasing Shipper (if the successful bid so permits) until such capacity is reup to the Replacement or Subreplacement Shipper, in accordance with this Section 23.
- b. A release by a Replacement Shipper shall not relieve the Original Shipper or the Replacement Shipper of their obligations under this Section 23.

#### 23.18 CONVERSIONS BETWEEN MONTHLY AND DAILY RESERVATION RATES

For less than maximum rate transactions only, converting daily rate to monthly rate is accomplished by multiplying the daily rate times number of days in rate period, dividing the result by number of months in rate period and taking the remainder out to five (5) decimal places and rounding up or down to Transporter's specified decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by number of months in rate period, dividing the result by number of days in rate period and taking the remainder out to five (5) decimal places and rounding up or down to Transporter's specified decimal place.

#### 23.19 CAPACITY RELEASE FOR SCS SHIPPERS

If an SCS Shipper desires to release any of its capacity on a permanent basis to a non-SCS Shipper, Transporter reserves the right to take that capacity back and post for bid. If an SCS Shipper releases any of its capacity on a temporary basis, and the Replacement Shipper nominates to secondary points, the Replacement Shipper will pay Transporter the applicable maximum NNS rate for such transportation path unless otherwise agreed to by Transporter in writing.

#### 23.20 TRANSPORTER'S RIGHT TO TERMINATE A CAPACITY RELEASE

Transporter may elect to terminate a Replacement Shipper's Agreement with Transporter upon thirty (30) days written notice to the Replacement Shipper for termination of service to the Releasing Shipper from which the Replacement Shipper obtained its capacity, under the following conditions:

- a. The Releasing Shipper has failed to make timely payment or maintain credit (or provide adequate assurance of payment) in accordance with Section 10 and/or Section 22.7 of these General Terms and Conditions and Transporter has suspended or terminated service to the Releasing Shipper or has provided notice under these General Terms and Conditions which ultimately results in suspension or termination of service; and
- b. The rate stated in the Replacement Shipper's Agreement is less than the rate for service under Transporter's contract with the Original Shipper; provided, however, that a Replacement Shipper which is creditworthy can continue an existing capacity release by notifying Transporter that it agrees to pay a rate which it specifies that equals or exceeds the lower of: (i) the applicable maximum rate; or (ii) the same rate as is in the original Agreement between Transporter and the Releasing Shipper. Alternatively, notwithstanding Section 23.8(c) of

these General Terms and Conditions, Transporter and the Replacement Shipper may agree upon pricing terms, in which case the release shall continue. Such notification or agreement must be effectuated prior to the end of the notice period.

## 24. COMPLAINT AND TRANSPORTATION INFORMATION AND PROCEDURES

### 24.1 SHIPPER COMPLAINT PROCEDURES.

The procedures applicable to a written complaint from a Shipper are as follows:

- a. Shipper notifies Transporter of any complaint Shipper may have regarding Transporter's services.
- b. Transporter obtains all necessary facts from Shipper.
- c. Transporter notifies other appropriate departments (e.g. dispatch, engineering, accounting, legal, etc.) and obtains any necessary information regarding the complaint.
- d. Transporter contacts Shipper if additional information is needed regarding the complaint.
- e. Transporter reviews and analyzes all available information and responds initially within 48 hours, prepares a formal written reply and/or proposal for action regarding the complaint, and submits it for management approval.
- f. Following management approval, a written response is sent to Shipper within 30 days of the complaint.

### 24.2 PROCEDURES FOR OBTAINING TRANSPORTATION INFORMATION.

Information regarding availability and pricing of transportation service, and capacity of pipeline available for transportation, may be obtained on Transporter's Interactive Web Site or by contacting Transporter at:

Tallgrass Interstate Gas Transmission, LLC  
Marketing  
370 Van Gordon Street  
Lakewood, CO 80228-8304  
Telephone: (303) 763-2950

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
Fifth Revised Volume No. 1

Section 24 - Complaint and Transp. Info. Procedures  
Section Version: 1.0.0

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Facsimile: (303) 763-3515  
e-mail: TEP@tallgrassenergyip.com

## 25. ORDER NO. 500/528

### FLOW-THROUGH OF PIPELINE SUPPLIERS

### BUY-OUT BUY-DOWN BILLINGS

#### 25.1 PURPOSE

This section establishes the procedures under which Transporter will recover from Shippers under Transporter's Rate Schedules the total jurisdictional portion of Buyout-Buydown Obligations paid by Transporter pursuant to applicable tariff provisions of a former upstream pipeline supplier, on an as billed basis.

#### 25.2 BASIS OF BILLING

Unless otherwise approved by the Commission, Transporter will calculate each affected Shipper's allocated share of Transporter's fixed charge Buyout-Buydown Obligation using the same procedures the upstream pipeline utilized in allocating such cost. Any refunds related to Buyout-Buydown billings which Transporter receives will be refunded to Shippers by Transporter on the same basis as the refund amount was initially recovered by Transporter from such Shippers. Any increase or decrease in Buyout-Buydown billings to Transporter will be flowed-through to Shippers on the same proportionate basis, to the extent possible, the increase or decrease was allocated to Transporter by the applicable upstream pipeline.

#### 25.3 ELECTION TO DELAY BILLING

Any Shipper notifying Transporter in writing no later than 30 days after the date of the Commission's order accepting tariff sections authorizing the initial fixed charge billing of its election to do so may delay the initial billing of the Buyout-Buydown Obligation applicable to such Shipper until the billing period specified in the Filing.

Any Shipper electing to delay the commencement of Buyout-Buydown Obligation billings and notifying the Transporter in writing on or before such date may elect an Amortization Period other than twelve months, not to exceed 60 months. Upon acceptance of an appropriate tariff filing to be made by Transporter upon receipt of such notice, Shippers electing to delay commencement of initial billing and an alternate Amortization Period will be billed in the normal billing cycle commencing with the billing period specified in the filing , based on their elections.

#### 25.4 ELECTION OF AMORTIZATION PERIOD

Any Shipper not timely notifying Transporter in writing of its election to delay the billing of the Buyout-Buydown Obligation billing pursuant to Section 25.3 above may notify Transporter on or before 30 days after the date of the Commission's order accepting tariff sections authorizing the initial fixed charge billing of its desire to utilize an Amortization Period other than twelve months, not to exceed 60 months. In the event Transporter makes additional tariff filings which adjust the Buyout-Buydown Obligation, Shipper shall be provided 30 days after the date of the Commission's order accepting the tariff filing to elect to delay the billing or to utilize an amortization period other than twelve months, not to exceed 60 months, as provided by this Section 25 for the initial billing.

#### 25.5 FAILURE TO ELECT

Any Shipper failing to notify Transporter in writing no later than the date specified in the Filing of its election either to delay the initial billing of the Buyout-Buydown Obligation or to use an alternate Amortization.

Upon receipt of such election to utilize an alternate Amortization Period, and upon acceptance of an appropriate tariff filing to be made by Transporter reflecting the effect of the use of an alternate Amortization Period, Transporter will bill Shipper in the immediately following normal billing cycle based upon the alternate Amortization Period selected by Shipper. Period will be billed in the normal billing cycle of the month immediately following the effectiveness of this tariff section for the Buyout-Buydown Obligation amount over a twelve month Amortization Period.

#### 25.6 PAYMENT TO TRANSPORTER

Transporter shall render invoices on or before the tenth day of each month. The payment of each affected Shipper's share of Transporter's fixed charge Buyout-Buydown Obligation shall be due and payable at Transporter's designated office on or before the twentieth day of each month as billed by Transporter in the invoice for said month. Transporter's monthly billing to the identified Shippers shall contain a separately stated Buyout-Buydown Obligation principal amount currently due, including appropriate interest charges. Interest shall be calculated in accordance with Section 154. 501(d) of the Commission's Regulations, commencing with the effective date of interest accruals, and continuing throughout Shipper's Amortization Periods. At any time during the Amortization Period, any Shipper may elect to pay through a lump-sum payment the remaining unamortized balance of

Shipper's Buyout-Buydown Obligation which shall include interest accrued to date of payment.

Notwithstanding any such election, if Shipper's contract terminates during the Amortization Period, applicable to Shipper, in which such payments are to be made, Transporter shall, at Shipper's option, either: (1) bill Shipper within 45 days after such notice of termination, a one-time charge for the remaining unamortized Buyout-Buydown Obligation, excluding future interest; or (2) continue billing in accordance with Shipper's prior elections.

#### 25.7 RESERVATIONS

Transporter therefore reserves the rights to flow through Additional Buyout-Buydown Obligations that are billed to Transporter pursuant to any such future filings by upstream pipelines.

## 26. TRANSITION COST RECOVERY MECHANISMS

### 26.1 ACCOUNT 191 TRANSITION COSTS

- a. Transporter will not recover any formerly non-jurisdictional gas costs in the liquidation of Account 191. Transporter will recover or refund, by direct bill or payment, all jurisdictional Account 191 balances remaining upon the effective date of its implementation of the restructuring filing. Any billing disputes or out-of-period costs will be resolved within nine (9) months of Transporter's effective RS implementation date. Payment for the recovery of disputed costs must be made within twelve (12) months of the resolution of the dispute. Recoveries and refunds will include carrying charges to the extent required by this section. The Account 191 balance related to demand charges will be allocated to customers based on the 1992 sales billing demand units. The commodity balance will be allocated to customers based on the actual 1992 sales deliveries.
- b. Recoveries for remaining Account 191 balances shall be made either through a one-time lump sum payment or may be spread out over the twelve-month period immediately following implementation of the restructuring services. Refunds for remaining Account 191 balances shall be made as they are determined. If amounts are spread out, carrying charges will be assessed pursuant to Section 154.501(d) of the Commission's Rules and Regulations.
- c. As of the effective date of RS implementation, Transporter's PGA mechanism will be discontinued.

### 26.2 UPSTREAM PIPELINE TRANSITION COSTS

To the extent Transporter assigns its upstream capacity to its customers, such customers will be responsible for all costs related to that capacity. Costs related to any capacity not assigned will be collected from all FT customers through a demand-based surcharge mechanism.

### 26.3 GAS SUPPLY REALIGNMENT TRANSITION COSTS

Beginning March 1993, Transporter will make available for review its gas supply contracts which Transporter has determined are not required to provide MSS Service. Within seven (7) business days after the Commission issues an order accepting Transporter's revised Compliance Filing in Docket

No. RS92-19, all parties are free to submit to Transporter, written notice of their binding election to take direct assignment of specific Transporter supply contracts. Parties have the right to take assignment of Transporter's non-CAM gas, to the extent that parties also takes assignment of the same percentage of net present value share of CAM gas. Full assignment of contracts will become effective upon implementation of Transporter's Compliance Filing under Order Nos. 636, 636-A and 636-B. After seven (7) business days from the date the Commission issues an order accepting Transporter's revised Compliance Filing in Docket No. RS92-19, Transporter may buyout or realign its remaining CAM gas supply contracts which have not been assigned. GSR costs shall include buyout, buydown or other reformation costs relating to CAM gas contract activity plus carrying charges.

A. Definitions

- (1) CAM Gas - Gas which Transporter has under contract and is currently priced at or above \$2.50 per Dth delivered into Transporter pooling receipt point and for which Transporter has no contractual right to terminate the contract, market out, reduce takes, or control production.
- (2) NPV of CAM Gas - The net present value discounted cash flow of the total projected cost of CAM gas over a twenty (20) year period.

26.4 TRANSITION COST RECOVERY MECHANISM

- a. In addition to the other costs included in the rates set forth in this FERC Gas Tariff for Rate Schedules FT, NNS and IT, Shipper shall, beginning one (1) month from Commission authorization in a Section 4 proceeding, recover from Customers under Rate Schedules FT, NNS and IT its Gas Supply Realignment Costs in accordance with the procedures set forth in this Section Gas Supply Realignment Costs are those costs attributable to realigning Shipper's gas supply contracts as permitted by Order No. 636, et al. including but not limited to Pricing Differential costs.

Pricing Differential costs are costs incurred beginning one (1) month from the implementation date that are equal to 1) the difference between the contract price under List A and List B Contracts and the higher of (a) the price paid by a third party purchaser from time to time for gas quantities available for sale attributable to such Contracts or (b) a floor price equal to the applicable GSR Index Price 2) times the quantity sold. Transporter will continue to negotiate to buyout,

buydown, assign, modify or settle the terms and conditions of the Contracts from time to time so as to result in the minimization of transition costs without regard to continuation of any other Contract. In addition, within seven (7) days after receipt of a final Commission order in Docket No. RS92-19-000, Transporter will file under seal List A and List B. Contracts under List A and List B will be available for review in Lakewood and Washington upon execution of an appropriate protective and non-disclosure agreement.

- b. Transporter will make filings to be effective commencing one (1) month after Commission authorization in a Section 4 proceeding, and quarterly thereafter, to recover any Gas Supply Realignment Costs actually incurred and booked by the end of the quarter preceding the filing and which are known and measurable with reasonable accuracy, plus carrying charges calculated on the net outstanding balance (i.e., after Gas Supply Realignment revenues are received and credited) from the date of incurrence of such Gas Supply Realignment Costs to the projected date of payment as determined pursuant to Section 154.501(d) of the Commission's regulations; provided, however, that on and after the date of the credit calculated pursuant to Section 26.4e. carrying charges shall be computed on the net outstanding balance.
  - (1) Ninety percent (90%) of such Gas Supply Realignment Costs shall be allocated to Shippers under Rate Schedules FT and NNS, pursuant to Order No. 636, pro rata based on the ratio of the Shipper's aggregate MDQ to the total aggregate MDQ under Rate Schedules FT and NNS effective as of the date of Transporter's GSR surcharge filings and adjusted as necessary during that recovery period to reflect any changes in Shipper's MDQ, and recovered from such Shippers under Rate Schedules FT and NNS by means of a GSR Demand Surcharge per MDQ. Allocation of Gas Supply Realignment Costs shall not be reduced for any Shipper by virtue of any discounted FT or NNS services commencing after the implementation date. Shippers under Rate Schedules FT and NNS taking assignment of gas supply contracts from Transporter shall be excluded from the allocation of Gas Supply Realignment Costs as calculated pursuant to Section 26.4.
    - (a) Transporter shall render a bill for the entire amount of each Shipper's GSR Demand Surcharge Amount with respect to any quarterly filing on or after the tenth day of the month following the effective date of the filing.

Such amount shall be payable in three (3) consecutive monthly installments equal to one-third (1/3) of such amount on each date following submission of such bill on which payment is payable.

- (b) Each Shipper shall have the option, in lieu of payment of such GSR Demand Surcharge in three installments, of paying twelve (12) consecutive monthly installments equal to 1/12th of such amount. Additional carrying charges on such amount shall be calculated and included on each monthly bill for those Shippers electing the twelve (12) month payment option. Monthly amounts shall be payable on the 20th of each month following submission of the bill referred to in paragraph (a).

Any Shipper may, at any time, pay all or a portion of its unpaid GSR Demand Surcharge Amount and in such event its obligation for carrying charges shall be applicable only to amounts unpaid.

Carrying charges on unpaid principal amounts for those Shippers electing to extend their payment hereunder shall be determined using the methods specified in Section 154.501(d) of the Commissions' Regulations.

- (c) Should Shipper fail to pay any amount on the date due hereunder, additional interest thereon shall accrue at the rate computed using the factors specified in Section 154.501(d) of the Commissions' Regulations, until such time as the full amount due has been paid or collected.
- (d) Regardless of whether the Shipper elects the three (3) month or twelve (12) month payment option, the GSR Demand Surcharge Amounts hereunder together with the applicable carrying charges, shall accrue in full as of the effective date of any quarterly filing, shall be unaffected by, and shall remain in effect following, any expiration or termination of Shipper's service agreement with Transporter. Notwithstanding anything herein or in any contract to the contrary, Transporter shall have the right to sell or assign to a third party or parties amounts payable hereunder by any Shipper.

- (2) Ten percent (10%) of such Gas Supply Realignment Costs shall be reflected in revised rates for Rate Schedule IT service which shall be designed to recover over the following twelve (12) months said ten percent (10%) of Transporter's Gas Supply Realignment Costs. A portion of the Rate Schedule IT revenue as determined pursuant to Section 26.3 d. shall be credited to the recovery of Gas Supply Realignment Charges collected by Transporter.
  - (3) Any Gas Supply Realignment Costs actually incurred and recovered from Shippers under Rate Schedules FT and NNS but subsequently required by the Commission to be refunded shall be refunded to such Shippers within sixty (60) days after the date of the Commission order requiring such refunds on the ratio of the Shipper's aggregate MDQ to the total aggregate MDQ under Rate Schedules FT and NNS for the time period during which the Gas Supply Realignment Costs were allocated. Any Gas Supply Realignment Costs actually incurred and deemed recovered from Shippers under Rate Schedule IT shall be credited to the Gas Supply Realignment Costs to be included in the rates for Rate Schedule IT in the next quarterly filing.
- c. Within sixty (60) days from each twelve (12) month period following the implementation date, Transporter shall file a statement with the Commission reflecting:
- (1) The aggregate amount of Gas Supply Realignment Costs incurred and allocated to be collected during the previous twelve (12) month period from Rate Schedule IT, as determined pursuant to Section 26.3 d.;
  - (2) The aggregate amount of Transporter shall have the option at any time after twelve (12) months from the initial implementation of the GSR surcharge to file to recover any Gas Supply Realignment Costs unrecovered through its Rate Schedule IT rates through an alternate mechanism.
- d. To determine pursuant to Section 26.4 c.(2) whether Transporter has recovered Gas Supply Realignment Costs pursuant to Rate Schedule IT, Transporter shall compare total IT revenues during the initial twelve (12) month period of the GSR surcharge against the cost of service allocated to be recovered from Rate Schedule IT excluding Gas Supply Realignment Costs. To the extent such revenue exceeds such

cost of service allocation, excluding Gas Supply Realignment Cost, Transporter shall consider such excess revenue, less applicable surcharges and variable costs incurred in providing the service, to be recovery of the Gas Supply Realignment Costs allocated to Rate Schedule IT for such period. Ninety percent (90%) of any additional excess revenue, less applicable surcharges and variable costs incurred in providing the service, shall also be considered recovery of Gas Supply Realignment Costs and shall be credited against future Gas Supply Realignment Costs. Transporter shall retain the remaining ten percent (10%) of such excess revenue without any refund obligation.

- e. Shipper's aggregate MDQ for purposes of allocating Gas Supply Realignment Costs shall be reduced by a credit percentage to the extent Customer takes assignment of a CAM Gas Supply contract(s). Shipper's credit percentage shall be calculated as follows:

Shipper's GSR responsibility shall be equal to an allocation of total NPV of CAM gas based upon aggregate MDQ under Rate Schedules FT and NNS.

Shipper's credit percentage shall equal the NPV of CAM gas associated with the contract(s) assigned to the Customer divided by Customer's GSR responsibility.

Section 27 - Reserved for Future Use

Section 28 - Reserved for Future Use

## 29. OPERATIONAL PARAMETERS

### 29.1 GENERAL

- a. Transporter shall endeavor to maintain adequate pressure throughout its system and to preserve the overall operational integrity of its system; provided, however, that Transporter shall not be obligated to buy or sell Gas or to install additional compression or otherwise modify its system for these purposes. Operating personnel for Shippers and other entities which are physically taking delivery of Gas from Transporter or tendering Gas to Transporter shall cooperate with Transporter in furtherance of this Section. Each Shipper shall designate the e-mail address, telephone and facsimile numbers of one or more persons [but not more than two (2) primary and two (2) backup persons] for Transporter to contact on operating matters (including the receipt of Directional Notices and notices of Critical Time Operational Flow Orders) at any time, on a 24-hour-a-day, 365-day-a-year basis. Such contact persons must have adequate authority and expertise to deal with such operating matters.
- b. For the purpose of these General Terms and Conditions, the overall operational integrity of Transporter's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance (including the capability and deliverability of storage reservoirs), the overall operating performance of the entire physical system as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered.

### 29.2 FACILITY CONTROL

Transporter shall maintain actual physical and operational control of all storage, transmission and other facilities on its system.

### 29.3 OPERATIONAL CONTROL SEQUENCE

In the event Transporter's observations or projections indicate that a situation is or may be developing in which adequate pressures may not be maintained or the overall operational integrity of its system (or any portion thereof) could be threatened, or in the event that such a situation actually occurs, Transporter is authorized by this Section to take action to alleviate this situation. In responding to the projected development of such a situation,

Transporter shall first apply the Advisory Action procedures of Section 29.4. If such measures are not sufficient, and the situation continues to deteriorate, Transporter shall next employ Directional Notices as provided in Section 29.5. In the event Directional Notices alone are not adequate, and the situation becomes worse, Transporter may invoke the Critical Time Operational Flow Order procedures set out in Section 29.6. Finally, Transporter may take unilateral action as provided in Section 29.7. The procedures set out in such provisions, and their sequencing, are intended to be applied only to the extent any of the specific actions indicated, or such sequencing, would be anticipated to alleviate the situation to be addressed. In issuing Advisory Actions, Directional Notices or Critical Time Operational Flow Orders, Transporter shall describe the specific system conditions, including providing available information that led Transporter to conclude that the particular action requested of Shipper(s) is appropriate, and the specific responses required from the affected parties.

To the extent that specific actions can be reasonably identifiable, Transporter shall direct its actions hereunder to Shippers creating or anticipated to create the situation to be addressed and shall act consistent with Section 29.8. Nothing herein shall preclude Transporter from bypassing any of the above procedures if, in its judgment, the situation so requires. Transporter will keep Shippers advised on the status of the situation through the informational postings portion of Transporter's Interactive Website.

#### 29.4 ADVISORY ACTIONS

In the event Transporter determines that action is required to alleviate or forestall a situation in which system pressure is not maintained or when the overall operational integrity of the system or any portion of the system is jeopardized, Transporter may take the Advisory Actions set out herein to alleviate or forestall the development of such a situation.

- a. Transporter may request Shippers or other entities affecting its system to take any of the following actions, or other similar actions, to the extent such actions would tend to alleviate the situation, on a voluntary basis:
  - (i) Increase or decrease the storage/supply mix of deliveries;
  - (ii) Shift receipts to obtain better Capacity Balance;
  - (iii) Change Receipt or Delivery Points;

- (iv) Change usage patterns (e.g., end users switch to alternate fuels);
  - (v) Provide assistance from market area resources;
  - (vi) Activate pre-negotiated voluntary arrangements under which Gas is diverted from one Shipper to another or from a non-Shipper to a Shipper (which arrangements may specify appropriate compensation);
  - (vii) Reconcile Transportation Imbalances; and/or
  - (viii) Such other voluntary action as would tend to alleviate or forestall the situation.
- b. Transporter may also take actions within its control which might tend to alleviate or forestall the situation. Such actions may include the following:
- (i) Advise any Shipper which is not maintaining receipts and deliveries in Balance (after taking into account such Shipper's storage rights) that such Imbalances must not continue;
  - (ii) Curtail or require adjustments or supply shifts in IT service;
  - (iii) Curtail or adjust the Interruptible portion of injections and/or withdrawals under Rate Schedules FSS, ISS and/or NNS; and/or
  - (iv) Take such other actions as are within Transporter's control and discretion to alleviate or forestall the situation.

## 29.5 DIRECTIONAL NOTICE

- a. In the event that, in Transporter's judgment, the Advisory Actions under Section 29.4 are not sufficient to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of Transporter's system or to maintain operations required to provide efficient and reliable firm service, Transporter is authorized to issue Directional Notices to Shippers which are intended to address such conditions consistent with the provisions of this Section 29.

Notwithstanding the foregoing, Transporter shall take reasonable actions to minimize the issuance and the adverse impact of Directional Notices, or of any other measure taken under this Section 29 in response to adverse operational events on Transporter's system. Transporter will issue Directional Notices only if necessary, in its reasonable judgment, to maintain the pressure of its system within the range of normal operating parameters or, to respond to or prevent facility outages or other conditions which could have a detrimental impact on system reliability or service integrity on its system. Directional Notices shall be lifted as soon as practicable after such conditions no longer prevail.

Such Directional Notices may, subject to Section 29.10, require a Shipper to take any of the following actions, or similar actions, to the extent such actions would tend to alleviate the situation to be addressed:

- (i) In the case of a Shipper with storage or a transport component with storage, inject Gas into storage in accordance with a schedule ordered by Transporter. Injections may be required at any time during the Year.
- (ii) In the case of a Shipper with storage or a transport component with storage, withdraw Gas in accordance with a schedule ordered by Transporter. Withdrawals may be required at any time during the Year.
- (iii) Commence or increase supply inputs into Transporter's system or at specific points, or shift such supply inputs (in whole or in part) to different points.

- (iv) Cease or reduce supply inputs into Transporter's system or at specific points.
- (v) Commence or increase takes of Gas from Transporter's system or from specific points, or shift takes to different points.
- (vi) Cease or reduce takes from Transporter's system or at specific points.
- (vii) Reconcile Transportation Imbalances.
- (viii) Change the storage/supply delivery mix.
- (ix) Require that deliveries under all of Transporter's rate schedules be made on a uniform hourly rate effective three (3) hours after issuance of a Directional Notice.

No Shipper will be required under a Directional Notice to exceed its total firm MDQ (less firm FSS, and/or NNS storage rights, if applicable) under its Agreements with Transporter under Part 284 of the Commission's Regulations. Nor will a Shipper be required to accept delivery of Gas which the Shipper cannot use at its delivery point.

- b. In issuing Directional Notices to correct problems with either too much Gas or insufficient Gas being received vis-à-vis deliveries, Transporter will generally follow the following sequence, to the extent there is sufficient time:
  - (i) Transporter will require all Shippers out of Balance to the detriment of the system to Balance their Agreements.
  - (ii) Transporter will seek voluntary action from Shippers, subject to the Shipper and Transporter negotiating adequate compensation.
  - (iii) Transporter will interrupt Interruptible services then being provided if that will restore system flexibility prior to issuance of additional Directional Notices or Curtailment of firm services. Further, this step may also be taken when Shippers are failing to comply with previously issued Directional Notices or when Transporter cannot identify which Shippers are creating the problem.

- c. In the event receipts in segments of Transporter's system exceed scheduled receipts so that high system pressures back off scheduled receipt quantities, Transporter may issue a Directional Notice to all Shippers in the affected segment of the system stating that a high pressure condition exists. All such Shippers will be required to check their deliveries into receipt points on the affected portion of the system.

Those Shippers who are delivering more than their scheduled volumes will have four (4) hours to make needed adjustments, or enter the penalty situation. A Directional Notice issued pursuant to this Section 29.5c will be canceled by Transporter when the high pressure condition described above has been corrected and the Imbalances created by the high pressure condition have been reasonably resolved.

- d. In the event there is a need for Transporter to engage in routine and normal maintenance of the system, to undertake repairs and replacement of lines of pipe, to schedule DOT compliance activities, to install taps, to make pig runs, to test storage fields, to test equipment, to check or change compressor internals, or to engage in other similar actions affecting the Capacity of any portion of the system, Transporter may issue Directional Notices pursuant to this Section 29.5(d) which will contain an estimate of the time, duration, and impact of the activity. This provision is contained in Section 16.1 of these General Terms and Conditions. An event of force majeure may affect deliveries, but not trigger the need for a Directional Notice pursuant to this Section 29.5(d). An order issued pursuant to this Section 29.5(d) shall be canceled when such planned maintenance or other activities have been completed.
- e. Transporter has the right to issue a Directional Notice and require specified storage inventory levels under any applicable rate schedule in order to maintain system integrity. Any such Directional Notice shall be posted in accordance with the terms and conditions set forth herein.
- f. Directional Notices will be the first items shown in the Informational Postings portion of Transporter's Interactive Web Site. Transporter shall also post, as soon as available, information about operational parameters which affect when a Directional Notice will begin and end. Transporter shall provide as much advance warning as reasonably possible of conditions which may create the need to issue a Directional

Notice. Transporter shall also provide as much advance warning as reasonably possible of the issuance of a Directional Notice. Transporter will endeavor to post the notice on its Interactive Web Site before 4:00 p.m. Central Time or otherwise will endeavor to notify Shippers via Transporter's Interactive Web Site by 4:00 p.m. Central Time that they should check the web site again at a specified later time to see whether a Directional Notice will be in effect for the next Day. Transporter must attempt to give actual notice of a Directional Notice via e-mail, facsimile or telephone (provided a Shipper has given the numbers to Transporter as required in Section 29.1) at least four (4) hours prior to the start of the Day before a Directional Notice will be effective as to a Shipper. Such notice shall specify the anticipated duration of the Directional Notice. To the extent reasonably possible, a Directional Notice will be effective at the start of a Day and will continue until the end of the Day and through the end of successive Days until Transporter notifies Shippers on Transporter's Interactive Web Site that the Directional Notice has been lifted.

Such notice and posting shall include but not be limited to (i) mandated specific actions; (ii) indication of voluntary actions; (iii) identification of the parties subject to the Directional Notice; (iv) the time the Directional Notice will become effective; (v) the estimated duration of the Directional Notice; (vi) whether Transporter is overdelivered or underdelivered; (vii) whether actual net receipts need to be equal to or greater than actual deliveries, or actual deliveries need to be equal to or greater than actual net receipts; (viii) whether nominations from and/or to Interruptible storage need to be taken to zero; (ix) whether or not authorized overruns are acceptable; and (x) 24-hour contact number for Transporter during the duration of the Directional Notice.

- g. If any Shipper fails to comply with a Directional Notice [other than those described in subsection (h) below] during any period which is not a Critical Time, it shall be subject to a penalty of \$6 per Dth times any volume of Gas by which it deviated from the requirements of the Directional Notice. A Shipper shall be exempt from such a penalty under this Section 29.5 to the extent the Directional Notice requires action beyond Shipper's contract limits under its Agreement with Transporter or if Shipper has complied within a reasonable range, which range will be specified in the Directional Notice. Based on the severity of the adverse consequences which will likely result from violations by Shippers of a particular Directional Notice, Transporter

will post a penalty level of \$6 per Dth for violation of that specific Directional Notice.

h. Transporter may also issue Directional Notices as follows:

(1) In order to improve system operations, Transporter may require any Shipper which has a variance of twenty percent (20%) or more between actual deliveries to Transporter at a Receipt Point and the confirmed nomination at that Receipt Point to conform the deliveries to the confirmed nomination as of the Day that commences with the effectiveness of the Directional Notice.

(2) Transporter may also require Shippers to keep any variances between actual flows and confirmed nominations at all of the Receipt Points or Delivery Points in a Rate Zone under each Shipper's Agreements, which are to the detriment of Transporter's system, within a ten percent (10%) tolerance. If a Shipper ("Swing Shipper") agrees to keep all other Shippers at a Delivery Point whole with their nominations, such other Shippers' confirmed nominations and actual takes at that point will be included in the total confirmed nominations and the total actual deliveries of the Swing Shipper at all Delivery Points in the Rate Zone for purposes of determining the Swing Shipper's variance.

Shippers that fail to comply with such Directional Notice described in this subsection (h) shall be subject to a penalty of \$10.00 per Dth outside of a ten percent (10%) tolerance.

i. A Shipper shall not be subject to overrun penalties or Imbalance penalties with respect to any action taken in conformance with a Directional Notice issued by Transporter.

## 29.6 CRITICAL TIME OPERATIONAL FLOW ORDER

a. A Critical Time Operational Flow Order may be declared (1) when the total physical receipts to all or a portion of the system are approaching or expected to approach, a level that is in excess of the total physical deliveries plus the maximum volumes of Gas Transporter is able to inject into Transporter's storage without jeopardizing the integrity of Transporter's storage facilities; (2) when the total physical deliveries from all or a portion of the system are approaching or expected to

approach, a level that is in excess of the total physical receipts and the maximum volume of Gas available to be withdrawn from Transporter's storage without jeopardizing the integrity of Transporter's storage facilities; (3) when system pressure on one or more pipeline segment(s) is falling and approaching a level or is expected to fall and approach a level that is at or below the minimum that Transporter considers necessary for system integrity or to fulfill its firm contractual obligations; (4) when system pressure on one or more pipeline segment(s) is rising and approaching a level or is expected to rise and approach a level that is at or above the maximum pressure at which Transporter's facilities may be safely operated; or (5) at other times when Transporter is unable or anticipates it may not be able to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of Transporter's system. A Critical Time may not be declared on all or a portion of the system for the purpose of maintaining Interruptible services on that portion of the system, but Interruptible Gas may flow at times or on portions of the system when such flow would not violate any operational control restrictions or provisions of this Tariff. Transporter shall notify Shippers through the informational postings portion of Transporter's Web Site as to the reason(s) why a Critical Time was declared.

- b. Transporter shall advise Shippers on its system if it is declaring a Critical Time, as described in Section 29.6a of these General Terms and Conditions, and shall specify the nature of the situation creating the Critical Time.
- c. Transporter may issue a Critical Time Operational Flow Orders as described in Section 29.6 during a Critical Time. Transporter will waive (i) injection storage charges under Rate Schedules FSS, ISS and NNS for Shippers that provide extra Gas to the system during a Critical Time when there is a need for more Gas, and (ii) withdrawal storage charges under Rate Schedules FSS, ISS and NNS for Shippers that increase takes from the system during a Critical Time when there is a need to reduce the amount of Gas on the system.
- d. All quantities tendered on a net contract basis to Transporter and/or taken by Shipper on a daily basis in violation of Transporter's Critical Time Operational Flow Orders issued during a Critical Time shall constitute unauthorized receipts or deliveries for which a charge of \$25 per Dth plus the gas index price pursuant to Section 5.2.d(6) of Rate Schedule FT for the Days the Critical Time Operational Flow Order is in

place shall be assessed and the resulting Imbalance will be reduced to zero.

- e. Notice of a Critical Time Operational Flow Order will be posted on Transporter's Interactive Web Site, and will be the first information item shown on the informational postings portion of the web site. Transporter will endeavor to post the notice on its Interactive Web Site before 4:00 p.m. Central Time or otherwise will endeavor to notify Shippers via the Interactive Web Site by 4:00 p.m. Central Time that they should check the web site again at a specified later time to see whether a Critical Time Operational Flow Order will be in effect for the next Day. Transporter must attempt to give actual notice of a Critical Time Operational Flow Order via e-mail, facsimile or telephone (provided a Shipper has given the number to Transporter as required in Section 29) at least four (4) hours prior to the start of the Day before a Critical Time Operational Flow Order will be effective as to a Shipper(s). Such notice shall specify the anticipated duration of the Critical Time Operational Flow Order and whether other charges will apply to over-receipts and under-deliveries vis-à-vis confirmed nominations or to under-receipts and over-deliveries vis-à-vis confirmed nominations. If reasonably possible, a Critical Time Operational Flow Order will be effective at the start of a Day and will continue until the end of the Day and through the end of successive Days until Transporter notifies Shippers via the informational postings portion of

Transporter's Interactive Web Site that there is no longer a Critical Time Operational Flow Order.

- f. A Shipper shall not be subject to overrun penalties or Imbalance penalties with respect to any action taken in conformance with a Critical Time Operational Flow Order issued by Transporter.

## 29.7 UNILATERAL ACTION

In the event that the requested or required actions under Sections 29.3 through 29.6 (the Advisory Actions, Directional Notices or Critical Time Operational Flow Orders) are inadequate or there is insufficient time to carry out such procedures, Transporter may periodically have to take unilateral action to maintain system pressure and preserve the overall operational integrity of Transporter's system (or any portion thereof). Transporter is authorized to use all the resources of its system to such ends, including, but not limited to, adjusting the integrated operation of storage, line pack, supply received into, and deliveries from Transporter's system, even though Gas may

be owned by a person other than the entity receiving delivery. Transporter shall not, however, be responsible as a supplier of Gas to any Shipper.

## 29.8 APPLICABILITY OF ACTIONS

- a. In exercising its authority pursuant to Sections 29.3 through 29.7, Transporter shall generally direct its actions to Shippers in the following sequence, to the extent such actions and/or sequencing will tend to alleviate the situation to be addressed:
- (1) First, to any Shipper which has been identified to take action and is causing disruption due to its failure to maintain receipts and deliveries in Balance or to match physical flows with nominated receipts or deliveries (after taking into account any storage rights of such Shipper);
  - (2) Second, to any Shipper which has been identified to take action and has failed or is failing to take action to anticipate a change in demand (i.e., a temperature sensitive LDC or end user failing to respond to changes in weather);
  - (3) Third, to any Shipper which has been identified to take action and is operating in a manner which conflicts with sound operational practices in relation to Transporter's system; and
  - (4) Lastly, to all other Shippers.

## 29.9 REFUND OF PENALTY AMOUNTS

The amounts collected as penalties by Transporter for each Directional Notice or Critical Time Operational Flow Order shall be refunded through an event-by-event calculation in the annual reconciliation filing as referenced in Section 35 of these General Terms and Conditions and as follows:

- a. First, the amounts collected will be used to compensate Transporter for any costs it has incurred (including any compensation Transporter agreed to provide for voluntary actions and any storage injection or withdrawal charges not collected because of the waiver of the injection and withdrawal charges as described in Section 29.6) to alleviate the conditions which resulted in issuance of the Directional Notice or in declaration of the Critical Time Operational Flow Order.

- b. Then, any remaining amounts will be refunded to all complying shippers and other Shippers that did not incur penalties based on the method described in Section 35 of these General Terms and Conditions.

#### 29.10 STANDARDS

- a. In issuing Directional Notices, Critical Time Operational Flow Orders or taking other operational control action under this Section, Transporter shall apply consistent and objective engineering and operational criteria to define the overall operational integrity of the system and acceptable pressure levels to be maintained, to evaluate the imminent nature of any threat to these factors, and to determine what steps are necessary to preserve such factors. Such criteria may be changed from time to time as operating experience indicates.
- b. In applying this Section, Transporter shall operate its system in a non-discriminatory manner, without regard to the source of supply, the identity or nature of any Shipper or the identity of any entity tendering or receiving Gas except as otherwise explicitly provided herein.

#### 29.11 LIABILITY

- a. Transporter shall not be liable to any person for the manner in which it operates its system, or for any diversion of Gas or Capacity rights or any other adverse consequences to such person which may result from its actions, provided that Transporter's actions were undertaken in furtherance of and in accordance with this Section and provided further that such adverse consequences are not attributable to Transporter's negligence or misfeasance.
- b. Compliance with the Directional Notices, Critical Time Operational Flow Orders and the other terms and conditions of Transporter's FERC Gas Tariff is essential to provide deliveries and services under all rate schedules. A failure by one or more Shippers to comply with the Directional Notices or Critical Time Operational Flow Orders may affect Transporter's ability to provide such deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies available in law or at equity, Transporter will, except for negligence or undue discrimination, have no liability consistent with the provisions in Section 16.5 of these General Terms and Conditions.

- c. In the event a Shipper's Gas supplies are diverted to another Shipper or retained by Transporter as a result of a Directional Notice or Critical Time Operational Flow Order, the Party receiving such Gas supplies shall compensate the Shipper whose Gas was diverted or retained at one hundred percent (100%) of Transporter's cashout index price. Should reduced deliveries result from the issuance of a Directional Notice or Critical Time Operational Flow Order, Transporter shall provide reservation charge credits to Shippers reflecting such reduced deliveries.

#### 29.12 REPORTING

Within 30 Days after a Critical Time Operational Flow Order has been lifted, Transporter will post on its Interactive Web Site a report which describes the specific operational factors which caused the Critical Time Operational Flow Order to be issued and then lifted.

#### 29.13 UNAUTHORIZED GAS

Transporter will notify operators by approximately the 15th of each Month of their level of Unauthorized Gas for the preceding calendar Month. Transporter will post on its Interactive Web Site by approximately the 15th of each Month quantities of Unauthorized Gas in the preceding Month which cannot be attributed to any Party. Any Operator who delivers unscheduled Natural Gas onto Transporter's system will be given sixty (60) Days from the date Transporter provides notice to the Operator that such Gas has been received, to deliver it off the system or schedule it for delivery, or it will become the property of Transporter at the end of the 60 Day period. If the Party who delivered such Gas onto Transporter's system is not known, the Gas will become the property of Transporter sixty (60) Days after it was received by Transporter. The value of any Gas retained by Transporter pursuant to this Section 29.13 will be credited back to Shippers pursuant to Section 35 of these General Terms and Conditions. The value of the Gas retained will be determined by multiplying the volume of Gas retained (dth) by the lowest weekly average spot gas price for CIG (or superseding reference) as published in "Natural Gas Intelligence" for the month in which the Gas was retained.

30. This Section is Reserved for Future Use

## 31. OPERATIONAL BALANCING AGREEMENTS

### 31.1 TERMS GOVERNING

For the purpose of minimizing operational conflicts between various natural gas facilities with respect to the delivery of gas to and from Transporter's facilities, Transporter is willing to negotiate and execute OBAs with appropriate parties that operate natural gas facilities interconnecting with Transporter's system (any such party will be referred to herein as the "OBA Party"). Such OBAs shall specify the gas custody transfer procedures to be followed by Transporter and the OBA Party for the confirmation of scheduled quantities to be received by Transporter at Point(s) of Receipt and delivered by Transporter at Point(s) of Delivery. Such OBAs will provide that any variance between actual quantities and scheduled and confirmed quantities for any day shall be resolved pursuant to the terms of the OBA. To facilitate such determination of variances on a timely basis, Transporter and the OBA Party will agree in the OBA on necessary measurement and accounting procedures. Transporter shall post on its Interactive Web Site those Points of Receipt and Points of Delivery which are subject to an OBA. Transporter will also provide to any party upon request a copy of any executed OBA.

### 31.2 PREREQUISITE TO EXECUTION

It is Transporter's intent to negotiate and execute OBAs on a non-discriminatory basis with any OBA Party. However, Transporter shall have no obligation to negotiate and execute OBAs with any Party that:

- a. is not creditworthy as determined pursuant to Section 22.7 of these General Terms and Conditions, substituting the term "OBA Party" for "Shipper" for this purpose;
- b. does not maintain a gas control operation which is staffed on a continuous, around-the-clock basis;
- c. does not have electronic flow measurement equipment to which Transporter has access at the interconnect points which are proposed to be subject to the OBA;
- d. would cause an increase in the level of regulators or flow control regulation which Transporter is subject to prior to the execution of the applicable OBA; or

- e. does not commit to timely and final determination of imbalances based on reasonable available measurement technology.

### 31.3 RIGHT TO PROTECT SYSTEM INTEGRITY

Nothing in this Section 31, nor any executed OBA, shall limit Transporter's rights to take action as may be required to adjust receipts and deliveries under any transportation agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Transporter's pipeline system, including maintenance of service to higher priority customers or services.

### 31.4 RECORDKEEPING

Transporter shall maintain records of volumes and amounts paid pursuant to OBAs entered into under this Section 31. Such records shall be available for review.

## 32. GATHERING AFFILIATE

- 32.1 Transporter will provide nondiscriminatory access to all sources of supply in accordance with Part 284 of the Commission's regulations and will not give shippers of its gathering affiliate undue preference over shippers of nonaffiliated gatherers or other customers in scheduling, transportation, storage or curtailment priority.
  
- 32.2 Transporter will not condition or tie its agreement to provide transportation service to an agreement by the producer, customer, end-user, or shipper relating to any service by any gathering affiliate, any services by it on behalf of its gathering affiliate, or any services in which its gathering affiliate is involved.

## 33. DISCOUNTING

### A. Rate Discount Order

If and when Transporter discounts the rates and charges applicable for service under any Rate Schedule, the components of the currently applicable Maximum Rate shall be discounted in the following order: The first item of the overall charge discounted will be the GRI surcharge, followed by the base rate charge, any transition cost components including the Account 858 component, and last, any Transporter GSR surcharges. Other non-transition cost surcharges will be attributed in accordance with the applicable section of the General Terms and Conditions which provides for the surcharge as established in individual proceedings.

### B. Types of Discounts

If Transporter agrees to a discounted rate under Transporter's Rate Schedules, the following terms may be agreed to without constituting a material deviation from Transporter's applicable pro forma Service Agreement; provided, however, any such rate or component thereof shall not be less than Transporter's applicable minimum rate, nor greater than Transporter's applicable maximum rate.

Such rate may apply:

- (1) to specified quantities under Shipper's Service Agreement(s);
- (2) to quantities above or below a certain level, or all quantities if quantities exceed a certain level;
- (3) in a specified relationship to quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to the quantities actually transported);
- (4) during specified periods of the year or over specifically defined periods of time;
- (5) to specified receipt points, delivery points, zones, pooling areas, transportation routes, markets or other defined geographical areas;

- (6) to production reserves, gas supplies or markets committed by Shipper; and/or
  
- (7) if one rate component, which was at or below the applicable maximum rate at the time the discount agreement was executed, subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rates so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed upon overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission Order accepts revised tariff sections.

## 34. ADVERTISEMENT AND MARKETING FEES

### 34.1 ADVERTISEMENTS

Any person may advertise for the purchase of capacity on Transporter's System on Transporter's Interactive Web Site by submitting the desired advertisement (up to one page) to Transporter. Transporter shall post such advertisement on its Interactive Web Site no later than the business day following receipt thereof if so required, so long as the advertisement is not unlawful or inconsistent with Transporter's Tariff. The posted period requested may be for a period of time not to exceed one month. There will be no posting fee for such advertisements seeking to purchase capacity on Transporter. A response in and of itself to an advertisement seeking to purchase capacity never constitutes a capacity release; to release capacity, the Shipper holding the capacity rights must utilize the release procedures set forth in Section 23 of these General Terms and Conditions.

### 34.2 FEE FOR ACTIVE MARKETING

When a Releasing Shipper under Section 23 of these General Terms and Conditions requests that Transporter actively market capacity to be released, the Releasing Shipper and Transporter shall negotiate the terms of the marketing service to be provided by Transporter and the marketing fee to be charged thereof.

## 35. CREDITING OF IMBALANCE REVENUE

- 35.1 This Section 35 establishes the procedures to be used by Transporter to credit to Shippers Penalty Charges. "Penalty Charges" shall include Unauthorized Overrun Charges; net Imbalance revenue pursuant to Section 5.2d of Rate Schedule FT and Section 5.2b of Rate Schedule IT; Directional Notice and Critical Time Operational Flow Order penalties pursuant to Section 29.9 of this GT&C; PALS and S-PALS contract cash-out revenue pursuant to Section 8.4(b) of the PALS and S-PALS rate schedules; penalty amounts collected pursuant to Section 5.7a of Rate Schedule CMC-1 and Section 5.7a of Rate Schedule CMC-2; the realized value of confiscated gas pursuant to Section 2.9 of Rate Schedule NNS and Section 2.5 of Rate Schedules FSS and ISS; and the value of retained gas pursuant to Section 29.13 of these General Terms and Conditions. This procedure will be effective for Penalty Charges assessed and collected after June 1, 2003.
- a. By December 30 of each Year, Transporter shall submit to the FERC a reconciliation filing setting forth in detail the Penalty Charges and related costs as of the preceding September 30 and the allocation of any Penalty Charges and related costs under this Section 35 to each Shipper, which will be subject to review.
  - b. Transporter shall compare Penalty Charges and related costs, and determine if the Penalty Charges were in excess of costs (net Penalty Charge revenue), or if costs were in excess of Penalty Charges (net Penalty Charge costs).
  - c. To the extent net Penalty Charge revenues are received by Transporter, such net Penalty Charge revenues, if any, shall be refunded through a direct payment. A refund allocation factor for each Shipper shall be calculated by dividing the actual reservation and commodity revenues for each Shipper by the total reservation and commodity revenues during the reporting period. The reservation and commodity revenues used to calculate the refund allocation factor shall be net of all applicable surcharges, including but not limited to, ACA and GRI surcharges. The resulting refund allocation factor shall be multiplied by the net Penalty Charge revenue to arrive at the applicable direct payment for each Shipper.
  - d. Any net Penalty Charge costs shall be rolled forward into succeeding reporting periods until eliminated.

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Fifth Revised Volume No. 1

Section 35 - Crediting of Imbalance Revenue  
Section Version: 2.0.0

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## 36. NEGOTIATED RATES

### 36.1 AVAILABILITY

Transporter and Shipper may mutually agree in writing to a Negotiated Rate for service under any rate schedule contained in Transporter's Tariff. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate agreement. Transporter's Recourse Rate is available to any Shipper that does not desire to negotiate a rate with the Transporter.

### 36.2 DEFINITION

Transporter and Shipper may mutually agree to a negotiated rate or rate formula for service, in which one or more of the individual rate components may be less than, equal to, or greater than Transporter's maximum and/or minimum rates, may be based on a rate design other than Straight Fixed Variable (SFV), and may include a minimum volume.

### 36.3 LIMITATIONS

This Section 36 does not authorize Transporter to negotiate terms and conditions of service.

### 36.4 CAPACITY ALLOCATION

For purposes of curtailment of interruptible services pursuant to Section 16.3, and for scheduling interruptible services pursuant to Section 22.6, Shippers which have agreed to pay a Negotiated Rate which exceeds the maximum tariff rate, when calculated on a 100 percent load factor basis, will be considered to be paying the maximum Recourse Rate. In evaluating bids for firm service or allocating capacity among competing requests for firm service where one or more bid(s) is at a Negotiated Rate which is proposing a reservation rate or other form of revenue guarantee (i.e., minimum throughput condition or minimum bill) that exceeds the maximum applicable reservation rate, the net present value of any such bid for firm service shall be capped by the net present value of the maximum applicable reservation rate for such service over the contract term bid.

### 36.5 CAPACITY RELEASE

With the exception of short-term (one (1) year or less) capacity release

transactions the maximum price cap for the release of capacity under a Negotiated Rate agreement shall be the Recourse Rate. Transporter and a Releasing Shipper may, in connection with their agreement to a negotiated rate, agree upon payment obligations and credit mechanisms in the event of capacity releases that vary from or are in addition to those set forth in Section 23.13 of these General Terms and Conditions.

### 36.6 TREATMENT OF DISCOUNTS

- (i) A discount-type adjustment to recourse rates for negotiated rate agreements shall only be allowed to the extent that Transporter can meet the standards required of an affiliate discount-type adjustment including requiring that Transporter shall have the burden of proving that any discount granted is required to meet competition. Transporter shall be required to demonstrate that any discount-type adjustment for negotiated rate agreements does not have an adverse impact on recourse rate shippers.
  - (a) Demonstrating that, in the absence of Transporter's entering into such negotiated rate agreement providing for such discount, Transporter would not have been able to contract for such capacity at any higher rate, and that recourse rates would otherwise be as high or higher than recourse rates which result after applying the discount adjustment; or
  - (b) Making another comparable showing that the negotiated rate discount contributes more fixed costs to the system than could have been achieved without the discount.
- (ii) Transporter shall have the right to seek in future general rate proceedings discount-type adjustments in the design of its rates related to negotiated rate agreements that were converted from pre-existing discount adjustments to negotiated rate agreements, provided that the type of pre-existing service is not altered as a result of the conversion to a negotiated rate. In those situations, Transporter may seek a discount-type adjustment based upon the greater of: (a) the negotiated rate revenues received or (b) the discounted rate revenues which otherwise would have been received.

### 36.7 RIGHT OF FIRST REFUSAL

The right of first refusal provided with respect to certain Shipper's firm service agreements, as described in Section 18 of the General Terms and Conditions,

shall not apply to firm service agreements with Negotiated Rates, unless otherwise agreed to in writing by Transporter.

#### 36.8 NEGOTIATED RATE SURCHARGE AND FUEL RETENTION COMPONENTS

If Transporter negotiates surcharge or fuel retention percentage rate components at lower than the maximum rate level for those components as part of a Negotiated Rate agreement, it will assume any risk of under-recovery of costs or fuel retention from negotiated shippers in order to ensure that its recourse Shippers are not adversely affected due to Negotiated Rate agreements with individual Shippers. If Transporter negotiates specific surcharge components of its rates, rather than total rates, as part of a Negotiated Rate agreement, the discount order policy in Section 33 of the General Terms and Conditions shall not apply.

#### 36.9 ACCOUNTING

Transporter shall maintain sufficient records to identify revenues associated with Negotiated Rate agreements.

## 37. COMPLIANCE WITH 18 C.F.R. SECTION 284.12

### 37.1

Transporter has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ 2.0, which are required by the Commission in 18 CFR Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

#### **Standards not Incorporated by Reference and their Location in Tariff:**

<b>NAESB Standard</b>	<b><u>Tariff Section</u></b>
1.2.12	Section 3 – Nominations, Confirmations (see Section 3.5(c)(iii))
1.3.1	Section 2 – Definitions (see Section 2.11)
1.3.2 (i-v)	Section 3 – Nominations, Confirmations (see Section 3.2)
1.3.3	Section 3 – Nominations, Confirmations (see Section 3.7)
1.3.4	Section 3 – Nominations, Confirmations (see Section 3.1A)
1.3.5	Section 3 – Nominations, Confirmations (see Section 3.1A)
1.3.6	Section 3 – Nominations, Confirmations (see Section 3.3B)
1.3.7	Section 3 – Nominations, Confirmations (see Section 3.1A)
1.3.13	Section 3 – Nominations, Confirmations (see Section 3.6G)
1.3.19	Section 3 – Nominations, Confirmations (see Section 3.8)
1.3.22	Section 3 – Nominations, Confirmations (see Section 3.5C)
1.3.32	Section 3 – Nominations, Confirmations (see Section 3.6D)
2.3.2	Section 8 – Receipts and Deliveries (see Section 8.3)
2.3.3	Section 8 – Receipts and Deliveries (see Section 8.3)
2.3.4	Section 8 – Receipts and Deliveries (see Section 8.3)
2.3.5	Section 8 – Receipts and Deliveries (see Section 8.3)
2.3.6	Section 8 – Receipts and Deliveries (see Section 8.3)
2.3.7	Section 5 – Measurements (see Section 5.6)

<b>NAESB Standard</b>	<b>Tariff Section</b>
2.3.9	Section 2 – Definitions (see Section 2.38)
2.3.11	Section 9 – Billing (see Section 9.5)
2.3.13	Section 9 – Billing (see Section 9.5)
2.3.14	Section 9 – Billing (see Section 9.5)
2.3.16	Section 8 – Receipts and Deliveries (see Section 8.3)
2.3.18	Section 8 – Receipts and Deliveries (see Section 8.3)
2.3.28	Section 9 – Billing (see Section 9.1)
3.2.1	Section 2 – Definitions (see Section 2.4)
3.3.6	Section 22 – General (see Section 22.4)
3.3.9	Section 9 – Billing (see Section 9.1)
3.3.14	Section 9 – Billing (see Section 9.1)
3.3.15	Section 9 – Billing (see Section 9.5)
3.3.19	Section 9 – Payments (see Section 10.1)
5.3.1	Section 23 – Capacity Release (see Section 23.1b)
5.3.2	Section 23 – Capacity Release (see Section 23.1c)
5.3.3	Section 23 – Capacity Release (see Section 23.5a)
5.3.14	Section 23 – Capacity Release (see Section 23.5f(2))
5.3.15	Section 23 – Capacity Release (see Section 23.8e)
5.3.16	Section 23 – Capacity Release (see Section 23.5f(1))
5.3.19	Section 23 – Capacity Release (see Section 23.5g)
5.3.25	Section 23 – Capacity Release (see Section 23.7c)
5.3.26	Section 23 – Capacity Release (see Section 23.3j)
5.3.26	Section 23 – Capacity Release (see Section 23.4i)
5.3.44	Section 23 – Capacity Release (see Section 23.14b)
5.3.45	Section 23 – Capacity Release (see Section 23.14)
5.3.46	Section 23 – Capacity Release (see Section 23.14)
5.3.47	Section 23 – Capacity Release (see Section 23.14)
5.3.48	Section 23 – Capacity Release (see Section 23.14)

<b>NAESB Standard</b>	<b>Tariff Section</b>
5.3.49	Section 23 – Capacity Release (see Section 23.14)
5.3.50	Section 23 – Capacity Release (see Section 23.14)
5.3.51	Section 23 – Capacity Release (see Section 23.14a)
5.3.52	Section 23 – Capacity Release (see Section 23.14c(i))
5.3.53	Section 23 – Capacity Release (see Section 23.14e)
5.3.55	Section 23 – Capacity Release (see Section 23.14d)
5.3.56	Section 23 – Capacity Release (see Section 23.14d)
5.3.57	Section 23 – Capacity Release (see Section 23.14d)
5.3.58	Section 23 – Capacity Release (see Section 23.14d)

**Standards Incorporated by Reference:**

(a) **Additional Standards**

General	Standards:	0.3.1, 0.3.2, 0.3.16, 0.3.17
Creditworthiness	Standards:	0.3.3 to 0.3.10
Gas/Electric Operational Communications	Definitions:	0.2.1 to 0.2.4
Gas/Electric Operational Communications	Standards:	0.3.11 to 0.3.15
Operating Capacity and Unsubscribed	Standards:	0.3.18 to 0.3.22
	Data Sets:	0.4.2, 0.4.3
Storage Information	Data Sets:	0.4.1

(b) **Nominations** Related Standards

Definitions:	1.2.1 to 1.2.6, 1.2.8 to 1.2.11, 1.2.13 to 1.2.19
Standards:	1.3.2(vi), 1.3.8, 1.3.9, 1.3.11, 1.3.14 to 1.3.18, 1.3.20, 1.3.21, 1.3.23 to 1.3.31, 1.3.33 to 1.3.77, 1.3.79, 1.3.80

Data Sets: 1.4.1 to 1.4.7

(c) **Flowing Gas** Related Standards

Definitions: 2.2.1 to 2.2.5

Standards: 2.3.1, 2.3.8, 2.3.10, 2.3.12, 2.3.15, 2.3.17,  
2.3.19 to 2.3.23, 2.3.25 to 2.3.27, 2.3.29 to  
2.3.35, 2.3.40 to 2.3.65

Data Sets: 2.4.1 to 2.4.18

(d) **Invoicing** Related Standards

Definitions:

Standards: 3.3.1 to 3.3.5, 3.3.7, 3.3.8, 3.3.10 to 3.3.13,  
3.3.16, 3.3.17, 3.3.18, and 3.3.20 to 3.3.26

Data Sets: 3.4.1 to 3.4.4

(e) **Quadrant Electronic Delivery Mechanisms** Related Standards

Definitions: 4.2.1 to 4.2.20

Standards: 4.3.1 to 4.3.3, 4.3.5, 4.3.16, 4.3.17, 4.3.18,  
4.3.20, 4.3.22 to 4.3.36, 4.3.38 to 4.3.62,  
4.3.65 to 4.3.69, 4.3.72 to 4.3.78 to 4.3.87,  
4.3.89 to 4.3.102

Data Sets:

(f) **Capacity Release** Related Standards

Definitions: 5.2.1 to 5.2.5

Standards: 5.3.4, 5.3.5, 5.3.7 to 5.3.12, 5.3.13, 5.3.18,  
5.3.20 to 5.3.24, 5.3.27 to 5.3.29, 5.3.31 to  
5.3.33, 5.3.34, 5.3.35 to 5.3.40, 5.3.41, 5.3.42,  
5.3.54, 5.3.59, 5.3.60, 5.3.62 to 5.3.72

Data Sets: 5.4.14 to 5.4.16, 5.4.20 to 5.4.27

(g) **Internet Electronic Transport** Related Standards

Definitions: 10.2.1 to 10.2.38

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Standards: 10.3.1, 10.3.3 to 10.3.12, 10.3.14 to 10.3.27

Data Sets:

### **Standards for which Waiver or Extension of Time to Comply have been granted:**

[No waivers or extensions have been requested or granted]

- 37.2 Transporter's HTML page(s) is accessible via the Internet's World Wide Web at the following address:

<http://pipeline.tallgrassenergylp.com>

## 38. INTERACTIVE WEB SITE

### 38.1 WEB SITE DESCRIPTION

- a. Transporter maintains a FERC compliant Interactive Web Site which is available for use by all Shippers and other interested parties upon request and at no charge. The web site has both secure and non-secure regions. Information of a general nature is included in the non-secure region, while confidential, shipper-specific data is accessible only through the secure region which requires a logon and password. Daily back-up records of the information displayed or entered through these web pages are archived, and non-secure information is accessible to customers on a non-discriminatory basis. The data is kept for a three (3) year period, inclusive of both current and archived data.
- b. The non-secure information is primarily comprised of FERC mandated informational postings. Transporter, at its sole option, may add informational sections to these web pages in order to facilitate timely and complete communications with customers. The secure region provides access to Nominations, Flowing Gas/Volume Inquiry data, Invoicing, Contracting, and Capacity Release processing. The Informational Posting components do not require a logon and password. All other components require a valid logon and password, which may be obtained per the procedures outlined in Section 38.2.
- c. INFORMATIONAL POSTINGS

The types of information available through the Informational Postings section of this web site include: (i) all affiliated marketer information including names and addresses for affiliated marketing companies; (ii) reports on operationally available capacity, design capacity, unsubscribed capacity, and released capacity at Receipt/Delivery Points and on the mainline, and for storage; (iii) critical notices concerning capacity related issues and non-critical notices providing customer information; (iv) the Index of Customers and the Contract Transaction Log; (v) the Tariff with search, download and print capabilities; (vi) imbalance volumes available for trading among Shippers prior to cashout as provided in Section 12 hereof; (vii) Point Catalog and Transporter's customer contracts listing.

d. NOMINATIONS

This feature allows for submittal of all transportation nominations, transfer nominations, predetermined allocations and nomination priorities as required in Section 3. Additionally, operators can confirm volumes online and Shippers and Point Operators can review, print or download scheduled quantity reports.

e. FLOWING GAS/VOLUME INQUIRY

This feature provides volumetric information on total gas flows and allocated flows, at a point and contract level and provides contract level imbalance information. The timing for reporting daily operational allocations after the gas has flowed is within one (1) Business Day after the end of the gas Day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation. Each Shipper and each other entity involved in a transaction at a point will be able to see the total flows at the point and the volumes allocated to or by such Shipper or other entity.

f. INVOICING

This system component allows Shippers to view and Download invoices and a statement of account. Additionally, using this component, Shippers can create and submit a Payment Remittance.

g. CONTRACT REQUEST PROCESSING

Using this feature, Shippers can review their existing Agreement information, submit new requests for Agreements and submit requests to amend Agreements, and execute Service Agreements online.

h. CAPACITY RELEASE REQUEST AND BID PROCESSING

This interactive feature allows Shippers to submit Capacity Release Requests and Bids, which, in turn, are automatically posted to this web site as provided in Section 23. Additionally, Shipper with recall provisions in a release of capacity can initiate the recall process using this feature.

## 38.2 ACCESS TO INTERACTIVE WEB SITE

- a. Shippers and other interested parties may obtain access to the interactive transactional web pages by contacting a representative of Transporter's Electronic Customer Services Department in Houston. Logons, passwords and access instructions will be supplied upon request under the following terms and conditions set forth in Sections 38.3 through 38.13.
- b. This web site replaces DART and subscribers to DART can continue to use their DART logon and password to access these web pages. By continuing to use such DART logons, subscribers agree to the terms and conditions set forth in Sections 38.3 through 38.13 below.
- c. The internet address for this web site is:  
<http://pipeline.tallgrassenergylp.com>.

### 38.3 AUTHORITY OF EMPLOYEE

Users of this web site (Subscribers) shall be deemed to have agreed and admitted that any employee permitted by Subscriber to access this web site shall have the legal authority to act on behalf of Subscriber in performing any functions, including those functions which are available presently and those functions which become available at a later date.

### 38.4 INSTALLATION OF SOFTWARE

Each Subscriber shall purchase and ensure that lawful installation of Internet browser software occurs for each personal computer (PC) from where this web site is accessed.

### 38.5 CONFIDENTIALITY

Certain information contained on this web site is confidential. A Subscriber shall not reproduce, disclose or otherwise make available confidential information contained therein to any other company, corporation, individual, or partnership.

### 38.6 RELIANCE BY TRANSPORTER

Transporter may act, and shall be fully protected by a Subscriber in acting, in reliance upon any acts or things done or performed by Subscriber's employees or designated agents on behalf of Subscriber and in respect to all matters conducted through this web site. Transporter may correct errors in information entered into this web site by a Subscriber promptly after

receiving notice of the corrections or may require Subscribers to enter the corrections directly into this web site.

### 38.7 ACCESS TO CONFIDENTIAL INFORMATION

Should a Subscriber require access to confidential information (such as Agreement, points, nomination, volume, or other customer-specific information deemed to be of a confidential nature requiring controlled access), Transporter will require the Subscriber to provide a written request and officer level approval for issuance of a company-level computer access (logon) identification code and password. Upon receipt of such request, Transporter will ensure return of a confidential logon code and password within one business day.

### 38.8 LOGON

A Subscriber's logon and password are confidential and are used to identify that Subscriber. A Subscriber shall keep its logon and password confidential. A Subscriber will ensure that only authorized employees and agents of Subscriber will be given Subscriber's logon and password and only these authorized persons will be permitted to access this web site on Subscriber's behalf. A Subscriber and its employees and agents will not disclose the Subscriber's logon and password to anyone without authority to access this web site on behalf of Subscriber. To ensure such confidentiality is not breached, requests from Subscriber employees or agents for information regarding Subscriber logon(s) and password(s) made subsequent to issuance of the original logon(s) and password(s) may not be honored without receipt by Transporter of additional authorization from Subscriber. Subscriber shall be responsible for and accepts liability for any security breach that is traced to Subscriber's logon and password.

### 38.9 BREACH OF SECURITY

A Subscriber shall promptly notify Transporter if there is any indication that a security breach has occurred with regard to Subscriber's logon and password. This includes, but is not limited to: (a) loss of confidentiality of logon and password; (b) termination of employment of any authorized employee; or (c) loss of authority to access this web site by any authorized employee. Such notification shall be made to Transporter's Electronic Customer Services Department.

38.10 LIMITATION TO ACCESS

A Subscriber may attempt to access only that data for which Subscriber has authorization. A Subscriber shall provide supporting legal documentation prior to being given access to data of other subsidiaries, affiliates, or companies for whom it has an agency relationship. See Section 3 of these General Terms and Conditions for information on delegation.

38.11 INDEMNITY

Each Subscriber shall indemnify Transporter and hold Transporter harmless for all damages, losses and liabilities arising out of:

- (a) Subscriber's or its employees' or agents' breach of any of Subscriber's obligations under this Section 38, including any breach of confidentiality with respect to the assignment of logon(s) or password(s) to Subscriber's authorized employees and agents and any unauthorized use by a formerly authorized person or by any unauthorized person who gained knowledge of Subscriber's logon(s) and password(s) through no fault of Transporter;
- (b) any omission or failure by Subscriber's employees or agents to act or perform any duty required by a web site function; and
- (c) any action taken by Subscriber, its employees or agents, its former authorized employees and agents or unauthorized persons who gained knowledge of Subscriber's logon(s) and password(s) through no fault of Transporter, which interferes with the proper operation of this web site.

Notwithstanding the foregoing, neither Transporter nor Subscriber shall be liable to the other if an unauthorized user gains access to this web site through no fault of either Transporter or Subscriber.

38.12 LIMITS OF RESPONSIBILITY

Transporter shall not be responsible for an omission or failure by Transporter to act or perform any duty requested by a function accessed via this web site if such omission or failure to act is caused by or related to data lost in the transmission of such data from Subscriber's to Transporter's computer system, power failures, failure of backup systems, or any other event beyond the reasonable control of Transporter.

38.13 RESERVATION

Transporter reserves the right to add, modify or terminate web site functions at any time subject to compliance with Commission Regulations.

38.14 AGREEMENT BY NON-SHIPPER

Any Subscriber who is not a Shipper will be required to sign an agreement with Transporter pursuant to which the Subscriber agrees to be bound by the provisions of this Section.

## 39. ACQUIRED CAPACITY

39.1 Transporter may from time to time enter into transportation or storage agreements with upstream or downstream entities, including other interstate pipelines, intrastate pipelines, or local distribution companies (referred to as "acquired capacity" or "off-system capacity"). Transporter may use acquired capacity for its system operational needs and/or to render service to its customers. Transporter states that, if it transports or stores gas for others using acquired capacity, it will apply to such services the same rates and tariffs as are applicable to on-system customers, as such rates and tariffs may change from time to time. For purposes of any use of acquired capacity covered by this Section 39, the "shipper must hold title" requirement shall be waived.

Transporter shall not be obligated to acquire or maintain off-system capacity, except as to that acquired off-system capacity necessary to maintain firm service for those firm transportation contracts affected by the Pony Express Pipeline Conversion Project authorized by FERC order issued September 12, 2013 at Docket No. CP12-495-000. In no event shall Transporter's obligation to maintain such off-system capacity exceed the quantity necessary to meet the September 12, 2013 effective firm transportation service obligation under such contracts, during the primary or any extension term thereof, as it may exist from time-to-time.

39.2 Nothing herein shall be read to preclude Transporter from filing with the Commission for different tariff provisions applicable to any such service which Transporter provides using acquired capacity; provided, however, that the waiver of the "shipper must hold title" requirement hereunder shall not apply in such circumstance, and Transporter will be required to seek a case-specific waiver of that requirement from the Commission.

39.3 Any off-system capacity acquired by Transporter from a third party shall be offered to other Shippers on a secondary and interruptible basis, subject to Transporter's operating conditions, pursuant to Transporter's FERC Gas Tariff and currently effective rates as such tariff and rates may change from time to time. Transporter's Shipper rights on off-system capacity segments may be limited to in-path and such other limitations as posted on its Interactive Website or as set forth in any applicable discount or negotiated rate agreement associated with the off-system transportation between Transporter and the off-system provider. Transporter will post on its Interactive Website the availability of off-system capacity segments and points and any related

operational conditions consistent with the rights under Transporter's transportation contracts for the use of such acquired capacity.

## 40. THIRD PARTY IMBALANCE MANAGEMENT

- 40.1 Transporter shall accommodate Third Party Imbalance Management Services on a non-discriminatory basis as long as these services comply with applicable NAESB Standards and do not adversely impact Transporter's system operations. These services may be used to manage imbalances between actual receipts and deliveries; to manage variances between scheduled and actual deliveries; and to supply gas for overruns.
- 40.2 Criteria for Third Party Services will include compliance with the NAESB Nominations and Confirmation Time Lines, and meeting Transporter credit requirements appropriate for the quantity of Shipper Imbalance Gas for which such Third Party may be responsible.
- 40.3 Transporter and Third Party Provider must enter an agreement which defines how such provider will accommodate Shipper's imbalances, scheduling variances, or overruns, how the provider is to make the corresponding operational changes, the limitations on the level of imbalances, scheduling variances and overruns to be accommodated and the consequences if such levels are exceeded or operational changes are not made. The agreement must provide Transporter with the ability to call on the third-party provider on a basis consistent with service offered by the third-party provider to the Shipper. The agreement must also specify a predetermined allocation methodology and shall specify the extent to which and the conditions under which the Shipper shall be kept whole because the third-party provider is agreeing to take the imbalance, scheduling variance or overrun. If there is an operational balancing agreement at the point at which the imbalance management service is to be provided, the agreement must also provide that Transporter shall not be responsible for balancing within the agreed limits of the management service.
- 40.4 Transporter and Shipper must enter an agreement which designates the Service Agreements for which the third-party provider will take the imbalance, scheduling variance, or overrun and designating the point(s) at which the third-party provider will provide the imbalance management service. The point(s) designated must have electronic real-time metering or must be otherwise agreeable to Transporter.
- 40.5 The conditions set forth in this Section are minimum conditions that all third-party providers and Shippers utilizing such services must satisfy. When a

specific third-party management service is proposed, Transporter may require the third-party provider and Shipper to satisfy additional conditions. Transporter shall not be obligated to enter into any agreement to accept third-party imbalance management services which would, in Transporter's reasonable judgment, impair its ability to meet its existing system requirements or which would not relieve Transporter of the need to manage (to the extent of the third-party services) the Shipper's imbalances, scheduling variances and overruns.

- 40.6 Absent any other arrangements made by Shipper with Transporter, in the event a Shipper purchases Third Party Imbalance Management Services, and the Third Party Provider fails in whole or in part to provide those services, and an Imbalance results, Shipper will be deemed to have received PALS Service and will pay Transporter the maximum PALS Service rate pursuant to this FERC Gas Tariff, plus any additional costs incurred by Transporter to provide the services. If PALS is unavailable, Shipper may be subject to overrun charges reflective of the service(s) provided.
- 40.7 To the extent Transporter is unable to collect from the Shipper costs, expenses or liabilities incurred by Transporter due to the Third Party Provider's failure to provide the Imbalance Management Services, Transporter may pursue collection of any insufficiency from the Third Party Provider.

## **Forms and Service Agreements**

- ◆ Credit Request Forms
  - Credit Application
- ◆ Service Agreements
  - Firm Transportation
  - Interruptible Transportation
  - NNS Service Agreement
  - PALS Service Agreement
  - PALS Request Order Form
  - SPALS Service Agreement
  - S-PALS Request Order Form
  - CMC-1 Service Agreement
  - CMC-2 Service Agreement
  - FSS Service Agreement
  - ISS Service Agreement

Reserved For Future Use

**CREDIT APPLICATION**  
TRANSPORTATION, NO-NOTICE  
PARK AND LOAN AND STORAGE SERVICES

TALLGRASS INTERSTATE GAS TRANSMISSION, LLC  
370 Van Gordon St.  
Lakewood, Colorado 80228

Customer Name and Address:

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Type of business:

- Corporation  
 Partnership  
 Individual  
 Other, Specify \_\_\_\_\_

State incorporated in: \_\_\_\_\_ Tax ID Number: \_\_\_\_\_

Number of years in business under current name: \_\_\_\_\_

Has the customer changed its name in the last 5 years?

- Yes  
 No

If yes, furnish prior name & address:

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List the three principal owners, stockholders, partners, or officers of the customer:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

\*\*\*\*\*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

\*\*\*\*\*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

If a wholly owned subsidiary, name and address of parent:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Is Parent company responsible for subs debts? \_\_\_Yes \_\_\_\_\_No

If yes, please furnish documentation.

Billing Address

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact Person \_\_\_\_\_ Phone \_\_\_\_\_

E-mail: \_\_\_\_\_

Amount of Credit Requested: \$\_\_\_\_\_ Net Worth: \$\_\_\_\_\_

Please Furnish One Bank Reference

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Account Types: \_\_\_\_\_

Account Nos.: \_\_\_\_\_

Contact: \_\_\_\_\_

Please Furnish Two Business Credit References

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Contact: \_\_\_\_\_

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
Fifth Revised Volume No. 1

Credit Application  
Section Version: 2.0.0

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Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Contact: \_\_\_\_\_

Customer's estimate of activity under all transportation agreements and storage agreements with Transporter:

Estimated Monthly Transportation Charges \$\_\_\_\_\_

Is Customer:

Operating under federal bankruptcy laws?

Yes\_\_ No\_\_

Subject to liquidation or debt reduction procedures under state laws?

Yes\_\_ No\_\_

Subject to pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration of Shipper's financial condition?

Yes\_\_ No\_\_

Subject to any collection lawsuits or outstanding judgments which would affect Shipper's ability to remain solvent?

Yes\_\_ No\_\_

Attach copies of your financial statements (to include, at least, two most recent years on an annual basis and 3 most recent monthly or quarterly statements).

Attach a copy of your most recent Annual Report and SEC Form 10-K, if applicable.

If credit is approved, payment terms will be indicated in the contract. Invoices not paid within these terms may result in customer being placed on a cash in advance basis and/or having transactions suspended until entire balance due is paid. We reserve the right to limit or revoke the amount of credit extended to a customer. We reserve the right to require an irrevocable letter of credit or deposit before extending credit to a customer; you will be notified if such an instrument is required. To avoid delays, be sure your credit is approved before any sales or transports are scheduled. Information provided on this application will be held in strictest confidence and used only by the Company, in making a credit evaluation.

**NOTICE:** ALL INVOICES PAID AFTER DUE DATE WILL BE ASSESSED A LATE PAYMENT SERVICE CHARGE OF THE MAXIMUM ALLOWED BY TARIFF OR APPLICABLE LAW. IN THE EVENT THE APPLICANT BECOMES DELINQUENT IN THE PAYMENT OF INVOICES, THE APPLICANT AGREES TO REIMBURSE THE COMPANY FOR ALL COLLECTION COSTS, LEGAL FEES AND COURT COSTS, IF NOT PROHIBITED BY LAW, THAT ARE INCURRED IN THE COLLECTION PROCESS. STATE LAW MAY FORBID THE DISCLOSURE OF FINANCIAL INFORMATION BY A FIRM WITHOUT THE WRITTEN CONSENT OF ITS CUSTOMER. THEREFORE, THE FOLLOWING CONSENT IS PROVIDED: I HEREBY AUTHORIZE DISCLOSURE OF FINANCIAL INFORMATION BY ALL REFERENCES LISTED ON CREDIT APPLICATION TO TRANSPORTER, THE APPLICANT HAS READ AND AGREES TO ALL TERMS AND CONDITIONS APPEARING ON THIS FORM.

COMPANY NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
Fifth Revised Volume No. 1

Reserved for future use  
Section Version: 2.0.0

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Reserved for Future Use.

Contract No. \_\_\_\_\_

*(Contract No. will appear at the top of each page of this contract)*

**FORM OF SERVICE AGREEMENT  
APPLICABLE TO RATE SCHEDULE  
FIRM TRANSPORTATION (FT)**

This Agreement ("Agreement"), is made and entered into by Tallgrass Interstate Gas Transmission, LLC, a Colorado corporation ("Transporter") and by the Party(ies) named in Article XIII ("Shipper").

In consideration of the premises and of the mutual covenants, the parties do agree as follows:

**ARTICLE I  
SCOPE OF AGREEMENT**

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule FT, Transporter agrees to receive from, or for the account of, Shipper for transportation on a firm basis quantities of natural gas tendered by Shipper on any day at the Primary Receipt Point(s) up to the applicable Maximum Daily Receipt Quantity for such Receipt Point. Shipper shall not tender at all Primary Receipt Points on any day without the prior consent of Transporter, a cumulative quantity of natural gas in excess of the Maximum Daily Transportation Quantity set forth in Article XIII.

Transporter agrees to transport and deliver to, or for the account of, Shipper at the Delivery Point(s) the nominated gas received from Shipper at the Receipt Point(s), less the Fuel Reimbursement Quantity and other deductions, and Shipper agrees to accept or cause acceptance of delivery of these quantities; provided, however, that Transporter shall not be obligated to deliver at any Delivery Point(s) on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Quantity or Maximum Daily Transportation Quantity.

**ARTICLE II  
TERM OF AGREEMENT**

This Agreement shall become effective as of the date set forth below and shall remain in full force and effect in accordance with the terms of this Service Agreement.

**ARTICLE III  
RATE SCHEDULE**

Shipper shall pay Transporter for all services rendered and for the Availability of such service at rates filed under Transporter's FT Rate Schedule as shown in this Tariff and as the same may be hereafter revised or changed. Unless otherwise agreed to in writing between Transporter and Shipper, and pursuant to Section 36 of the General Terms and Conditions, the rates to be charged Shipper for transportation shall not be more than the maximum rate under Rate Schedule FT, nor less than the minimum rate under Rate Schedule FT.

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable Rate Schedules and of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which Rate Schedules and General Terms and Conditions are by this reference made a part hereof.

Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT, (b) Transporter's Rate Schedule FT, pursuant to which service is rendered, or (c) any provision of the General Terms and Conditions applicable to Rate Schedule FT.

**ARTICLE IV  
PRIMARY RECEIPT POINT(S)**

Natural gas to be received by Transporter for the account of Shipper shall be delivered by Shipper and received by Transporter on the outlet side of the measuring station(s) at or near the Primary Receipt Point(s) specified in Appendix A, with the Maximum Daily Receipt Quantity, Point Identification Number ("PIN") and PIN Name as set forth in Appendix A. If multiple primary delivery point rate zones are specified in Appendix B the primary receipt point(s) and quantities must be allocated by primary delivery point rate zone in Appendix A.

**ARTICLE V  
PRIMARY DELIVERY POINTS**

Natural gas to be delivered by Transporter for the account of Shipper shall be delivered by Transporter and received by Shipper on the outlet side of the measuring station(s) at or near the Primary Delivery Point(s) specified in Appendix B, with the Maximum Daily Delivery

Quantity, PIN and PIN Name indicated for each such Delivery Point as set forth in Appendix B.

**ARTICLE VI  
QUALITY**

All natural gas tendered to Transporter for transportation for the account of Shipper at the Receipt Point(s) shall conform to the quality specifications set forth in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff, as revised from time to time unless otherwise agreed to. Transporter may refuse to take delivery of any gas for transportation which does not meet such quality specifications.

**ARTICLE VII  
INTERPRETATION**

The interpretation and performance of the Agreement shall be in accordance with the laws of the State of Colorado.

This Agreement, and all its rates, terms and conditions, shall at all times be subject to modification by order of the FERC upon notice and hearing and a finding of good cause therefor. In the event that any party to this Agreement requests the FERC to take any action which could cause a modification in the conditions of this Agreement, that party shall provide written notice to the other parties at the time of filing the request with the FERC.

**ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED**

When this Agreement becomes effective, it shall supersede and cancel any other firm agreements between the parties for the same service.

**ARTICLE IX  
CERTIFICATIONS**

By executing this Agreement, Shipper certifies that: (1) Shipper has a valid right to deliver the gas to be transported by Transporter; (2) Shipper has, or will have, entered into all arrangements necessary for the commencement of deliveries to Transporter; and (3) Shipper has a transportation contract(s) or will enter into such a transportation contract(s) with the party ultimately receiving the gas, prior to the commencement of service.

**ARTICLE X  
ADDRESSES**

Except as otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties as follows:

(a) Transporter Addresses:

Tallgrass Interstate Gas Transmission, LLC  
Attn: Marketing  
370 Van Gordon Street  
Lakewood, CO 80228-8304  
e-mail: TEP@tallgrassenergyllp.com

(b) Shipper Addresses: As shown in Article XIII or such other address as either party shall designate by formal written notice.

**ARTICLE XI  
SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 23 of the General Terms and Conditions, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

**ARTICLE XII  
CAPACITY RELEASE**

Shipper may release its capacity under this Firm Transportation Service Agreement, up to Shipper's Maximum Daily Transportation Quantity or Maximum Contract Quantity, in accordance with the General Terms and Conditions of Transporter's FERC Gas Tariff.

**ARTICLE XIII  
SPECIFIC INFORMATION**

1. Firm Transportation Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

2. Contract Date: \_\_/\_\_/\_\_

3. This Agreement is: (Check one)  
 \_\_\_ effective \_\_\_ (Date or Event) and is the original contract.  
 \_\_\_ effective \_\_\_ (Date or Event) (Amendment No. \_\_\_\_\_) and amends and restates FTS Contract No. \_\_\_\_\_ effective \_\_\_ (date) \_\_\_

4. Term: (Date, Period-of-Time or Event) to (Date, Period-of-Time or Event) \_\_\_\_\_

5. Shipper Contact Information (Shipper Name, Address, Phone, E-mail):

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

6. Maximum Daily Transportation Quantity:

(Date, Period-of-Time or Event)	Dth per day
_____	_____
_____	_____
_____	_____

7. Rates:

**Reservation Rate:** (Pursuant to Section 5.2a of Rate Schedule FT of the Tariff).  
Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a discount or negotiated rate pursuant to Sections 33 and 36, respectively, of the General Terms and Conditions of the Tariff.

**Commodity Rate:** (Pursuant to Section 5.2b of Rate Schedule FT of the Tariff)  
Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the Tariff.

**Fuel Reimbursement Quantity:** (Pursuant to Section 3.1 of Rate Schedule FT of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the tariff.

Additional Facilities Charge: (Pursuant to Section 2.1 of Rate Schedule FT of the Tariff)  
 None  
 Lump-sum payment of \_\_\_\_\_  
 Monthly fee of \_\_\_\_\_ through \_\_\_\_\_ (Date, Period or Time or Event)

- 8. Rollover Provisions (pursuant to Section 18.7 of the General Terms and Conditions of the Tariff). (*Check one*):  
 Not Applicable  
 Applicable (*Complete the following*):

Notice of Rollover Exercise:  
 Per the Tariff; or  Month(s) in advance of (i) the end of the primary term or (ii) any termination date after the primary term has ended.

- 9. Right of First Refusal Provisions (pursuant to Section 18 of the General Terms and Conditions of the Tariff.) (*check one*):  
 Not Applicable  
 Applicable (*Complete the following*):

Notice of ROFR Exercise:  
 Per the Tariff; or  Month(s) in advance of (i) the end of the primary term or (ii) any termination date after the primary term has ended.

- 10. Additional Terms Permitted by Tariff:  
The following negotiable provision is permitted under the Tariff and may be included in this agreement in the space below:

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<b>Provision</b>	<b>GT&amp;C Tariff, Sect.</b>	<b>Excerpt of Provision Language</b>
i. Rollover Rights	18.7	Transporter and Shipper under a firm contract may agree that Shipper shall have the right to extend the term...pursuant to a negotiated contractual rollover provision...
ii. ROFR Rights	18	Transporter and a Shipper under a firm... contract may agree...to extend the term...contract pursuant to a negotiated contractual right of first refusal provision...
iii. Gas Quality Waivers Provision	4.1	Unless otherwise agreed to in the Service Agreement, gas tendered at each Point of Receipt Shall comply with the following...

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representative.

Transporter:

[Tallgrass Interstate Gas Transmission, LLC](#)

Shipper:

\_\_\_\_\_

By:

\_\_\_\_\_

By:

\_\_\_\_\_

Title:

Title:

**APPENDIX A**  
**RECEIPT POINT(S)**

To the Firm Transportation Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

<b>Date, Period-of-Time or Event</b>	<b>PIN Name</b>	<b>PIN#</b>	<b>Maximum Daily Receipt Quantity</b>

**APPENDIX B**  
**DELIVERY POINT(S)**

To the Firm Transportation Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

Primary Delivery Points:

<b>Date, Period-of-Time or Event</b>	<b>PIN Name</b>	<b>PIN#</b>	<b>Maximum Daily Delivery Quantity</b>

## APPENDIX C

### PRIMARY TRANSPORTATION PATH SEGMENT MDTQ's

(Applicable to New, Renewed or Amended Transportation Segments)

An MDTQ exists for each primary transportation path segment and direction within the primary path under this Agreement. Such MDTQ is the maximum daily transportation quantity of gas which Transporter is obligated to transport on a firm basis along a primary transportation path segment.

A schedule showing these primary transportation path segment MDTQ's is attached.

<u>Segment #</u>	<u>Upstream Segment #</u>	<u>Flow Direction (F)orward Haul or (B)ack Haul</u>	<u>MDTQ</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Contract No: \_\_\_\_\_

*(Contract No. will appear at the top of each page of this contract)*

## **FORM OF SERVICE AGREEMENT APPLICABLE TO RATE SCHEDULE INTERRUPTIBLE TRANSPORTATION (IT)**

This Agreement ("Agreement"), is made and entered into by Tallgrass Interstate Gas Transmission, LLC, a Colorado corporation ("Transporter") and by Shipper named in Article XII ("Shipper").

In consideration of the premises and of the mutual covenants, the parties do agree as follows:

### **ARTICLE I SCOPE OF AGREEMENT**

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule IT, Transporter agrees to receive from, or for the account of, Shipper for transportation on an interruptible basis quantities of natural gas tendered by Shipper any day at the Receipt Point(s). Shipper shall not tender at all Receipt Points on any day, without the prior consent of Transporter, a cumulative quantity of natural gas in excess of the Maximum Daily Transportation Quantity set forth in Article XII.

Transporter agrees to transport and deliver to, or for the account of, Shipper at the Delivery Point(s) nominated gas received from Shipper at the Receipt Point(s), less the Fuel Reimbursement Quantity and other deductions, and Shipper agrees to accept or cause acceptance of delivery of these quantities; provided, however, Transporter shall not be obligated to deliver at any Delivery Point(s) on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Quantity or Maximum Daily Transportation Quantity.

### **ARTICLE II TERM OF AGREEMENT**

This Agreement shall become effective as of the date set forth below and shall remain in full force and effect in accordance with the terms of this Service Agreement.

### **ARTICLE III**

## **RATE SCHEDULE**

Shipper shall pay Transporter for all services rendered and for the availability of such service at rates filed under Transporter's Rate Schedule IT and as shown on the applicable Section of the Tariff and as the same may be hereafter revised or changed. Shipper and Transporter may agree in writing, or by Shipper's election to nominate service consistent with the terms of applicable service discount rate offers posted by Transporter on its Interactive Website from time-to-time, to discount rates pursuant to Section 33 of the General Terms and Conditions. Unless otherwise agreed to in writing between Transporter and Shipper, and pursuant to Section 36 of the General Terms and Conditions, the rate to be charged Shipper for transportation shall not be more than the maximum rate under Rate Schedule IT, nor less than the minimum rate under Rate Schedule IT.

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable Rate Schedule IT and of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which Rate Schedules and General Terms and Conditions are by this reference made a part hereof.

Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule IT; (b) Transporter's Rate Schedule IT, pursuant to which service is rendered; or (c) any provision of the General Terms and Conditions applicable to Rate Schedule IT.

## **ARTICLE IV RECEIPT POINT(S)**

Natural gas to be received by Transporter for the account of Shipper shall be delivered by Shipper and received by Transporter on the outlet side of the measuring station(s) at or near the Primary Receipt Point(s) specified in Appendix A, with the Point Identification Number ("PIN"), as set forth in Appendix A. If multiple primary delivery point rate zones are specified in Appendix B, the primary receipt point(s) and quantities must be allocated by primary delivery point rate zone in Appendix A.

## **ARTICLE V DELIVERY POINTS**

Natural gas to be delivered by Transporter for the account of Shipper shall be delivered by Transporter and received by Shipper on the outlet side of the measuring station(s) at or near the Primary Delivery Point(s) specified in Appendix B, with the PIN indicated for each such Delivery Point as set forth in Appendix B.

**ARTICLE VI  
QUALITY**

All natural gas tendered to Transporter for transportation for the account of Shipper at the Receipt Point(s) shall conform to the quality specifications set forth in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff, as revised from time to time unless otherwise agreed to. Transporter may refuse to take delivery of any gas for transportation which does not meet such quality provisions.

**ARTICLE VII  
INTERPRETATION**

The interpretation and performance of the Agreement shall be in accordance with the laws of the State of Colorado.

This Agreement, and all its rates, terms and conditions, shall at all times be subject to modification by order of the FERC upon notice and hearing and a finding of good cause therefor. In the event that any party to this Agreement requests the FERC to take any action which could cause a modification in the conditions of this Agreement, that party shall provide written notice to the other parties at the time of filing the request with the FERC.

**ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED**

When this Agreement becomes effective, it shall supersede and cancel any other interruptible agreements between the parties for the same service.

**ARTICLE IX  
CERTIFICATIONS**

By executing this Agreement, Shipper certifies that: (1) Shipper has a valid right to deliver the gas to be transported by Transporter; and (2) Shipper has, or will have, entered into all arrangements necessary for the commencement of deliveries to Transporter.

**ARTICLE X  
ADDRESSES**

Except as otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties as follows:

(a) Transporter Addresses:

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

(b) Shipper Addresses: As shown in Article XII or such other address as either party shall designate by formal written notice.

**ARTICLE XI  
SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 23 of the General Terms and Conditions, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

**ARTICLE XII  
SPECIFIC INFORMATION**

1. Interruptible Transportation Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").
2. Contract Date: \_\_\_\_/\_\_\_\_/\_\_\_\_
3. This Agreement is: (*Check one*)  
\_\_\_\_ effective \_\_\_\_ (*Date or Event*) and is the original contract.

**Tallgrass Interstate Gas Transmission, LLC**

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\_\_\_\_\_ effective (Date or Event) (Amendment No. \_\_\_\_\_) and amends and restates IT Contract No. \_\_\_\_\_ effective (date)

4. Term: (Date, Period-of-Time or Event) to (Date, Period-of-Time or Event), and month- to-month thereafter until terminated by prior written notice of either party.

5. Shipper Contact Information *(Shipper Name, Address, Phone, E-mail)*:

\_\_\_\_\_  
\_\_\_\_\_

6. Maximum Daily Quantity:

<u>(Date, Period-of-Time or Event)</u>	<u>Dth per day</u>
_____	_____
_____	_____

7. Rates:

Commodity Rate: (Pursuant to Section 5.2a of Rate Schedule IT of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a discount or negotiated rate pursuant to Section 33 and 36, respectively, of the General Terms and Conditions of the Tariff.

Fuel Reimbursement Quantity:  
(Pursuant to Section 3.1 of Rate Schedule IT of the Tariff).  
Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the tariff.

Additional Facilities Charge:  
(Pursuant to Section 2.1 of Rate Schedule IT of the Tariff)

\_\_\_\_\_ None  
\_\_\_\_\_ Lump-sum payment of \_\_\_\_\_  
\_\_\_\_\_ Monthly fee of \_\_\_\_\_ through (Date, Period or Time or Event)

8. Additional Terms Permitted by Tariff:

The following negotiable provision is permitted under the Tariff and may be included in this agreement in the space below:

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---

<b>Provision</b>	<b>Tariff GT&amp;C, Section #</b>	<b>Excerpt of Provision Language</b>
Gas Quality Waivers	4.1	Unless otherwise agreed to in the Service Agreement, gas tendered at each Point of Receipt shall comply with the following...

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representative.

**Transporter:**

*Tallgrass Interstate Gas Transmission, LLC*

By: \_\_\_\_\_

Title:

**Shipper:**

By: \_\_\_\_\_

Title:

**APPENDIX A  
RECEIPT POINT(S)**

To the Interruptible Transportation Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

**Primary Receipt Point(s):**

All system receipt points on the Point Catalog list as published on the Interactive Website as revised from time-to-time.

**APPENDIX B  
DELIVERY POINT(S)**

To the Interruptible Transportation Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper");

**Primary Delivery Point(s):**

All system delivery points on the Point Catalog list as published on the Interactive Website as revised from time-to-time.

Contract No: \_\_\_\_\_

*(Contract No. will appear at the top of each page of this contract)*

**FORM OF SERVICE AGREEMENT**  
**APPLICABLE TO RATE SCHEDULE**  
**NO-NOTICE STORAGE (NNS)**

This Agreement ("Agreement"), is made and entered into by Tallgrass Interstate Gas Transmission, LLC, a Colorado corporation ("Transporter") and by the Party(s) named in Article XII ("Shipper").

In consideration of the premises and of the mutual covenants, the parties do agree as follows:

**ARTICLE I**  
**SCOPE OF AGREEMENT**

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule NNS, Transporter agrees to receive from, or for the account of, Shipper for No-Notice Service at the Primary Receipt Point, which is the Huntsman Storage Facility, up to the applicable Injection Quantity. Shipper shall not take at the Primary Delivery Point(s) on any day a cumulative quantity of natural gas in excess of the Maximum Daily Contract Quantity as set forth in Article XII.

Transporter agrees to transport and deliver to, or for the account of, Shipper at the Primary Delivery Point(s) the gas required by Shipper up to the Maximum Daily Contract Quantity. Shipper agrees to maintain storage inventory levels in accordance with Rate Schedule NNS, including that required for Fuel Reimbursement and other deductions, and accept or cause acceptance of delivery of these quantities. Transporter shall not be obligated to deliver at any Primary Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Quantity.

**ARTICLE II**  
**TERM OF AGREEMENT**

This Agreement shall become effective as of the date set forth below and shall remain in full force and effect in accordance with the terms of this Service Agreement.

**ARTICLE III  
RATE SCHEDULE**

Shipper shall pay Transporter for all services rendered and for the availability of such service at rates filed under Transporter's Rate Schedule NNS as shown Transporter's Tariff and as the same may be revised or changed. Unless otherwise agreed in writing between Transporter and Shipper, and pursuant to Section 36 of the General Terms and Conditions, the rates to be charged Shipper for No-Notice Service shall not be more than the maximum rate under Rate Schedule NNS, nor less than the minimum rate under Rate Schedule NNS.

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable Rate Schedules and of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which Rate Schedules and General Terms and Conditions are by this reference made a part hereof.

Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule NNS, (b) Transporter's Rate Schedule NNS, pursuant to which service is rendered, or (c) any provision of the General Terms and Conditions applicable to Rate Schedule NNS.

**ARTICLE IV  
PRIMARY RECEIPT POINT**

Natural gas to be received by Transporter for the account of Shipper shall be received by Transporter on the outlet side of the measuring station(s) at Transporter's Huntsman Storage Facility consistent with the Injection Quantity provisions and provisions for incremental facilities as set forth in Appendix A.

**ARTICLE V  
PRIMARY DELIVERY POINTS**

Natural gas to be delivered by Transporter for the account of Shipper shall be delivered by Transporter and received by Shipper on the outlet side of the measuring station(s) at or near the Primary Delivery Point(s) specified in Appendix B, with the Maximum Daily Delivery Quantity, the Point Identification Number ("PIN"), the maximum delivery pressure, the

atmospheric pressure, and provisions for incremental facilities indicated for each such Delivery Point as set forth in Appendix B.

## **ARTICLE VI INTERPRETATION**

The interpretation and performance of the Agreement shall be in accordance with the laws of the State of Colorado.

This Agreement, and all its rates, terms and conditions, shall at all times be subject to modification by order of the FERC upon notice and hearing and a finding of good cause therefor. In the event that any party to this Agreement requests the FERC to take any action which could cause a modification in the conditions of this agreement, that party shall provide written notice to the other parties at the time of filing the request with the FERC.

## **ARTICLE VII AGREEMENTS BEING SUPERSEDED**

When this Agreement becomes effective, it shall supersede and cancel any other No-Notice Service Agreements between the parties for the same service.

## **ARTICLE VIII CERTIFICATIONS**

By executing this Agreement, Shipper certifies that: (1) Shipper has a valid right to deliver the gas to be transported by Transporter; and (2) Shipper has a transportation contract(s) or will enter into such as applicable, a transportation contract(s) with the party ultimately receiving the gas, prior to the commencement of service.

## **ARTICLE IX ADDRESSES**

Except as otherwise provided, or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties as follows:

(a) Transporter Addresses:

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

(b) Shipper: As shown in Article XII or such other address as either party shall designate by formal written notice.

**ARTICLE X  
SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 23 of the General Terms and Conditions, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

**ARTICLE XI  
CAPACITY RELEASE AND SEGMENTATION**

Shipper may release or segment its capacity under this No-Notice Service Agreement, up to Shipper's Maximum Daily Contract Quantity in accordance with the General Terms and Conditions of Transporter's FERC Gas Tariff.

**ARTICLE XII  
SPECIFIC INFORMATION**

1. No-Notice Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

2. Contract Date: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

3. This Agreement is: (Check one)  
\_\_\_\_ effective     (Date or Event)     and is the original contract.  
\_\_\_\_ effective     (Date or Event)     (Amendment No. \_\_\_\_\_) and amends and restates NNS Contract No. \_\_\_\_\_ effective     (date)    

4. Term:     (Date, Period-of-Time or Event)     to     (Date, Period-of-Time or Event)    

5. Shipper Contact Information (Shipper Name, Address, Phone, E-mail):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Maximum Daily Transportation Quantity:

<b>(Date, Period-of-Time or Event)</b>	<b>Dth per day</b>
_____	_____
_____	_____
_____	_____
_____	_____

7. Maximum Storage Quantity:

<b>(Date, Period-of-Time or Event)</b>	<b>Dth</b>
_____	_____
_____	_____
_____	_____

8. Injection Quantity:

<u>(Date, Period-of-Time or Event)</u>	<u>Dth per day</u>
_____	_____
_____	_____
_____	_____

9. Withdrawal Quantity:

<u>(Date, Period-of-Time or Event)</u>	<u>Dth per day</u>
_____	_____
_____	_____
_____	_____

10. Rates:

Reservation Rate: (Pursuant to Section 5.2a of Rate Schedule NNS of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a discount or negotiated rate pursuant to Section 33 and 36, respectively, of the Tariff.

Commodity Rate: (Pursuant to Section 5.2b of Rate Schedule NNS of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the Tariff.

Fuel Reimbursement Quantity: (Pursuant to Section 3.1 of Rate Schedule NNS of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the tariff.

Additional Facilities Charge:

(Pursuant to Section 2.2 of Rate Schedule NNS of the Tariff)

- \_\_\_\_\_ None
- \_\_\_\_\_ Lump-sum payment of \_\_\_\_\_
- \_\_\_\_\_ Monthly fee of \_\_\_\_\_ through \_\_\_\_\_ (Date, Period or Time or Event)

11. Rollover Provisions:  
(pursuant to Section 18.7 of the General Terms and Conditions of the Tariff).  
(*Check one*):

Not Applicable  
 Applicable (*Complete the following*):

Notice of Rollover Exercise:

Per the Tariff; or  Month(s) in advance of (i) the end of the primary term or (ii) any termination date after the primary term has ended.

12. Right of First Refusal Provisions  
(pursuant to Section 18 of of the General Terms and Conditions of this Tariff.)  
(*check one*):

Not Applicable  
 Applicable (*Complete the following*):

Notice of ROFR Exercise:

Per the Tariff; or  Month(s) in advance of (i) the end of the primary term or (ii) any termination date after the primary term has ended.

13. Additional Terms Permitted by Tariff:  
Any or all of the following negotiable provisions are permitted under the Tariff and may be included in this agreement in the space below:

\_\_\_\_\_

\_\_\_\_\_

#	Provision	Tariff GT&C, Sect. #	Excerpt of Provision Language
i.	Rollover Rights	18.7	Transporter and Shipper under a firm contract may agree that Shipper shall have the right to extend the term...pursuant to a negotiated contractual rollover provision...
ii.	ROFR Rights	18	Transporter and a Shipper under a firm contract may agree...to extend the term...contract pursuant to a negotiated contractual right of first refusal provision...

**Tallgrass Interstate Gas Transmission, LLC**

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Form of Service Agreement - NNS  
Section Version: 2.0.0

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IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representative.

**Transporter:**

*Tallgrass Interstate Gas Transmission, LLC*

By: \_\_\_\_\_

Title:

**Shipper:**

By: \_\_\_\_\_

Title:

**APPENDIX A  
RECEIPT POINT**

To the No-Notice Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

<b>Date, Period-of-Time or Event</b>	<b>PIN Name</b>	<b>PIN#</b>	<b>Maximum Daily Receipt Quantity</b>
	Huntsman Storage Facility	994000	

**APPENDIX B  
DELIVERY POINTS**

To the No-Notice Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

<b><u>Date, Period-of-Time or Event</u></b>	<b><u>PIN Name</u></b>	<b><u>PIN#</u></b>	<b><u>Maximum Daily Delivery Quantity</u></b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**APPENDIX C**  
**PRIMARY TRANSPORTATION PATH SEGMENTS**

(Applicable to New, Renewed or Amended Transportation Segments)

The schedule included in this Appendix C reflects the maximum quantity of natural gas, in Dth, and the direction of flow for each segment which Transporter is obligated to transport on a firm basis for the account of Shipper.

This Appendix C supersedes and cancels any previously effective Appendix C to this No-Notice Service Agreement.

<u>Segment #</u>	<u>Upstream Segment #</u>	<u>Flow Direction (F)orward Haul or (B)ack Haul</u>	<u>Quantity</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Contract No. \_\_\_\_\_

(Contract No. will appear at the top of each page of this contract)

**FORM OF SERVICE AGREEMENT**  
**APPLICABLE TO RATE SCHEDULE**  
**PARK AND LOAN SERVICE (PALS)**

DATED UNDER SUBPART \_\_\_\_\_ OF PART 284 OF THE FERC'S REGULATIONS  
TALLGRASS INTERSTATE GAS TRANSMISSION, LLC (TRANSPORTER)

1. SHIPPER is: \_\_\_\_\_, a \_\_\_\_\_
2. Maximum Aggregate Quantity (Dth) \_\_\_\_\_(On any day, the total of all MAQ ROs can never exceed this quantity.)
3. Maximum Daily Quantity (Dth) \_\_\_\_\_(The total of all MDQ ROs can never exceed this quantity.)
4. TERM: \_\_\_\_\_ through \_\_\_\_\_ and month to month thereafter until terminated by prior written notice by either party; provided, however, that Shipper may terminate this Agreement prior to its expiration subject to payment of a mutually agreed exit fee. Termination shall not discharge any obligations accrued prior to such termination.
5. Service will be ON BEHALF OF: \_\_\_\_\_ Shipper or Other: \_\_\_\_\_
6. ADDRESSES
 

<b>Transporter:</b>	<b>Shipper:</b>
Tallgrass Interstate	_____
Gas Transmission, LLC	_____
370 Van Gordon St.	_____
Lakewood, CO 80228	_____
7. This Agreement supersedes and cancels a \_\_\_\_\_ Agreement dated \_\_\_\_\_  
Other: \_\_\_\_\_
8. PALS Request Order: The form of the PALS RO attached hereto or such other mutually agreeable form, when executed by the parties shall evidence their agreement as to the terms of the particular transaction for the Park and Loan Service pursuant to this Agreement, including the quantity, rate, Receipt and Delivery Points for parking and lending and the term. The PALS RO may specify a range for the

quantity and term of a Park and Loan. A single PALS RO may cover both a park and loan within limits specified.

9. PARK AND LOAN QUANTITY:

- (i) 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.
- (ii) 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.

10. RATES:

- (i) Except as otherwise provided below or in any written agreement(s) between the parties in effect during the term hereof, or pursuant to 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, Shipper shall pay Transporter the applicable maximum rate(s) and all other lawful charges as specified in Transporter's applicable rate schedule. Shipper and Transporter may agree that Shipper shall pay a rate other than the applicable maximum rate so long as such rate is between the applicable maximum and minimum rates specified for such service in the Tariff. Transporter and Shipper may agree that a specific discounted rate will apply only to certain volumes under the agreement. The parties may agree that a specified discounted rate will apply only to specified volumes (MDQ, MAQ or commodity volumes) under the agreement; that a specified discounted rate will apply only if specified volumes are achieved or the volumes do not exceed a specified level; that a specified discounted rate will apply only during specified periods of the year or for a specifically defined period; that a specified discounted rate will apply only to specified points, zones or other defined geographical area(s); and/or that a specified discounted rate(s) will apply in a specified relationship to the volumes actually tendered. If the parties agree upon a rate other than the applicable maximum rate, such written Agreement(s) shall specify that the parties mutually agree either: (1) that the agreed rate is a discount rate; or (2) that

the agreed rate is a Negotiated Rate (or Negotiated Rate Formula). In the event that the parties agree upon a Negotiated Rate or Negotiated Rate Formula, this Agreement shall be subject to Section 36 of the General Terms and Conditions of Transporter's Tariff.

- (ii) Shipper and Transporter may agree to early termination of this Agreement subject to Shipper paying to Transporter a mutually agreed upon exit fee set forth in the PALS RO.

11. SUCCESSORS AND ASSIGNS:

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 23 of the General Terms and Conditions, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

- 12. The above-stated Rate Schedule, as revised from time to time, controls this Agreement and is incorporated herein. The attached is a part of this Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF COLORADO, AND NO STATE LAW SHALL APPLY TO REACH A DIFFERENT RESULT. This Agreement states the entire agreement between the parties and no waiver, representation or agreement shall affect this Agreement unless it is in writing.

**Transporter:**

*Tallgrass Interstate Gas Transmission, LLC*

---

By:

---

Title:

**Shipper:**

---

By:

---

Title:

RO No.: \_\_\_\_\_

(RO No. will appear at the top of each page of this contract)

## PALS REQUEST ORDER FORM

Dated \_\_\_\_\_

Shipper: \_\_\_\_\_

Type of Service: Park \_\_\_\_\_ Loan \_\_\_\_\_

Initiation Point Name(s) and PIN(s): \_\_\_\_\_

MAQ RO: \_\_\_\_\_ (Dth)

Completion Point Name(s) and PIN(s) \_\_\_\_\_

Minimum Aggregate Quantity \_\_\_\_\_

Term: Start \_\_\_\_\_ End \_\_\_\_\_

PALS Agreement #: \_\_\_\_\_

Schedule:

<b>Date(s) Service to be Provided</b> (May Reflect a Range of Dates)		<b>Daily Quantity (Dth)</b> (May Reflect a Range of Volumes)			
<b>From</b>	<b>Through</b>	Park or Loan Payback		Loan or Park Withdrawal	
		<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>

Rates: Rates may vary based on volume, time period, etc., as set out in the Pro Forma Service Agreement.

Park or Loan Payback = volumes which Transporter RECEIVES from Shipper.

Park or Loan Withdrawal = volumes which Transporter DELIVERS to Shipper.

Initial Rate: \_\_\_\_\_

Completion Rate: \_\_\_\_\_

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
Fifth Revised Volume No. 1

PALS Request Order Form  
Section Version: 1.0.0

Park/Loan Balance Rate: \_\_\_\_\_

Service will be ON BEHALF OF:

\_\_\_\_\_ Shipper or  
\_\_\_\_\_ Other, a \_\_\_\_\_  
\_\_\_\_\_

SHIPPER'S CONTACT AND ADDRESS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Other Conditions (if any): \_\_\_\_\_

Agreed to by:

**Transporter:**

Tallgrass Interstate Gas Transmission, LLC

By: \_\_\_\_\_

Title:

**Shipper:**

By: \_\_\_\_\_

Title:

Contract No. \_\_\_\_\_

(Contract No. will appear at the top of each page of this contract)

**FORM OF SERVICE AGREEMENT**  
**APPLICABLE TO RATE SCHEDULE**  
**STORAGE PARK AND LOAN SERVICE (S-PALS)**

TALLGRASS, INTERSTATE GAS TRANSMISSION LLC (TRANSPORTER)  
STORAGE PARK AND LOAN SERVICE AGREEMENT DATED \_\_\_\_\_  
UNDER SUBPART \_\_\_\_\_ OF PART 284 OF THE FERC'S REGULATIONS

1. SHIPPER is: \_\_\_\_\_, a \_\_\_\_\_
2. Maximum Aggregate Quantity (Dth) \_\_\_\_\_ (On any day, the total of all MAQ ROs can never exceed this quantity.)
3. Maximum Daily Quantity (Dth) \_\_\_\_\_(The total of all MDQ ROs can never exceed this quantity.)
4. TERM: \_\_\_\_\_ through \_\_\_\_\_ and month to month thereafter until terminated by prior written notice by either party; provided, however, that Shipper may terminate this Agreement prior to its expiration subject to payment of a mutually agreed exit fee. Termination shall not discharge any obligations accrued prior to such termination.
5. Service will be ON BEHALF OF:  
     \_\_\_\_\_ Shipper or  
     Other: \_\_\_\_\_  
     \_\_\_\_\_
6. Shipper's Addresses  
     \_\_\_\_\_  
     \_\_\_\_\_  
     \_\_\_\_\_
7. This Agreement supersedes and cancels a \_\_\_\_\_ Agreement dated \_\_\_\_\_  
     Other: \_\_\_\_\_

8. S-PALS Request Order: The form of the S-PALS RO attached hereto or such other mutually agreeable form, when executed by the parties shall evidence their agreement as to the terms of the particular transaction for the Storage Park and Loan Service pursuant to this Agreement, including the quantity, rate, Receipt and Delivery Points for parking and lending and the term. The S-PALS RO may specify a range for the quantity and term of a Park and Loan. A single S-PALS RO may cover both a park and loan within limits specified.
9. PARK AND LOAN QUANTITY:
- (i) 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.
  - (ii) 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.
10. RATES:
- (i) Except as otherwise provided below or in any written agreement(s) between the parties in effect during the term hereof, or pursuant to 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, Shipper shall pay Transporter the applicable maximum rate(s) and all other lawful charges as specified in Transporter's applicable rate schedule. Shipper and Transporter may agree that Shipper shall pay a rate other than the applicable maximum rate so long as such rate is between the applicable maximum and minimum rates specified for such service in the Tariff. Transporter and Shipper may agree that a specific discounted rate will apply only to certain volumes under the agreement. The parties may agree that a specified discounted rate will apply only to specified volumes (MDQ, MAQ or commodity volumes) under the agreement; that a specified discounted rate will apply only if specified volumes are achieved or the volumes do not exceed a specified level; that a specified discounted rate will apply only during specified periods of the year or for a specifically defined

period; that a specified discounted rate will apply only to specified points, zones or other defined geographical area(s); and/or that a specified discounted rate(s) will apply in a specified relationship to the volumes actually tendered. If the parties agree upon a rate other than the applicable maximum rate, such written Agreement(s) shall specify that the parties mutually agree either: (1) that the agreed rate is a discount rate; or (2) that the agreed rate is a Negotiated Rate (or Negotiated Rate Formula). In the event that the parties agree upon a Negotiated Rate or Negotiated Rate Formula, this Agreement shall be subject to Section 36 of the General Terms and Conditions of Transporter's Tariff.

- (ii) Shipper and Transporter may agree to early termination of this Agreement subject to Shipper paying to Transporter a mutually agreed upon exit fee set forth in the S-PALS RO.

11. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 23 of the General Terms and Conditions, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

- 12. The above-stated Rate Schedule, as revised from time to time, controls this Agreement and is incorporated herein. The attached is a part of this Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF COLORADO, AND NO STATE LAW SHALL APPLY TO REACH A DIFFERENT RESULT. This Agreement states the entire agreement between the parties and no waiver, representation or agreement shall affect this Agreement unless it is in writing.

Agreed to by:

**Transporter:**

Tallgrass Interstate Gas Transmission, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Shipper:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

RO No.: \_\_\_\_\_

(RO No. will appear at the top of each page of this contract)

## S-PALS REQUEST ORDER FORM

DATED \_\_\_\_\_

Shipper: \_\_\_\_\_ Type of Service: Park \_\_\_\_\_ Loan \_\_\_\_\_

Initiation Point Name(s) and PIN(s): \_\_\_\_\_ MAQ RO: \_\_\_\_\_(Dth)

Completion Point Name(s) and PIN(s) \_\_\_\_\_ Minimum Aggregate Quantity \_\_\_\_\_

Term: Start \_\_\_\_\_ End \_\_\_\_\_ S-PALS Agreement #: \_\_\_\_\_

Schedule:

<b>Date(s) Service to be Provided</b> (May Reflect a Range of Dates)		<b>Daily Quantity (Dth)</b> (May Reflect a Range of Volumes)			
<b>From</b>	<b>Through</b>	Park or Loan Payback		Loan or Park Withdrawal	
		<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>

Rates: Rates may vary based on volume, time period, etc., as set out in the Pro Forma Service Agreement.

Park or Loan Payback = volumes which Transporter RECEIVES from Shipper.

Park or Loan Withdrawal = volumes which Transporter DELIVERS to Shipper.

Initial Rate: \_\_\_\_\_

Completion Rate: \_\_\_\_\_

Park/Loan Balance Rate: \_\_\_\_\_

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
Fifth Revised Volume No. 1

S-PALS Request Order Form  
Section Version: 1.0.0

---

Service will be ON BEHALF OF:

\_\_\_\_\_ Shipper or

\_\_\_\_\_ Other \_\_\_\_\_, a \_\_\_\_\_

SHIPPER'S CONTACT AND ADDRESS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Other Conditions (if any): \_\_\_\_\_

**Transporter:**

[Tallgrass Interstate Gas Transmission, LLC](#)

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Shipper:**

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

CONTRACT NO: \_\_\_\_\_

*(Contract No. will appear at the top of each page of this contract)*

**FORM OF SERVICE AGREEMENT  
APPLICABLE TO RATE SCHEDULE  
CHEYENNE MARKET CENTER-1 (CMC-1)**

This Agreement ("Agreement") is made and entered into by Tallgrass Interstate Gas Transmission, LLC, a Colorado corporation ("Transporter") and by the Party(s) named in Article XIII ("Shipper").

In consideration of the premises and of the mutual covenants, the parties do agree as follows:

**ARTICLE I  
SCOPE OF AGREEMENT**

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule CMC-1, Transporter agrees to receive from, or for the account of, Shipper for transportation on a firm basis quantities of natural gas tendered by Shipper on any day at the primary Receipt Point(s) up to the applicable Maximum Daily Receipt Quantity for such Receipt Point. Shipper shall not tender on any day, a quantity of natural gas in excess of the aggregate Maximum Daily Receipt Quantity or the Maximum Daily Receipt Quantity at any one primary point, without the prior consent of Transporter. Transporter agrees to store such received quantity of gas for the account of the Shipper, less the Fuel, Loss and Unaccounted For Reimbursement Quantity and other deductions, up to the Maximum Storage Volume as specified in Article XIII.

Transporter agrees to subsequently redeliver stored quantity of natural gas to, or for the account of, the Shipper at the primary Delivery Point(s), up to the applicable Maximum Daily Delivery Quantity for such Delivery point, the volume nominated by the Shipper, and Shipper agrees to accept or cause acceptance of delivery of these quantities; provided, however, that Transporter shall not be obligated to deliver on any day, a quantity of natural gas in excess of the aggregate Maximum Daily Delivery Quantity or the Maximum Daily Delivery Quantity at any one primary point.

**ARTICLE II  
TERM OF AGREEMENT**

This Agreement shall become effective as of the date set forth below and shall remain in full force and effect in accordance with the terms of this Service Agreement.

**ARTICLE III  
RATE SCHEDULE**

Shipper shall pay Transporter for all services rendered and for the availability of such service at rates filed under Transporter's CMC-1 Rate Schedule as set forth in Transporter's FERC Gas Tariff and as the same may be hereafter revised or changed. Unless otherwise agreed in writing between Transporter and Shipper, and pursuant to Section 36 of the General Terms and Conditions of this Tariff, the rates to be charged Shipper for transportation shall not be more than the maximum rate under Rate Schedule CMC-1, nor less than the minimum rate under Rate Schedule CMC-1.

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable Rate Schedules and of Transporter's General Terms and Conditions of this Tariff on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which Rate Schedules and General Terms and Conditions of this Tariff are by this reference made a part hereof.

Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule CMC-1, (b) Transporter's Rate Schedule CMC-1, pursuant to which service is rendered, or (c) any provision of the General Terms and Conditions of this Tariff applicable to Rate Schedule CMC-1.

**ARTICLE IV  
PRIMARY RECEIPT POINT(S)**

Natural gas to be received by Transporter for the account of Shipper shall be delivered by Shipper and received by Transporter on the outlet side of the measuring station(s) at the primary Receipt Point(s) specified in Appendix A, with the primary Receipt Point facility number ("PIN"), Maximum Daily Receipt Quantity and PIN Name as set forth in Appendix A.

**ARTICLE V  
PRIMARY DELIVERY POINTS**

Natural gas to be delivered by Transporter for the account of Shipper shall be delivered by Transporter and received by Shipper on the outlet side of the measuring station(s) at or near the primary Delivery Point(s) specified in Appendix B, with the PIN, PIN

Name and Maximum Daily Delivery Quantity indicated for each such Delivery Point as set forth in Appendix B.

**ARTICLE VI  
QUALITY**

All natural gas tendered to Transporter for transportation for the account of Shipper at the Receipt Point(s) shall conform to the quality specifications set forth in Section 4 of the General Terms and Conditions of this Tariff, as revised from time to time unless otherwise agreed to in writing. Transporter may refuse to take delivery of any gas for transportation that does not meet such quality specifications.

**ARTICLE VII  
INTERPRETATION**

The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Colorado.

This Agreement, and all its rates, terms and conditions, shall at all times be subject to modification by order of the FERC upon notice and hearing and a finding of good cause therefore. In the event that any party to this Agreement requests the FERC to take any action which could cause a modification in the conditions of this Agreement, that party shall provide written notice to the other parties at the time of filing the request with the FERC.

**ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED**

When this Agreement becomes effective, it shall supersede and cancel any other firm agreements between the parties for the same service.

**ARTICLE IX  
CERTIFICATIONS**

By executing this Agreement, Shipper certifies that: (1) Shipper has a valid right to deliver the gas to be transported by Transporter; (2) Shipper has, or will have, entered into all arrangements necessary for the commencement of deliveries to Transporter; and (3) Shipper has a transportation contract(s) or will enter into such a transportation contract(s) with the party ultimately receiving the gas, prior to the commencement of service.

**ARTICLE X  
ADDRESSES**

Except as otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties as follows:

(a) Transporter Addresses:

Tallgrass Interstate Gas Transmission, LLC  
Attn: Marketing  
370 Van Gordon Street

Lakewood, CO 80228-8304  
E-mail: TEP@tallgrassenergyllp.com

(b) Shipper: As shown in Article XIII or such other address, as either party shall designate by formal written notice.

**ARTICLE XI  
SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 23 of the General Terms and Conditions of this Tariff, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

**ARTICLE XII  
CAPACITY RELEASE**

Shipper may release its capacity under this firm Cheyenne Market Center Service Agreement, up to Shipper's Maximum Storage Volume, in accordance with the provisions of Rate Schedule CMC-1 and the General Terms and Conditions of Transporter's FERC Gas Tariff.

**ARTICLE XIII  
SPECIFIC INFORMATION**

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
Fifth Revised Volume No. 1

Form of Service Agreement - CMC-1  
Section Version: 2.0.0

1. Cheyenne Market Center Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

2. Contract Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

3. This Agreement is: (Check one)  
\_\_\_\_ effective \_\_\_\_ (Date or Event) and is the original contract.  
\_\_\_\_ effective \_\_\_\_ (Date or Event) (Amendment No. \_\_\_\_\_) and amends and restates CMC-1 Contract No. \_\_\_\_\_ effective \_\_\_\_ (date) \_\_\_\_\_

4. Term: (Date, Period-of-Time or Event) \_\_\_\_ to (Date, Period-of-Time or Event) \_\_\_\_

5. Shipper Contact Information (Shipper Name, Address, Phone, E-mail):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Maximum Storage Volume:

<b>(Date, Period-of-Time or Event)</b>	<b>Dth</b>
_____	_____
_____	_____
_____	_____

7. Injection Quantity:

<b>(Date, Period-of-Time or Event)</b>	<b>Dth</b>
_____	_____
_____	_____
_____	_____

8. Withdrawal Quantity:

<b>(Date, Period-of-Time or Event)</b>	<b>Dth</b>
_____	_____

<u>(Date, Period-of-Time or Event)</u>	<u>Dth</u>
_____	_____
_____	_____
_____	_____
_____	_____

9. Rates:

**Reservation Rate:** (Pursuant to Section 5.1 of Rate Schedule CMC-1 of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a discount or negotiated rate pursuant to Sections 33 and 36, respectively, of the Tariff.

**Commodity Rate:** (Pursuant to Section 5.1 of Rate Schedule CMC-1 of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the Tariff.

**Fuel Reimbursement Quantity:** (Pursuant to Section 5.8 of Rate Schedule CMC-1 of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the tariff.

**Additional Facilities Charge:** (Pursuant to Section 5.4) of Rate Schedule CMC-1 of the Tariff)

\_\_\_\_\_ None

\_\_\_\_\_ Lump-sum payment of \_\_\_\_\_

\_\_\_\_\_ Monthly fee of \_\_\_\_\_ through \_\_\_\_\_ (*Date, Period or Time or Event*) \_\_\_\_\_

10. Rollover Provisions (pursuant to Section 18.7 of the General Terms and Conditions of the Tariff). (*Check one*):

\_\_\_\_\_ Not Applicable

\_\_\_\_\_ Applicable (*Complete the following*):

Notice of Rollover Exercise:

\_\_\_\_\_ Per the Tariff; or \_\_\_\_\_ Month(s) in advance of

(i) the end of the primary term or (ii) any termination date after the primary term has ended.

11. Right of First Refusal Provisions (pursuant to Section 18 of the General Terms and Conditions of this Tariff.) (*check one*):

\_\_\_\_\_ Not Applicable  
 \_\_\_\_\_ Applicable (*Complete the following*):

*Notice of ROFR Exercise:*

\_\_\_\_\_ Per the Tariff; or \_\_\_\_\_ Month(s) in advance of  
 (i) the end of the primary term or (ii) any termination  
 date after the primary term has ended.

12. Additional Terms Permitted by Tariff:

The following negotiable provision is permitted under the Tariff and may be included in this agreement in the space below:

\_\_\_\_\_  
 \_\_\_\_\_

#	Provision	Tariff GT&C, Sect. #	Excerpt of Provision Language
i.	Rollover Rights	18.7	Transporter and Shipper under a firm contract may agree that Shipper shall have the right to extend the term...pursuant to a negotiated contractual rollover provision...
ii.	ROFR Rights	18	Transporter and a Shipper under a firm contract may agree...to extend the term...contract pursuant to a negotiated contractual right of first refusal provision...
iii.	Gas Quality Waivers	4.1	Unless otherwise agreed to in the Service Agreement, gas tendered at each Point of Receipt shall comply with the following...

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representative.

**Transporter:**

Tallgrass Interstate Gas Transmission, LLC

By: \_\_\_\_\_

Title:

**Shipper:**

By: \_\_\_\_\_

Title:

**APPENDIX A**  
**RECEIPT QUANTITY AND POINT(S)**

To the Cheyenne Market Center Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

Primary Receipt Points:

<b>Date, Period-of-Time or Event</b>	<b>Receipt PIN Name</b>	<b>PIN#</b>	<b>Maximum Daily Receipt Quantity</b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Total Maximum Daily Receipt Quantity: \_\_\_\_\_ = IQ

**APPENDIX B**  
**DELIVERY QUANTITY AND POINT(S)**

To the Cheyenne Market Center Service - 1 Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

<b>Date, Period-of-Time or Event</b>	<b>Delivery PIN Name</b>	<b>PIN#</b>	<b>Maximum Daily Delivery Quantity</b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Total Maximum Daily Delivery Quantity: \_\_\_\_\_ = WQ

Contract No. \_\_\_\_\_

*(Contract No. will appear at the top of each page of this contract)*

## **FORM OF SERVICE AGREEMENT APPLICABLE TO RATE SCHEDULE CHEYENNE MARKET CENTER-2 (CMC-2)**

This Agreement ("Agreement") is made and entered into by Tallgrass Interstate Gas Transmission, LLC, a Colorado corporation ("Transporter") and by the Party(s) named in Article XIII ("Shipper").

In consideration of the premises and of the mutual covenants, the parties do agree as follows:

### **ARTICLE I SCOPE OF AGREEMENT**

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule CMC-2, Transporter agrees to receive from, or for the account of, Shipper for transportation on a firm basis quantities of natural gas tendered by Shipper on any day at the primary Receipt Point(s) up to the applicable Maximum Daily Receipt Quantity for such Receipt Point. Shipper shall not tender on any day, a quantity of natural gas in excess of the aggregate Maximum Daily Receipt Quantity or the Maximum Daily Receipt Quantity at any one primary point, without the prior consent of Transporter. Transporter agrees to store such received quantity of gas for the account of the Shipper, less the Fuel, Loss and Unaccounted For Reimbursement Quantity and other deductions, up to the Maximum Storage Volume as specified in Article XIII.

Transporter agrees to subsequently redeliver stored quantity of natural gas to, or for the account of, the Shipper at the primary Delivery Point(s), up to the applicable Maximum Daily Delivery Quantity for such Delivery point, the volume nominated by the Shipper, and Shipper agrees to accept or cause acceptance of delivery of these quantities; provided, however, that Transporter shall not be obligated to deliver on any day, a quantity of natural gas in excess of the aggregate Maximum Daily Delivery Quantity or the Maximum Daily Delivery Quantity at any one primary point.

### **ARTICLE II TERM OF AGREEMENT**

This Agreement shall become effective as of the date set forth below and shall remain in full force and effect in accordance with the terms of this Service Agreement.

**ARTICLE III  
RATE SCHEDULE**

Shipper shall pay Transporter for all services rendered and for the availability of such service at rates filed under Transporter's CMC-2 Rate Schedule as set forth in Transporter's FERC Gas Tariff and as the same may be hereafter revised or changed. Unless otherwise agreed in writing between Transporter and Shipper, and pursuant to Section 36 of the General Terms and Conditions of this Tariff, the rates to be charged Shipper for transportation shall not be more than the maximum rate under Rate Schedule CMC-2, nor less than the minimum rate under Rate Schedule CMC-2.

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable Rate Schedules and of Transporter's General Terms and Conditions of this Tariff on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which Rate Schedules and General Terms and Conditions of this Tariff are by this reference made a part hereof.

Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule CMC-2, (b) Transporter's Rate Schedule CMC-2, pursuant to which service is rendered, or (c) any provision of the General Terms and Conditions of this Tariff applicable to Rate Schedule CMC-2.

**ARTICLE IV  
PRIMARY RECEIPT POINT(S)**

Natural gas to be received by Transporter for the account of Shipper shall be delivered by Shipper and received by Transporter on the outlet side of the measuring station(s) at the primary Receipt Point(s) specified in Appendix A, with the primary Receipt Point facility number ("PIN"), PIN Name and Maximum Daily Receipt Quantity as set forth in Appendix A.

**ARTICLE V  
PRIMARY DELIVERY POINTS**

Natural gas to be delivered by Transporter for the account of Shipper shall be delivered by Transporter and received by Shipper on the outlet side of the measuring station(s) at or near the primary Delivery Point(s) specified in Appendix B, with the PIN, PIN name and Maximum Daily Delivery Quantity indicated for each such Delivery Point as set forth in Appendix B.

**ARTICLE VI  
QUALITY**

All natural gas tendered to Transporter for transportation for the account of Shipper at the Receipt Point(s) shall conform to the quality specifications set forth in Section 4 of the General Terms and Conditions of this Tariff, as revised from time to time unless otherwise agreed to in writing. Transporter may refuse to take delivery of any gas for transportation that does not meet such quality specifications.

**ARTICLE VII  
INTERPRETATION**

The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Colorado.

This Agreement, and all its rates, terms and conditions, shall at all times be subject to modification by order of the FERC upon notice and hearing and a finding of good cause therefore. In the event that any party to this Agreement requests the FERC to take any action which could cause a modification in the conditions of this Agreement, that party shall provide written notice to the other parties at the time of filing the request with the FERC.

**ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED**

When this Agreement becomes effective, it shall supersede and cancel any other firm agreements between the parties for the same service.

**ARTICLE IX  
CERTIFICATIONS**

By executing this Agreement, Shipper certifies that: (1) Shipper has a valid right to deliver the gas to be transported by Transporter; (2) Shipper has, or will have, entered into all arrangements necessary for the commencement of deliveries to Transporter; and (3) Shipper has a transportation contract(s) or will enter into such a transportation contract(s) with the party ultimately receiving the gas, prior to the commencement of service.

**ARTICLE X  
ADDRESSES**

Except as otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the

other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties as follows:

(a) Transporter Addresses:

Tallgrass Interstate Gas Transmission, LLC  
Attn: Marketing  
370 Van Gordon Street  
Lakewood, CO 80228-8304  
e-mail: TEP@tallgrassenergyllp.com

(b) Shipper Addresses: As shown in Article XIII or such other address, as either party shall designate by formal written notice.

**ARTICLE XI  
SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 23 of the General Terms and Conditions of this Tariff, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

**ARTICLE XII  
CAPACITY RELEASE**

Shipper may release its capacity under this firm Cheyenne Market Center Service Agreement, up to Shipper's Maximum Storage Volume, in accordance with the provisions of Rate Schedule CMC-2 and the General Terms and Conditions of Transporter's FERC Gas Tariff.

**ARTICLE XIII  
SPECIFIC INFORMATION**

1. Cheyenne Market Center Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").
2. Contract Date: \_\_\_\_/\_\_\_\_/\_\_\_\_
3. This Agreement is: (*Check one*)

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
Fifth Revised Volume No. 1

Form of Service Agreement - CMC-2  
Section Version: 2.0.0

\_\_\_\_\_ effective \_\_\_\_ (*Date or Event*) and is the original contract.  
\_\_\_\_\_ effective \_\_\_\_ (*Date or Event*) (Amendment No. \_\_\_\_\_) and amends and restates CMC-2 Contract No. \_\_\_\_\_ effective \_\_\_\_ (*date*) \_\_\_\_\_

4. Term: (*Date, Period-of-Time or Event*) \_\_\_\_\_ to (*Date, Period-of-Time or Event*) \_\_\_\_\_

5. Shipper Contact Information (*Shipper Name, Address, Phone, E-mail*):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Maximum Storage Volume:

<b>(Date, Period-of-Time or Event)</b>	<b><u>Dth</u></b>
_____	_____
_____	_____
_____	_____

7. Injection Quantity:

<b>(Date, Period-of-Time or Event)</b>	<b><u>Dth</u></b>
_____	_____
_____	_____
_____	_____

8. Withdrawal Quantity:

<b>(Date, Period-of-Time or Event)</b>	<b><u>Dth</u></b>
_____	_____
_____	_____
_____	_____

9. Rates:

**Reservation Rate:** (Pursuant to Section 5.1 of Rate Schedule CMC-2 of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a discount or negotiated rate pursuant to Section 33 and 36, respectively, of the Tariff.

**Commodity Rate:** (Pursuant to Section 5.1 of Rate Schedule CMC-2 of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the Tariff.

**Fuel Reimbursement Quantity:**  
(Pursuant to Section 5.8 of Rate Schedule CMC-2 of the Tariff).

Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the tariff.

**Additional Facilities Charge:**

(Pursuant to Section 5.4 of Rate Schedule CMC-2 of the Tariff)

\_\_\_\_\_ None

\_\_\_\_\_ Lump-sum payment of \_\_\_\_\_

\_\_\_\_\_ Monthly fee of \_\_\_\_\_ through \_\_\_\_\_ (*Date, Period or Time or Event*) \_\_\_\_\_

**10. Rollover Provisions**

(pursuant to Section 18.7 of the General Terms and Conditions of the Tariff).

(Check one):

\_\_\_\_\_ Not Applicable

\_\_\_\_\_ Applicable (*Complete the following*):

Notice of Rollover Exercise:

\_\_\_\_\_ Per the Tariff; or \_\_\_\_\_ Month(s) in advance of  
(i) the end of the primary term or (ii) any termination date after the primary term has ended.

**11. Right of First Refusal Provisions**

(pursuant to Section 18 of the General Terms and Conditions of this Tariff.) (*check one*):

\_\_\_\_\_ Not Applicable

\_\_\_\_\_ Applicable (*Complete the following*):

Notice of ROFR Exercise:

\_\_\_\_\_ Per the Tariff; or \_\_\_\_\_ Month(s) in advance of  
(i) the end of the primary term or (ii) any termination date after the primary term has ended.

**12. Additional Terms Permitted by Tariff:**

The following negotiable provision is permitted under the Tariff and may be included in this agreement in the space below:

\_\_\_\_\_  
\_\_\_\_\_

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
 Fifth Revised Volume No. 1

Form of Service Agreement - CMC-2  
 Section Version: 2.0.0

	<b>Provision</b>	<b>Tariff GT&amp;C, Sect. #</b>	<b>Excerpt of Provision Language</b>
i.	Rollover Rights	18.7	Transporter and Shipper under a firm contract may agree that Shipper shall have the right to extend the term...pursuant to a negotiated contractual rollover provision...
ii.	ROFR Rights	18	Transporter and a Shipper under a firm contract may agree...to extend the term...contract pursuant to a negotiated contractual right of first refusal provision...
iii.	Gas Quality Waivers	4.1	Unless otherwise agreed to in the Service Agreement, gas tendered at each Point of Receipt shall comply with the following...

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representative.

**Transporter:**

*Tallgrass Interstate Gas  
 Transmission, LLC*

By: \_\_\_\_\_

Title:

**Shipper:**

By: \_\_\_\_\_

Title:

**APPENDIX A**  
**RECEIPT QUANTITY AND POINT(S)**

To the Cheyenne Market Center Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

Primary Receipt Points:

<u>Date, Period-of-Time or Event</u>	<u>Receipt PIN Name</u>	<u>PIN#</u>	<u>Maximum Daily Receipt Quantity</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Total Maximum Daily Receipt Quantity: \_\_\_\_\_ = IQ

**APPENDIX B  
DELIVERY QUANTITY AND POINT(S)**

To the Cheyenne Market Center Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").

Contract Number: \_\_\_\_\_ Date: \_\_\_\_\_

<b>Date, Period-of-Time or Event</b>	<b>Delivery PIN Name</b>	<b>PIN#</b>	<b>Maximum Daily Delivery Quantity</b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Total Maximum Daily Delivery Quantity: \_\_\_\_\_ = WQ

Contract No. \_\_\_\_\_

*(Contract No. will appear at the top of each page of this contract)*

## **FORM OF SERVICE AGREEMENT**

### **APPLICABLE TO RATE SCHEDULE**

### **FIRM STORAGE SERVICE (FSS)**

This Agreement ("Agreement"), is made and entered into by Tallgrass Interstate Gas Transmission, LLC, a Colorado corporation ("Transporter") and by the Party(s) named in Article XIII ("Shipper").

In consideration of the premises and of the mutual covenants, the parties do agree as follows:

#### **ARTICLE I**

#### **SCOPE OF AGREEMENT**

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule FSS, Transporter agrees to inject for the account of Shipper for storage on a firm basis, quantities of natural gas tendered, less the Fuel Reimbursement Quantity and other deductions, by Shipper on any day at the inlet side of Transporter's storage facilities up to the applicable Injection Quantity. Shipper's storage inventory shall not exceed on any day, without the prior consent of Transporter, the Maximum Storage Quantity set forth in Article XIII.

Transporter agrees to withdraw from storage for the account of Shipper at the outlet side of Transporter's storage facilities; provided, however, that Transporter shall not be obligated to withdraw on any day a quantity of natural gas in excess of the applicable Withdrawal Quantity.

#### **ARTICLE II**

#### **TERM OF AGREEMENT**

This Agreement shall become effective as of the date set forth below and shall continue in effect in accordance with the terms of this Service Agreement.

#### **ARTICLE III**

#### **RATE SCHEDULE**

Shipper shall pay Transporter for all services rendered and for the availability of such service at rates filed under Transporter's Rate Schedule FSS and as shown in Transporter's Tariff and as the same may be revised or changed. Unless otherwise agreed in writing

between Transporter and Shipper, and pursuant to Section 36 of the General Terms and Conditions, the rates to be charged Shipper shall not be more than the maximum rate under Rate Schedule FSS, nor less than the minimum rate under Rate Schedule FSS.

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable Rate Schedules FSS, and of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which Rate Schedules and General Terms and Conditions are by this reference made a part hereof.

Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FSS, (b) Transporter's Rate Schedule FSS, pursuant to which service is rendered, or (c) any provision of the General Terms and Conditions applicable to Rate Schedule FSS.

#### **ARTICLE IV INJECTION**

Natural gas to be injected by Transporter for the account of Shipper shall be delivered by Shipper and received by Transporter on the inlet side of Transporter's storage facility. The Injection Quantity shall be determined pursuant to Transporter's Tariff based on the Maximum Storage Quantity, the Fuel Reimbursement Quantity and other deductions. Any provisions for incremental facilities are set forth in the Service Agreement.

#### **ARTICLE V WITHDRAWAL**

Natural gas to be withdrawn by Transporter for the account of Shipper shall be delivered by Transporter and received by Shipper at the outlet side of Transporter's storage facility. The Withdrawal Quantity and provisions for incremental facilities are set forth in Appendix A.

#### **ARTICLE VI QUALITY**

All natural gas tendered to Transporter for storage for the account of Shipper shall conform to the quality specifications set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, as revised from time to time. Transporter may refuse to store any gas which does not meet such quality provisions.

**ARTICLE VII  
INTERPRETATION**

The interpretation and performance of the Agreement shall be in accordance with the laws of the State of Colorado.

This Agreement, and all its rates, terms and conditions, shall at all times be subject to modification by order of the FERC upon notice and hearing and a finding of good cause therefore. In the event that any party to this Agreement requests the FERC to take any action which could cause a modification in the conditions of this Agreement, that party shall provide written notice to the other parties at the time of filing the request with the FERC.

**ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED**

When this Agreement becomes effective, it shall supersede and cancel any other firm agreements between the parties for the service.

**ARTICLE IX  
CERTIFICATIONS**

By executing this Agreement, Shipper certifies that: (1) Shipper has a valid right to deliver the gas to be stored by Transporter; and (2) Shipper has a transportation contract(s) or will enter into such sales and, as applicable, a transportation contract(s) with the party ultimately receiving the gas from storage, prior to the commencement of service.

**ARTICLE X  
ADDRESSES**

Except as otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties as follows:

- (a) Transporter Addresses:  
Tallgrass Interstate Gas Transmission, LLC  
Attn: Marketing  
370 Van Gordon St.  
Lakewood, CO 80228  
E-mail: TEP@tallgrassenergyllp.com

- (b) Shipper: As shown in Article XIII or such other address as either party shall designate by formal written notice.

**ARTICLE XI  
SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 23 of the General Terms and Conditions, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

**ARTICLE XII  
CAPACITY RELEASE**

Shipper may release its capacity under this Firm Storage Service Agreement, up to Shipper's Maximum Storage Quantity in accordance with the General Terms and Conditions of Transporter's FERC Gas Tariff.

**ARTICLE XIII  
SPECIFIC INFORMATION**

- 1. Firm Storage Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and ("Shipper"):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- 2. Contract Date: \_\_\_\_\_

- 3. This Agreement is: *(Check one)*  
 \_\_\_\_\_ effective     (Date or Event)     and is the original contract.  
 \_\_\_\_\_ effective     (Date or Event)     (Amendment No. \_\_\_\_\_) and amends and restates FSS Contract No. \_\_\_\_\_ effective     (date)

- 4. Term:     (Date, Period-of-Time or Event)     to     (Date, Period-of-Time or Event)

5. Shipper Contact Information (*Shipper Name, Address, Phone, E-mail*):

_____
_____
_____
_____

6. Maximum Storage Quantity:

<u>(Date, Period-of-Time or Event)</u>	<u>Dth</u>
_____	_____
_____	_____
_____	_____
_____	_____

7. Injection Quantity:

<u>(Date, Period-of-Time or Event)</u>	<u>Dth per day</u>
_____	_____
_____	_____
_____	_____
_____	_____

8. Withdrawal Quantity:

<u>(Date, Period-of-Time or Event)</u>	<u>Dth per day</u>
_____	_____
_____	_____
_____	_____
_____	_____

9. Rates:

Reservation Rate:

(Pursuant to Section 5.2a and 5.2b of Rate Schedule FSS of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a discount or negotiated rate pursuant to Section 33 and 36, respectively, of the Tariff.

Commodity Injection and Withdrawal Charge:

(Pursuant to Section 5.2c and 5.2d of Rate Schedule FSS of the Tariff). Maximum

applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the Tariff.

Fuel Reimbursement Quantity:

(Pursuant to Section 3.1 of Rate Schedule FSS of the Tariff).

Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the tariff.

Additional Facilities Charge:

(Pursuant to Section 2.2 of Rate Schedule FSS of the Tariff)

None

Lump-sum payment of \_\_\_\_\_

Monthly fee of \_\_\_\_\_ through           (Date, Period or Time or Event)          

10. Rollover Provisions

(pursuant to Section 18.7 of the General Terms and Conditions of the Tariff).

(Check one):

Not Applicable

Applicable (Complete the following):

Notice of Rollover Exercise:

Per the Tariff; or  Month(s) in advance of (i) the end of the primary term or (ii) any termination date after the primary term has ended.

11. Right of First Refusal Provisions (pursuant to Section 18 of of the General Terms and Conditions of the Tariff.)(check one):

Not Applicable

Applicable (Complete the following):

Notice of ROFR Exercise:

Per the Tariff; or  Month(s) in advance of (i) the end of the primary term or (ii) any termination date after the primary term has ended.

12. Additional Terms Permitted by Tariff:

Any or all of the following negotiable provisions are permitted under the Tariff and may be included in this agreement in the space below:

\_\_\_\_\_

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
Fifth Revised Volume No. 1

Form of Service Agreement - FSS  
Section Version: 2.0.0

#	Provision	Tariff GT&C, Sect. #	Excerpt of Provision Language
i.	Rollover Rights	18.7	Transporter and Shipper under a firm contract may agree that Shipper shall have the right to extend the term...pursuant to a negotiated contractual rollover provision...
ii.	ROFR Rights	18	Transporter and a Shipper under a firm contract may agree...to extend the term...contract pursuant to a negotiated contractual right of first refusal provision...

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representative.

**Transporter:**

*Tallgrass Interstate Gas Transmission, LLC*

By: \_\_\_\_\_

Title:

**Shipper:**

By: \_\_\_\_\_

Title:

Contract No. \_\_\_\_\_

*(Contract No. will appear at the top of each page of this contract)*

## **FORM OF SERVICE AGREEMENT APPLICABLE TO RATE SCHEDULE INTERRUPTIBLE STORAGE SERVICE (ISS)**

This Agreement ("Agreement"), is made and entered into by Tallgrass Interstate Gas Transmission, LLC, a Colorado corporation ("Transporter") and by Shipper named in Article XII ("Shipper").

In consideration of the premises and of the mutual covenants, the parties do agree as follows:

### **ARTICLE I SCOPE OF AGREEMENT**

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule ISS, Transporter agrees to inject for the account of Shipper for storage on an interruptible basis, quantities of natural gas tendered by Shipper on any day at the inlet side of Transporter's storage facility. Shipper's storage inventory shall not exceed the Maximum Storage Quantity on any day, without the prior consent of Transporter, as set forth in Article XII. Subject to available withdrawal capability, Transporter agrees to withdraw gas from storage for the account of Shipper at the outlet side of Transporter's storage facility.

### **ARTICLE II TERM OF AGREEMENT**

This Agreement shall become effective as of the date set forth below and shall remain in full force and effect in accordance with the terms of this Service Agreement.

### **ARTICLE III RATE SCHEDULE**

Shipper shall pay Transporter for all services rendered and for the availability of such service at rates filed under Transporter's Rate Schedule ISS and as shown in Transporter's Tariff and as the same may be hereafter revised or changed. Unless otherwise agreed in writing between Transporter and Shipper, and pursuant to Section 36 of the General Terms and Conditions, the rate to be charged Shipper for storage shall not be more than the maximum rate under Rate Schedule ISS, nor less than the minimum rate under Rate Schedule ISS.

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable Rate Schedule ISS and of Transporter's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which Rate Schedules and General Terms and Conditions are by this reference made a part hereof.

Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule ISS, (b) Transporter's Rate Schedule ISS, pursuant to which service is rendered, or (c) any provision of the General Terms and Conditions applicable to Rate Schedule ISS.

#### **ARTICLE IV INJECTION**

Natural gas to be injected by Transporter for the account of Shipper shall be delivered by Shipper and received by Transporter on the inlet side of Transporter's storage facility.

#### **ARTICLE V WITHDRAWAL**

Natural gas to be withdrawn by Transporter for the account of Shipper shall be delivered by Transporter and received by Shipper at the outlet side of Transporter's storage facility.

#### **ARTICLE VI QUALITY**

All natural gas tendered to Transporter for storage for the account of Shipper shall conform to the quality specifications set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, as revised from time to time. Transporter may refuse to store any gas which does not meet such quality provisions.

**ARTICLE VII  
INTERPRETATION**

The interpretation and performance of the Agreement shall be in accordance with the laws of the State of Colorado.

This Agreement, and all its rates, terms and conditions, shall at all times be subject to modification by order of the FERC upon notice and hearing and a finding of good cause therefor. In the event that any party to this Agreement requests the FERC to take any action which could cause a modification in the conditions of this Agreement, that party shall provide written notice to the other parties at the time of filing the request with the FERC.

**ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED**

When this Agreement becomes effective, it shall supersede and cancel any other agreements between the parties for the same service.

**ARTICLE IX  
CERTIFICATIONS**

By executing this Agreement, Shipper certifies that: (1) Shipper has a valid right to deliver the gas to be stored by Transporter; and (2) Shipper has a transportation contract(s) or will enter into such transportation contract(s) with the party ultimately receiving the gas from storage, prior to the commencement of service.

**ARTICLE X  
ADDRESSES**

Except as otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties as follows:

- (a) Transporter Addresses:

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

- (b) Shipper Addresses: As shown in Article XI or such other address as either party shall designate by formal written notice.

**ARTICLE XI  
SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 23 of the General Terms and Conditions, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

**ARTICLE XII  
SPECIFIC INFORMATION**

1. Interruptible Storage Service Agreement between Tallgrass Interstate Gas Transmission, LLC ("Transporter") and \_\_\_\_\_ ("Shipper").
2. Contract Date: /\_\_\_/\_\_\_
3. This Agreement is: *(Check one)*  
 \_\_\_ effective \_\_\_ *(Date or Event)* and is the original contract.  
 \_\_\_ effective \_\_\_ *(Date or Event)* (Amendment No. \_\_\_\_\_) and amends and restates ISS Contract No. \_\_\_\_\_ effective \_\_\_ *(date)* \_\_\_
4. Term: *(Date, Period-of-Time or Event)* \_\_\_ to *(Date, Period-of-Time or Event)* \_\_, and month-to-month thereafter until terminated by prior written notice of either party.
5. Shipper Contact Information *(Shipper Name, Address, Phone, E-mail)*:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. Maximum Storage Quantity:

<u>(Date, Period-of Time or Event)</u>	<u>Dth</u>
_____	_____
_____	_____
_____	_____

7. Rates:

Commodity Rate:

(Pursuant to Section 5.2 of Rate Schedule ISS of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to in writing as a discount or negotiated rate pursuant to Section 33 and 36, respectively, of the General Terms and Conditions of the Tariff.

Fuel Reimbursement Quantity:

(Pursuant to Section 3.1 of Rate Schedule ISS of the Tariff). Maximum applicable rate per Tariff, as revised from time-to-time, unless otherwise agreed to writing as a negotiated rate pursuant to Section 36 of the General Terms and Conditions of the tariff.

Additional Facilities Charge:

(Pursuant to Section 3.1 of Rate Schedule ISS of the Tariff)

- \_\_\_\_\_ None
- \_\_\_\_\_ Lump-sum payment of \_\_\_\_\_
- \_\_\_\_\_ Monthly fee of \_\_\_\_\_ through \_\_\_\_\_ (Date, Period or Time or Event)

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representative.

**Transporter:**

Tallgrass Interstate Gas Transmission, LLC

By: \_\_\_\_\_

Title:

**Shipper:**

By: \_\_\_\_\_

Title:

**Tallgrass Interstate Gas Transmission, LLC**

FERC Gas Tariff  
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Form of Service Agreement - Reserved for future use  
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Reserved for future use.

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