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**FERC GAS TARIFF**

SIXTH REVISED VOLUME NO. 1  
(Supersedes Fifth Revised Volume No. 1)

**of**

**TRAILBLAZER PIPELINE COMPANY LLC**

Filed with the  
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning this Tariff  
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## **PRELIMINARY STATEMENT**

Trailblazer Pipeline Company LLC (Trailblazer, or Transporter) is a limited liability company organized and existing under the laws of the State of Delaware.

Trailblazer is a natural gas company engaged in the business of transporting natural gas in the states of Colorado, Wyoming and Nebraska.

# Currently Effective Rates

## CURRENTLY EFFECTIVE RATES

### Rate Schedules FTS and FTB Expansion System 1/

Primary Path	Nominated Flow Path	Type of Charge	Reservation Charge		Commodity Charge	
			Maximum	Minimum	Maximum	Minimum
<b>West – East (Forward Haul)</b>	Forward Haul	Base Rate	\$ 1.2228	\$ 0.0000	\$ 0.0001	\$ 0.0001
		Embedded Fuel	<u>\$ 0.0000</u>	<u>\$ 0.0000</u>	<u>\$ 0.0000</u>	<u>\$ 0.0000</u>
		<b>Total</b>	<b>\$ 1.2228</b>	<b>\$ 0.0000</b>	<b>\$ 0.0001</b>	<b>\$ 0.0001</b>
<b>West - East (Forward Haul)</b>	Backhaul	Base Rate	\$ 1.2228	\$ 0.0000	\$ 0.0001	\$ 0.0001

<b>East – West (Backhaul)</b>	Forward Haul	Base Rate	\$ 1.2228	\$ 0.0000	\$ 0.0001	\$ 0.0001
		Embedded Fuel	<u>\$ 0.0000</u>	<u>\$ 0.0000</u>	<u>\$ 0.0000</u>	<u>\$ 0.0000</u>
		<b>Total</b>	<b>\$ 1.2228</b>	<b>\$ 0.0000</b>	<b>\$ 0.0001</b>	<b>\$ 0.0001</b>
<b>East – West (Backhaul)</b>	Backhaul	Base Rate	\$ 1.2228	\$ 0.0000	\$ 0.0001	\$ 0.0001
<b>Enhanced Hour Delivery Charge</b>			2/		\$ 0.0001	\$ 0.0001

**Authorized Overrun Service**

The rate for Overrun Transportation Service for Rate Schedules FTS and FTB shall be that contained in Rate Schedule ITS.

**ACA Charge**

Unit charge pursuant to Section 32 of the General Terms and Conditions

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- 1/ Reservation Rates are \$/Dth of MDQ/Month and Commodity Rates are \$/Dth.
  - 2/ The maximum rate applied to Shipper's nominated, scheduled and confirmed quantities exceeding the contract MHQ for such hours in the Day shall equal: [Rate Schedule FTS or FTB Reservation Charge x 12/365 x scheduled hourly quantity/(MDQ/24)].
  - 3/ Per Section 32 of the 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.

**Park and Loan Service (PALS) 1/ 2/**

Rate Schedule	Initial Rate per Dth		Park/Loan Balance Rate per Dth		Completion Rate per Dth	
	Max	Min	Max	Min	Max	Min
<b>PALS</b>	\$ 0.1291	\$0.0000	\$ 0.0646	\$0.0000	\$ 0.1291	\$0.0000
<b>Authorized Overrun Service Charge</b>	\$ 0.1291	\$0.0000	\$ 0.1291	\$0.0000	\$ 0.1291	\$0.0000

Notes: The Authorized Overrun Service Charge shall be applied pursuant to Section 6.2 of the PALS Rate Schedule, plus any other applicable charges specified in Rate Schedule PALS.

The applicable Unauthorized Overrun Service Charge can be found in Section 6.2 of the Rate Schedule Park and Loan Service.

1/ Commodity and Overrun Service Charges are \$/Dth.

2/ PALS rates are derived from Interruptible Transportation Service rates reflected in the applicable rate Section of this Tariff.



## Rate Schedule WS

### Wheeling Service 1/

Wheeling Service Rate	Maximum Commodity	Minimum Commodity	Lost and Unaccounted-for Reimbursement % <u>2/</u> , <u>3/</u>
Wheeling	\$ 0.1291	\$ 0.0001	0.00%

**Authorized Overrun Service Charge (WS)**

The Authorized Overrun Service Charge for all Shippers shall be the applicable WS-Wheeling maximum commodity rate per Dth of Gas applicable to all Gas delivered over the Shipper's MDQ.

**ACA Charge**

Unit charge pursuant to Section 32 of the General Terms and Conditions 4/

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1/ Commodity Rates are \$/Dth.

2/ This percentage is subject to adjustment in accordance with Section 38 of the General Terms and Conditions of this Tariff.

3/ Discounts or exemptions to the applicable L&U percentages may only be afforded under FERC policy, as it may exist from time-to-time.

4/ Per Section 32 of the 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.

## STATEMENT OF NEGOTIATED RATE TRANSACTIONS PURSUANT TO GTC SECTION 35

Shipper Name	Rate Schedule	Term of Contract	Quantity (Dth/d)	Resv. Charge	Cmdy. Charge	Primary Receipt Point(s)	Primary Delivery Point(s)
Whiting Oil & Gas Corporation	FTS K# 947367	February 10, 2014 through February 29, 2024	40,000	1/	1/	1/	1/
Tenaska Marketing Ventures	FTS K# 935680	March 1, 2017 through March 31, 2022	11,030	3/	3/	3/	3/
Tenaska Marketing Ventures	FTS K# 948563	March 1, 2017 through March 31, 2022	1,839	5/	5/	5/	5/
Concord Energy LLC	FTS 947595	February 1, 2017 through March 31, 2022	82,780	6/	6/	6/	6/
United Energy Trading, LLC	FTS 948679	May 1, 2017 through July 31, 2022	1,102	4/	4/	4/	4/
United Energy Trading, LLC	FTS 928389	May 1, 2017 through July 31, 2022	2,573	4/	4/	4/	4/
United Energy Trading, LLC	FTS 948164	May 1, 2017 through July 31, 2022	5,951	4/	4/	4/	4/

**Trailblazer Pipeline Company LLC**FERC Gas Tariff  
6th Revised Volume No. 1Negotiated Rates  
Section Version: 45.0.0

Shipper Name	Rate Schedule	Term of Contract	Quantity (Dth/d)	Resv. Charge	Cmdy. Charge	Primary Receipt Point(s)	Primary Delivery Point(s)
Fortigen Geneva, LLC	FTS 949151	June 15, 2017 and as amended April 1, 2018 through June 30, 2032	4,000	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
Tallgrass Interstate Gas Transmission, LLC	FTS 901362	July 1, 2017 through September 30, 2022	5,000	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
Shell Energy North America (US), L.P.	FTS 933225	July 1, 2017 through March 31, 2023	75,000	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
Twin Eagle Resource Management, LLC	FTS 948646	August 1, 2017 through March 31, 2021	10,000	<u>8/</u>	<u>8/</u>	<u>8/</u>	<u>8/</u>
Macquarie Energy LLC	FTS 947961	August 1, 2017 through March 31, 2022	21,200	<u>8/</u>	<u>8/</u>	<u>8/</u>	<u>8/</u>
Anadarko Energy Services Company	FTS 934288	August 1, 2017 through October 31, 2022	47,396	<u>8/</u>	<u>8/</u>	<u>8/</u>	<u>8/</u>
Morgan Stanley Capital Group Inc.	FTS 949230	November 1, 2017 through January 31, 2023	5,600	<u>9/</u>	<u>9/</u>	<u>9/</u>	<u>9/</u>
Morgan Stanley Capital Group Inc.	FTS 949234	December 1, 2017 through February 28, 2023	4,320	<u>10/</u>	<u>10/</u>	<u>10/</u>	<u>10/</u>

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<b>Shipper Name</b>	<b>Rate Schedule</b>	<b>Term of Contract</b>	<b>Quantity (Dth/d)</b>	<b>Resv. Charge</b>	<b>Cmdy. Charge</b>	<b>Primary Receipt Point(s)</b>	<b>Primary Delivery Point(s)</b>
Morgan Stanley Capital Group Inc.	FTS 949232	January 1, 2018 through March 31, 2023	21,200	<u>11/</u>	<u>11/</u>	<u>11/</u>	<u>11/</u>
Macquarie Energy LLC	FTS 950125	April 1, 2018 through October 31, 2021	30,000	<u>14/</u>	<u>14/</u>	<u>14/</u>	<u>14/</u>
Citadel Energy Marketing LLC	FTS 950127	April 1, 2018 through October 31, 2022	25,000	<u>12/</u>	<u>12/</u>	<u>12/</u>	<u>12/</u>
CIMA Energy, Ltd.	FTS 949746	April 1, 2018 through March 31, 2028	5,000	<u>14/</u>	<u>14/</u>	<u>14/</u>	<u>14/</u>
Green Plains Trade Group, LLC	FTS 950228	April 1, 2018 through March 31, 2023	15,000	<u>15/</u>	<u>15/</u>	<u>15/</u>	<u>15/</u>
Macquarie Energy LLC	FTS 950230	April 1, 2018 through March 31, 2021	14,000	<u>15/</u>	<u>15/</u>	<u>15/</u>	<u>15/</u>
Citadel Energy Marketing LLC	FTS 950234	April 1, 2018 through October 31, 2021	25,000	<u>15/</u>	<u>15/</u>	<u>15/</u>	<u>15/</u>
Morgan Stanley Capital Group Inc.	FTS 950445	November 1, 2018 through October 31, 2022	5,250	<u>13/</u>	<u>13/</u>	<u>13/</u>	<u>13/</u>

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<b>Shipper Name</b>	<b>Rate Schedule</b>	<b>Term of Contract</b>	<b>Quantity (Dth/d)</b>	<b>Resv. Charge</b>	<b>Cmdy. Charge</b>	<b>Primary Receipt Point(s)</b>	<b>Primary Delivery Point(s)</b>
Koch Energy Services, LLC	FTS 950446	November 1, 2018 through October 31, 2022	5,250	<u>13/</u>	<u>13/</u>	<u>13/</u>	<u>13/</u>
BP Energy Company	FTS 950447	November 1, 2018 through October 31, 2022	5,250	<u>13/</u>	<u>13/</u>	<u>13/</u>	<u>13/</u>
Green Plains Trade Group, LLC	FTS 950448	November 1, 2018 through October 31, 2022	5,250	<u>13/</u>	<u>13/</u>	<u>13/</u>	<u>13/</u>
Mieco, Inc.	FTS 950583	January 1, 2019 through May 31, 2023	10,000	<u>16/</u>	<u>16/</u>	<u>16/</u>	<u>16/</u>
Green Plains Trade Group, LLC	FTS 950584	January 1, 2019 through May 31, 2023	11,094	<u>16/</u>	<u>16/</u>	<u>16/</u>	<u>16/</u>
Morgan Stanley Capital Group Inc.	FTS 950585	January 1, 2019 through May 31, 2023	16,656	<u>16/</u>	<u>16/</u>	<u>16/</u>	<u>16/</u>
Citadel Energy Marketing LLC	FTS 950589	January 1, 2019 through May 31, 2023	20,000	<u>16/</u>	<u>16/</u>	<u>16/</u>	<u>16/</u>
Koch Energy Services, LLC	FTS 950560	April 1, 2019 through March 31, 2024	9,111	<u>17/</u>	<u>17/</u>	<u>17/</u>	<u>17/</u>

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<b>Shipper Name</b>	<b>Rate Schedule</b>	<b>Term of Contract</b>	<b>Quantity (Dth/d)</b>	<b>Resv. Charge</b>	<b>Cmdy. Charge</b>	<b>Primary Receipt Point(s)</b>	<b>Primary Delivery Point(s)</b>
Morgan Stanley Capital Group Inc.	FTS 950561	April 1, 2019 through March 31, 2024	22,778	<u>17/</u>	<u>17/</u>	<u>17/</u>	<u>17/</u>
CIMA Energy, LP	FTS 950562	April 1, 2019 through March 31, 2024	9,111	<u>17/</u>	<u>17/</u>	<u>17/</u>	<u>17/</u>
Northwestern Corp. D/B/A Northwestern Energy	FTS 950547	April 1, 2019 through March 31, 2029	13,000	<u>17/</u>	<u>17/</u>	<u>17/</u>	<u>17/</u>
Castleton Commodities Merchant Trading L.P.	FTS 952381	July 1, 2019 through July 31, 2019	200,000	<u>18/</u>	<u>18/</u>	<u>18/</u>	<u>18/</u>
Tenaska Marketing Ventures	FTS 952404	July 1, 2019 through July 31, 2019	200,000	<u>18/</u>	<u>18/</u>	<u>18/</u>	<u>18/</u>
K2 Commodities, LLC	FTS 952410	July 1, 2019 through July 31, 2019	200,000	<u>18/</u>	<u>18/</u>	<u>18/</u>	<u>18/</u>
Mieco, Inc.	FTS 952417	July 1, 2019 through July 31, 2019	100,000	<u>18/</u>	<u>18/</u>	<u>18/</u>	<u>18/</u>
Koch Energy Services, LLC	FTS 952429	July 1, 2019 through July 31, 2019	100,000	<u>18/</u>	<u>18/</u>	<u>18/</u>	<u>18/</u>

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- 1/ This information is set out in the executed negotiated rate agreement filed with the FERC on January 29, 2014 at Docket No. RP14-408. This Negotiated Rate Agreement is inclusive of a negotiated fuel rate.
- 2/ This information is set out in the executed negotiated rate agreement filed with the FERC on March 30, 2018 at Docket No. RP18-633.
- 3/ This information is set out in the executed negotiated rate agreement filed with the FERC on February 28, 2017 at Docket No. RP17-454.
- 4/ This information is set out in the executed negotiated rate agreement filed with the FERC on April 26, 2017 at Docket No. RP17-680.
- 5/ This information is set out in the executed negotiated rate agreement filed with the FERC on February 28, 2017 at Docket No. RP17-454.
- 6/ This information is set out in the executed negotiated agreement filed with the FERC on January 31, 2017 at Docket No. RP17-378.
- 7/ This information is set out in the executed negotiated agreement filed with the FERC on June 30, 2017 at Docket No. RP17-884.
- 8/ This information is set out in the executed negotiated agreement filed with the FERC on July 28, 2017 at Docket No. RP17- 924.
- 9/ This information is set out in the executed negotiated agreement filed with the FERC on October 30, 2017 at Docket No. RP18-71.
- 10/ This information is set out in the executed negotiated agreement filed with the FERC on November 30, 2017 at Docket No. RP18-218.
- 11/ This information is set out in the executed negotiated agreement filed with the FERC on December 21, 2017 at Docket No. RP18-270.
- 12/ This information is set out in the executed negotiated agreement filed with the FERC on May 9, 2018 at Docket No. RP18-809.
- 13/ This information is set out in the executed negotiated agreement filed with the FERC on October 31, 2018 at Docket No. RP19-174.
- 14/ This information is set out in the executed negotiated agreement filed with the FERC on March 20, 2018 at Docket No. RP18-572.

- 15/ This information is set out in the executed negotiated agreement filed with the FERC on March 30, 2018 at Docket No. RP18-658.
- 16/ This information is set out in the executed negotiated agreement filed with the FERC on December 31, 2018 at Docket No. RP19-526.
- 17/ This information is set out in the executed negotiated agreement filed with the FERC on March 29, 2019 at Docket No. RP19-1000.
- 18/ This information is set out in the executed negotiated agreement filed with the FERC on July 1, 2019 at Docket No. RP19-\_\_\_\_\_.
- 19/ Reserved.



# Rate Schedules

## **RATE SCHEDULE ITS**

### **INTERRUPTIBLE TRANSPORTATION SERVICE**

#### **1. AVAILABILITY**

This Rate Schedule ITS is available to any entity (hereinafter called Shipper) which: (a) submits to Trailblazer Pipeline Company LLC (hereinafter called "Transporter") a valid request as defined in Section 3 hereof; and (b) executes an Interruptible Transportation Service Agreement (ITS Agreement) with Transporter applicable to service under this Rate Schedule ITS. The form of ITS Agreement is contained in this Tariff. There is no limitation on the number of ITS Agreements any one Shipper may have.

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

- 2.1 This Rate Schedule ITS defines an interruptible transportation service. This Rate Schedule ITS shall apply to all gas received by Transporter for Shipper pursuant to an ITS Agreement. As more fully set out in the General Terms and Conditions of this Tariff, Transporter is not providing a supply service under this Rate Schedule ITS.
- 2.2 Service hereunder shall consist of the acceptance by Transporter of natural gas from or for the account of Shipper at Receipt Point(s) under the ITS Agreement, the transportation of that natural gas through Transporter's System, and the delivery of that natural gas by Transporter to Shipper or for Shipper's account at Delivery Point(s) under the ITS Agreement. Transporter shall not be required: (a) to accept on any Day gas tendered, or to deliver on any Day gas requested, in excess of the Maximum Daily Quantity (MDQ) specified in the ITS Agreement; (b) to accept or deliver on any Day gas hereunder which is not properly nominated pursuant to and to the extent required by the General Terms and Conditions of this Tariff.
- 2.3 The service provided under this Rate Schedule ITS shall be performed under Part 284 of the Commission's Regulations. Shipper shall only tender gas for transportation under this Rate Schedule ITS to the extent such service would qualify under the applicable statutes, regulations, Commission orders and the blanket certificate authorizing service by Transporter under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to Transporter appropriate certification, including sufficient information in for Transporter to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where required by the Commission's Regulations, Shipper shall (prior to tendering gas under an ITS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.
- 2.4 Service hereunder is provided on an interruptible basis. Curtailment and priorities of service for the purposes of scheduling and curtailment are governed by the General Terms and Conditions of this Tariff.

### 3. VALID REQUESTS

- 3.1 A request for service under this Rate Schedule ITS shall be valid as of the date received if it complies with this Section and contains adequate information on all of the items specified in Section 3.2, subject to any necessary verification of such information and to the following:
- (a) A request shall not be valid and Transporter shall not be required to grant any such request: (1) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that Transporter may agree in its reasonable discretion to construct, modify, expand, or acquire facilities to enable it to perform such services; (2) unless and until Shipper has provided Transporter with the information required in Section 3.2 hereof; (3) if Transporter determines, based on the credit analysis referenced in Section 3.2(d), that Shipper does not possess sufficient financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (4) if the service requested would not comply with this Rate Schedule ITS; or (5) if the service requested is at less than the applicable maximum rate; provided, however, that Transporter may agree to provide service hereunder at a discount consistent with this Rate Schedule ITS. Nothing herein is intended to govern the curtailment of service once a request for service has been granted pursuant to this Section and while an ITS 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 because such request is incomplete or does not comply with this Rate Schedule ITS. 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 ITS 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.
  - (c) Transporter shall tender an ITS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute an ITS Agreement hereunder within ten (10) days after an ITS Agreement has been tendered by Transporter for execution.

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

Trailblazer Pipeline Company LLC  
Commercial Operations  
370 Van Gordon Street  
Lakewood, CO 80228  
e-mail: [TEP@tallgrassenergyllp.com](mailto:TEP@tallgrassenergyllp.com)

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

(a) GAS QUANTITIES

The request shall specify in Dth the aggregate MDQ, exclusive of applicable Fuel Reimbursement quantities pursuant to Section 38 of the General Terms and Conditions of this Tariff; provided, however, that Transporter shall not be obligated to accept requests for an aggregate MDQ of less than one hundred (100) Dth per day.

(b) AVAILABILITY OF POINTS

- (1) A Shipper may utilize all available Receipt and Delivery Points on Transporter's System under any ITS Agreement, as more fully set out in the General Terms and Conditions of this Tariff.
- (2) The available quantity and priorities at any point shall be governed by the General Terms and Conditions of this Tariff.

(c) TERM OF SERVICE

The request shall specify:

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

(d) CREDIT

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

(e) COMPLIANCE WITH ITS TARIFF

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

(f) COMMISSION-REQUIRED FILING INFORMATION

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

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

4. TERM

- (a) The term of service hereunder shall be set forth in the ITS Agreement between Shipper and Transporter. Transporter may terminate the ITS Agreement if Shipper fails to cause gas to be delivered during any twelve (12) consecutive calendar Months when Capacity is available, unless Shipper's failure to deliver gas was attributable to circumstances of Force Majeure.
- (b) The General Terms and Conditions of this Tariff shall govern the applicability of rollovers vis a vis an ITS Agreement. Upon termination of any ITS Agreement, and subject to such rollovers, service by Transporter to Shipper thereunder shall be terminated and automatically abandoned.
- (c) Transporter may terminate any ITS 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 capability required for service under such ITS Agreement or if Transporter ceases (after receipt of any requisite regulatory authorization) to offer service of the type covered by the ITS Agreement.

5. RATE

- 5.1 (a) Shipper shall pay Transporter each Month under this Rate Schedule ITS a one-part Commodity Charge for each Dth of gas delivered to Shipper or for Shipper's account, together with such other charges as are identified in this Tariff. The maximum Monthly Commodity Charge shall be the applicable maximum unit rate set out in this Tariff multiplied by the quantity of gas

actually delivered by Transporter for transportation during the billing month.

- (b) 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 35 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.

5.2 Shipper shall reimburse Transporter for any applicable Fuel, Lost and Unaccounted For quantities and Electric Power Costs in transporting gas hereunder as provided by Section 38 and 40 of the General Terms and Conditions and at the maximum rate stated on the currently effective applicable rate Section, unless otherwise negotiated pursuant to Section 35 of the General Terms and Conditions of this Tariff.

5.3 (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 between the parties, Shipper shall reimburse Transporter for the cost of such facilities or facility modifications as described in the General Terms and Conditions of this Tariff.

5.4 The ACA charge will be assessed, when applicable, as provided in the General Terms and Conditions of this Tariff, on quantities delivered to Shipper by Transporter under this Rate Schedule ITS.

5.5 (a) Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates and charges applicable under this Rate Schedule ITS, including both the level and design of such rates and charges; or (2) the terms and conditions of this Rate Schedule ITS. 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 ITS Agreement or a separate discount agreement, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within 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 transportation service hereunder, the rate shall be decreased to such reduced rate.

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

6. **NOMINATIONS, SCHEDULING CHARGES, IMBALANCES AND OVERRUN CHARGES**

- (a) Shipper shall provide Transporter with daily nominations of receipts and deliveries by Receipt and Delivery Point in accordance with the General Terms and Conditions of this Tariff. It shall be Shipper's responsibility to cause gas to be delivered to Transporter at Receipt Point(s), and to cause gas to be taken from Transporter at Delivery Point(s), in accordance with the information supplied to Transporter.
- (b) It shall be Shipper's responsibility to keep receipts and deliveries in balance. Transporter may curtail service hereunder to the extent necessary to bring receipts and deliveries into balance. Any imbalance between actual receipts and actual deliveries shall be eliminated by cashout on a monthly basis in accordance with the General Terms and Conditions of this Tariff.

**7. RECEIPT AND DELIVERY POINTS AND UPSTREAM AND DOWNSTREAM ARRANGEMENTS**

- (a) An ITS Agreement shall include all available Receipt and Delivery Points on Transporter's System, as more fully set out in the General Terms and Conditions of this Tariff. Transporter's aggregate maximum obligation to accept and deliver gas on an interruptible basis shall be specified in Dth in the ITS Agreement. The quantities available at each Receipt and Delivery Point, and the related priorities, shall be governed by the General Terms and Conditions of this Tariff.
- (b) Conditions of delivery at Receipt and Delivery Points are set out in the General Terms and Conditions of this Tariff.
- (c) Shipper shall make all necessary arrangements with other parties: (1) at or upstream of the Receipt Point(s) where gas is tendered to Transporter hereunder; and (2) at or downstream of the Delivery Point(s) where Transporter delivers gas hereunder to or for the account of Shipper. Such arrangements must be consistent with this Rate Schedule ITS and must be coordinated with Transporter.

**8. OVERRUN SERVICE**

Upon request of Shipper, Transporter may (but is not obligated to) receive, transport, and deliver on any Day quantities of natural gas in excess of Shipper's MDQ under the ITS Agreement when, in Transporter's reasonable judgment, the Capacity and operating capability of its System will permit such receipt, transportation and delivery without impairing the ability of Transporter to meet its other obligations. In granting requests for Authorized Overrun Service, Transporter shall act in a manner consistent with the overrun service priorities set out in the General Terms and Conditions of this Tariff. Shipper shall pay Transporter the applicable rate for Authorized Overrun Service set forth in this Tariff. For any overrun hereunder which is not authorized (not nominated and confirmed), Shipper shall pay Transporter, in addition to the Authorized Overrun Charge, an Unauthorized Overrun Charge per Dth equal to the Unauthorized Overrun Rate multiplied by the amount of gas in Dth tendered to Transporter or deliveries to Shipper under an ITS Agreement which exceeds the MDQ under such ITS Agreement. The maximum Unauthorized Overrun Rate is \$10/Dth, which may be discounted to any level between zero and such maximum rate. Any charges for an unauthorized overrun in excess of the Authorized Overrun Charge shall be waived by Transporter if the unauthorized overrun does not cause operational problems. If Transporter does not waive an Unauthorized Overrun Charge, it will provide a written explanation of the operational problem(s) caused by the overrun upon request from a Shipper subject to the Unauthorized Overrun Charge.

**9. GENERAL TERMS AND CONDITIONS**



## Trailblazer Pipeline Company LLC

FERC Gas Tariff  
6th Revised Volume No. 1

Rate Schedule ITS  
Section Version: 3.0.0

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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 ITS and shall apply to service rendered hereunder as though stated herein.

## **RATE SCHEDULE WS WHEELING SERVICE**

### **1. AVAILABILITY**

This Rate Schedule WS is available to any entity (hereinafter called Shipper) which: (a) submits to Trailblazer Pipeline Company LLC (hereinafter called "Transporter") a valid request as defined in Section 3 hereof; and (b) executes a Wheeling Service Agreement ("WS Agreement") with Transporter applicable to service under this Rate Schedule WS. The form of WS Agreement is contained in this Tariff.

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

2.1 This Rate Schedule WS defines an interruptible wheeling service. This Rate Schedule WS shall apply to all service provided on an interruptible basis which is rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule and shall consist of the following:

Wheeling Service. Wheeling Service is the receipt of Gas by a WS Shipper, or for a WS Shipper's account, at a physical point within a specified Hub and the redelivery of Gas at a physical point within the same Hub.

2.2 Transporter shall not be required: (a) to accept on any Day Gas tendered in excess of the Maximum Daily Quantity (MDQ) specified in Shipper's WS Agreement with Transporter; or (b) to deliver on any Day Gas requested, in excess of the MDQ specified in the WS Agreement; or (c) to accept or deliver on any Day Gas hereunder which is not properly nominated pursuant to and to the extent required by the General Terms and Conditions of this Tariff.

2.3 Transporter is not providing hereunder any transportation service between any Receipt Point and Delivery Point which are not located in the same Hub. Transportation from a Receipt Point in one Hub to a Delivery Point in another Hub will require service under a different transportation service rate schedule of this Tariff.

2.4 The service provided under this Rate Schedule WS shall be performed in accordance with Part 284 of the Commission's Regulations. Shipper shall only tender Gas for transportation under this Rate Schedule WS to the extent such service would qualify under the applicable statutes, regulations, Commission orders and the blanket certificate authorizing service by Transporter under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to Transporter appropriate certification, including sufficient information in order for Transporter to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where

required by the Commission's Regulations, Shipper shall (prior to tendering Gas under a WS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.

- 2.5 Receipt and Delivery Point access, Nominations, scheduling, Interruption of service, allocation of Capacity, Curtailment and priorities of service are all governed by the General Terms and Conditions of this Tariff.

### 3. VALID REQUESTS

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

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

TRAILBLAZER PIPELINE COMPANY LLC  
Commercial Operations  
370 Van Gordon Street  
Lakewood, CO 80228  
e-mail: TEP@tallgrassenergyllp.com

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

(a) SHIPPER CONTACT INFORMATION

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

(b) GAS QUANTITIES

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

(c) TERM OF SERVICE

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

(d) COMMISSION-REQUIRED FILING INFORMATION

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

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

**4. TERM**

The term of service hereunder shall be set forth in the WS Agreement between Shipper and Transporter. Transporter may terminate the WS Agreement prior to the contract expiration date if Shipper fails to tender Gas to be delivered by Transporter during any twelve (12) consecutive calendar Months when Capacity is available, unless Shipper's failure to tender Gas was attributable to circumstances of Force Majeure.

**5. RATE**

The applicable rates, including any surcharges, for Wheeling Service are set forth in this Tariff, as revised from time-to-time. Unless otherwise agreed to in writing between Transporter and Shipper, or by Shippers' election to nominate service consistent with the terms of the applicable service discounts rate offers posted by Transporter on its Interactive Website from time-to-time, the applicable rate shall be the maximum rate set forth on the currently effective rate Section of this Tariff. Where a Shipper has agreed to pay a Negotiated Rate, the rates assessed hereunder shall be governed by Section 35 of the General Terms and Conditions of this Tariff. A request for service at a Negotiated Rate shall specify the Negotiated Rate on which the Shipper is willing to agree.

**5.1 Wheeling Service Charges**

- (a) For Wheeling Service provided under this Rate Schedule WS, Shipper shall pay Transporter for each Dth of Gas delivered to Shipper, or for Shipper's account, the applicable maximum Commodity Rate set forth in this Tariff, unless otherwise agreed to in writing between Shipper and Transporter.
- (b) Shipper shall reimburse Transporter for Lost and Unaccounted-for Gas in connection with Wheeling Service at the applicable reimbursement percentage set forth in this Tariff.

- 5.2 (a) Shipper shall reimburse Transporter, within five (5) Days after receiving an invoice from Transporter, for all fees incurred by Transporter which are required by the Commission or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees (such as general rate case filing fees).
- (b) Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. Shipper may elect to (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter. The facility charge will include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties, if the Shipper elects to reimburse Transporter for the facilities

over a period of time. If a contribution in aid of construction (CIAC) is paid by the Shipper in accordance with the construction of facilities agreement and such transaction is determined to be taxable, it shall be increased by an amount (Tax Reimbursement) to compensate for the corporate income tax effects thereof, according to the following formula:

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

- 5.3 The ACA charge will be assessed on Wheeling Service provided hereunder, as provided in Section 32 of the General Terms and Conditions of this Tariff.
- 5.4 (a) Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates, charges, terms and conditions applicable under this Rate Schedule WS, including both the level and design of such rates and charges; and (2) the General Terms and Conditions of this Tariff. Further, Shippers may submit comments to the appropriate regulatory authority regarding any such changes that are proposed by Transporter.
- (b) If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises allows or permits Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the WS Agreement or a separate rate agreement, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) Days after a written request by Transporter. If, at any time and from time-to-time, the FERC or any other governmental authority having jurisdiction in the premises requires Transporter to charge a lower rate for transportation service hereunder, the rate shall, subject to any contrary provision of the WS Agreement or a separate rate agreement, be decreased to such reduced rate.
- 5.5 Transporter may from time-to-time and at any time, upon written notice, subject to any provisions on discounting in the WS Agreement or in a separate rate agreement, and subject to Section 13.6 of the General Terms and Conditions of this Tariff, charge any individual Shipper for service under this Rate Schedule WS 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 WS set forth in this Tariff. Transporter will confirm any verbal notice of the applicable rate in writing. Such notification shall specifically state the effective date of such rate change and the quantity of Gas so affected.
- 5.6 All revenues collected and quantities retained by Transporter as a result of providing service under this Rate Schedule WS shall be retained by Transporter unless Transporter

has otherwise specifically agreed or been specifically ordered by FERC to provide for a different disposition of such amounts.

6. NOMINATIONS, SCHEDULING AND IMBALANCES

6.1 Shipper shall provide Transporter with daily Nominations of receipts and deliveries by Receipt and Delivery Point in accordance with the General Terms and Conditions of this Tariff. It shall be Shipper's responsibility to cause Gas to be delivered to Transporter at Receipt Point(s), and to cause Gas to be taken from Transporter at Delivery Point(s), in accordance with the information supplied to Transporter.

6.2 It shall be Shipper's responsibility to keep receipts and deliveries in Balance. Transporter may reschedule service hereunder to the extent necessary to bring receipts and deliveries into Balance. Any Imbalance between actual receipts and actual deliveries shall be eliminated by cashout or other means on a Monthly basis in accordance with the General Terms and Conditions of this Tariff, unless otherwise agreed to in writing by Transporter.

7. RECEIPT AND DELIVERY POINTS  
AND UPSTREAM AND DOWNSTREAM ARRANGEMENTS

7.1 A WS Agreement shall include all available Receipt and Delivery Points within a specified market hub, as set forth on Transporter's Interactive Website and as revised from time-to-time, subject to any applicable charges and in accordance with the General Terms and Conditions of this Tariff. Transporter's aggregate maximum obligation to accept and deliver Gas on an interruptible basis shall be specified in Dth in the WS Agreement. The quantities available at each Receipt and Delivery Point within a specified Hub, and the related priorities, shall be governed by the General Terms and Conditions of this Tariff.

7.2 Acceptable conditions of operation at Receipt and Delivery Points within a specified Hub are set forth in the General Terms and Conditions of this Tariff.

7.3 Shipper shall make all necessary arrangements with other parties: (1) at or upstream of the Receipt Point(s) where Gas is tendered to Transporter hereunder; and (2) at or downstream of the Delivery Point(s) where Transporter delivers Gas hereunder to or for the account of Shipper. Such arrangements must be consistent with this Rate Schedule WS and must be coordinated with Transporter.

8. OVERRUN SERVICE

8.1 Upon request of Shipper, Transporter may (but is not obligated to) receive, transport, and deliver on any Day, quantities of Gas in excess of Shipper's MDQ under the WS Agreement when, in Transporter's reasonable judgment, the Capacity and operating capability of its System will permit such receipt, transportation and delivery without impairing the ability of Transporter to meet its other obligations ("Authorized Overrun Service"). Requests for Authorized Overrun Service shall be subject to the Authorized

Overrun Service priorities set forth in the General Terms and Conditions of this Tariff. Authorized utilization by Shipper which exceeds its Capacity rights shall constitute Authorized Overrun Service provided by Transporter, and Shipper shall incur Authorized Overrun Service Charges as a result of such use. Shipper shall pay Transporter the maximum rate for Authorized Overrun Service set forth in this Tariff unless otherwise agreed to in writing by Transporter.

- 8.2 For any Overrun Service hereunder which is not Authorized Overrun Service ("Unauthorized Overrun Service"), Shipper shall pay Transporter, in addition to the Authorized Overrun Service Charge, an Unauthorized Overrun Service Charge per Dth equal to the Unauthorized Overrun Rate multiplied by the amount of gas in Dth tendered to Transporter or deliveries to Shipper under a WS Agreement which exceeds the MDQ under such WS Agreement. The maximum Unauthorized Overrun Rate is \$10/Dth, which may be discounted to any level between zero and such maximum rate. Any charges for an unauthorized overrun in excess of the Authorized Overrun Charge shall be waived by Transporter if the unauthorized overrun does not cause operational problems. If Transporter does not waive an Unauthorized Overrun Charge, it will provide a written explanation of the operational problem(s) caused by the overrun upon request from a Shipper subject to the Unauthorized Overrun Charge.

## 9. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time-to-time, are hereby incorporated by reference and made a part of this Rate Schedule. To the extent that the General Terms and Conditions are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.



# **General Terms and Conditions**

## **2. EXPANSION OF THE SYSTEM**

Transporter may be willing to expand the System to make capacity available to a Shipper under Rate Schedule FTS whenever such an expansion is deemed, in Transporter's sole judgment, economically and technically feasible, subject to the following conditions:

- (a) Transporter does not have adequate unutilized capacity in the System to accommodate the Nominations or Requests for Capacity of Existing and Prospective Shippers accepted by Transporter pursuant to this Tariff.
- (b) Transporter has received an executed revised Agreement from each Existing and Prospective Shipper requesting capacity such that the total Contract Demands of all Existing and Prospective Shippers under executed Agreements substantially equals the prospective new System capacity.
- (c) The nature, extent and timing of facilities required for any expansion shall be at the sole discretion of Transporter.
- (d) Transporter receives acceptable assurance that Shipper requesting additional capacity meets the credit criteria outlined herein.

**4. RECEIPT POINTS**

**4.1 FACILITIES AT RECEIPT POINTS**

Unless otherwise agreed by Transporter, Transporter shall own, operate and maintain all pipeline and measurement facilities necessary to receive and measure gas hereunder. In the event any such facilities are installed by Transporter, Section 6 of these General Terms and Conditions shall apply.

**4.2 OBLIGATION**

Transporter's maximum obligation to receive gas at the Receipt Point(s) under the Agreement shall never exceed the lesser of: (a) the applicable MDQ under the Agreement in the aggregate or at individual points, as specified in the Agreement or as applicable at such point under this Tariff; or (b) the total daily quantity Shipper or its designee is able and willing to tender at the Receipt Point(s).

**4.3 LOCATION**

Unless otherwise described in the Agreement, the Receipt Point(s) for transportation Agreements shall be located at the interconnection between the facilities of Shipper, or its designee, and the facilities of Transporter.

**6. NEW FACILITIES CHARGE**

- 6.1 When new and/or expanded facilities are required to accommodate receipt and/or delivery of gas under a request for new service, and Transporter determines that installation of such facilities will not impair service to any Existing Shipper or threaten the integrity of Transporter's System, Transporter will construct such facilities, subject to Sections 2, 6 and 25 of these General Terms and Conditions and subject to provisions contained in each applicable transportation rate schedule.
- 6.2 Shipper Reimbursement. Shipper may be required to reimburse Transporter, on mutually agreeable terms, for costs associated with constructing and operating facilities under this Section 6. Such mutually agreed upon reimbursement may be in the form of an incremental rate, an operations fee, a lump sum payment, or a mutually agreed upon method, including, without limitation, reimbursement for any associated tax effects reflected in Section 6.4 below. Transporter may waive this requirement on a not unduly discriminatory basis.

- 6.3 Transporter Contribution.

Transporter may pay or contribute all or a portion of the cost of building or operating facilities requested by Shipper or other entities if Transporter determines that such action will result in an economic benefit to Transporter. Transporter will evaluate each prospective project under this policy based upon the incremental cost of service and the incremental revenues which Transporter estimates will be generated as a result of the project. When estimating incremental revenues to be generated, Transporter will base those revenues upon transportation rates it expects to be able to charge, net of any surcharges, and the incremental quantities or firm service contracts that will result from the project. Transporter may consider quantities or firm service contracts to be incremental if the quantities or firm service contracts that will be transported or provided respectively would not otherwise flow through or be contracted for firm service on Transporter's pipeline system, and any other material impacts on Transporter's competitive position, rates and future business prospects.

- 6.4 Any Contribution in Aid of Construction (CIAC) pursuant to this Section 6 shall be increased by an amount (Tax Reimbursement) to compensate for the corporate income tax effects thereof, according to the following formula:

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

- 6.5 When Transporter has previously paid for Receipt or Delivery Point facilities under this facilities reimbursement policy, Shipper shall, nevertheless, promptly pay Transporter for Transporter's net book value of such facilities when either of the following events occurs: (a) when Transporter's ability to fully recover such costs is

denied in any Section 4 or Section 5 rate proceeding; or (b) when Shipper ceases operations at the facilities.

**8. POOLING POINT****8.1 GENERAL**

A paper pooling point has been designated on Transporter's System at a specified Hub posted on its Interactive Website. This point is not a physical point on the System, but is used solely for nomination and transportation rate determination purposes. Subject to the remainder of this Section, any number of FTS, ITS or WS Agreements may be utilized to deliver gas to or from a Pooling Point. Shippers will be able to nominate gas quantities from one or more Receipt Points for delivery to a Pooling Point in order to aggregate supplies as long as such gas quantities are nominated for simultaneous receipt and further transportation and delivery by Transporter under Agreement(s).

**8.2 INCLUSION IN AGREEMENTS**

Agreements under Rate Schedules FTS and ITS automatically have the Pooling Point as both Receipt and Delivery Points with point MDQs equal to the contract MDQ. The Pooling Point shall be a secondary point for FTS Agreements unless included in the Agreement as a primary point.

**8.3 PRIORITY DATE**

For transportation Agreements pursuant to a valid request received on or before December 1, 1993, the Pooling Point is deemed to have been requested as of that date. For all other Agreements, the applicable Pooling Point or increases to the MDQs of the Pooling Point is deemed requested as of the date a valid request was received for the Agreement or for the amendment (in the case of a firm transportation Agreement) which results in an increase in the MDQ of the Pooling Point.

**8.4 USE OF POINTS**

Nominations to and from the Pooling Point will be subject to the same nomination and confirmation procedures as all other receipts and deliveries. All quantities nominated for transportation to a Pooling Point on any Day must be matched with nominations of those quantities for transportation from the Pooling Point on the same day. No imbalances will be permitted at the Pooling Point. Section 3 of these General Terms and Conditions sets out the order of priority for scheduling nominations to and from the Pooling Point.

**8.5 CHARGES**

There will be no transportation commodity charges or, Fuel and Lost and Unaccounted For Reimbursement Percentage or Electric Power Charges applicable to

transportation of gas to a Pooling Point. The applicable transportation commodity charges and Fuel and Lost and Unaccounted For Reimbursement Percentages, as well as Electric Power Costs will be charged under the Agreement used to transport the gas from the Pooling Point.

8.6 MARKET CENTERS

The Pooling Point is intended to facilitate aggregation of supplies and the development of market centers. Nothing in this Tariff is intended to inhibit the development of market centers.

**10. DETERMINATION OF DELIVERIES****10.1 PREDETERMINED ALLOCATIONS**

In accounting for the quantities delivered by Transporter, Transporter will accept NAESB WGQ approved allocation methodology types from the upstream or downstream custody transfer party who is providing the point confirmation. In circumstances where multiple services are provided at any Delivery Point, the sequence of quantities delivered shall be determined by a predetermined allocation agreement between Transporter and the operator of the facilities immediately downstream of the point at which Transporter delivers Gas. The upstream or downstream party providing the point confirmation should submit the PDA to the allocating party after or during confirmation and before the start of the Gas Day. In the absence of such an agreement, Sections 10.2 and 10.3 shall control. Any new or proposed change to the methodology should be sent to Transporter before the start of the Gas Day on which the methodology is to be effective. Transporter shall confirm receipt of the methodology within fifteen (15) minutes via its Interactive Website if received via its Interactive Website or via EDI if received via EDI. Transporter's acceptance is contingent on Transporter being able to administer the allocation submitted by the Allocator. Allocation methodology types upon which two parties may agree are: ranked, pro rata, percentages, swing and operator provided value. Other examples of allocation methods that can be used are combinations of methodology types. Different methods may be submitted for overages and underages.

**10.2 DELIVERY SEQUENCE**

Unless otherwise agreed, Gas at any Delivery Point shall be deemed to have been delivered in the following sequence:

- (a) Quantities scheduled under firm transportation Agreements consistent with confirmed nominations and within MDQ;
- (b) Quantities scheduled under interruptible transportation Agreements and Authorized Overrun Service consistent with confirmed nominations and within MDQ;
- (c) Additional quantities shall be allocated pro rata based on confirmed nominations, but not to exceed the applicable MDQ, under which Shippers nominated that day; and
- (d) Any remaining quantities shall be allocated as Unauthorized Overrun Gas pro rata based on confirmed nominations under which Shippers nominated that day.



10.3 DEFICIENT QUANTITIES

Any deficiency in takes from nominated or scheduled quantities shall, unless otherwise agreed, be identified to services by allocating quantities delivered in the sequence set out in Section 10.2. Quantities shall be allocated among Agreements within each class based on confirmed nominations.

- 10.4 The time limitation for disputes of allocations should be six (6) Months from the date of the initial month-end allocation 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.

**12. IMBALANCES****12.1 RESPONSIBILITY FOR BALANCING**

In addition to delivering and receiving quantities of gas in conformance with nominations, Shippers are responsible for conforming their takes at Delivery Points with their deliveries to Transporter at Receipt Points each day. Transporter has no obligation to deliver for the account of a Shipper more quantities of gas than Transporter has received for the account of the Shipper or to accept for the account of the Shipper more quantities of gas than are being delivered for the account of the Shipper on any day.

**12.2 MONTHLY IMBALANCES, NETTING AND OFFSETTING**

At the end of each calendar month, to the extent that a Shipper's Receipt Quantities (with the appropriate deductions for Fuel Reimbursement pursuant to Section 38 of the General Terms and Conditions of this Tariff) do not equal allocated deliveries under an Agreement on a per Dth basis, the following netting and offsetting procedures will apply:

- (a) Imbalances under a Shipper's different Agreements will then be netted together to obtain the Shipper's Total Monthly Imbalance. The Total Monthly Imbalance will be shown with the monthly billings sent to Shippers.
- (b) 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 (Central Clock Time) 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.
- (c) Transporter shall enable the imbalance trading process by:
  - (1) Receiving the Request for Imbalance Trade,
  - (2) Receiving the Imbalance Trade Confirmation,
  - (3) Sending the Imbalance Trade Notification, and

- (4) Reflecting the trade prior to or on the next monthly Shipper Imbalance or cashout.
- (d) 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.
- (e) 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 (Central Clock Time) the next Business Day.
- (f) Shipper imbalances remaining after the imbalance netting and trading procedures set out in subsections (a)-(e) shall be cashed out as described in Section 12.3 of these General Terms and Conditions.

### 12.3 CASHOUT PROCEDURES

- (a) Any imbalance remaining will be cashed out on a tiered basis pursuant to the following schedule:

<u>IMBALANCE LEVEL</u>	<u>OVERAGE (Trailblazer pays Shipper)</u>	<u>UNDERAGE (Shipper pays Trailblazer)</u>
0% to 5%	100% x MIP	100% x MIP
Greater than 5% to 10%	90% x MIP	110% x MIP
Greater than 10% to 15%	80% x MIP	120% x MIP
Greater than 15% to 20%	70% x MIP	130% x MIP
Greater than 20%	60% x MIP	140% x MIP

- (b) Following any offsetting with other Shippers, a Shipper's remaining imbalance will be cashed out based on the percentage of that imbalance compared to the total receipts net of any applicable in-kind Fuel Reimbursement quantity for that Shipper during the month. For example, if the total receipts net of any applicable in-kind Fuel Reimbursement quantities were 1,000 Dth and the remaining underage imbalance after offsetting with other Shippers was 100 Dth, the total Imbalance Level would be 10%. The first 5% (50 Dth) would be cashed out at 100% of the MIP and the remaining 50 Dth would be cashed out at 110% of the MIP.

- (c) The Monthly Index Price (MIP) is based on prices as reported by Natural Gas Intelligence. Transporter shall use either the highest weekly price or the lowest weekly price determined for each Month as the MIP for all monthly Imbalances subject to cashout hereunder, as described below. (1) For Gas owed Transporter, (negative Imbalances), the MIP shall be the highest of the weekly average prices for the Month in which the Imbalance occurred. (2) For Gas owed Shipper (positive Imbalances), the MIP shall be the lowest of the weekly prices for the Month in which the Imbalance occurred. The price for each week shall be the price in the table entitled "Natural Gas Intelligence Weekly Gas Price Index; Spot Gas Prices" of the above publication (or the superseding reference if the publication titling is revised) at the following locations:

- (1) Northern Natural Demarc, Spot Delivered to Pipeline; and
- (2) Cheyenne Hub, Spot Delivered to Pipeline.

The issues of such publication to be used in determining each Month's highest and lowest weekly prices shall include all issues with publication dates within the calendar month in which the Imbalance occurred, plus the first publication of the next Month after the Imbalance occurred.

- (d) Following the ten (10) day period for offsetting imbalances, Shippers with remaining imbalances shall pay Transporter or will be credited with the appropriate cashout amounts.
- (e) In the event "Natural Gas Intelligence" ceases to publish entirely or fails to publish the index prices listed in subsection (c) above, the following procedures shall apply in determining a month's MIP:
- (1) Should, in any given week, "Natural Gas Intelligence" fail to publish one of the two index prices used in determining that week's price for a location, the price will be determined using the remaining published index price.
  - (2) Should, in any given week, "Natural Gas Intelligence" fail to publish both of the index prices used in determining that week's price for a location, there will be no price for that week used in determining the month's MIP.
  - (3) Should, in a given month, there be less than two prices for a location available for the MIP calculation, the following alternate MIP procedures will apply: The MIP will be defined as the arithmetic average of:

- (i) The closing price for the NYMEX natural gas futures contract applicable to the month in which the imbalance was created (i.e., the price at which that month's contract "went off the board"); and
- (ii) The individual daily closing prices for the following month ("spot month" or "near month") NYMEX natural gas contract during the month in which the imbalance was created, up to and including the day the "spot month" contract "goes off the board."

#### 12.4 OPERATIONAL DATA VS. ACTUALS

In determining the cashout tier applicable under Section 12.3 above, Transporter will utilize the operational data posted on its Interactive Website as of the end of the month or the actual flow quantities, whichever results in a lower cashout tier.

#### 12.5 PRIOR PERIOD ADJUSTMENTS

Any imbalances for a month that are booked after the transportation for that month has been billed will be cashed out at 100% of the MIP in effect during the month the imbalance occurred.

#### 12.6 PURCHASE AND SALE OF GAS

Transporter is not providing a supply service under any Rate Schedule of this Tariff. Without limitation of the foregoing, Transporter may purchase and sell gas to the extent necessary to maintain System pressure, to implement the cash-out procedures under this Section 12 and to perform other System management or operational functions deemed necessary from time to time in connection with providing transportation services. The availability of Gas for sale or interest in purchasing Gas will be posted for bidding on Transporter's Interactive Website. If Transporter completes a purchase or sale of Gas, Transporter will post on its Interactive Website, to the extent feasible, not more than two (2) Business Days after the transaction is complete, the counterparty, the date of the purchase/sale, quantity and the purchase/sale price. The information pertaining to a completed transaction shall remain on the Interactive Website for at least thirty (30) Days. Further, by April 1 of each Year, Transporter shall submit a report to the Commission stating the above information for each purchase/sale transaction occurring during the previous calendar Year. The annual report will also include information on the cost and revenue associated with the purchase/sale(s), an explanation as to the purpose of the purchase/sale(s), and all entities, including affiliates, from which Transporter purchased operational Gas. The point(s) of any such purchase or sale shall occur at any Receipt Points or Delivery Points on Transporter's System, or at points located with any off-System Capacity held by Transporter on other systems. Such purchase and sales shall be authorized pursuant to Transporter's blanket sales certificate and will be made

on a non-discriminatory basis. Any purchaser of Gas will be required to arrange with Transporter for the necessary transportation from the point of sale. Nothing herein shall impose on Transporter any obligation to provide a supply function to any of its Shippers.

#### 12.7 THIRD PARTY MANAGEMENT SERVICES

Third party providers may provide imbalance management services on behalf of Shippers on Transporter, subject to the following conditions being met:

- (a) The third party provider must obtain all requisite Commission approvals of the service (certification, approval of Tariffs, establishment of rates, etc.) prior to the commencement of service.
- (b) Contractual privity must be established between the third party providers and Transporter. The contractual arrangement must allow the third party service to be integrated into Transporter's operations.
  - (1) Transporter shall have the right to call on the third party for the service on short notice, within defined parameters, to effectuate necessary operational changes.
  - (2) Transporter must be given timely notice of the nature and level of the third party's service being provided on any day.
  - (3) The agreement between Transporter and the third party provider must define the operational changes the third party provider will effectuate which will offset the operational effects on Transporter of imbalances at points on the system covered by the third party service.
- (c) The physical facilities used by the third party to effectuate the service must include physical storage facilities and must be directly connected to Transporter's facilities and the storage facilities must be in close enough physical proximity to Transporter's system to support these operational effects, which may require almost instantaneous operational changes on Transporter. Bi-directional flow must be available at the Delivery and/or Receipt Points involved except where the Shipper's firm transportation contract path is a Backhaul and limited to delivery by displacement. The third party must have the ability to get gas onto or off of the pipeline system in order to truly provide a physical balancing service. The service cannot be a paper transaction or a simple Operational Balancing Agreement which puts the residual operational burden on Transporter.
- (d) The Agreement between Shipper and any third party must provide for acceptable compensation to Transporter in the event the third party fails to

perform and Transporter must provide balancing service. Such compensation will be in addition to any penalties which may otherwise be applicable under any provision of the Tariff.

**14. EVALUATION OF CREDIT****14.1 CREDIT APPRAISAL**

In evaluating requests for service and for certain other purposes under this Tariff, Transporter will perform a credit appraisal of Shipper.

- (a) Acceptance of a Shipper's request for service and the continuation of service to a Shipper are contingent upon the Shipper satisfying creditworthiness requirements on an on-going basis. To determine creditworthiness, a credit appraisal shall be performed in accordance with the following criteria:
  - (1) Transporter shall apply consistent evaluation practices to all similarly situated Shippers in determining any Shipper's financial ability to perform the payment obligations due to Transporter over the term of the requested or existing service agreement.
  - (2) A Shipper will be deemed creditworthy if (i) its long-term unsecured debt securities are rated at least BBB- by Standard & Poor's Corporation ("S&P") and at least Baa3 by Moody's Investor Service ("Moody's") (provided, however, that if the Shipper's rating is at BBB- or Baa3 and the short-term or long-term outlook is Negative, Transporter may require further analysis as discussed below); and (ii) the sum of reservation fees, commodity fees and any other associated fees and charges for the contract term, on a net present value basis, is less than 15% of Shipper's tangible net worth. If a Shipper has multiple service agreements with Transporter and Capacity Release Agreements with Transporter's Shippers, then the total potential fees and charges of all such service agreements shall be considered in determining creditworthiness. The creditworthiness requirements of this Section 14 shall apply to any assignee pursuant to an assignment (in whole or part) of any Agreement under this Tariff or to any permanent release, in whole or part, of an Agreement; provided, however, that an assignee or the Replacement Shipper of Capacity from a permanent release (in whole or part) of a Service Agreement that is a result of a precedent agreement for a construction project or new construction project shall be subject to the creditworthiness provisions contained in such Service Agreement for the remainder of the initial term.
  - (3) As used in the prior paragraph, the term "tangible net worth" means the excess of assets over liabilities from an accounting standpoint, which is also known as "capital." Transporter defines tangible net worth for a corporation as the sum of the capital stock, paid-in capital in excess of par or stated value, and other free and clear equity



reserve accounts less goodwill, patents, unamortized loan costs or restructuring costs, and other intangible assets. Only actual tangible assets are included in Transporter's assessment of creditworthiness. Tangible net worth is compared with the net present value of a Shipper's obligations to Transporter under its contracts in applying the 15% test in the prior paragraph.

- (4) If a Shipper does not meet the criteria described above, then such Shipper may request that Transporter evaluate its creditworthiness based upon the level of its current and requested service(s) on Transporter relative to the Shipper's current and future ability to meet its obligations. Such credit appraisal shall be based upon Transporter's evaluation of the following information and credit criteria:
- (i) S&P and Moody's opinions, watch alerts, and rating actions and reports, ratings, opinions and other actions by Dun and Bradstreet and other credit reporting agencies will be considered in determining creditworthiness.
  - (ii) Consistent financial statement analysis will be applied by Transporter to determine the acceptability of the Shipper's current and future financial strength. The Shipper's balance sheets, income statements, cash flow statements and auditor's notes will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.
  - (iii) Results of bank and trade reference checks and credit reports must demonstrate that the Shipper is paying its obligations in a timely manner.
  - (iv) The Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws and there must not be pending any petition for involuntary bankruptcy of the Shipper. An exception may be made for a Shipper which is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act if Transporter is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future actually to make payment.

- (v) Whether the Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent.
- (vi) Whether the Shipper has or has had any delinquent balances outstanding for services provided previously by Transporter and whether the Shipper is paying and has paid its account balances according to the terms established in its service agreements (excluding amounts as to which there is a good faith dispute).
- (vii) The nature of the Shipper's business and the effect on that business of general economic conditions and economic conditions specific to it, including the Shipper's ability to recover the costs of Transporter's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.
- (viii) Any other information, including any information provided by the Shipper, that is relevant to the Shipper's current and future financial strength and the Shipper's ability to make full payment over the term of the contract.
- (iv) Information which Transporter may request to be provided by Shipper to Transporter in connection with such a credit evaluation includes the following:
  - (a) Audited Financial Statements;
  - (b) Annual Reports;
  - (c) Most recent statements filed with the Securities and Exchange Commission (or an equivalent authority) or other similar publicly available information;
  - (d) For public entities, the most recent publicly available interim financial statements, with an attestation by its Chief Financial Officer, Controller, or equivalent (CFO) that such statements constitute a true, correct, and fair representation of the Shipper's financial condition prepared in accordance with Generally Accepted Accounting Principles (GAAP) or equivalent;
  - (e) For non-public entities, including those that are state-regulated utilities, the most recent available interim financial statements, with an attestation by its CFO

that such statements constitute a true, correct, and fair representation of the Shipper's financial condition prepared in accordance with GAAP or equivalent;

- (f) For non-public entities, including those that are state-regulated utilities, any existing sworn filings, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing the Shipper's current financial condition;
  - (g) For any state-regulated utility local distribution company, documentation from its state regulatory commission(s) (or equivalent authority) of an authorized cost recovery mechanism;
  - (h) A list of affiliates, parent companies, and subsidiaries;
  - (i) Publicly available credit reports from credit and bond rating agencies;
  - (j) Private credit ratings, if obtained by the Shipper;
  - (k) Bank references;
  - (l) Trade references;
  - (m) Statement of legal composition;
  - (n) Statement of the length of time the business has been in operation; and
  - (o) Such other information as may be mutually agreed to by the parties.
- (5) If Transporter concludes that a Shipper is non-creditworthy, Transporter shall provide written notice to Shipper within ten (10) Days after that determination is made. If requested by Shipper, Transporter shall provide a written explanation of the reasons for this determination. A Shipper may challenge this determination by providing a written rebuttal to Transporter's explanation within ten (10) Days after the explanation is provided by Transporter. Transporter shall respond to such a rebuttal in writing within ten (10) Days. Any reevaluation of credit by Transporter in response to such a

rebuttal by the Shipper shall be based on the credit criteria set out in this Section.

- (6) If Transporter requests additional information to be used for credit evaluation after the initiation of service, Transporter, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to the Shipper and designate to whom the response should be sent. Transporter and the Shipper may mutually agree to waive this requirement. Upon receipt of either an initial or follow-up request from Transporter for information to be used for creditworthiness evaluation, Shipper's authorized representative(s) shall acknowledge receipt of Transporter's request. Transporter and the Shipper may mutually agree to waive the requirements of this standard. Shipper's authorized representative(s) shall respond to Transporter's request for credit information, as allowed by this Tariff, on or before the due date specified in the request. The Shipper shall provide all the credit information requested by Transporter or provide the reason(s) why any of the requested information was not provided. Upon receipt from the Shipper of all credit information provided pursuant hereunder, Transporter shall notify the Shipper's authorized representative(s) that it has received such information. Transporter and the Shipper may mutually agree to waive this requirement. Shipper shall designate up to two representatives who are authorized to receive notices regarding the Shipper's creditworthiness, including requests for additional information, pursuant to the applicable standards and shall provide to Transporter the internet e-mail addresses of such representatives prior to the initiation of service. Written requests and responses are to be provided via internet e-mail, unless otherwise agreed to by the parties. The obligation of Transporter to provide creditworthiness notifications is waived until the above requirement on designation of representatives has been met. The Shipper shall manage internal distribution of any creditworthiness notices that are received. Transporter shall designate, on its Interactive Website or in written notices to the Shipper, the internet e-mail addresses of up to two representatives who are authorized to receive notices regarding the Shipper's creditworthiness. The Shipper's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and Transporter shall manage internal distribution of any such confirmations. In complying with the creditworthiness related notifications pursuant hereto the Shipper and Transporter may mutually agree to other forms of communication in lieu of internet e-mail notifications.

- (b)
    - (1) If a Shipper fails to satisfy the credit criteria, such Shipper may still obtain or continue service hereunder if it elects and provides within five (5) Days of the first notification of such failure one of the following options:
      - (i) Payment in advance of all fees and charges for three (3) Months' advance service;
      - (ii) A standby irrevocable letter of credit covering all fees and charges for three (3) Months' advance service to include language acceptable to transporter and drawn upon a bank acceptable to Transporter;
      - (iii) Security interest covering all fees and charges for three (3) Months' advance service in collateral provided by the Shipper found to be satisfactory to Transporter;
      - (iv) any other mutually-agreeable level and form of collateral or security, on a not unduly-discriminatory basis; or
      - (v) Guarantee of all fees and charges for three (3) Months' advance service by a person or another entity which does satisfy the credit appraisal. If at any time during the term of service the guarantor does not meet the credit criteria of Section 14.1(a) herein, Transporter may request and shall be provided within five (5) Days thereafter a new guaranty or other form of security consistent with Section 14.1(a).
    - (2) Nothing herein shall be read to preclude Transporter from requiring, and enforcing for the term of the initial contracts, more than three (3) Months of fees and charges for advance service as security in agreements supporting an application for a FERC certificate to construct new or expanded facilities. For purposes of this paragraph, the term "initial contract" shall include any replacement contract entered into upon a permanent release of Capacity under an initial contract.
  - (c) Where a Shipper selects the prepayment option under Section 14.1(b) of these General Terms and Conditions, the prepayment amounts shall be deposited in an interest-bearing escrow account if such an escrow account has been established by the Shipper which meets the criteria set out in this paragraph. The costs of establishing and maintaining the escrow account shall be borne by the Shipper. The escrow bank must be rated at least AA or better and shall not be affiliated with the Shipper. The escrow arrangement shall provide for the prepayment amounts to be applied against the Shipper's

obligation under its service agreement(s) with Transporter and shall grant Transporter a security interest in such amounts as an assurance of future performance. The escrow agreement shall specify the permitted investments of escrowed funds so as to protect principal, and shall include only such investment options as corporations typically use for short-term deposit of their funds. Such escrow account shall at all times maintain the amount of prepayment required under Section 14.1(b) of these General Terms and Conditions. If Transporter is required to draw down the funds in escrow, it will notify the Shipper and the Shipper must replenish such funds within three (3) Business Days after such notice.

- (d) Transporter's credit appraisal procedures involve the establishment of dollar credit limits on a standardized, nondiscriminatory basis. To the extent that a Shipper's accounts with Transporter do not exceed such limit, and Shipper has met all creditworthiness requirements as determined in periodic credit reviews by Transporter, which reviews may be conducted on at least an annual basis, no new credit appraisals shall be required when an existing Agreement is amended or a request for a new Agreement is made, provided that Shipper's payment history has been satisfactory and there is no bona fide basis for questioning Shipper's creditworthiness, subject to the provisions of Section 3.10 and 14.2 of these General Terms and Conditions.
- (e) In the event Transporter constructs new facilities to accommodate a Shipper, Transporter may require from the Shipper security in an amount up to the cost of such facilities. Security hereunder may be in any of the forms available under Section 14.1(b) of these General Terms and Conditions, at Shipper's choice. Transporter is only permitted to recover the cost of facilities once, either through rates or through this provision. As Transporter recovers the cost of these facilities through its rates, the security required shall be reduced accordingly. Where facilities are constructed to serve multiple Shippers, an individual Shipper's obligation hereunder shall be for no more than its proportionate share of the cost of the facilities. This provision is in addition to and shall not supersede or replace any other rights that Transporter may have regarding the construction and reimbursement of facilities.
- (f) Transporter shall not take any action under this Section 14 which conflicts with any order of the U.S. Bankruptcy Court.
- (g) Loaned Gas. For loan services under Rate Schedules PALS, the credit requirement shall include the amount to adequately account for the value of loaned gas. The value of loaned gas shall be calculated on Shipper's Quantity pursuant to Section 8.4(b) of the PALS Rate Schedule.

(h) Imbalances Due Transporter

1. Transporter has the right to seek security to cover the value of Shipper Imbalances owed Transporter by Shipper.
  - (i) For existing Shippers, such imbalances shall be valued at Shipper's largest monthly negative imbalance over the most recent twelve (12) Month period multiplied by the average of the highest MIP pursuant to Section 12.3(c) of the General Terms and Conditions of this Tariff for the most recent available twelve (12) Month period, on the Day the credit requirement is determined.
  - (ii) For new Shippers, such imbalances shall be valued at ten percent of Shipper's estimated monthly usage (as defined by Transporter) multiplied by the average of the highest MIP pursuant to Section 12.3(c) of the General Terms and Conditions of this Tariff for the most recent available twelve (12) Month period, on the Day the credit requirement is determined. This formula shall be used for the first twelve (12) Months of service while a historical record is established; thereafter, security for such Shipper will be determined as specified for an existing Shipper.

14.2 DETERIORATION OF CREDIT

- (a)
  - (1) If at any time Transporter reasonably determines based on adequate information available to it that a Shipper is not creditworthy under Section 14 of these General Terms and Conditions or if Shipper fails to maintain assurance of future performance under Section 14 of these General Terms and Conditions, Transporter may notify such Shipper in writing (which writing shall set forth the basis for Transporter's decision) that it has five (5) Business Days to provide Transporter with security consistent with Section 14 of these General Terms and Conditions. Such security shall be adequate to cover all charges for one month's advance service.
  - (2) In addition, within thirty (30) days after such notification, the shipper must fully comply with the means for adequate assurance of future performance, covering three (3) full Months of advance service from the end of such 30-day notice period, as provided under Section 14 of these General Terms and Conditions. If the Shipper has not satisfied the requirements in either of the prior two (2) sentences by the end of the specified notice period, Transporter

may immediately suspend service to Shipper. Transporter may terminate service once it has complied with the procedures set forth further in this Section below including the requisite prior notice.

- (3) If Transporter does not have sufficient information to determine whether a Shipper is creditworthy, it may request additional information in writing from the Shipper consistent with Section 14 of these General Terms and Conditions, and Shipper must provide such information within five (5) Business Days. If Shipper fails to provide the requested information or if Transporter determines that the Shipper is not creditworthy based on such information, Section 14.2(a)(1) of these General Terms and Conditions shall apply for suspension of service and Section 14.2(d) of these General Terms and Conditions shall apply for termination of service.
- (b) Any suspension of service hereunder may continue until Transporter is reasonably satisfied that Shipper is creditworthy under Section 14 of these General Terms and Conditions, until Shipper has provided adequate assurance of future performance under that Section 14 or until Transporter terminates service under Section 14.2(d) below.
- (c) At any time after a Shipper is determined to be non-creditworthy by Transporter, Shipper may initiate a creditworthiness re-evaluation by Transporter. Such reevaluation shall be performed consistent with this Section 14 of these General Terms and Conditions. As part of Shipper's re-evaluation request, Shipper must either update or confirm in writing the prior information provided to Transporter related to the Shipper's creditworthiness. Such update should include any event(s) that Shipper believes could lead to a material change in Shipper's creditworthiness. After Transporter's receipt of Shipper's request for re-evaluation, including all required information specified above, within five (5) Business Days, Transporter shall provide a written response to Shipper's request. Such written response should include either a determination of creditworthiness status, clearly stating the reason(s) for Transporter's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event should such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of Shipper's request unless specified in this Tariff or if the parties mutually agree to some later date. If Transporter determines that Shipper is now creditworthy, any security required under Section 14 of these General Terms and Conditions shall be terminated and any prepayment amounts (including any applicable interest) shall be released to Shipper from escrow within five (5) Business Days after such determination.



- (d) In addition to or in lieu of suspension, Transporter may terminate service if Shipper fails to provide adequate assurance of future performance consistent with this Section 14 of these General Terms and Conditions. Any such termination requires thirty (30) days' prior notice to Shipper and to the Commission. Such notice may be given simultaneously with the notice provided for in Section 14.1(b) above. To avoid termination, the Shipper must satisfy the requirements of Section 14.1(b) of these General Terms and Conditions within this notice period.
- (e) A Shipper may not release or recall firm Capacity under service which has been suspended.
- (f) In addition to any prior notice provided for above, Transporter shall simultaneously notify the Commission in writing of any suspension or termination of service under this Section 14.2.
- (g) Transporter may not take any action under this Section 14.2 which conflicts with any order of the U.S. Bankruptcy Court.

#### 14.3 CONSENT AGREEMENTS

If Transporter's financing arrangements so require, Shippers with Agreements under Firm Rate Schedules shall agree to execute "Consent Agreements" requested by Transporter's lenders at such lenders' request, in forms reasonably required to secure the lenders in the event of a default on the part of Transporter under such financing arrangements.

**16. CAPACITY RELEASE BY FIRM SHIPPERS****16.1 GENERAL**

- (a). Any Shipper wishing to become a Qualified Bidder and make a Qualified Bid must first enter into a Master Capacity Release Agreement with Transporter and satisfy the creditworthiness requirements in these General Terms and Conditions prior to submitting a Qualified Bid under this Section. The form of Master Capacity Release Agreement is contained in Transporter's Interactive Website. A Shipper cannot bid for services which exceed its pre-qualified level of credit-worthiness. Transporter will process applications from potential Qualified Bidders seeking prequalification for bids they may make in the future.
- (b). Subject to the terms, conditions and limitations set forth in this Section 16, 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 16, to receive a credit for reservation charge revenues received by Transporter from that other Shipper for such released Capacity.
- (c). The Capacity release timeline set forth in this Section 16 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).
- (d). Following is a summary of the Capacity release process and deadlines set forth in greater detail in the remainder of this Section 16 (all times are CCT):
  - (1) For biddable releases (one (1) year or less):
    - (i) The Capacity Release Request should be tendered by 9:00 a.m. on a Business Day;
    - (ii) The open season ends at 10:00 a.m. on the same or a subsequent Business Day (evaluation period begins at

- 10:00 a.m. during which any contingency is eliminated, determination of winning Qualified Bid(s) is made, and ties are broken);
- (iii) Evaluation period ends and reward posting if no match required at 11:00 a.m.;
  - (iv) Match, if required, or award is communicated by 11:00 a.m.;
  - (v) Match response by 11:30 a.m.;
  - (vi) Award posting where match required by 12:00 Noon;
  - (vii) Contract issued within one (1) hour of award posting, nomination possible for the next nomination cycle after the Capacity award which is consistent with Section 16.8(d) hereof (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) The Capacity Release Request should be tendered such that it can be posted by 9:00 a.m. on a Business Days;
  - (ii) The open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days;
  - (iii) Evaluation period begins at 10:00 a.m. on the final Day of the open season, during which any contingency is eliminated, determination of best bid is made, and ties are broken;
  - (iv) Evaluation period ends and award posting if no match required by 11:00 a.m.;
  - (v) Match, if required, or award is communicated by 11:00 a.m.;
  - (vi) Match response by 11:30 a.m.;
  - (vii) Award posting where match required by 12:00 Noon; and

- (viii) Contract issued within one (1) hour of award posting, nomination possible for the next nomination cycle which is consistent with Section 16.8(d) hereof (nomination is not contingent on a contract being issued or executed so long as the Replacement Shipper has preapproved credit).
- (3) For prearranged releases not requiring bidding (non-biddable releases) under this Section 16:

The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to Section 7.2. The posting deadlines are:

- 1) Timely Cycle            12:00 Noon
- 2) Evening Cycle        5:00 p.m.
- 3) Intraday 1 Cycle     9:00 a.m.
- 4) Intraday 2 Cycle     1:30 p.m.
- 5) Intraday 3 Cycle     6:00 p.m.

The contract is issued within one hour of the award posting (with a new contract number, when applicable). Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

- (4) (i) Transporter will not award Capacity release offers to a Shipper until and unless the Shipper meets Transporter's creditworthiness requirements applicable to all services that it receives from Transporter, including the service represented by the Capacity release.
- (ii) Transporter shall provide the original Releasing Shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Transporter to the Releasing Shipper's Replacement Shipper(s), of the following:
  - (A) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to Transporter's Tariff;
  - (B) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;

- (C) Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and
- (D) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to Transporter's Tariff.

## 16.2 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 Website (or in writing for posting on Transporter's Interactive Website if Transporter's Interactive Website 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) [or segment(s) thereof] being released, including identification by Transporter's Location Number of the Receipt Points, Delivery Points, Pooling Point defining the release path/segment 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 16.4 and 16.13). Reput method and rights are individually negotiated between the Releasing Shipper and Replacement Shipper and should be specified at the time of the deal;
- (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 17 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 16.6);
- (h) Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the quantity 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 16.9 the Shipper wishes to use, if any;
- (j) Which one of the following methods is acceptable for bidding on the given Capacity release offer:
  - (1) Non-index-based release – dollars and cents,
  - (2) Non-index-based release – percentage of maximum rate, or
  - (3) Index-based formula as detailed in the Capacity release offer.

The bids for the given Capacity release offer should adhere to the method specified by the Releasing Shipper.

- (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 16.4), 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 16.9 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 an electronic bid for such bid evaluation procedure pursuant to Section 16.4(a).

### 16.3 PREARRANGED RELEASE

Subject to Section 16.5, a Shipper seeking to release its Eligible Firm Transportation Agreement Capacity rights to a Prearranged Shipper shall deliver a Capacity Release Request via Transporter's Interactive Website 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 telefax 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 16 by Transporter and to execute a Released Firm Transportation Agreement, which consists of Transporter's standard form of FTS or FTB 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) [or segment(s) thereof] being released, including identification by Transporter's Location Number (or Common Code) of the Receipt Points, Delivery Points, Pooling Point defining the released path/segment 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 16.4 and 16.13). Reput method and rights are individually negotiated between the Releasing Shipper and Replacement Shipper and should be specified at the time of the deal; 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 quantities, and if so, what is the maximum quantity 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 17 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 16.6) and the length of time [consistent with Section 16.8(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 quantity 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 16.9 the Shipper wishes to use, if any;
- (i) Which one of the following methods is acceptable for bidding on the given Capacity release offer:
  - (1) Non-index-based release – dollars and cents,
  - (2) Non-index-based release – percentage of maximum rate, or
  - (3) 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;

- (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 GTC Section 1 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 GTC Section 1 hereof; and
- (m) Any other applicable conditions (which must conform with Section 16.4), 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 16.9 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 an electronic bid for such bid evaluation procedure pursuant to Section 16.4(a).

#### 16.4 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 solely 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 16 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 16.9(b) through 16.9(d) must be objective, nondiscriminatory in all circumstances and contain a complete description of the bid evaluation procedure for posting on the Informational Postings portion of Transporter's Interactive Website. Transporter may require the Releasing Shipper to submit a working computer program to Transporter electronically which is compatible with Transporter's Interactive Website computer which will enable Transporter to make such alternative bid evaluation entirely through Transporter's Interactive Website. The Releasing Shipper shall warrant that the electronic bid 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: 1) highest rate, 2) net revenue and 3) 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 16 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 the minimum quantity required for the Eligible Firm Transportation Agreement under Transporter's Tariff.

- (d)
    - (1) Segmented releases are subject to Section 7.13 of these General Terms and Conditions.
    - (2)
      - (i) 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. If the Original Shipper is paying a Negotiated Rate or a rate under a Negotiated Rate Formula pursuant to Section 35 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the applicable Recourse Rate or is less than the applicable minimum rate, except as provided in Section 16.7(c) of these General Terms and Conditions.
      - (ii) 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.
  - (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 16.13 of these General Terms and Conditions. Reput method and rights are individually negotiated between the Releasing Shipper and Replacement Shipper and should be specified at the time of the deal.
  - (f)
    - (1) The Releasing Shipper may withdraw its posted Capacity Release Request during an open season under this Section 16 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 notice of withdrawal is received by Transporter on its Interactive Website.
    - (3) Notice of a withdrawal of a Capacity Release Request must be delivered to Transporter's Interactive Website 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 on the same terms and basis as the primary release under the provisions of this

Section 16 (except as prohibited by the Federal Energy Regulatory Commission Regulations).

- (h) Any Capacity Release Request not in compliance with this Section 16.4 and the other provisions of Transporter's Tariff shall be null and void and, even if posted, may be removed from Transporter's Interactive Website by Transporter at any time.

#### 16.5 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 GTC Section 1 hereof or (d) a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program, as defined in GTC Section 1 hereof. A Capacity Release Request which is not subject to an open season need only contain the information required in Sections 16.3(a) and (b). Such Capacity Release Request must be delivered via Transporter's Interactive Website (or in writing for posting on Transporter's Interactive Website if Transporter's Interactive Website is unavailable for receiving Capacity Release Requests) sufficiently in advance so that the release may become effective under Section 16.8 before the release transaction is to commence. A Releasing Shipper may not rollover, extend or in any way continue a Short-term Prearranged Release exempt from bidding under subsection (b) hereof 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 16.2 and 16.3, or the re-release qualifies for any of the other exemptions from bidding, referenced in subsections (a), (c) or (d) hereof.

#### 16.6 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 Website prior to the starting time of the open season requested by the Releasing Shipper in its Capacity Release Request in conformance with this Section 16 shall be posted on the Informational Postings portion of Transporter's Interactive Website as requested. The posting shall contain the information contained in the Capacity Release Request, except that 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 16.

- (b) An open season shall consist of (all times are CCT): (1) a one (1) hour period on a Business Day between 9:00 a.m. and 10:00 a.m. or (2) any number (no fractions) of Business Days running from 9:00 a.m. to 10:00 a.m. on a subsequent Business Day, as requested by the Releasing Shipper in its Capacity Release Request; provided, however, that any Capacity release for a period of more than one (1) year must have an open season of at least three (3) consecutive Business Days, each running from 9:00 a.m. on a Business Day to 10:00 a.m. two (2) consecutive 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.

#### 16.7 QUALIFIED BIDS FOR RELEASED CAPACITY RIGHTS

- (a) At any time during an open season, a Qualified Bidder may submit a Qualified Bid via Transporter's Interactive Website (or in writing for posting on Transporter's Interactive Website if Transporter's Interactive Website 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 16.14, 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 Quantity and a Maximum Bid Quantity (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 16. 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 16 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. Bids shall be binding until notice of withdrawal is received by Transporter on its Interactive Website.
- (b) The quantity in a Qualified Bid may not be less than the minimum quantity required for an Eligible Firm Transportation Agreement under Transporter's Tariff. Neither the quantity nor the release term specified in a Qualified Bid may exceed the maximum quantity 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 16.3 (involving a Prearranged Release) except for the level of the reservation charge and the MDQ, unless the Capacity Release Request specifically allows otherwise.
- (c) Except as provided herein, for releases for a term of more than one (1) year, a Qualified Bidder may not bid rates which would exceed Transporter's maximum reservation charge applicable to the Eligible Firm Transportation Agreement Capacity. If the Original Shipper is paying a Negotiated Rate or a rate under a Negotiated Rate Formula pursuant to Section 35 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the higher of: (i) the rate under the Negotiated Rate or Negotiated Rate Formula in the Original Shipper's contract; or (ii) the applicable Recourse Rate. The maximum Qualified Bid reservation charge includes all demand surcharges, including all direct-billed charges which are or may become applicable to the Eligible Firm Transportation Agreement Capacity.
- (d) All Qualified Bids shall provide for payment of maximum commodity charges under Transporter's Tariff for the Capacity bid, as well as all other applicable add-on charges and surcharges under Transporter's Tariff, such as, but not limited to, ACA and Fuel Reimbursement pursuant to Section 38 of the General Terms and Conditions of this Tariff.

- (e) A Qualified Bid received by Transporter during an open season shall be posted on Transporter's Interactive Website, without the name of the Qualified Bidder. A Qualified Bid may be withdrawn by the Qualified Bidder prior to the close of the open season, but may not be withdrawn thereafter. Following such withdrawal, the Qualified Bidder cannot bid for the same Capacity during the open season at a lower rate.
- (f) All Qualified Bids must be consistent with all provisions of Transporter's Tariff. Any Qualified Bid inconsistent with Transporter's Tariff or the applicable Capacity Release Request shall be null and void.

#### 16.8 AWARDING OF RELEASED CAPACITY; EFFECTIVE DATE; GAS NOMINATIONS

- (a) For a Prearranged Release for which no open season is required under Section 16.5 and which is received at least one (1) hour prior to a nomination deadline on a Gas 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 16 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 required 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 16.1.
- (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 16.

- (d) A Capacity release shall become effective upon the awarding of Capacity consistent with this Section 16. 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 a Gas Day under the Agreement being released, and if the Replacement Agreement covering the released Capacity is effective that 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 7 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 16, 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 16, 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.

#### 16.9 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 16.9(b) through 16.9(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 for each Qualified Bid and Prearranged Release (if any), and shall calculate the Winning Bid Value, as follows:
  - (1) For each month, the quantity 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.
- (c) Capacity shall be awarded among the Qualified Bids, best bid first (highest Bid Value or other evaluation criteria as specified by the Shipper in the Capacity Release Offer), until all offered Capacity is awarded. The best Qualified Bid will be awarded its Maximum Bid quantity and any subsequent bids will be awarded up to their Maximum Bid Quantity but no less than their Minimum Bid Quantity.
- (d) In the event ties exist among Qualified Bids, the Qualified Bid submitted and received earliest by Transporter's Interactive Web Site (or if Transporter's Interactive Web Site is not available and the Qualified Bid is submitted in writing, the time Transporter received the Qualified Bid) shall be the winning bid.
- (e) The following are examples of how (c) and (d) are applied.

Example (1) - Awarding by Best Bid



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

Qualified Bids:

	<u>Maximum Quantity</u>	<u>Bid Term</u>	<u>Bid Price</u>	<u>Minimum Bid Quantity</u>
Bid (a)	40,000/day	5 years	\$.11	0
Bid (b)	40,000/day	5 years	\$.10	0
Bid (c)	40,000/day	5 years	\$.09	0

Winning Qualified Bids: Bid (a) has the highest Bid Value and would be awarded 40,000; Bid (b) has the next highest bid value and would be awarded 40,000; Bid (c) would be awarded the remainder of the Capacity (20,000).

Example (2) - Awarding with Minimum Bid Quantity

The assumptions remain the same as in Example 1, except that we assume that Bid (c) has a Minimum Bid Quantity of 40,000. The combination of awards that provide the highest Bid Value is as follows:

Winning Qualified Bids: Bid (c) would be awarded their Maximum Bid Quantity of 40,000; Bid (a) would be awarded 40,000; and Bid (b) would be awarded 20,000.Capacity

Example (3) - Awarding using the tie-breaker

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

Qualified Bids:

	<u>Maximum Quantity</u>	<u>Bid Term</u>	<u>Bid Price</u>	<u>Minimum Bid Quantity</u>	<u>Time Bid Received</u>
Bid (a)	60,000/day	5 years	\$.11	0	13:57:40
Bid (b)	50,000/day	5 years	\$.10	50,000	13:55:05
Bid (c)	35,000/day	5 years	\$.10	0	13:56:40
Bid (d)	35,000/day	5 years	\$.10	0	13:56:30

Winning Qualified Bid (a) receives 60,000 since it has the highest Bid Value; Bid (b) receives 0 because of its Minimum Bid Quantities; Bid (c) receives 5,000 because the bid was submitted after Bid (d); Bid (d) receives 35,000

- (f) In no event shall this Section 16.9 result in winning Qualified Bids with a total quantity in excess of the Capacity specified in the Capacity Release Request.
- (g) The bid evaluation procedure set forth in this Section 16.9 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.
- (h) If the Releasing Shipper selected a bid evaluation procedure which is different from the procedure set forth in this Section 16.9, which procedure must comply with Section 16.4, Transporter shall determine the winning Qualified Bid(s) pursuant to the Releasing Shipper's bid evaluation procedure in its Capacity Release Request and electronic bid (if any) submitted by the Releasing Shipper pursuant to Section 16.4(a).

#### 16.10 CONFIRMATIONS; RELEASED FIRM TRANSPORTATION AGREEMENT

At the time the award of Capacity under this Section 16 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.

#### 16.11 COMPLETED TRANSACTIONS

After Capacity has been awarded pursuant to Section 16.1(d), Transporter shall post on its Interactive Website 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 the Interactive Website. In the event of an error, the Capacity shall be re-awarded 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.

#### 16.12 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 quantities 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 17 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 and Fuel Reimbursement pursuant to Section 38 of the General Terms and Conditions of this Tariff, 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. Except as may be otherwise provided pursuant to Section 35 of these General Terms and Conditions, 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) REFUNDS DUE UNDER RELEASES GREATER THAN ONE (1) YEAR

If Transporter is obligated to refund any amounts attributable to reservation charges for Capacity which has been released, Transporter shall make the applicable refund to the Replacement Shipper to the extent that Transporter has actually received reservation charge amounts from the Replacement Shipper in excess of the amounts assessable under the revised maximum reservation charge rates (which amounts are credited to the account of the Releasing Shipper under Section 16.12(d) above). Except as may be otherwise provided pursuant to Section 35 of these General Terms and Conditions, Transporter shall make a corresponding adjustment to the Capacity release credit provided to the Releasing Shipper, and may reflect the reduced Capacity release credit in a lower refund or adjusted billings to the Releasing Shipper, with any other applicable reservation charge refunds going to the Releasing Shipper. Except as may be otherwise provided pursuant to Section 35 of these General Terms and Conditions, commodity rate refunds shall go to the party which paid the commodity charge.

- (f) REFUNDS DUE UNDER RELEASES ONE (1) YEAR OR LESS

If Transporter is obligated to refund any amounts attributable to reservation charges for Capacity which has been released above the maximum rate for one year or less, Transporter shall make the applicable refund to the Releasing Shipper notwithstanding the amount that Transporter has actually received from the Replacement Shipper (which amounts are credited to the account of the Releasing Shipper under Section 16.12(d) above). Transporter shall reflect the same credit from the Replacement Shipper but shall adjust its billing to the Releasing Shipper to reflect the revised maximum reservation rates. Except as may otherwise be provided pursuant to Section 35.4 of these General Terms and Conditions, commodity rate refunds shall go to the party which paid the commodity charge.

**16.13 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 7 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 (all times are CCT)**

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):

**(1) TIMELY RECALL NOTIFICATION**

- (i) 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;
- (ii) 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;

**(2) EARLY EVENING RECALL NOTIFICATION**

- (i) 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;

- (ii) 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;

(3) EVENING RECALL NOTIFICATION

- (i) 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;
- (ii) 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;

(4) INTRADAY 1 RECALL NOTIFICATION

- (i) 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 Intraday 1 Nominations are due;
- (ii) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the Day that Intraday 1 Nominations are due; and

(5) INTRADAY 2 RECALL NOTIFICATION

- (i) A Releasing Shipper recalling Capacity must provide notice of such recall to Transporter and to the first Replacement Shipper no later than 12:00 Noon on the day that Intraday 2 Nominations are due;
- (ii) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due; and

(6) INTRADAY 3 RECALL NOTIFICATION

- i. A Releasing Shipper recalling Capacity must provide notice of such recall to Transporter and to the first Replacement Shipper no later than 4:00 p.m. on the Day that Intraday 3 Nominations are due;

- ii. Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the Day that Intraday 3 Nominations are due;

(7) OTHER

For recall notifications provided to Transporter prior to the recall notification deadline specified in (1)-(6) of this Section 16.13(b) 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 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 should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification.

(c) METHODS OF NOTIFICATION

- (1) The Replacement Shipper is to provide Transporter with no more than two Internet E-mail addresses to be used for recall notification under Section 16.13(b) of these General Terms and Conditions. The obligation of Transporter to provide notification is waived until at least one of the addresses has been provided. When Transporter sends Internet E-mail notification for recalling of Capacity to each affected Replacement Shipper, the subject line of the E-mail should include the following information separated by commas in the following order: (1) "Recall", (2) the recall 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 is to 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 is to be included in the subject line and the effective time of the recall is to be in the body of the E-mail. If Transporter allows Capacity recall notification mechanisms in addition to Internet E-mail, the notification is to include at least the same level of information. Affected Replacement Shippers are to manage internal distribution of notifications of recall received from Transporter.
- (2) 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 is to be mutually agreed upon between the Releasing and the Replacement Shipper.

- (3) 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 Intraday 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). Variations to the use of EPC may be necessary to reflect the nature of Transporter's tariff, services, and/or operational characteristics. In any recall notification provided to Transporter, the quantity should 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 Intraday recall based upon a cumulative uniform hourly use of the Capacity. The amount of the Capacity allocated to the Replacement Shippers(s) should 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) REPUTS

When Capacity is recalled, it may not be reput for the same Gas Day.

(f) 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. 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.



**16.14 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 14 of these General Terms and Conditions prior to submitting a Qualified Bid under this Section 16. 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 14 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 14 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.

**16.15 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.

**16.16 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 reput to the Replacement or Subreplacement Shipper, in accordance with this Section 16.

- (b) A release by a Replacement Shipper shall not relieve the Original Shipper or the Replacement Shipper of their obligations under this Section 16.

#### 16.17 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.

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

Transporter may elect to terminate a Replacement Shipper's Agreement with Transporter upon prior written notice of at least thirty (30) days to the Replacement Shipper, 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 Sections 3.10, and/or 14 of these General Terms and Conditions and Transporter has suspended or terminated service to the Releasing Shipper or has provided notice under Section 3.10 or Section 14.2 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 (except as provided later in this paragraph) 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 the lower of: (i) the applicable maximum rate; or (ii) the same rate as is the original Agreement between Transporter and the Releasing Shipper. Alternatively, Transporter and the Replacement Shipper may agree upon other pricing terms that are equal to or lower than the rate options in the prior sentence, in which case the release shall continue.

**18. PRE-GRANTED ABANDONMENT, CONTRACT ROLLOVERS AND  
RIGHT OF FIRST REFUSAL****18.1 GENERAL**

Subject to Section 18.3, service performed by Transporter under Part 284 of the Commission's Regulations shall expire, and shall be automatically abandoned, upon contract termination unless service is continued pursuant to Sections 18.2 or 18.3. Unless Transporter and Shipper expressly agree otherwise in the Agreement(s), a Shipper who has entered into a limited-term firm service Agreement(s) pursuant to Section 3.1(k) of these General Terms and Conditions may not elect to extend such limited-term agreement, except to the extent permitted under that provision.

**18.2 RIGHT OF FIRST REFUSAL**

- (a) Any Shipper under an FTS or FTB Agreement (1) executed after March 27, 2000, with a term of twelve (12) consecutive Months or more at the applicable maximum rate or (2) with a primary term of one (1) year or greater which was in effect on March 27, 2000 shall have the right to continue receiving service after the expiration of its existing Agreement if, pursuant to the Right of First Refusal procedures set forth in this Section 18.2, it matches the price and term offered for such service by any other bidder; provided, however, that (irrespective of the price offered by the existing Shipper or any bidder) Transporter shall not be required to provide service at a discount from its applicable maximum rate unless it otherwise agrees; and, provided further that if a bid is submitted for a Negotiated Rate or Negotiated Rate Formula under Section 35 of these General Terms and Conditions, the existing Shipper need match only the value of that bid utilizing the Recourse Rate in lieu of the Negotiated Rate or Negotiated Rate Formula consistent with said Section 35.
- (b) To exercise the Right of First Refusal, Shipper must provide Transporter with notice of its intent to do so in a form specified by Transporter and must submit such notice at least six (6) Months prior to the expiration of the existing Agreement. Such notice must specify a desired term of service and the desired MDQ in total and at each Receipt and Delivery Point. If the requested MDQ is greater than the existing MDQ in total and at each Receipt and Delivery Point, any such increase shall be treated as a request for new service under the applicable Rate Schedule and only the original MDQ shall be subject to the Right of First Refusal under this Section. The Right of First Refusal may apply to a portion of the original Shipper's then effective service. Any notice specifying a decrease in MDQ in total or at any point shall not affect the existing Agreement during its remaining term. In the event that the existing Shipper submits a notice hereunder which sets out its willingness to pay the applicable maximum rate for service which is

subject to the Right of First Refusal for the maximum term which may be considered in determining the best bid under Section 18.2(d), then the existing Shipper shall be entitled to continuation of service, consistent with such notice, subject only to Sections 18.2(g) and 18.4 hereof, and the posting matching and other procedures of Sections 18.2(c)-18.2(f) shall not apply.

- (c) The Recourse Rate which applies under this Section to any exercise of the Right of First Refusal shall be the Recourse Rate applicable to the contract.
- (d) Within fifteen (15) Business days after receipt of a notice under Section 18.2(b), Transporter shall post on the Informational Postings portion of its Interactive Website an Announcement of Capacity Availability Subject to Right of First Refusal (Capacity Announcement) which shall: (1) specify the original Shipper's service rights; (2) indicate the availability of such service as of the date the existing Agreement expires, subject to the Right of First Refusal; (3) state the maximum rate applicable to such service; (4) set out any other information required by this Section; and (5) solicit bids for such service. Such Capacity Announcement shall be maintained, and bids accepted via the Interactive Website, for a period of at least three (3) Business Days, but no more than one (1) Month from the initial posting.
- (e)
  - (1) Within one (1) week after the end of the period during which the Capacity Announcement is posted, Transporter shall convey to the original Shipper a term sheet for the best bid (based on price and term) which would qualify for such service in all respects (including meeting applicable credit criteria), which is a bona fide bid and which Transporter is willing to accept. Transporter may, but is not required to, accept any bid which reflects a discount from the applicable maximum rate. In assessing which is the best bid if more than one bid is received, Transporter shall apply the same criteria as are utilized to evaluate bids under the Capacity Release Program (except that contract terms in excess of ten (10) years shall not increase the value of any bid). If a bid is received for a Negotiated Rate or Negotiated Rate Formula pursuant to Section 35 of these General Terms and Conditions, the value of the bid shall be assessed utilizing the Recourse Rate in lieu of the Negotiated Rate or Negotiated Rate Formula consistent with said Section 35.
  - (2) Transporter's term sheet shall contain any and all terms of the bid but shall not identify the bidder; provided, however, such bid sheet shall indicate if the best bid was submitted by an affiliate of Transporter. Except for the providing of such term sheet to the original Shipper, all terms and conditions of any bid and the

identity of the bidder shall remain confidential; provided that the Commission may on request have access to such information on a confidential basis.

- (3) The original Shipper shall have two (2) weeks to notify Transporter whether or not it desires to match the best bid. To match the best bid, the original Shipper must agree to a price (up to the applicable maximum rate or Recourse Rate) and a term (up to ten (10) years) which at least equals the bid on all or any portion of the service the original Shipper desires to retain; provided, however, that if the original Shipper seeks to retain only a portion of its MDQ, the analysis of whether the original Shipper has matched the best bid may take into account the MDQ requested under the best bid relative to the MDQ the original Shipper seeks to retain. The original Shipper may provide a counteroffer which contains either a higher price than the best bid or a longer term than the best bid to offset a shorter term or a lower price than that offered in the best bid. Transporter shall determine whether such a counteroffer constitutes a match, utilizing the same criteria as were applied to determine the best bid.
- (f)
  - (1) If the original Shipper matches the best bid, it shall be entitled to continuation of service and shall be obligated to sign an Agreement tendered by Transporter which reflects the best bid or any counteroffer by the original Shipper which matches such best bid.
  - (2) If the existing Shipper fails to match the best bid, the existing Agreement shall terminate at the end of its term and service to the existing Shipper shall be automatically abandoned.
  - (3) Submission of a bid shall be binding on the bidder. The bidder submitting the best bid shall be obligated to sign an Agreement reflecting its bid if the original Shipper fails to match. Nothing herein shall preclude negotiation of a more acceptable Agreement by mutual consent of Transporter and such bidder; provided, however, that service may not be agreed upon under terms and conditions less favorable to Transporter than the best bid without providing the original Shipper an additional opportunity to match such revised terms and conditions.
- (g) In the absence of a qualified bid, Transporter shall notify Shipper of the rate (within applicable maximums and minimums) and the term shall be negotiated between Transporter and the Shipper. No discount or other special terms shall apply to a rollover Agreement unless Transporter and Shipper mutually agree. If no agreement is reached prior to the end of the two (2) week period following Transporter's notice to Shipper, Shipper may, at that time, require that

Transporter enter into an Agreement to provide service at the applicable maximum rate for a term specified by Shipper and running from the date the existing Agreement expires. Unless Shipper so elects at the end of the two (2) week period following Transporter's notice to Shipper, Transporter may negotiate with any Shipper, with the original Shipper having no further rights under this Section 18 and service under the existing Agreement shall be terminated and automatically abandoned at the expiration thereof.

- (h) If the Shipper is eligible to receive continued service under this Section 18.2, Transporter shall tender a rollover Agreement which conforms to the requirements of this Tariff prior to the expiration of the existing Agreement. Shipper and Transporter shall execute such rollover Agreement, or any modified Agreement upon which Transporter and Shipper may mutually agree which is not inconsistent with this Tariff, within two (2) weeks. If Shipper fails to execute the rollover Agreement on a timely basis, Shipper shall (in addition to all other remedies available to Transporter for Shipper's failure to fulfill its obligation to execute such Agreement) forfeit any right to continuation of service after the expiration of the existing Agreement.

### 18.3 CONTRACTUAL ROLLOVERS

The term of service under any firm or interruptible transportation Agreement may be extended pursuant to a rollover or evergreen provision in such Agreement, which provision supersedes any otherwise applicable rollover or Right of First Refusal pursuant to this Section. In addition, the parties may subsequently negotiate rollover or evergreen provisions which differ from this Section. Transporter is not obligated to offer or agree to any such rollover or evergreen provisions; provided, however, that to the extent it offers or agrees to any such provision, it must do so on a non-discriminatory basis for similarly situated Shippers.

Any Agreement entered into pursuant to this Section 18 shall be evaluated on a stand-alone basis hereunder for purposes of determining whether it, in turn, is eligible for the Right of First Refusal under this Section.

### 18.4 VALID REQUEST CRITERIA

Unless waived by Transporter, the requirements for a valid request under the applicable Rate Schedule (including the applicable credit analysis) apply to any rollover Agreement.

**20. PRESSURE AND DELIVERY CONDITIONS**

20.1 RECEIPT POINT PRESSURE

Shipper shall deliver gas to Transporter at the pressure prevailing in Transporter's System at the Receipt Point, as such pressure may vary from time to time.

20.2 DELIVERY POINT PRESSURE

Transporter shall deliver natural gas to Shipper at the Delivery Point at the pressure available in Transporter's pipeline at such point.

**22. FORCE MAJEURE****22.1 EFFECT OF FORCE MAJEURE**

In the event of either Transporter or Shipper being rendered unable by Force Majeure (on its part or that of a necessary third party) to carry out, wholly or in part, its obligations under the provisions of an Agreement, it is agreed that the obligations of the party affected by such Force Majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

**22.2 DEFINITION OF FORCE MAJEURE**

- (a) The term "Force Majeure" as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts or other industrial disturbances, inability to obtain pipe or other material or equipment or labor, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraint of rulers and people, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction that are not within Transporter's control or expected to result from regulatory requirements, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome.
- (b) Nothing contained herein, however, shall be construed to require either party to settle a strike against its will. Such causes or contingencies affecting the performance by either party, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use reasonable diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies relieve either party of liability otherwise unless such party shall give notice and full particulars of the same in writing or by electronic means to the other party as soon as possible after the occurrence relied on.



**23. POSSESSION OF GAS, TITLE AND RESPONSIBILITY**

Shipper warrants that it will at the time of delivery to Transporter have good title to all gas so delivered free and clear of all liens, encumbrances and claims whatsoever. As between Shipper and Transporter, Shipper shall be deemed to be in control and possession of the gas and responsible for and hold Transporter harmless of and from any damage or injury caused thereby until it shall have been delivered to Transporter at the Receipt Point(s), after which Transporter shall be deemed to be in control and possession of such gas until its delivery to Shipper, or for Shipper's account at the Delivery Point(s) and while in such possession Transporter shall be responsible therefor and hold Shipper harmless of and from any damage or injury caused thereby. Transporter shall have no responsibility with respect to any gas on account of anything which may be done, happen or arise with respect to said gas until it is received by Transporter. Shipper shall have no responsibility with respect to said gas after its receipt by Transporter or on/account of anything which may be done, happen or arise with respect to said gas after such receipt until its delivery to Shipper, or for Shipper's account, at the Delivery Point(s). The point of the division of responsibility shall be the point of interconnection between the facilities of Transporter and Shipper, or their respective agents, at the Receipt or Delivery Point(s), as applicable. The foregoing provisions of this Section shall not relieve either party from responsibility for acts of gross negligence or willful misconduct of such party, its agents or employees.

**25. FACILITIES/OBLIGATION TO CARRY OUT AGREEMENT/FILINGS****25.1 FACILITIES**

Transporter shall not be obligated to construct, modify, expand or acquire any facilities, and shall not be obligated to grant any Request for Service 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. However, when Transporter determines that new and/or expanded facilities are required to accommodate receipt and/or delivery of Gas and provide service under a request for new service, and that installation of such facilities will not impair service to any Existing Shipper under a Firm Agreement or threaten the integrity of Transporter's System, Transporter may construct such facilities subject to Sections 2, 6 and 25 of the General Terms and Conditions, including additional facility charges, scheduling priorities and applicable rate schedules.

The nature of, and responsibility for, any facilities which must be acquired, modified or constructed to effectuate an Agreement are to be set out in a separate agreement between Transporter and Shipper, Point Operator or owner of facilities. To the extent that Shipper builds or acquires facilities to interconnect with Transporter's System, such facilities shall comply in all respects, and be constructed, maintained, tested and operated in conformance with the Tariff, United States Department of Transportation regulations, and any other applicable governmental regulations, and shall be subject to inspection and prior approval by Transporter.

**25.2 OBLIGATIONS TO CARRY OUT AGREEMENT**

Other provisions of an Agreement notwithstanding, Transporter shall be under no obligation to commence service thereunder unless and until: (a) all facilities, of whatever nature, as are required to permit (as applicable) the receipt, measurement, transportation and delivery of natural gas under the Agreement have been installed and are in operating condition; (b) any payments due Transporter thereunder have been received; and (c) Transporter has, in its reasonable discretion, determined that such service is authorized under all applicable Regulations.

**25.3 REGULATORY FILINGS**

After the execution of an Agreement, each party shall make and diligently prosecute, any and all necessary filings with Federal or other governmental bodies, or both, as may be required for the initiation and continuation of the service which is the subject of an Agreement. Upon either party's request, the other party shall timely provide or cause to be provided to the requesting party such information and

material not within the requesting party's control and/or possession that may be required for such filings. Each party shall promptly inform the other party of any changes in the representations made by such party herein and/or in the information provided pursuant to this Section. Each party shall promptly provide the other party with a copy of all filings, notice, approvals, and authorizations in the course of the prosecution of its filings.

**27. SUCCESSORS AND ASSIGNS**

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Shipper or Transporter shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Agreement; provided, however, that Transporter reserves the right to evaluate and approve the creditworthiness of the new entity in accordance with the Evaluation of Credit Section of these General Terms and Conditions. No other assignment of an Agreement or any of the rights or obligations thereunder shall be made by Shipper unless there first shall have been obtained the written consent thereto of Transporter. Shipper or Transporter may pledge or assign their respective right, title and interest in and to and under the Agreement to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of such trustee or trustees becoming in any respect obligated to perform the obligations of the assignor under the Agreement and, if any such trustee be a corporation, without its being required to qualify to do business in any State in which performance of the Agreement may occur.

**29. WAIVER AND INDEMNIFICATION**

- (a) In the absence of negligence, recklessness or willful misconduct on the part of Transporter, its officers, employees or agents, each Shipper waives any and all claims and demands against Transporter, its officers, employees or agents, arising out of or in any way connected with: (1) the quality, use or condition of the gas after delivery from the System for the account of such Shipper; (2) any losses or shrinkage of gas during and resulting from transportation hereunder; and (3) all other claims and demands arising out of the performance of the duties of Transporter, its officers, employees or agents hereunder; provided, however, that nothing herein shall limit Transporter's liability, if any, for direct costs, losses or damages resulting from its own negligence, recklessness or willful misconduct.
- (b) Except in the case of negligence, recklessness or willful misconduct on the part of Transporter, its officers, employees or agents, each Shipper shall indemnify and save harmless Transporter, its officers, employees or agents from any claim, demand or expense for loss, damage or injury to property or to persons who are not Shippers of gas in the System which arises out of or is connected with the performance of the duties of Transporter, its officers, employees or agents hereunder in transporting gas for any Shipper.
- (c) Except as specifically provided herein, any remedies or damages arising from a breach of an Agreement by either Transporter or Shipper shall be limited to actual direct and foreseeable costs, losses, or damages caused by or resulting from the breach and incurred by the party claiming damages. No party shall be liable to any other party for any loss of profit or anticipated profit, business interruption, loss of revenue, loss of use, loss of contract, loss of good will, increased cost of working or loss of business opportunity, nor for any indirect loss, consequential loss, punitive, or exemplary damages suffered by a party or any other person, all or any part of which arise out of or relate to the Agreement or the performance or breach of the Agreement, or to any act or omission related to the Agreement, whether in contract, warranty, tort (including negligence), strict liability, or any other theory in contract, law, or equity, except those that result from a party's gross negligence or willful misconduct. For the purposes of this Section, "direct costs, losses, or damages" shall not include any cost, expense, loss, award or damage suffered or incurred by a party in respect of any actions, proceedings, claims, or demands made against that party by any of its customers or any other person.

**31. OPERATING CONDITIONS PURSUANT TO ORDER NOS. 497 AND 566****31.1 PERSONNEL AND FACILITIES**

Information on any operating facilities or operating personnel that Transporter shares with any of its marketing affiliates will be available on its Internet Website. Such information will be updated within three (3) business days of any change.

Transporter shall disclose to non-affiliated Shippers non-public operating data available to marketing affiliates related to Transporter.

**31.2 VALID REQUEST INFORMATION**

The specific information and format for a valid request for transportation service are contained in Section 3 of Rate Schedules FTS, ITS, PALS, and WS and Section 4 of Rate Schedule FTB of Transporter's FERC Gas Tariff.

**31.3 COMPLAINT PROCEDURE**

It is the goal of Transporter, as a provider of transportation services for others, that each of its existing and potential shippers receive service that is in accordance with Transporter's Tariff and is fully satisfactory to the customer. To that end, it is the policy of Transporter that customer concerns and problems, communicated in any form to any representative of Transporter, be satisfactorily resolved as informally, as rapidly and at as low a level as is possible. If attempts to resolve problems and concerns through such normal communication channels are unsuccessful, the procedures set forth in Sections 31.3(a) through 31.3(e) should be followed.

- (a) Formal complaints by Shippers and potential shippers shall be addressed to the Vice President, Business Management, located in Lakewood, CO. A complaint should contain as much specific information as is possible in order to facilitate the appropriate resolution of the matter. Anyone making a verbal complaint should specifically identify the communication as a complaint.
- (b) The Vice President, or his designee, shall acknowledge the receipt of the complaint within forty-eight (48) hours of receipt. If appropriate, Transporter's resolution of the matter will be communicated tentatively to the complainant at that time.
- (c) The Vice President, or his designee, shall communicate, as necessary, with others concerning the complaint and the formation of an appropriate response to it.
- (d) The timing and nature of subsequent communications with the complainant, including final resolution of the matter, shall be at the discretion of the Vice

President. Every effort shall be made to resolve finally each complaint in writing within thirty (30) days after the complaint was originally received. At a minimum, Transporter shall notify Shipper in writing of the status of the complaint within thirty (30) days of its receipt.

- (e) The foregoing recognizes that individual complaints may vary greatly as to complexity and seriousness. For this reason, the informed judgment of the Vice President shall be relied upon in each instance for the necessary determinations concerning such things as: (1) the exact steps to be taken in addressing the complaint; (2) the need to involve more senior officers in the matter; and (3) the appropriate final resolution of the complaint.

**33. WAIVERS**

**33.1 PENALTY WAIVER**

Transporter may, in exercise of its reasonable discretion, and on a nondiscriminatory basis, waive all or a part of any penalty which might otherwise apply. Transporter shall maintain a record of all waivers granted. Such record shall include the identity of Shipper and the basis for Transporter granting the waiver and shall be available for public inspection at Transporter's office during normal business hours.

**33.2 DISCRETIONARY WAIVER**

Transporter may waive any of its rights under this Tariff or any obligations of Shippers under this Tariff for good cause as to any specific default that has already occurred, or case-by-case in advance as to any specific, temporary operational problem, on a basis which is not unduly discriminatory.

**33.3 NON-WAIVER**

Notwithstanding the foregoing, no waiver by either Shipper or Transporter of any one or more defaults by the other in performance of any of the provisions of the Agreement shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or of a different character.



**34. COMPLIANCE WITH 18 C.F.R., SECTION 284.12**

34.1 Transporter has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ 3.1, 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.

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

<b>NAESB Standard</b>	<b>Section No.</b>	<b>Section Name</b>
0.3.3	14.1(a)(9)	Evaluation of Credit
0.3.4	14.1(a)(9)	Evaluation of Credit
0.3.5	14.1(a)(9)	Evaluation of Credit
0.3.6	14.1(a)(9)	Evaluation of Credit
0.3.7	14.1(a)(9)	Evaluation of Credit
0.3.8	14.2(c)	Evaluation of Credit
0.3.9	14.2(c)	Evaluation of Credit
0.3.10	14.1(a)(9)	Evaluation of Credit
1.2.4	7.6(a)	Nomination/Reporting and Balancing
1.2.12	7.5(c)(iii)	Nomination/Reporting and Balancing
1.3.1	1.0	Definitions
1.3.2(i-vi)	7.2	Nomination/Reporting and Balancing
1.3.3	7.7	Nomination/Reporting and Balancing
1.3.4	7.1(a)	Nomination/Reporting and Balancing
1.3.5	7.1(a)	Nomination/Reporting and Balancing
1.3.7	7.1(a)	Nomination/Reporting and Balancing
1.3.8	7.6(b)	Nomination/Reporting and Balancing
1.3.11	7.6(h)	Nomination/Reporting and Balancing
1.3.13	7.6(g)	Nomination/Reporting and Balancing
1.3.14	7.1(d)	Nomination/Reporting and Balancing

<b>NAESB Standard</b>	<b>Section No.</b>	<b>Section Name</b>
1.3.19	7.8	Nomination/Reporting and Balancing
1.3.21	7.1(c)	Nomination/Reporting and Balancing
1.3.22	7.5(c)	Nomination/Reporting and Balancing
1.3.23	7.11	Nomination/Reporting and Balancing
1.3.32	7.6(d)	Nomination/Reporting and Balancing
2.2.1	1.0	Definitions
2.3.3	9.2	Determination of Daily Receipts
2.3.5	9.2, 10.1	Determination of Daily Receipts
2.3.6	10.1	Determination of Deliveries
2.3.9	1.0	Definitions
2.3.10	1.0	Definitions
2.3.14	19.10	Measurement
2.3.16	10.1	Determination of Deliveries
2.3.18	9.2	Determination of Daily Receipts
2.3.26	13.5(a)	Statements, Billing, Payment and Discounting Policy
2.3.28	13.3	Statements, Billing, Payment and Discounting Policy
3.2.1	1.0	Definitions
3.3.9	13.1	Statements, Billing, Payment and Discounting Policy
3.3.14	13.1, 13.3	Statements, Billing, Payment and Discounting Policy
3.3.15	13.5	Statements, Billing, Payment and Discounting Policy
3.3.17	13.4	Statements, Billing, Payment and Discounting Policy
3.3.18	13.4	Statements, Billing, Payment and Discounting Policy
3.3.19	13.4	Statements, Billing, Payment and Discounting Policy
4.3.89	15.1(a)(1)	Interactive Website
4.3.90	15.1(a)(2)	Interactive Website
4.3.91	15.1(a)(3)	Interactive Website
4.3.92	15.1(a)(3)	Interactive Website

<b>NAESB Standard</b>	<b>Section No.</b>	<b>Section Name</b>
5.3.1	16.1(b)	Capacity Release by Firm Shippers
5.3.2	16.1(c)	Capacity Release by Firm Shippers
5.3.3	16.4(a)	Capacity Release by Firm Shippers
5.3.4	16.9(c)	Capacity Release by Firm Shippers
5.3.5	16.12(a)	Capacity Release by Firm Shippers
5.3.8	16.2(c), 16.3(b)(3), 16.4(e)	Capacity Release by Firm Shippers
5.3.11	16.10	Capacity Release by Firm Shippers
5.3.13	16.7(6)(e)	Capacity Release by Firm Shippers
5.3.14	16.4(f)(2)	Capacity Release by Firm Shippers
5.3.15	16.7(6)(e)	Capacity Release by Firm Shippers
5.3.16	16.4(f)(1)	Capacity Release by Firm Shippers
5.3.19	16.4(g)	Capacity Release by Firm Shippers
5.3.25	16.6(c)	Capacity Release by Firm Shippers
5.3.26	16.2(j), 16.8(i)	Capacity Release by Firm Shippers
5.3.28	16.3(b)(1), 16.2(b)	Capacity Release by Firm Shippers
5.3.44	16.13(b)	Capacity Release by Firm Shippers
5.3.45	16.13b(6)	Capacity Release by Firm Shippers
5.3.46	16.13c(2)	Capacity Release by Firm Shippers
5.3.47	16.13c(1)	Capacity Release by Firm Shippers
5.3.48	16.13c(2)	Capacity Release by Firm Shippers
5.3.49	16.13c(3)	Capacity Release by Firm Shippers
5.3.50	16.13(2)	Capacity Release by Firm Shippers
5.3.51	16.13(a)	Capacity Release by Firm Shippers
5.3.52	16.13(c)(1)	Capacity Release by Firm Shippers
5.3.53	16.13(e)	Capacity Release by Firm Shippers
5.3.55	16.13(d)	Capacity Release by Firm Shippers
5.3.56	16.13(d)	Capacity Release by Firm Shippers

<b>NAESB Standard</b>	<b>Section No.</b>	<b>Section Name</b>
5.3.57	16.13(d)	Capacity Release by Firm Shippers
5.3.58	16.13(d)	Capacity Release by Firm Shippers
5.3.59	16.14(a)	Capacity Release by Firm Shippers
5.3.73	17	Advertisement and Marketing Fees

34.1 (a) Standards Incorporated by Reference:

**General**

Definitions: 0.2.5  
 Standards: 0.3.1, 0.3.2, 0.3.16, 0.3.17

**Gas/Electric Operational Communications**

Definitions: 0.2.1 to 0.2.4  
 Standards: 0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

**Storage Information**

Data Sets: 0.4.1

**Operating Capacity and Unsubscribed**

Standards: 0.3.18, 0.3.20 to 0.3.22

**Location Data Download**

Standards: 0.3.23 to 0.3.29  
 Data Sets: 0.4.4\*

**Nominations Related Standards**

Definitions: 1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.13 to 1.2.19  
 Standards: 1.3.6, 1.3.9, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.24 to 1.3.31, 1.3.33 to 1.3.46, 1.3.48, 1.3.51, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 1.3.64 to 1.3.77, 1.3.79, 1.3.80, 1.3.81, 1.3.82  
 Data Sets: 1.4.1\*, 1.4.3, 1.4.4\*, 1.4.5\*, 1.4.6\*, 1.4.7

**Flowing Gas Related Standards**

Definitions: 2.2.2 to 2.2.5  
 Standards: 2.3.1, 2.3.2, 2.3.4, 2.3.7, 2.3.8, 2.3.11, 2.3.12, 2.3.13, 2.3.15, 2.3.17, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.27, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40 to 2.3.48, 2.3.50 to 2.3.66

Data Sets: 2.4.1\*, 2.4.2, 2.4.3\*, 2.4.5, 2.4.6 to 2.4.11, 2.4.17, 2.4.18

**Invoicing Related Standards**

Standards: 3.3.3 to 3.3.8, 3.3.10 to 3.3.13, 3.3.16, 3.3.21 to 3.3.26

Data Sets: 3.4.1, 3.4.2, 3.4.3, 3.4.4

**Quadrant Electronic Delivery Mechanism Related Standards**

Definitions: 4.2.1 to 4.2.20

Standards: 4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22 to 4.3.28,  
4.3.30 to 4.3.36, 4.3.38, 4.3.40 to 4.3.50, 4.3.52 to 4.3.55, 4.3.57,  
4.3.58, 4.3.60 to 4.3.62, 4.3.66 to 4.3.69, 4.3.72, 4.3.75, 4.3.78,  
4.3.79, 4.3.81 to 4.3.87, 4.3.93 to 4.3.105

**Capacity Release Standards**

Definitions: 5.2.1 to 5.2.5

Standards: 5.3.7, 5.3.9, 5.3.10, 5.3.12, 5.3.18, 5.3.20 to 5.3.24, 5.3.29,  
5.3.31 to 5.3.42, 5.3.54, 5.3.60, 5.3.62, 5.3.62a, 5.3.63 to 5.3.72

Data Sets: 5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.23, 5.4.24\*, 5.4.25\*, 5.4.26\*,  
5.4.27

**Internet Electronic Transport Related Standards**

Definitions: 10.2.1 to 10.2.38

Standards: 10.3.1, 10.3.3 to 10.3.12, 10.3.14 to 10.3.27

\*These requirements have been implemented in relation to the posting of proprietary location codes on Transporter's Internet website. However, these requirements have not yet been implemented as they apply to electronic processes and are subject to the extension of time identified below.

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

On April 18, 2019, the Commission issued an Order Granting Requests for Extension of Time with respect to the standards listed below as they apply to electronic processes until December 31, 2020. *Trailblazer Pipeline Company LLC, et al.*, 167 FERC ¶ 61,041 (2019).

**Additional Standards**

Operational Capacity and Unsubscribed Capacity      Data Sets:      0.4.2, 0.4.3

Location Data Download      Data Sets:      0.4.4\*\*

**Nominations Related Standards**

Data Sets:      1.4.1\*\*, 1.4.2, 1.4.4\*\*, 1.4.5\*\*, 1.4.6\*\*

**Flowing Gas Related Standards**

Data Sets:      2.4.1\*\*, 2.4.3\*\*, 2.4.4

**Quadrant Electronic Delivery Mechanisms Related Standards**

Standards:      4.3.80, 4.3.106

**Capacity Release Related Standards**

Data Sets:      5.4.20, 5.4.21, 5.4.22, 5.4.24\*\*, 5.4.25\*\*, 5.4.26\*\*

\*\*Extension of time does not apply to these requirements related to the posting of proprietary location codes on Transporter's Internet website.

- 34.2 (a) Transporter shall utilize the standard data sets provided by the standards incorporated by reference in 18 CFR Section 284.12. Transporter's implementation guide for the standardized data sets specifies Transporter's intended use, if any, of the data elements that are coded as "business conditional" (BC) and "mutually agreeable" (MA) for purposes of EDI. The implementation guide may be obtained by contacting the Website Security Help Line and asking for the EDI coordinator. The Website Security Help Line phone number can be found at <http://pipeline.tallgrassenergy.com>.
- (b) Transporter shall utilize the North American Energy Standards Board Electronic Data Interchange Trading Partner Agreement – Dated: June 15, 2009 (Version 2.0, Standard 6.3.3).
- 34.3 Transporter's HTML page(s) is accessible via the Internet's World Wide Web at the following address: <http://pipeline.tallgrassenergy.com>

**36. ACQUIRED CAPACITY**

- (a) Transporter may from time to time enter into transportation agreements with upstream or downstream entities, including other interstate pipelines, intrastate pipelines, or local distribution companies (Acquired Capacity). Transporter may use Acquired Capacity for its system operational needs and to render service to its customers. Except as provided in subSection (b), Transporter states that, if it transports gas for others using Acquired Capacity, it will apply to such services the same rates and tariffs as are applicable to onsystem customers, as such rates and tariffs may change from time to time. For purposes of any use of Acquired Capacity covered by this Section 36(a), the "shipper must hold title" requirement is waived.
- (b) Nothing herein shall be read to preclude Transporter from filing with the Commission for different tariff provisions applicable to any 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 a circumstance and Transporter will be required to seek a case-specific waiver of that requirement from the Commission.

**38. PERIODIC RATE ADJUSTMENT (PRA) - FUEL AND L&U REIMBURSEMENT**

38.1 Purpose and Applicability: This Section 38 establishes a Periodic Rate Adjustment ("PRA") mechanism for the purpose of adjusting the Expansion System Fuel Reimbursement Percentage ("EFAP") and Under or Over Recovered Fuel ("UFRA") retention applicable to the Expansion System ("Fuel Reimbursement Percentages") and the Current Projected Lost and Unaccounted For and Under or Over Recovered Lost and Unaccounted For ("UL&U") retention for the Existing System and the Expansion System ("L&U Reimbursement Percentages") as set forth in the Currently Effective Rates – FTS & FTB Expan Syst, ITS, & AOR Fuel & L&U and Currently Effective Rates – Wheeling Service sections of this FERC Gas Tariff. This provision specifies the procedure to be utilized to adjust such percentage to reflect: (a) changes in the level of Transporter's Fuel use per unit of relevant service required to recover related Fuel costs, and (b) Under or over recovered Fuel and Lost and Unaccounted For Gas. Fuel shall be recovered in-kind by Transporter by applying the Fuel Reimbursement Percentage to the quantity scheduled for receipt. L&U shall be recovered in-kind by Transporter by applying the L&U Reimbursement Percentage to the quantity scheduled for receipt.

**38.2 DEFINITIONS**

- (a) "AMIP" for any Month shall mean the simple arithmetic average per dekatherm cost as derived from five (5) weekly prices as reported by Natural Gas Intelligence in the table entitled "Natural Gas Intelligence Weekly Gas Price Index; Spot Gas prices" for the locations defined in Section 12.3(c) of the General Terms and Conditions in Transporter's FERC Gas Tariff. The issues of such publication to be used in determining each month's weekly average prices shall include all issues with publication dates within the calendar month, plus the first publication of the next month.
- (b) "Gas Fuel" shall mean the actual dekatherm quantity of gas consumed as determined under Section 38.4(c).
- (c) "Fuel" means the total Gas Fuel and those quantities necessary to amortize the Under or Over Recovered Fuel Reimbursement Deferred Account.
- (d) "Base Period" shall mean the twelve (12) Months of the most recently available actual experience, and shall not be more than four (4) Months prior to the commencement of a new Recovery Period. Notwithstanding the preceding sentence, the initial Base Period shall be the period beginning February 1, 2014 and ending December 31, 2014.
- (e) "Recovery Period" shall mean the period during which the revised Fuel and L&U Reimbursement Percentages may be in effect, which shall be a twelve



(12) Month period commencing with the effective date of the next redetermination as specified in Section 38.3.

- (f) "Fuel Reimbursement" shall be the monthly quantity derived pursuant to Section 38.5(b)(ii) hereunder.
- (g) "Lost and Unaccounted For Gas" shall be the additional quantities lost (or lesser quantities for gains) to be recovered (or passed back) to the Expansion System and Existing System through the L&U Reimbursement Percentages.

### 38.3 PERIODIC RATE ADJUSTMENT

- (a) The initial Fuel and L&U Reimbursement Percentages shall be as set forth in the Interim and Final Fuel and L&U Reimbursement Percentages set forth in the settlement of Docket No. RP13-1031, but shall be re-determined annually for the Fuel and L&U Reimbursement Percentages to be effective May 1, 2015 and annually thereafter to be effective May 1, except Transporter may also re-determine Fuel and L&U Reimbursement Percentages to be effective November 1 based on interim filings at Transporter's discretion.
- (b) Transporter shall file its adjustment to the Fuel and L&U Reimbursement Percentages at least thirty (30) days prior to the effective date of the redetermination, based on the procedures set out in Sections 38.4 and 38.5. Tracking filings submitted in accordance with this Section shall become effective, subject to refund, on the designated effective dates. Any changes from the prior tracking level shall be subject to review in the tracking filing proceeding.

### 38.4 EXPANSION SYSTEM FUEL REIMBURSEMENT PERCENTAGE ("EFAP") AND CURRENT PROJECTED LOST & UNACCOUNTED FOR REIMBURSEMENT PERCENTAGE

The methodology used to derive the EFAP and Current Projected Lost and Unaccounted For Reimbursement Percentage for each PRA is as follows:

- (a) Gas Fuel is divided by Receipt Quantities, to calculate the EFAP.
- (b) Gas Fuel. The Gas Fuel to be included in the EFAP consists of the actual dekatherm quantity consumed during the Base Period, as adjusted for changes which are known and measurable with reasonable accuracy. Gas Fuel recovered in the EFAP shall be net of the annual quantity recovered by application of a fixed tariff percentage of 0.25% to transportation quantities from the Cheyenne Hub to the East Cheyenne Gas Storage field (Location 45401).

- (c) Receipt Quantities. Receipt Quantities, as defined by Section 1 of the FERC Gas Tariff hereof, except Backhaul, lateral, Existing System and any other transactions that are not subject to the EFAP shall not be included in the Receipt Quantities that are used to calculate the EFAP. The Receipt Quantities used in the calculation of the EFAP shall be the Receipt Quantities for the Base Period, adjusted for known and measurable changes, and net of quantities assessed the fixed tariff percentage of 0.25% recovered for transportation from the Cheyenne Hub to the East Cheyenne Gas Storage field (Location 45401).
- (d) Current Projected Lost and Unaccounted For Gas. The Lost and Unaccounted For Gas quantities, if any, or credit for unaccounted for gain quantities, if any, to be recovered in Expansion System and Existing System Current Projected Lost and Unaccounted For Reimbursement Percentage in the Base Period, as adjusted for changes that are known and measurable with reasonable accuracy in the Recovery Period, and as expressed in Dth. This quantity shall be divided by Receipt Quantities in the Base Period, as adjusted for changes that are known and measurable with reasonable accuracy in the Recovery Period, to derive the Current Projected Lost and Unaccounted For Reimbursement Percentage. The Existing System and Expansion System L&U Reimbursement Percentages effective February 1, 2014 and in the Initial Base Period both shall be 0%. Beginning February 1, 2014, actual Lost and Unaccounted For Gas losses (or gains) shall be reconciled under Section 38.5(c) hereunder and separately between the Expansion and Existing System L&U Reimbursement Percentages.

**38.5 UNDER AND OVER RECOVERED FUEL AND LOST AND UNACCOUNTED FOR GAS REIMBURSEMENT DEFERRED ACCOUNTS**

Beginning February 1, 2014, Transporter shall establish and maintain separate deferred accounts to track monthly quantities and recoveries to measure the quantity of under and over recovered Fuel and Lost and Unaccounted For Gas for the Expansion System and to measure the quantity for under and over recovered Lost and Unaccounted For Gas for the Existing System. These accounts shall be used for reconciling actual quantities used with actual quantities recovered in the next PRA filing.

- (a) The accumulated current deferral subaccount balances of Account No. 182.3 may include the following:
  - (i) The net monthly quantity for deferral as Transporter's under or over recovery of Fuel quantities under Transporter's Fuel Reimbursement Percentages with Transporter's actual Fuel quantities.

- (ii) The net monthly quantity for deferral as Transporter's under or over recovery of Lost and Unaccounted For Gas under the applicable L&U Reimbursement Percentages, as measured with Transporter's actual Lost and Unaccounted For Gas, and as assigned proportionally to the Expansion and Existing System based on monthly throughput.
  - (iii) The over recovery to the Existing System shall be adjusted for any Lost and Unaccounted For Gas gain quantities refunded to Existing System rate shippers pursuant to Section 38.5 (c)(i) of this tariff, and monthly actual quantities shall include out-of-period quantity adjustments.
- (b) The quantity to be included in the Expansion System Fuel Deferred Account shall be calculated as follows:
  - (i) Transporter shall determine the actual Fuel quantities incurred that month.
  - (ii) Transporter shall then determine the quantity recovered as follows:
    - 1. The Fuel quantity recovered shall be determined by multiplying the Fuel Reimbursement Percentage, as set forth in this FERC Gas Tariff in effect during the deferral Month, by the services subject to Expansion System Fuel rates during the month.
    - 2. The quantities recovered in-kind by the Fuel Reimbursement Percentage shall be the Fuel Reimbursement, but in the event Transporter collects negotiated fuel rates, Transporter shall impute recovery of the maximum applicable tariff fuel rates in lieu of the negotiated fuel rates to determine the Fuel Reimbursement.
  - (iii) The under or over recovery and associated monthly deferral quantity shall be determined by taking the difference between the quantities derived in Section 38.5(b)(i) and Section 38.5(b)(ii), herein. The resulting quantities shall be reflected in Transporter's current deferral subaccount applicable to Expansion System Reimbursement Percentages.
  - (iv) Transporter shall increase or decrease the deferred account for tracking future Expansion System Fuel Reimbursement Percentages as follows:
    - 1. Transporter shall increase the current deferral account for under recovery in the event the actual Fuel exceeds the Fuel Reimbursement that Transporter recovered hereunder.

2. Transporter shall reduce the current deferral account for over recovery in the event the actual Fuel is less than the total Fuel Reimbursement.
  3. The quantity measured as under or over recovered shall include the UFRA component of the Fuel Reimbursement Percentage to amortize the prior period deferred quantity account.
- (c) Beginning February 1, 2014, Transporter shall establish and maintain separate deferred accounts for assignment of monthly Lost and Unaccounted For Gas quantities between Expansion and Existing System transportation services.

Actual monthly Lost and Unaccounted For Gas losses or gains, as assigned proportionally to Expansion and Existing Shippers based on monthly throughput, shall be compared to the monthly recovery of quantities under the applicable L&U Reimbursement Percentages to Expansion and Existing Shippers so as to track the under or over recovery of Lost and Unaccounted For Gas separately as to Expansion and Existing Shippers. The over or under recovery of each month's quantities shall be carried forward and used as a positive-cost or negative-gain adjustment in the next PRA filing.

If the Lost and Unaccounted For Gas Deferred Account is a negative (gain) balance at the end of the calendar year for either the Existing System or Expansion System rate accounts:

- i. the credit balance allocated to the Existing System shall be distributed as a lump-sum cash-out refund 30 days after the filing and acceptance of the PRA filing to shippers proportionally based on annual throughput; and
- ii. the credit balance amount allocated to the Expansion System shall be passed back as a credit quantity to the Expansion L&U Reimbursement Percentage in the Recovery Period, except if the sum of the Fuel Reimbursement Percentage and the Expansion System Total L&U Reimbursement Percentage is negative, the Expansion System credit quantity shall be carried forward and used as an offset to a subsequent PRA filing in the UL&U component of the L&U Reimbursement Percentage.

If the Lost and Unaccounted For Gas Deferred Account is an unrecovered L&U cost (loss) balance at the end of the calendar year, the individual deferred account balances applicable to Expansion and/or Existing System

L&U Reimbursement Percentages shall be recovered in-kind through the UL&U component of the applicable L&U Reimbursement Percentage.

**38.6 UNDER AND OVER RECOVERED FUEL AND UNDER AND OVER RECOVERED LOST AND UNACCOUNTED FOR GAS**

The ending volumetric balance in the Under and Over Recovered Fuel Deferred Account will be divided by the applicable Receipt Quantities for the Recovery Period of the next PRA as the applicable UFRA component of the Fuel Reimbursement Percentage. The ending volumetric balance in the Under and Over Recovered Lost and Unaccounted For Gas Deferred Account, if a cost (loss), will be divided by the applicable Receipt Quantities for the Recovery Period of the next PRA as the applicable UL&U component of the L&U Reimbursement Percentage.

**38.7 EFFECTIVE DATE**

The Fuel and L&U Reimbursement Percentages will be applicable to Receipt Quantities effective February 1, 2014 pursuant to the terms of the Docket No. RP13-1031 Settlement and revised thereafter on a periodic basis as set out in Section 38.3.

**40. Periodic Rate Adjustment – Power Cost Tracker****40.1 PURPOSE AND APPLICABILITY**

Purpose and Applicability: This Section 40 establishes a mechanism for the purpose of adjusting the Expansion System Power Cost Tracker ("PCT") rates as set forth in the applicable rate Sections of this Tariff. This provision specifies the procedure to be utilized to adjust such costs to reflect: (a) changes in the level of Transporter's Electric Power Costs ("EPC"), and (b) amortization of the under or over-recovered PCT Reimbursement Charges as an UPRA rate as provided for in Section 40.5 hereof. All amounts for reimbursement of EPC shall be recovered in-cash by Transporter by applying the PCT Reimbursement Charge as a commodity charge to the applicable transportation quantities.

Backhaul, lateral, Existing System and other transactions that are not subject to the Expansion System PCT Reimbursement Charges hereunder shall not be included in the Receipt Quantities that are used to calculate PCT. The Receipt Quantities used in the calculation of the PCT shall be the Receipt Quantities for the Base Period on the Expansion System, adjusted for known and measurable changes.

**40.2 DEFINITIONS APPLICABLE TO THIS SECTION 40**

- (a) Electric Power Costs. The cost, as determined under Section 40.4 hereof, of electric power purchased by or for Transporter to be used in system operations. EPC shall also include the actual cost of any payments made by Transporter with respect to any surcharges imposed by electric power suppliers that may be billed or allocated to Transporter.
- (b) Base Period. Each twelve (12) Month period of actual operating experience, commencing with the first Day of the Month that service is provided.
- (c) Recovery Period. The period during which the PCT may be in effect, which shall be a twelve (12) Month period commencing with the effective date of the next re-determination as specified in Section 40.3.

**40.3 POWER COST TRACKER**

The PCT Reimbursement Charge shall be redetermined in Periodic Rate Adjustment ("PRA") filings coincident with the restatement of Fuel and L&U Reimbursement Percentages under Section 38.3 based on the procedures set out in Sections 40.4 and 40.5.

**40.4 EXPANSION SYSTEM PCT REIMBURSEMENT CHARGE**

The methodology used to derive the Expansion System PCT Reimbursement Charge is as follows:

- (a) EPC to be included in the Expansion System PCT Reimbursement Charge are calculated by taking the sum of: the actual EPC during the Base Period, as adjusted for changes which are known and measurable with reasonable accuracy, less the allocated annual cost of Electric Power embedded in the maximum base tariff rates applicable to Existing System transportation.
- (b) The net annual EPC are then divided by the total estimated annual forward haul quantities for the Expansion System in the Recovery Period to derive an amount per Dth, to be recovered in-cash as an additional commodity charge assessed to Expansion System forward haul transportation commodity quantities in the Recovery Period.

#### 40.5 UNDER AND OVER RECOVERED PCT REIMBURSEMENT ADJUSTMENT (UPRA) ACCOUNT

Transporter shall establish and maintain a current deferral sub-account of under or over-recovered EPC for the Expansion System. These accounts shall be used for reconciling PCT recoveries with Electric Power Costs in the next PRA filing to derive a UPRA rate adjustment to the PCT rate.

- (a) The accumulated current deferral sub-account balances of Account No. 182.3 may include the following:
  - i. The Monthly deferral of a dollar amount associated with Transporter's actual under- or over-recovered EPC;
  - ii. Appropriate prior period adjustments to activity, if any;
  - iii. Transfers of any unamortized amounts remaining in a deferral sub-account of Account Nos. 819 and 855 to the next sub-account after the related surcharge amortization period has expired.
- (b) Transporter shall determine the UPRA rate adjustment for each Recovery Period as follows:
  - i. Actual EPC for each month of the Base Period, less the recovery of embedded Fuel costs by the Existing System base rate reservation and commodity billings recovered in each month of the Base Period, and less recovery of monthly PCT charge Expansion System billings in each month of the Base Period, is netted and summed for the

twelve months of the Base Period to determine the under or over-recovered deferred account balance;

- ii. The deferred account balance shall be divided by projected Expansion System forward haul commodity quantities in the Recovery Period to derive the UPRA rate for amortization of the positive (under-recovery) or credit (over-recovery) of EPC;
  - iii. Negotiated PCT Reimbursement Charge(s) shall be assessed in accordance with Section 35 of these General Terms and Conditions. In the event Transporter collects negotiated PCT rates, Transporter shall impute recovery of the maximum applicable tariff PCT rates in lieu of the negotiated PCT rates to determine the PCT Reimbursement Charge;
  - iv. The Monthly deferral cost amount shall be determined by the difference between the dollar amounts derived in Section 40(b)(i) herein. The resulting amounts shall be reflected in Transporter's current deferral subaccount applicable to Expansion System rates.
- (c) After each current deferred sub-account has twelve (12) Months of activity, as referenced in Section 40.5(a) above, an Under or Over recovered PCT Reimbursement Adjustment (UPRA) will be calculated such that each current deferred account will be amortized in the following twelve (12) Month period. To amortize the applicable deferred sub-account balance, the UPRA will be applied by taking the current delivered quantity multiplied by the UPRA rate for the Expansion System. Any residual amount left in the applicable deferred sub-account balance after applying the UPRA will be transferred to the next deferred sub-account balance in the next PRA filing.

#### 40.6 EFFECTIVE DATE

The PCT Reimbursement Charge(s) will be revised hereunder on a periodic basis coincident with the restatement of the Fuel Reimbursement Percentages and L&U Reimbursement Percentages set out in Section 38.3.



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**FTS FORM OF TRANSPORTATION SERVICE AGREEMENT**APPLICABLE TO FIRM TRANSPORTATION SERVICE  
UNDER RATE SCHEDULE FTS

In consideration of the representations, covenants and conditions contained below, Trailblazer Pipeline Company LLC ("Transporter") and Shipper agree, as of \_\_\_\_ [Date] \_\_\_\_, that Transporter will provide transportation service, under Part 284 of FERC's regulations, for Shipper on a Firm basis in accordance with the provisions contained in this Transportation Service Agreement ("Agreement"). This Agreement includes, and incorporates by reference as a part hereof, all of the terms and conditions of Transporter's FERC Gas Tariff, as may be revised from time to time ("Tariff"), and the terms, conditions and signatures of Shipper's electronic Agreement with Transporter.

## 1. THIS AGREEMENT IS: (Check one)

\_\_\_\_ effective \_\_\_\_ (Date) \_\_\_\_ and is the original contract

\_\_\_\_ effective \_\_\_\_ (Date) \_\_\_\_, this Amendment No. \_\_\_\_ amends and restates  
FTS Contract No. \_\_\_\_ effective \_\_\_\_ (Date) \_\_\_\_

\_\_\_\_ Capacity rights for this Agreement were released from \_\_\_\_.

## 2. Service under this agreement shall be performed using: (Check one)

\_\_\_\_ Existing System Capacity

\_\_\_\_ Expansion System Capacity

## 3. SHIPPER'S NAME AND ADDRESS:

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

## 4. TERM OF SERVICE:

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

(Date, Period-of-Time or Event): \_\_\_\_\_

## 5. RATE SCHEDULE FTS Maximum Daily Quantity ("MDQ"):

\_\_\_\_ (Date, Period-of-Time or Event) \_\_\_\_ MDQ

## 6. PRIMARY FTS RECEIPT POINTS &amp; MAXIMUM DAILY RECEIPT QUANTITY ("MDRQ")

(Date, Period-of-Time or Event)	Location #	Location Name	MDRQ	By Displacement Only (Yes or No)

## 7. PRIMARY FTS DELIVERY POINTS &amp; MAXIMUM DAILY DELIVERY QUANTITY ("MDDQ")

(Date, Period-of-Time or Event)	Location #	Location Name	MDDQ	By Displacement Only (Yes or No)

## 8. RATES:

Reservation Rate: (Pursuant to Section 5 of Rate Schedule FTS of the Tariff)

Maximum applicable rate per Tariff, as revised from time to time, unless otherwise agreed to in writing as a Discounted or Negotiated Rate pursuant to Sections 13.6 and 35, respectively, of the General Terms and Conditions of the Tariff.

Commodity Rate: (Pursuant to Section 5 of Rate Schedule FTS 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 35 of the General Terms and Conditions of the Tariff.

FL&U and Electric Power Cost Reimbursement: (Pursuant to Section 5.2 of Rate Schedule FTS 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 35 of the General Terms and Conditions of the Tariff.

ACA Charges: (Pursuant to Section 5 of Rate Schedule FTS of the Tariff)

Applicable rate per Tariff, as revised from time to time.

Additional Facility Charge: (Pursuant to Section 5 of Rate Schedule FTS of the Tariff)

☐ None

☐ Lump-sum payment of \_\_\_\_\_

☐ Monthly fee of \_\_\_\_\_ through (Date, Period-of-Time or Event)

Other Charges: (Pursuant to Sections 5 and 8 of Rate Schedule FTS of the Tariff)

Applicable charges per Tariff as may be assessed by Transporter.

9. RIGHT OF FIRST REFUSAL PROVISIONS: (Pursuant to Section 18.2 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. ROLLOVER PROVISIONS: (Specify contractual rollover rights, if any, per Section 18.3 of the General Terms and Conditions of Transporter's Tariff).

(Check one):

☐ Not Applicable

☐ Applicable (Complete the following):

Other Rollover Terms and Conditions:

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

11. 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:

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

12. NOTICES TO TRANSPORTER UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:

Trailblazer Pipeline Company LLC  
Commercial Operations  
370 Van Gordon Street  
Lakewood, CO 80228

e-mail: TEP@tallgrassenergyllp.com

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

**Shipper Approval:**

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

Signature: \_\_\_\_\_

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

**Transporter Approval:**

Transporter: ***Trailblazer Pipeline Company LLC***

Signature: \_\_\_\_\_

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

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

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

## **FTB FORM OF FIRM TRANSPORTATION BALANCING SERVICE AGREEMENT**

APPLICABLE TO FIRM TRANSPORTATION BALANCING SERVICE  
UNDER RATE SCHEDULE FTB

In consideration of the representations, covenants and conditions contained below, Trailblazer Pipeline Company LLC ("Transporter") and Shipper agree, as of \_\_\_\_ [Date] \_\_\_\_, that Transporter will provide transportation balancing service, under Part 284 of FERC's regulations, for Shipper on a Firm basis in accordance with the provisions contained in this Balancing Transportation Service Agreement ("Agreement"). This Agreement includes, and incorporates by reference as a part hereof, all of the terms and conditions of Transporter's FERC Gas Tariff, as may be revised from time to time ("Tariff"), and the terms, conditions and signatures of Shipper's electronic Agreement with Transporter.

1. THIS AGREEMENT IS: (Check one)

\_\_\_ effective \_\_\_\_ (Date) \_\_ and is the original contract

\_\_\_ effective \_\_\_\_ (Date) \_\_, this Amendment No. \_\_\_\_ amends and restates  
FTB Contract No. \_\_\_\_ effective \_\_\_\_ (Date) \_\_

\_\_\_ Capacity rights for this Agreement were released from \_\_\_\_.

2. Service under this agreement shall be performed using: (Check one)

\_\_\_ Existing System Capacity

\_\_\_ Expansion System Capacity

3. SHIPPER'S NAME AND ADDRESS:

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

4. TERM OF SERVICE:

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

(Date, Period-of-Time or Event): \_\_\_\_\_

5. RATE SCHEDULE FTB Maximum Daily Quantity ("MDQ"):

**Trailblazer Pipeline Company LLC**FERC Gas Tariff  
6th Revised Volume No. 1Form of Service Agreement FTB  
Section Version: 2.0.0

<u>(Date, Period-of-Time or Event)</u>	<u>MDQ</u>

**6. PRIMARY FTB RECEIPT POINTS & MAXIMUM DAILY RECEIPT QUANTITY ("MDRQ")**

(Date, Period-of- Time or Event)	Location #	Location Name	MDRQ	<u>Demand Pt</u> (Y/N)	<u>Balancing Pt</u> (Y/N)	<u>MHQ = MDQ/24</u>	By Displacement Only (Yes or No)

**Out-of-Cycle (OOC) Nomination Deadlines**

**OOC1:** \_\_\_\_\_ CCT ☐ day ahead, *or* ☐ day of flow  
(*or*) \_\_\_\_\_ CCT, not later than ☐ day ahead, *or* ☐ day of flow  
(*or*) \_\_\_\_\_ Anytime ☐ day ahead, *or* ☐ day of flow  
(*or*) \_\_\_\_\_ Other:\_\_\_\_\_ ☐ day ahead, *or* ☐ day of flow

**OOC2:** \_\_\_\_\_ CCT ☐ day ahead, *or* ☐ day of flow  
(*or*) \_\_\_\_\_ CCT, not later than ☐ day ahead, *or* ☐ day of flow  
(*or*) \_\_\_\_\_ Anytime ☐ day ahead, *or* ☐ day of flow  
(*or*) \_\_\_\_\_ Other:\_\_\_\_\_ ☐ day ahead, *or* ☐ day of flow

**OOC\_\_:** \_\_\_\_\_ [add additional OOC nomination deadlines as agreed to by Trailblazer and Shipper]

**7. PRIMARY FTB DELIVERY POINTS & MAXIMUM DAILY DELIVERY QUANTITY ("MDDQ")**

(Date, Period-of- Time or Event)	Location #	Location Name	MDDQ	<u>Demand Pt</u> (Y/N)	<u>Balancing Pt</u> (Y/N)	<u>MHQ = MDQ/24</u>	By Displacement Only (Yes or No)

**8. RATES:**

Reservation Rate: (Pursuant to Section 6 of Rate Schedule FTB of the Tariff)

Maximum applicable rate per Tariff, as revised from time to time, unless otherwise agreed to in writing as a Discounted or Negotiated Rate pursuant to Sections 13.6 and 35, respectively, of the General Terms and Conditions of the Tariff.

Commodity Rate: (Pursuant to Section 6 of Rate Schedule FTB 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 35 of the General Terms and Conditions of the Tariff.

FL&U and Electric Power Cost Reimbursement: (Pursuant to Section 6.2 of Rate Schedule FTB 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 35 of the General Terms and Conditions of the Tariff.

ACA Charges: (Pursuant to Section 6.4 of Rate Schedule FTB of the Tariff)

Applicable rate per Tariff, as revised from time to time.

Additional Facility Charge: (Pursuant to Section 6.3 of Rate Schedule FTB of the Tariff)

\_\_\_\_\_ None

\_\_\_\_\_ Lump-sum payment of \_\_\_\_\_

\_\_\_\_\_ Monthly fee of \_\_\_\_\_ through (Date, Period-of-Time or Event)

Other Charges: (Pursuant to Sections 6.3 and 9 of Rate Schedule FTB of the Tariff)

Applicable charges per Tariff as may be assessed by Transporter.

9. RIGHT OF FIRST REFUSAL PROVISIONS: (Pursuant to Section 18.2 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. ROLLOVER PROVISIONS: (Specify contractual rollover rights, if any, per Section 18.3 of the General Terms and Conditions of Transporter's Tariff).

(Check one):

\_\_\_\_\_ Not Applicable

\_\_\_\_\_ Applicable (Complete the following):

Other Rollover Terms and Conditions:

11. 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:

12. NOTICES TO TRANSPORTER UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:

Trailblazer Pipeline Company LLC  
Commercial Operations  
370 Van Gordon Street  
Lakewood, CO 80228  
e-mail: [TEP@tallgrassenergyllp.com](mailto:TEP@tallgrassenergyllp.com)

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

**Shipper Approval:**

Shipper:

Signature:

Title:

**Transporter Approval:**

Transporter: ***Trailblazer Pipeline Company LLC***

Signature:

Title:



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

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

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

In consideration of the representations, covenants and conditions contained below, Trailblazer Pipeline Company LLC ("Transporter") and Shipper agree, as of [Date], that Transporter will provide transportation service, under Part 284 of FERC's regulations, for Shipper on an Interruptible basis in accordance with the provisions contained in this Transportation Service Agreement ("Agreement"). This Agreement includes, and incorporates by reference as a part hereof, all of the terms and conditions of Transporter's FERC Gas Tariff, as may be revised from time to time ("Tariff"), and the terms, conditions and signatures of Shipper's electronic Agreement with Transporter.

1. THIS AGREEMENT IS: (Check one)

\_\_\_ effective (Date) and is the original contract.

\_\_\_ effective (Date), this Amendment No. \_\_\_ amends and restates  
PALS Contract No. \_\_\_\_\_ effective (Date)

2. SHIPPER'S NAME AND ADDRESS:

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

3. TERM OF SERVICE: \_\_\_\_\_ 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.

4. 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.

5. PARK AND LOAN QUANTITY:

(i) Park Service: shall consist of Transporter's receipt of a quantity of Gas at the designated Receipt Point(s) on the designated date(s), requested by Shipper under a PALS RO and approved by Transporter; Transporter's holding of such parked quantity of Gas for Shipper's account and Transporter's redelivery of the parked quantity of Gas to Shipper at the designated Delivery Point(s) and on the designated date(s) set forth in such PALS RO.

(ii) Loan Service: shall consist of Transporter lending a specified quantity of Gas, requested by Shipper and approved by Transporter, from designated Delivery Point(s) set forth in Shipper's PALS RO and the Shipper's redelivery of and Transporter's acceptance of such quantities for Shipper's account at the designated Receipt Point(s) on the designated date(s) set forth in such PALS RO.

6. RATES:

Initial Rate: Maximum applicable rate per Tariff, as revised from time to time, unless otherwise agreed to in writing.

Park/Loan Balance Rate: Maximum applicable rate per Tariff, as revised from time to time, unless otherwise agreed to in writing.

Completion Rate: Maximum applicable rate per Tariff, as revised from time to time, unless otherwise agreed to in writing.

Other Charges: Applicable charges per Tariff, as may be assessed by Transporter.

7. 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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8. NOTICES TO TRANSPORTER UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:

Trailblazer Pipeline Company LLC  
Commercial Operations  
370 Van Gordon Street  
Lakewood, CO 80228  
e-mail: TEP@tallgrassenergyllp.com

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

**Shipper Approval:**

Shipper: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Title: \_\_\_\_\_

**Transporter Approval:**

Transporter: ***Trailblazer Pipeline Company LLC*** \_\_\_\_\_  
Signature: \_\_\_\_\_  
Title: \_\_\_\_\_

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

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

**PALS REQUEST ORDER FORM**

DATED: \_\_\_\_\_

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

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

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

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

Completion Point Name(s) and Location(s): \_\_\_\_\_

Maximum Aggregate Quantity: \_\_\_\_\_ (Dth)

Minimum Aggregate Quantity: \_\_\_\_\_ (Dth)

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

Schedule:

Date(s) Service to be Provided		Daily Quantity (Dth)			
		<input type="checkbox"/> <b>Park or</b>		<input type="checkbox"/> <b>Loan or</b>	
		<input type="checkbox"/> <b>Loan Payback</b>		<input type="checkbox"/> <b>Park Payback</b>	
From	Through	Minimum	Maximum	Minimum	Maximum

**Trailblazer Pipeline Company LLC**FERC Gas Tariff  
6th Revised Volume No. 1Form of Service Agreement PALS  
Section Version: 1.0.0**Rates:**

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

Loan or Park Payback = quantities which Transporter DELIVERS to Shipper.

Dates			
From	Through	Rate Description	Rate (\$/dth)
		Initial Rate	
		Balance Rate	
		Completion Rate	

ADDITIONAL TERMS PERMITTED BY TARIFF:

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

**Shipper Approval:**

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

Signature: \_\_\_\_\_

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

**Transporter Approval:**Transporter: ***Trailblazer Pipeline Company LLC*** \_\_\_\_\_

Signature: \_\_\_\_\_

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

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