



June 4, 2010

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

ANR Pipeline Company
717 Texas Street, Suite 2400
Houston, TX 77002-2761

John A. Roscher
Director, Rates & Tariffs

tel 832.320.5675
fax 832.320.6675
email John_Roscher@TransCanada.com
web <http://www.gasnom.com/ip/anr/>

Re: ANR Pipeline Company
Change in FERC Gas Tariff
Docket No. RP10- ____ - ____

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act and Section 154 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") Regulations,¹ ANR Pipeline Company ("ANR") respectfully submits for filing the tariff sheets listed in Appendix A to be part of its FERC Gas Tariff, Original Volume No. 1 ("Tariff"). As described below, ANR is submitting the instant tariff filing to make certain housekeeping changes. ANR requests that the Commission accept the tariff sheets listed in Appendix A to become effective July 5, 2010.

Correspondence

The names, titles and mailing address of the persons to whom correspondence and communications concerning this filing should be directed are as follows:

M. Catharine Davis*
Associate General Counsel
ANR Pipeline Company
P.O. Box 2446
Houston, Texas 77252-2446
Tel. (832) 320-5509
Fax (832) 320-5555
catharine_davis@transcanada.com

John A. Roscher
Director, Rates and Tariffs
Joan F. Collins *
Manager, Tariffs and Compliance
ANR Pipeline Company
717 Texas Street, Suite 2400
Houston, Texas 77002-2761
Tel. (832) 320-5651
Fax (832) 320-6651
joan_collins@transcanada.com

* Persons designated for official service pursuant to Rule 2010.

¹ 18 C.F.R. § 154.204 (2010).

Statement of Nature, Reasons and Basis for Filing

ANR is tendering the revised tariff sheets as a housekeeping measure to update the Tariff with contact information changes resulting from the consolidation of certain business services into the Houston, Texas, office and to make other non-substantive changes to the tariff, such as correcting typographical errors.

Effective Date

ANR requests that the Commission accept the tariff sheets listed in Appendix A to become effective July 5, 2010.

Other Filings Which May Affect This Proceeding

There are no other filings before the Commission that may significantly affect the changes proposed herein.

Material Enclosed

In accordance with Section 154.7 of the Commission's regulations, ANR is submitting the following, including an original and five (5) copies of items 1-3:

1. This transmittal letter;
2. The revised tariff sheets listed in Appendix A;
3. A redlined version of the tariff sheets in Appendix B; and
4. An electronic version of the tariff sheets on a 3 ½-inch diskette.

Certificate of Service

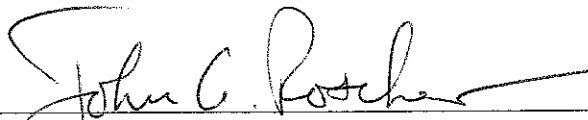
As required by Sections 154.7(b) and 154.208 of the Commission's regulations, copies of this filing, are being served upon all of ANR's existing customers and interested state regulatory agencies. A copy of this letter, together with the enclosed tariff section and other attachments, are available during regular business hours for public inspection at ANR's principal place of business.

Pursuant to Section 385.2005 and Section 385.2011(c)(5), the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. Additionally, the undersigned possesses full power and authority to sign such filing.

Please file-stamp the enclosed copy and return it to me in the envelope provided.

Any questions regarding this filing may be directed to Joan Collins at (832) 320-5651.

Respectfully submitted,

A handwritten signature in black ink that reads "John A. Roscher". The signature is written in a cursive style and extends across the width of the page.

John A. Roscher
Director, Rates and Tariffs

Enclosures

Appendix A

Fifth Revised Sheet No. 0 (Title)
Eleventh Revised Sheet No. 71
Fourth Revised Sheet No. 75D
Fourth Revised Sheet No. 75G.01
Eighth Revised Sheet No. 93
Third Revised Sheet No. 106
Fifth Revised Sheet No. 111
Eighth Revised Sheet No. 111A
Fourth Revised Sheet No. 129
Sixth Revised Sheet No. 132
Eleventh Revised Sheet No. 161

FERC GAS TARIFF

SECOND REVISED VOLUME NO. 1
(Superseding First Revised Volume Nos. 1 and 1-A
and Original Volume No. 3)

Of

ANR PIPELINE COMPANY

Filed With The
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff Should
Be Addressed To:

Joan Collins
Manager, Tariffs and Compliance
ANR Pipeline Company
Mailing Address: P.O. Box 2446
Houston, TX 77252-2446
Courier address: 717 Texas Street
Houston, TX 77002-2761
Phone: (832) 320-5651
Fax: (832) 320-6651

FORM OF AGREEMENT

(For use under Transporter's Rate Schedules
ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS, ITS-3,
FSS, DDS, MBS, PTS-1, PTS-2, PTS-3, NNS, IPLS and IWS)
(Continued)

TRANSPORTER:

ANR Pipeline Company
717 Texas Street
Houston, Texas 77002-2761
Attention: Commercial Services

SHIPPER:

_____ (Shipper Name)
_____ (Address)
_____ (City, State, Zip)
Attention: _____
Telephone: _____
FAX: _____

INVOICES AND STATEMENTS:

_____ (Shipper Name)
_____ (Address)
_____ (City, State, Zip)
Attention: _____
Telephone: _____
FAX: _____

MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS
(Continued)

TRANSPORTER:

ANR PIPELINE COMPANY
717 Texas Street
Houston, Texas 77002-2761
Attention: Commercial Services

SHIPPER:

_____ (Shipper Name)
_____ (Address)
_____ (City, State, Zip)

Attention: _____
Telephone: _____
Fax: _____

INVOICES AND STATEMENTS:

_____ (Shipper Name)
_____ (Address)
_____ (City, State, Zip)

Attention: _____
Telephone: _____
Fax: _____

ASSOCIATED LIQUEFIABLES AGREEMENT
(Continued)

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.

6. INCORPORATION BY REFERENCE:

The provisions of Transporter's applicable Rate Schedule and the General Terms and Conditions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

7. NOTICES:

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through GEMS_{tm}. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement:

TRANSPORTER:

ANR PIPELINE COMPANY
717 TEXAS STREET
HOUSTON, TX 77002-2761
Attention: COMMERCIAL SERVICES

SHIPPER:

Attention: _____
Telephone: _____
Fax: _____

GENERAL TERMS AND CONDITIONS
(Continued)

2. REQUESTS FOR TRANSPORTATION SERVICE

2.1 Requests. To seek to qualify for Transportation Service, a potential Shipper shall submit a request for such service in writing or via Transporter's Internet site to the Transporter. Transporter shall evaluate and respond to such requests as soon as is reasonably possible and shall begin service, if an Agreement is executed, as soon as is reasonably possible, after receipt of such request. Such a request shall be considered acceptable and valid only if the information specified in Section 2.2 below is provided in writing or via Transporter's Internet site, but Transporter may waive all or a portion of such information in individual instances, when the information is already in the possession of Transporter. If there is insufficient capacity to meet all requests for firm Transportation Service, and ANR must prioritize such requests pursuant to Section 9.1 of these General Terms and Conditions, ANR may require that each such request be accompanied by earnest money in the form of either Wire Transfer or a check payable to ANR Pipeline Company in the amount of the lesser of (a) ten thousand dollars (\$10,000); (b) the maximum reservation fee which would be due for the first two Months of service for such requested service, or (c) the maximum reservation fee that would be due for the term of the Agreement, which amount shall be applied, until fully used, against the first amounts due by Shipper to Transporter provided, however, that Transporter shall refund such amount to any Shipper whose request is not granted. Requests for service shall be sent to:

ANR Pipeline Company
717 Texas Street
Houston, Texas 77002-2761
Attention: Commercial Services

An Agreement will be deemed executed either (1) in writing or (2) by approval by Transporter of the Agreement via GEMs™ and the Shipper's nomination on such Agreement, whichever is earlier.

By execution, Shipper will have certified that the Shipper has title to, or the legal right to cause to be delivered to Transporter, for Transportation, the Gas which is to be Transported and owns facilities or contractual rights which will cause such Gas to be delivered to and received from Transporter (or, as appropriate, that the Shipper will have such necessary title or legal right and associated facilities and contractual rights at the time gas is transported by Transporter on Shipper's behalf).

GENERAL TERMS AND CONDITIONS
(Continued)

of this Section 5.1, Transporter shall curtail all services on a pro rata basis to preserve the operational integrity of its system.

5.2 Transportation of Associated Liquefiabiles.

- (a) Any party with the right to extract Associated Liquefiabiles may elect to extract such Associated Liquefiabiles and tender the Residue Gas for Transportation to a Shipper. Such party shall implement its election by arranging for Transportation of the Associated Liquefiabiles pursuant to an Agreement under Rate Schedules FTS-1 or ITS ("Liquefiabiles Agreement"). Provided that a Liquefiabiles Agreement is in place, nothing in this Tariff is intended to deny or interfere with a producer's or Shipper's right to extract Associated Liquefiabiles. Transporter shall not prevent any such person from entering into a Liquefiabiles Agreement, nor seek to retain title to such Associated Liquefiabiles.

- (b) Shippers should request PTR percentages from their processing plant operator and utilize such percentage to submit a PTR nomination on Transporter. If Shipper is unable to receive a PTR percentage from its processing plant operator, such Shipper may contact Transporter to receive a PTR percentage. If a PTR percentage is provided by Transporter, Transporter will utilize the last month's allocated percentage for PTR adjusted for current month actual processing plant operations. Once a PTR percentage is established, Shipper should submit a PTR nomination under its "Associated Liquefiabiles Agreement" in accordance with Transporter's nomination procedures and timeline in Section 6 of these General Terms and Conditions. Receipts on the Associated Liquefiabiles Agreement will be allocated pursuant to Section 14.2 of these General Terms and Conditions. Deliveries of PTR at the outlet of the processing plant will be allocated by the plant operator. A Shipper's imbalance related to its PTR activity will be the difference between the Transporter's allocated receipt and the processing plant operator allocated delivery on the Associated Liquefiabiles Agreement.

GENERAL TERMS AND CONDITIONS
(Continued)

- (c) Transporter shall allow Shipper to alter the order of priority of receipts and deliveries, and shall allow a Pooler to redesignate the priority of the Agreements into which such Pooler is selling Gas, upon which Transporter shall rely in taking actions to adjust receipts and/or deliveries under Section 5.1 of these General Terms and Conditions, provided that such changes are submitted via *GEMStm* or EDM in accordance with the nomination deadlines set forth in Section 6.1(a), above. If Shipper adds a new nomination at a Receipt Point or Delivery Point under its Agreement during the Service Day, or if a Pooler designates the addition of a new downstream Shipper during the Service Day, provided that any of such additions is not performed simultaneously

GENERAL TERMS AND CONDITIONS
(Continued)

with a change in priorities that accommodates the new receipt or delivery, Transporter shall place such addition as the last in priority to be affected by any changes under Section 5.1 of these General Terms and Conditions.

- (d) Notice. For purposes of providing notice of any nomination changes (including where an interruptible Shipper's nomination is bumped by a firm Shipper's intraday nomination or a nomination under Rate Schedule FTS-3) to a Shipper and/or Shipper's agent, Transporter shall use Electronic Communication. Transporter will provide advance notice to interruptible Shipper(s) being bumped due to nominations by Rate Schedule FTS-3 Shippers as soon as practicable, but at no time by less than two (2) hours notice using one or more of the following methods as determined by Transporter: posting on Internet site, facsimile, telephone or E-Mail. Intra-day bump notices should indicate whether daily penalties will apply for the Gas Day for which quantities are reduced. With respect to changes initiated by Transporter, if a Shipper so elects, such Shipper may provide a telephone number and Transporter will contact Shipper at such phone number by means of Electronic Communication to alert Shipper that a change has been made. Such Shipper shall then be responsible for reviewing its GEMStm account to obtain details of such change.
- (e) Daily Scheduling Penalties. Transporter will not impose any daily scheduling penalties as a result of nomination changes notified under Section 6.2(d), above, if the Shipper can demonstrate that it made a good faith attempt to accept Electronic Communication, and such Electronic Communication could not be accepted through no fault of Shipper, such as an event of force majeure affecting Shipper's facilities. In addition, where an interruptible Shipper's nomination is bumped by a firm Shipper's intraday nomination, Transporter will, in noncritical situations, waive any daily scheduling penalty for such bumped interruptible Shipper.

GENERAL TERMS AND CONDITIONS
(Continued)

similar conditions when the meter was registering accurately.

- 12.5 If at any time during the term hereof, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted upon mutual agreement thereto by both parties.
- 12.6 The parties agree to preserve for a period of at least three (3) years or such longer period as may be required by public authority, all test data, charts, if any, and other similar records.
- 12.7 Shipper or Transporter may install, maintain, and operate odorizing (at a Delivery Point only), regulating, telemetering, heating and fogging equipment at its own expense as it shall desire at each Receipt Point or Delivery Point, and the operator of such equipment at its own expense shall provide the other party a suitable site therefor and allow the other party free access to and use of the site; provided that such equipment shall be so installed, maintained and operated as not to interfere with the operation or maintenance of the operating party's measuring equipment at each Receipt Point or Delivery Point. All such equipment as Shipper or Transporter shall desire to install shall be constructed, installed and operated to conform to the other party's requirements. Shipper or Transporter may remove any of its equipment installed on such site at any time.

13. QUALITY

Gas delivered to, and received by, Transporter, shall meet the following specifications:

- 13.1 Heat Content. Heat content shall mean the gross heating value per cubic foot of Gas delivered at each Receipt Point and Delivery Point. The Gas at each Receipt Point shall have a heat content not greater than 1200 BTUs per cubic foot nor less than 967 BTUs per cubic foot when determined on a dry basis. Transporter shall have the right to waive such BTU content limits if, in Transporter's sole opinion, Transporter is able to accept Gas with a BTU content outside such limits without affecting Transporter's operations. The total heating value per cubic foot of Gas shall be determined at each Receipt Point and each Delivery Point by one of the following methods:

GENERAL TERMS AND CONDITIONS
(Continued)

Section 16 of these General Terms and Conditions, for each Dekatherm of such Non-Conforming Gas.

- 13.5 Commingling. It is recognized that Gas delivered by Shipper will be commingled with other Gas transported hereunder by Transporter. Accordingly, the Gas of Shipper shall be subject to such changes in heat content as may result from such commingling and Transporter shall, notwithstanding any other provision herein, be under no obligation to redeliver for Shipper's account, Gas of a heat content identical to that caused to be delivered by Shipper to Transporter.

14. ALLOCATION OF RECEIPTS AND DELIVERIES, DAILY BALANCING

- 14.1 Allocation of Deliveries. Unless Transporter and Operator mutually agree to allocate deliveries each Day using ranked, pro rata, percentage, swing, or operator provided value methodologies, such deliveries will be allocated through the meter using the allocation methodology in Section 14.1(a) below.

(a) Each Day's deliveries of Gas shall be allocated by Transporter for all services using the following order through the meter:

- (1) Rate Schedules FTS-3, ITS-3 and MBS Shippers and BTA Stand-Alone Option Shippers will be allocated their BTA consumption, if available, or, if such BTA consumption is not available, pursuant to Section 14.1(a)(2), below. The difference between the BTA Stand-Alone Option Shipper's nomination and its BTA allocation ("BTA Stand-Alone Variance") shall be subject to the additional charges, if any, set forth in Section 14.1(d), below. The MBS Supply Transportation shall be allocated as-nominated, pursuant to Section 14.1(a)(2), below. The difference between the MBS Supply Transportation allocation and the BTA shall be allocated as injections into or withdrawals from the MBS Storage Account and as Transportation under Rate Schedule MBS. An overrun charge pursuant to Rate Schedule MBS shall only be assessed on each Dekatherm of such allocated quantities that exceeds the Swing Percentage;
- (2) Next, all Notice Services (other than BTA Stand-Alone Option Shippers) will be allocated a quantity equal to the confirmed daily nomination for such services;

GENERAL TERMS AND CONDITIONS
(Continued)

21.2 Execution of Capacity Release Agreements.

- (a) Contractual Obligations. Transporter and Replacement Shipper must have a Master Service Agreement in effect pursuant to Section 21.1, above. In the event a Replacement Shipper does not satisfy Transporter's creditworthiness requirements such Shipper shall be required to comply with the creditworthiness requirements of Section 18.5 of these General Terms and Conditions. All Replacement Shippers shall be required to accept by a release all transportation rights and obligations of the Releasing Shipper with respect to the capacity released, including nominations and Primary Routes. Unless otherwise agreed by Transporter, the Releasing Shipper shall remain fully liable to Transporter for all reservation charges, including reservation type surcharges and direct bills, that were due under the Releasing Shipper's Agreement, unless Replacement Shipper has agreed to pay Transporter maximum rates, and to accept all obligations of the Releasing Shipper under the Releasing Shipper's Agreement for the remaining term of such Releasing Shipper's Agreement.
- (b) Billing. Pursuant to Sections 15, 17 and 21.2(c) of these General Terms and Conditions, Replacement Shipper shall be billed for its services the applicable rates and charges set forth in Section 4.1 and 4.2 of these General Terms and Conditions, and further provided that:
 - (1) Transporter shall bill the Releasing Shipper the difference between (1) the Releasing Shipper's rates and charges under its Service Agreement and (2) any additional reservation charges applicable under Section 4.1 and 4.2 of these General Terms and Conditions in the event that the Releasing Shipper has agreed to be billed any such additional reservation charges as part of its capacity release offer otherwise those incremental charges will be billed to the Replacement Shipper. Transporter shall also bill the Releasing Shipper in the event of default in payment of the Replacement Shipper.
 - (2) If the Replacement Shipper elevates Secondary Point(s) to Primary Point(s) in accordance with the provisions of Section 2.4 of these General Terms and Conditions, then Transporter shall bill the Releasing Shipper the difference between (1) the Releasing Shipper's rates and charges under its Service Agreement and (2) any additional reservation charges applicable under Sections 2.4(b), 4.1 and 4.2 of these General Terms and Conditions in the event that the Releasing Shipper has agreed to be billed any such additional reservation charges as part of its capacity release offer, otherwise those incremental charges will be billed to the Replacement Shipper.
 - (3) If the Replacement Shipper nominates to Secondary Point(s) outside of the Rate Segment where the Releasing Shipper's Primary Point is located, then the Replacement Shipper shall be billed the incremental Rate Segment differential to the Secondary Point, plus, if applicable, the amount of reimbursement required to the Releasing Shipper in accordance with Section 21.1(g)(14) of these General Terms and Conditions.

Appendix B

Redlined Versions

Fifth Revised Sheet No. 0 (Title)
Eleventh Revised Sheet No. 71
Fourth Revised Sheet No. 75D
Fourth Revised Sheet No. 75G.01
Eighth Revised Sheet No. 93
Third Revised Sheet No. 106
Fifth Revised Sheet No. 111
Eighth Revised Sheet No. 111A
Fourth Revised Sheet No. 129
Sixth Revised Sheet No. 132
Eleventh Revised Sheet No. 161

FERC GAS TARIFF

SECOND REVISED VOLUME NO. 1
(Superseding First Revised Volume Nos. 1 and 1-A
and Original Volume No. 3)

Of

ANR PIPELINE COMPANY

Filed With The
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff Should
Be Addressed To:

~~Robert D. Jackson~~
~~Director, Rates and Regulatory Affairs~~
Joan Collins
Manager, Tariffs and Compliance
ANR Pipeline Company
Mailing Address: P.O. Box 2446
Houston, TX 77252-2446
Courier address: 717 Texas Street
Houston, Texas TX 77002-2761
Phone: (832) 320-5487 (Phone) 320-5651
Fax: (832) 320-6487 (Fax) 320-6651

FORM OF AGREEMENT

(For use under Transporter's Rate Schedules
ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS, ITS-3,
FSS, DDS, MBS, PTS-1, PTS-2, PTS-3, NNS, IPLS and IWS)
(Continued)

TRANSPORTER:

ANR Pipeline Company
717 Texas Street
Houston, Texas 77002-2761
Attention: ~~Transportation~~ Commercial Services

SHIPPER:

_____ (Shipper Name)
_____ (Address)
_____ (City, State, Zip)
Attention: _____
Telephone: _____
FAX: _____

INVOICES AND STATEMENTS:

_____ (Shipper Name)
_____ (Address)
_____ (City, State, Zip)
Attention: _____
Telephone: _____
FAX: _____

MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS
(Continued)

TRANSPORTER:

ANR PIPELINE COMPANY
717 Texas Street
Houston, Texas 77002-2761
Attention: ~~Transportation~~ Commercial Services

SHIPPER:

_____ (Shipper Name)
_____ (Address)
_____ (City, State, Zip)

Attention: _____

Telephone: _____

Fax: _____

INVOICES AND STATEMENTS:

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_____ (Address)
_____ (City, State, Zip)

Attention: _____

Telephone: _____

Fax: _____

ASSOCIATED LIQUEFIABLES AGREEMENT
(Continued)

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.

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TRANSPORTER:

ANR PIPELINE COMPANY
717 TEXAS STREET
HOUSTON, TX 77002-2761
Attention: ~~TRANSPORTATION~~ COMMERCIAL SERVICES

SHIPPER:

Attention: _____
Telephone: _____
Fax: _____

GENERAL TERMS AND CONDITIONS
(Continued)

2. REQUESTS FOR TRANSPORTATION SERVICE

- 2.1 Requests. To seek to qualify for Transportation Service, a potential Shipper shall submit a request for such service in writing or via Transporter's Internet site to the Transporter. Transporter shall evaluate and respond to such requests as soon as is reasonably possible and shall begin service, if an Agreement is executed, as soon as is reasonably possible, after receipt of such request. Such a request shall be considered acceptable and valid only if the information specified in Section 2.2 below is provided in writing or via Transporter's Internet site, but Transporter may waive all or a portion of such information in individual instances, when the information is already in the possession of Transporter. If there is insufficient capacity to meet all requests for firm Transportation Service, and ANR must prioritize such requests pursuant to Section 9.1 of these General Terms and Conditions, ANR may require that each such request be accompanied by earnest money in the form of either Wire Transfer or a check payable to ANR Pipeline Company in the amount of the lesser of (a) ten thousand dollars (\$10,000); (b) the maximum reservation fee which would be due for the first two Months of service for such requested service, or (c) the maximum reservation fee that would be due for the term of the Agreement, which amount shall be applied, until fully used, against the first amounts due by Shipper to Transporter provided, however, that Transporter shall refund such amount to any Shipper whose request is not granted. Requests for service shall be sent to:

ANR Pipeline Company
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By execution, Shipper will have certified that the Shipper has title to, or the legal right to cause to be delivered to Transporter, for Transportation, the Gas which is to be Transported and owns facilities or contractual rights which will cause such Gas to be delivered to and received from Transporter (or, as appropriate, that the Shipper will have such necessary title or legal right and associated facilities and contractual rights at the time gas is transported by Transporter on Shipper's behalf).

GENERAL TERMS AND CONDITIONS
(Continued)

of this Section 5.1, Transporter shall curtail all services on a pro rata basis to preserve the operational integrity of its system.

5.2 Transportation of Associated Liquefiabiles.

- (a) Any party with the right to extract Associated Liquefiabiles may elect to extract such Associated Liquefiabiles and tender the Residue Gas for Transportation to a Shipper. Such party shall implement its election by arranging for Transportation of the Associated Liquefiabiles pursuant to an Agreement under Rate Schedules FTS-1 or ITS ("Liquefiabiles Agreement"). Provided that a Liquefiabiles Agreement is in place, nothing in this Tariff is intended to deny or interfere with a producer's or Shipper's right to extract Associated Liquefiabiles. Transporter shall not prevent any such person from entering into a Liquefiabiles Agreement, nor seek to retain title to such Associated Liquefiabiles.

- (b) Shippers should request PTR percentages from their processing plant operator and utilize such percentage to submit a PTR nomination on Transporter. If Shipper is unable to receive a PTR percentage from its processing plant operator, such Shipper may contact Transporter to receive a PTR percentage. If a PTR percentage is provided by Transporter, Transporter will utilize the last month's allocated percentage for PTR adjusted for current month actual processing plant operations. Once a PTR percentage is established, Shipper should submit a PTR nomination under its "Associated Liquefiabiles Agreement" in accordance with Transporter's nomination procedures and timeline in Section 6 of these General Terms and ~~Conditions~~ Conditions. Receipts on the Associated Liquefiabiles Agreement will be allocated pursuant to Section 14.2 of these General Terms and Conditions. Deliveries of PTR at the outlet of the processing plant will be allocated by the plant operator. A Shipper's imbalance related to its PTR activity will be the difference between the Transporter's allocated receipt and the processing plant operator allocated delivery on the Associated Liquefiabiles Agreement.

GENERAL TERMS AND CONDITIONS
(Continued)

- (c) Transporter shall allow Shipper to alter the order of priority of receipts and deliveries, and shall allow a Pooler to redesignate the priority of the Agreements into which such Pooler is selling Gas, upon which Transporter shall rely in taking actions to adjust receipts and/or deliveries under Section 5.1 of these General Terms and ~~Conditions~~Conditions, provided that such changes are submitted via *GEMStm* or EDM in accordance with the nomination deadlines set forth in Section 6.1(a), above. If Shipper adds a new nomination at a Receipt Point or Delivery Point under its Agreement during the Service Day, or if a Pooler designates the addition of a new downstream Shipper during the Service Day, provided that any of such additions is not performed simultaneously

GENERAL TERMS AND CONDITIONS
(Continued)

with a change in priorities that accommodates the new receipt or delivery, Transporter shall place such addition as the last in priority to be affected by any changes under Section 5.1 of these General Terms and ~~Conditions~~ Conditions.

- (d) Notice. For purposes of providing notice of any nomination changes (including where an interruptible Shipper's nomination is bumped by a firm Shipper's intraday nomination or a nomination under Rate Schedule FTS-3) to a Shipper and/or Shipper's agent, Transporter shall use Electronic Communication. Transporter will provide advance notice to interruptible Shipper(s) being bumped due to nominations by Rate Schedule FTS-3 Shippers as soon as practicable, but at no time by less than two (2) hours notice using one or more of the following methods as determined by Transporter: posting on Internet site, facsimile, telephone or E-Mail. Intra-day bump notices should indicate whether daily penalties will apply for the Gas Day for which quantities are reduced. With respect to changes initiated by Transporter, if a Shipper so elects, such Shipper may provide a telephone number and Transporter will contact Shipper at such phone number by means of Electronic Communication to alert Shipper that a change has been made. Such Shipper shall then be responsible for reviewing its GEMStm account to obtain details of such change.
- (e) Daily Scheduling Penalties. Transporter will not impose any daily scheduling penalties as a result of nomination changes notified under Section 6.2(d), above, if the Shipper can demonstrate that it made a good faith attempt to accept Electronic Communication, and such Electronic Communication could not be accepted through no fault of Shipper, such as an event of force majeure affecting Shipper's facilities. In addition, where an interruptible Shipper's nomination is bumped by a firm Shipper's intraday nomination, Transporter will, in noncritical situations, waive any daily scheduling penalty for such bumped interruptible Shipper.

GENERAL TERMS AND CONDITIONS
(Continued)

similar conditions when the meter was registering accurately.

- 12.5 If at any time during the term hereof, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted upon mutual agreement thereto by both parties.
- 12.6 The parties agree to preserve for a period of at least three (3) years or such longer period as may be required by public authority, all test data, charts, if any, and other similar records.
- 12.7 Shipper or Transporter may install, maintain, and operate odorizing (at a Delivery Point only), regulating, telemetering, heating and fogging equipment at its own expense as it shall desire at each Receipt Point or Delivery Point, and the operator of such equipment at its own expense shall provide the other party a suitable site therefor and allow the other party free access to and use of the site; provided that such equipment shall be so installed, maintained and operated as not to interfere with the operation or maintenance of the operating party's measuring equipment at each Receipt Point or Delivery Point. All such equipment as Shipper or Transporter shall desire to install shall be constructed, installed and operated to conform to the other party's requirements. Shipper or Transporter may remove any of its equipment installed on such site at any time.

13. QUALITY

Gas delivered to, and received by, Transporter, shall meet the following specifications:

- 13.1 Heat Content. Heat content shall mean the gross heating value per cubic foot of Gas delivered at each Receipt Point and Delivery Point. The Gas at each Receipt Point shall have a heat content not greater than 1200 ~~BTU's~~ BTUs per cubic foot nor less than 967 ~~BTU's~~ BTUs per cubic foot when determined on a dry basis. Transporter shall have the right to waive such BTU content limits if, in Transporter's sole opinion, Transporter is able to accept Gas with a BTU content outside such limits without affecting Transporter's operations. The total heating value per cubic foot of Gas shall be determined at each Receipt Point and each Delivery Point by one of the following methods:

GENERAL TERMS AND CONDITIONS
(Continued)

Section 16 of these General Terms and Conditions, for each Dekatherm of such Non-Conforming Gas.

~~13.4~~ 13.5 Commingling. It is recognized that Gas delivered by Shipper will be commingled with other Gas transported hereunder by Transporter. Accordingly, the Gas of Shipper shall be subject to such changes in heat content as may result from such commingling and Transporter shall, notwithstanding any other provision herein, be under no obligation to redeliver for Shipper's account, Gas of a heat content identical to that caused to be delivered by Shipper to Transporter.

14. ALLOCATION OF RECEIPTS AND DELIVERIES, DAILY BALANCING

14.1 Allocation of Deliveries. Unless Transporter and Operator mutually agree to allocate deliveries each Day using ranked, pro rata, percentage, swing, or operator provided value methodologies, such deliveries will be allocated through the meter using the allocation methodology in Section 14.1(a) below.

- (a) Each Day's deliveries of Gas shall be allocated by Transporter for all services using the following order through the meter:
- (1) Rate Schedules FTS-3, ITS-3 and MBS Shippers and BTA Stand-Alone Option Shippers will be allocated their BTA consumption, if available, or, if such BTA consumption is not available, pursuant to Section 14.1(a)(2), below. The difference between the BTA Stand-Alone Option Shipper's nomination and its BTA allocation ("BTA Stand-Alone Variance") shall be subject to the additional charges, if any, set forth in Section 14.1(d), below. The MBS Supply Transportation shall be allocated as-nominated, pursuant to Section 14.1(a)(2), below. The difference between the MBS Supply Transportation allocation and the BTA shall be allocated as injections into or withdrawals from the MBS Storage Account and as Transportation under Rate Schedule MBS. An overrun charge pursuant to Rate Schedule MBS shall only be assessed on each Dekatherm of such allocated quantities that exceeds the Swing Percentage;
 - (2) Next, all Notice Services (other than BTA Stand-Alone Option Shippers) will be allocated a quantity equal to the confirmed daily nomination for such services;

GENERAL TERMS AND CONDITIONS
(Continued)

21.2 Execution of Capacity Release Agreements.

- (a) Contractual Obligations. Transporter and Replacement Shipper must have a Master Service Agreement in effect pursuant to Section 21.1, above. In the event a Replacement Shipper does not satisfy Transporter's creditworthiness requirements such Shipper shall be required to comply with the creditworthiness requirements of Section 18.5 of these General Terms and Conditions. All Replacement Shippers shall be required to accept by a release all transportation rights and obligations of the Releasing Shipper with respect to the capacity released, including nominations and Primary Routes. Unless otherwise agreed by Transporter, the Releasing Shipper shall remain fully liable to Transporter for all reservation charges, including reservation type surcharges and direct bills, that were due under the Releasing Shipper's Agreement, unless Replacement Shipper has agreed to pay Transporter maximum rates, and to accept all obligations of the Releasing Shipper under the Releasing Shipper's Agreement for the remaining term of such Releasing Shipper's Agreement.
- (b) Billing. Pursuant to Sections 15, 17 and 21.2(c) of these General Terms and ~~Conditions~~ Conditions, Replacement Shipper shall be billed for its services the applicable rates and charges set forth in Section 4.1 and 4.2 of these General Terms and Conditions, and further provided that:
- (1) Transporter shall bill the Releasing Shipper the difference between (1) the Releasing Shipper's rates and charges under its Service Agreement and (2) any additional reservation charges applicable under Section 4.1 and 4.2 of these General Terms and Conditions in the event that the Releasing Shipper has agreed to be billed any such additional reservation charges as part of its capacity release offer otherwise those incremental charges will be billed to the Replacement Shipper. Transporter shall also bill the Releasing Shipper in the event of default in payment of the Replacement Shipper.
 - (2) If the Replacement Shipper elevates Secondary Point(s) to Primary Point(s) in accordance with the provisions of Section 2.4 of these General Terms and Conditions, then Transporter shall bill the Releasing Shipper the difference between (1) the Releasing Shipper's rates and charges under its Service Agreement and (2) any additional reservation charges applicable under Sections 2.4(b), 4.1 and 4.2 of these General Terms and Conditions in the event that the Releasing Shipper has agreed to be billed any such additional reservation charges as part of its capacity release offer, otherwise those incremental charges will be billed to the Replacement Shipper.
 - (3) If the Replacement Shipper nominates to Secondary Point(s) outside of the Rate Segment where the Releasing Shipper's Primary Point is located, then the Replacement Shipper shall be billed the incremental Rate Segment differential to the Secondary Point, plus, if applicable, the amount of reimbursement required to the Releasing Shipper in accordance with Section 21.1(g)(14) of these General Terms and Conditions.