



October 28, 2013

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
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Washington, D.C. 20426

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Re: ANR Pipeline Company
Change in FERC Gas Tariff
Docket No. RP14-_____ - _____

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations,¹ ANR Pipeline Company (“ANR”) respectfully submits for filing the tariff sections listed in Appendix A to be part of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”). The purpose of this filing is to revise ANR’s reservation charge crediting and force majeure tariff provisions consistent with Commission policy as further described below. ANR respectfully requests that the Commission accept the tariff sections included herein at Appendix A to become effective December 2, 2013.

Correspondence

The names, titles, mailing addresses, and telephone numbers of those persons to whom communications concerning this filing should be addressed are as follows:

¹ 18 C.F.R. Part 154 (2013).

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Statement of the Nature, Reasons and Basis for Filing

By the instant filing, ANR is proposing to change its Tariff to implement the current reservation charge crediting policy. Consistent with the Commission's recent decisions regarding reservation charge crediting in other proceedings,² ANR's Tariff has been modified herein to recognize outages impacting primary firm service caused by either a force majeure event or a non-force majeure event, as further described below.

ANR proposes to consolidate its reservation charge crediting provisions, previously included in each rate schedule, within newly added Section 6.36 of the General Terms and Conditions ("GT&C") of ANR's Tariff.³ Tariff Section 6.36, paragraph 1, defines Firm Daily Volume as the volume of gas that ANR is obligated to deliver on a firm basis at a shipper's primary delivery point(s) on any day. For ANR's firm Notice Services,⁴ Firm Daily Volume is limited to confirmable nominations within a shipper's firm entitlement, as previously approved by the Commission in other pipeline tariffs.⁵ Consistent with past practice [as reflected in deleted tariff Section 5.15.3, paragraph 1(b)] Firm Daily Volume for Rate Schedule NNS (firm No-Notice

² See, e.g., *Natural Gas Supply Association*, 135 FERC ¶ 61,055 (2011) ("April 2011 Order"); *Southern Natural Gas Co.*, 135 FERC ¶ 61,056, order on reh'g, 137 FERC ¶ 61,050 (2011); *Kern River Gas Transmission Co.*, 139 FERC ¶ 61,044 (2012); *Dominion Transmission Inc.*, 142 FERC ¶ 61,154 (2013) ("Dominion Order"); *Gas Transmission Northwest LLC*, 141 FERC ¶ 61,101 (2012) ("GTN Order"); and *Gas Transmission Northwest LLC*, Docket No. RP12-15-005 (January 16, 2013) (unpublished Director's letter order).

³ Part 6.36 – GT&C, Reservation Charge Credits, v.0.0.0 ("Section 6.36").

⁴ Rate Schedule ETS; Rate Schedule FTS-1; Rate Schedule FTS-2; Rate Schedule FTS-3; Rate Schedule FSS; and Rate Schedule PTS-2 ("Notice Services").

⁵ See GTN Order at P 39 where the Commission states "As a general matter, GTN's proposal to base reservation charge credits on 'confirmable nominations' is consistent with Commission policy." See also *Portland Natural Gas Transmission System*, 143 FERC ¶ 61,181 (2013) ("PNGTS Order").

Service) is based upon the actual quantity of gas that a shipper would have taken within its no-notice entitlement.

Proposed tariff Section 6.36, paragraph 2, governs reservation charge credits for force majeure events. As set forth in its April 2011 Order, the Commission has permitted pipelines to use two different methods to determine reservation charge credits as a result of a force majeure outage.⁶ ANR proposes in the instant filing to implement the Safe Harbor method, and will provide full reservation charge credits for any quantity of gas that ANR is unable to deliver up to a shipper's Firm Daily Volume after a safe harbor period of 10 days. However, reservation charge credits shall not be provided to the extent that a shipper utilizes secondary service, consistent with the Commission's April 2011 Order and similar orders issued in other proceedings.⁷

ANR proposes, in tariff Section 6.36, paragraph 3, to provide partial reservation charge credits for a two-year transitional period for outages necessary to comply with orders issued by the Pipeline and Hazardous Materials Safety Administration ("PHMSA") pursuant to Section 60139(c) of Title 49 of the United States Code, consistent with recent Commission decisions.⁸ Accordingly, ANR proposes to use the Safe Harbor method for reservation charge crediting associated with such PHMSA outages for a two-year period commencing with the effective date of this proposed tariff change (*i.e.*, December 2, 2013). Consistent with the Dominion Order, ANR has separately located the PHMSA provision within Section 6.36.⁹

Proposed tariff Section 6.36, paragraph 4, governs reservation charge credits for non-force majeure outages. Consistent with the Commission's April 2011 Order, ANR proposes to provide full reservation charge credits starting on day one for any non-delivery of gas resulting

⁶ April 2011 Order at PP 16-17. A pipeline may select either the No-Profit method whereby, from day 1 of an outage, the pipeline provides refunds of the reservation charge credits which cover return on equity and associated income taxes, or the Safe Harbor method whereby the pipeline provides full reservation charge credits after a safe harbor period of 10 days.

⁷ *See, e.g.*, April 2011 Order at P 27; *Southern Natural Gas Co.*, 137 FERC ¶ 61,050 at P 16 (2011); *TransColorado Gas Transmission Company LLC*, 139 FERC 61,229 at P 44 (2012) ("TransColorado Order").

⁸ Dominion Order at P 26. The Commission clarified that the two-year transitional period is keyed to the effective date of the tariff records that implement such period. The Commission recently reaffirmed its position on PHMSA outages. PNGTS Order at PP 20-27. In this order, the Commission reaffirmed its position on PHMSA outages. *See also, e.g.*, *Gulf South Pipeline Co., LP*, 141 FERC ¶ 61,224 (2012); *Gulf Crossing Pipeline Co. LLC*, 141 FERC ¶ 61,222 (2012); *Texas Gas Transmission, LLC*, 141 FERC ¶ 61,223 (2012).

⁹ Dominion Order at P 19. The Commission instructed Dominion to remove the PHMSA provision from its force majeure definition and include it as a separate transitional provision.

from a non-force majeure outage up to a shipper's Firm Daily Volume. Again, reservation charge credits shall not be provided to the extent that a shipper utilizes secondary service.

Lastly within Section 6.36, paragraph 5, ANR further clarifies that an exemption from crediting for nominated amounts not confirmed is limited to events caused solely by the conduct of others not controlled by ANR, such as a shipper or upstream or downstream facility operators not controlled by ANR. This provision is consistent with tariff language previously approved by the Commission in other proceedings.¹⁰

As a result of the consolidation of reservation charge crediting provisions into proposed tariff Section 6.36, the reservation charge crediting provisions currently contained within each of ANR's Rate Schedules has been removed.¹¹ Additionally, ANR is submitting an updated Table of Contents¹² to reflect the addition of tariff Section 6.36.

Finally, ANR is proposing modifications to its force majeure definition included in tariff Section 6.7.¹³ Consistent with the Commission's April 2011 Order, ANR is incorporating language to clarify that in order to qualify as a force majeure event, repairs must be unexpected and uncontrollable.¹⁴ As such, ANR's proposed force majeure definition excludes activities associated with normal and planned maintenance.¹⁵ Finally, ANR is expanding its force majeure definition to include outages resulting from legislative, administrative, or judicial action, if such outages to comply with government requirements are both outside ANR's control and unexpected, consistent with recent Commission Orders.¹⁶

¹⁰ GTN Order at P 39; TransColorado Order at PP 50-51.

¹¹ Specifically, Part 5.1.3 – Rate Sch ETS, Charges; Part 5.3.3 – Rate Sch FTS-1, Charges; Part 5.4.3 – Rate Sch FTS-2, Charges; Part 5.5.3 – Rate Sch FTS-3, Charges; Part 5.12.3 – Rate Sch FSS, Charges; Part 5.15.3 – Rate Sch NNS, Charges; and Part 5.17.3 – Rate Sch PTS-2, Charges.

¹² Part 1 – Table of Contents (“Table of Contents”).

¹³ Part 6.7 – GT&C, Force Majeure, v. 1.0.0. (“Section 6.7”).

¹⁴ April 2011 Order at P 23.

¹⁵ See *Florida Gas Transmission Company*, 107 FERC ¶ 61,074 at P 27 (2004).

¹⁶ GTN Order at PP 46-49. In the GTN Order, the Commission stated that outages resulting from government requirements are only considered force majeure if such outages are both reasonably outside a pipeline's control and unexpected. See also *Texas Eastern Transmission, LP*, 140 FERC ¶ 61,216, at PP 82-88 (2012).

Effective Date

ANR requests that the Commission accept the proposed tariff sheets to become effective December 2, 2013.

Other Filings Which May Affect This Proceeding

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

Contents of Filing

In accordance with Section 154.7 of the Commission's regulations, ANR is submitting the following XML filing package, which includes:

1. This transmittal letter;
2. The clean tariff sections (Appendix A); and
3. A marked version of the tariff sections (Appendix B).

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 on all of ANR's existing customers and interested state regulatory agencies. A copy of this letter, together with the other attachments, is 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. The undersigned possesses full power and authority to sign such filing.

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

Respectfully submitted,

ANR PIPELINE COMPANY

A handwritten signature in black ink that reads "John A. Roscher". The signature is written in a cursive style with a long horizontal flourish extending to the right.

John A. Roscher
Director, Rates & Tariffs

Enclosures

Appendix A

ANR Pipeline Company FERC Gas Tariff, Third Revised Volume No. 1

Clean Tariff

<u>Tariff Section</u>	<u>Version</u>
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5.3.3 – Rate Sch FTS-1, Charges	v.1.0.0
5.4.3 – Rate Sch FTS-2, Charges	v.1.0.0
5.5.3 – Rate Sch FTS-3, Charges	v.1.0.0
5.12.3 – Rate Sch FSS, Charges	v.1.0.0
5.15.3 – Rate Sch NNS, Charges	v.1.0.0
5.17.3 – Rate Sch PTS-2, Charges	v.1.0.0
6.7 – GT&C, Force Majeure	v.1.0.0
6.36 – GT&C, Reservation Charge Credits	v.0.0.0

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5.1.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Dekatherm of MDQ, the sum of the applicable Reservation Rate(s), as stated in Section 4.1 or 4.4, for each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route designated for such MDQ.
- (b) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.1.3 paragraph 1(a), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
- (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.1.3 paragraph 1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated in Sections 4.1, 4.4 and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- (d) If, at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.

- (a) The applicable Commodity Rate, as stated in Section 4.1 or 4.4 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route utilized during the Service Month.
- (b) Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of MDQ, or Gas Delivered Hereunder, as applicable. Such charges or surcharges are stated in Sections 4.16 and 4.20.

3. Daily Scheduling Penalties. Only Shippers identified in Section 6.14.1(a)(3)(iii) of the General Terms and Conditions of this Tariff, may be subject to daily scheduling

penalties, and only on each Dekatherm of the quantities of variance set forth therein that exceeds the Swing Percentage. The rate for any such daily scheduling penalty per Dekatherm shall be the highest applicable Rate Schedule ITS Maximum Rate to that Delivery Point.

4. Authorized Overrun Service. Transporter may authorize Shipper to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of any of Shipper's Delivery Point MDQs. Any request for service under this Section 5.1.3 paragraph 4 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff, provided, however, a separate nomination is not required if the overrun is being delivered under any service associated with the operation of Transporter's Rate Schedule NNS or MBS and has been authorized and allocated to Shipper pursuant to Section 6.14.1(a)(1), 6.14.1(a)(3) or 6.14.1(c) of the General Terms and Conditions of this Tariff. In addition to other applicable charges, Shipper shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to (a) the applicable maximum Reservation Charges times 12 then dividing the result by 365, plus (b) in the case of utilization of any Secondary Receipt or Delivery Points, the applicable incremental maximum Reservation Rate(s) set forth in Section 5.1.3 paragraph 1(c), above, times 12 then dividing the result by 365.
5. Unauthorized Overrun Service.
 - (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of any of Shipper's Delivery Point MDQs, which has not been authorized under Section 5.1.3 paragraph 4 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 5.1.3 paragraph 4 above.
 - (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Section 5.1.3 paragraphs 4 and 5(a), above.

6. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
7. Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
8. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.1 or 4.4 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.
9. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

5.3.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Dekatherm of MDQ, the applicable Reservation Rate(s), as stated in Section 4.3 or 4.4, for each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route designated for such MDQ.
- (b) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.3.3 paragraph 1(a), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
- (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) that are outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.3.3 paragraph 1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated in Sections 4.3, 4.4, and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- (d) If, at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.

- (a) The applicable Commodity Rate, as stated in Section 4.3 or 4.4 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route during the Month.
- (b) Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of MDQ, or Gas Delivered Hereunder, as applicable. Such charges or surcharges are shown in Sections 4.16 and 4.20.

3. Daily Scheduling Penalties. Only Shippers identified in Section 6.14.1(a)(3)(iii) of the General Terms and Conditions of this Tariff, may be subject to daily scheduling penalties, and only on each Dekatherm of the quantities of variance set forth therein

that exceeds the Swing Percentage. The rate for any such daily scheduling penalty per Dekatherm shall be the highest applicable Rate Schedule ITS Maximum Rate to that Delivery Point.

4. **Authorized Overrun Service.** Transporter may authorize Shipper to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of any of Shipper's Primary Route MDQs. Any request for service under this Section 5.3.3 paragraph 4 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff, provided, however, a separate nomination is not required if the overrun is being delivered under any service associated with the operation of Transporter's Rate Schedule NNS or MBS and has been authorized and allocated to Shipper pursuant to Section 6.14.1(a)(1), 6.14.1(a)(3) or 6.14.1(c) of the General Terms and Conditions of this Tariff.

In addition to other applicable charges, Shipper shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to (a) the applicable maximum Reservation Rates times 12 then dividing the result by 365, plus (b) in the case of utilization of any Secondary Receipt or Delivery Points, the applicable incremental maximum Reservation Rate(s) set forth in Section 5.3.3 paragraph 1(c), above, times 12 then dividing the result by 365.

5. **Unauthorized Overrun Service.**
 - (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of any of Shipper's Primary Route MDQs, which has not been authorized under Section 5.3.3 paragraph 4 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 5.3.3 paragraph 4 above.
 - (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under

this Rate Schedule, in addition to all of the charges set forth in Section 5.3.3 paragraphs 4 and 5(a), above.

6. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
7. Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
8. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.3 or 4.4 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.
9. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

5.4.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.
 - (a) For each Dekatherm of MDQ, the sum of the applicable Reservation Rate(s), as stated in Section 4.5, for each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route designated for such MDQ.
 - (b) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.4.3 paragraph 1(a), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
 - (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) that are outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.4.3 paragraph 1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated in Section 4.5 and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
 - (d) If at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.
2. Commodity Charges.
 - (a) A Commodity Rate, as stated in Section 4.5 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route utilized during the Month.
 - (b) Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of MDQ, or Gas Delivered Hereunder, as applicable. Such charges or surcharges are shown in Sections 4.16 and 4.20.
3. Daily Scheduling Penalties. Only Shippers identified in Section 6.14.1(a)(3)(iii) of the General Terms and Conditions of this Tariff, may be subject to daily scheduling penalties, and only on each Dekatherm of the quantities of variance set forth therein that exceeds the Swing Percentage. The rate for any such daily scheduling penalty

per Dekatherm shall be the highest applicable Rate Schedule ITS Maximum Rate to that Delivery Point.

4. **Authorized Overrun Service.** Transporter may authorize Shipper to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of Shipper's Primary Route MDQ. Any request for service under this Section 5.4.3 paragraph 4 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff, provided, however, a separate nomination is not required if the overrun is being delivered under any service associated with the operation of Transporter's Rate Schedule NNS or MBS and has been authorized and allocated to Shipper pursuant to Section 6.14.1(a)(1), 6.14.1(a)(3) or 6.14.1(c) of the General Terms and Conditions of this Tariff. Shipper shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to the applicable incremental maximum Reservation Rates times 12 then dividing the result by 365.
5. **Unauthorized Overrun Service.**
 - (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of Shipper's MDQ, which has not been authorized under Section 5.4.3 paragraph 4 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 5.4.3 paragraph 4 above.
 - (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Section 5.4.3 paragraphs 4 and 5(a), above.
6. **Fuel and Electric Power Cost Reimbursement.** Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.

7. **Third Party Charges.** Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
8. **Rate Changes.** Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.5 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.
9. **Cashout of Monthly Imbalances.** Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

5.5.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route, an FTS-3 Deliverability Reservation Rate, as stated in Section 4.6, shall be paid each Month for each Dekatherm of Shipper's Billing MHQ; plus
- (b) For each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route, an FTS-3 Capacity Reservation Rate, as stated in Section 4.6, shall be paid each Month for each Dekatherm of Shipper's Primary Route Billing MDQ.
- (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.5.3 paragraphs 1(a) and (b), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
- (d) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.5.3 paragraphs 1(a) and (b), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rates, as stated in Section 4.6 and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- (e) If, at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.

A Commodity Rate, as stated in Section 4.6 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route during the Month.

3. Other Applicable Charges or Surcharges.

All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and

Conditions of this Tariff, for each Dekatherm of MDQ or of Gas Delivered Hereunder, as applicable. Such charges or surcharges are shown in Section 4.16.

4. Authorized Overrun Service.

(a) Transporter may authorize Shipper to take hereunder overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of Shipper's Primary Route MDQs or Primary Delivery Point MHQs, whichever is greater. Any request for service under this Section 5.5.3 paragraph 4 must be made by Shipper pursuant to a separate nomination for Authorized Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff.

(b) In addition to other applicable charges, Shipper shall pay a commodity charge for each Dekatherm of Authorized Overrun Quantity. The formula for calculating this Rate Schedule FTS-3 Overrun Service Rate is stated in Section 4.6.

5. Unauthorized Overrun Service.

(a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of Shipper's Primary Route MDQs or Primary Delivery Point MHQ, whichever is greater, and which has not been authorized under Section 5.5.3 paragraph 4 of this Rate Schedule, shall be considered as "Unauthorized Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 5.5.3 paragraph 4 above.

(b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Deliverability rate, plus the Capacity Reservation Rate multiplied by 365 and divided by 12, in addition to all of the charges set forth in Section 5.5.3 paragraphs 4(b) and 5(a), above.

6. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shippers electing the

optional variation of delivery feature provided under Section 5.5.5, below, shall also furnish Gas for Transporter's Use for storage injections. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.

7. **Third Party Charges.** Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
8. **Rate Changes.** Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.6 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

5.12.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.
 - (a) The applicable FSS Deliverability Reservation Rate, as stated in Section 4.9 or 4.10, shall be paid each Month for each Dekatherm of Shipper's Base MDWQ; plus
 - (b) The applicable FSS Capacity Reservation Rate, as stated in Section 4.9 or 4.10, shall be paid each Month for each Dekatherm of Shipper's MSQ divided by twelve (12).
2. Commodity Charges. The applicable Injection/Withdrawal Commodity Rate, as stated in Section 4.9 or 4.10, shall be paid each Month by Shipper for each Dekatherm of Gas tendered to or by Transporter at the Point of Injection/Withdrawal during the Service Month, excluding quantities delivered pursuant to Section 5.12.3 paragraph 4 of this Rate Schedule.
3. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown in Section 4.16. Such surcharges shall not be applicable if paid on related Transportation Service.
4. Storage Overrun Service. Shipper may request Transporter to inject quantities of Gas for Shipper on any Day during the Injection Period in excess of the quantities specified in Section 5.12.2(c)(1) of this Rate Schedule or to withdraw quantities of Gas for Shipper on any Day during the Withdrawal Period in excess of Shipper's MDWQ. Shipper may also request Transporter to inject quantities of Gas for Shipper on any Day during the Withdrawal Period or withdraw quantities of Gas for Shipper on any Day during the Injection Period. Shipper may request Transporter to accept deliveries of quantities of Gas in excess of the MSQ during any Injection Period and Shipper may request Transporter to redeliver quantities of Gas in excess of the MSQ or Working Storage Gas during any Withdrawal Period provided, however, that at no time may Shipper's Working Storage Gas exceed Shipper's MSQ. Transporter may do so on an interruptible basis if it can do so without adverse effect on Transporter's operations or its ability to meet all of its other firm service obligations. Shipper may nominate on an interruptible basis for the redelivery of any quantities of Gas which have been provided to Shipper in excess of Working Storage Gas, in accordance with Section 6.6 of these General Terms and Conditions of this Tariff; however, Shipper shall be required to return

all such quantities commencing within forty-eight (48) hours of notification by Transporter to do so unless Transporter in its reasonable discretion determines that a longer period is operationally feasible. For each Dth of such Gas that Shipper shall not return to Transporter as expressly required pursuant to this Section 5.12.3 paragraph 4, Shipper shall be subject to a penalty rate equal to twelve (12) times the sum of the maximum applicable FSS Deliverability and Capacity Reservation Rates.

5. **Overrun Service Charge.** The applicable Overrun Service Rate shall be paid for each Dekatherm of Gas which is injected or withdrawn on behalf of Shipper during the Month pursuant to Section 5.12.3 paragraph 4 of this Rate Schedule unless such overrun service, with Transporter's concurrence, is makeup of quantities of Gas that Transporter previously failed to inject into storage or withdraw from storage. The formula for calculating the applicable Rate Schedule FSS Overrun Service Rate is stated in Section 4.9 or 4.10.
6. **Fuel and Electric Power Cost Reimbursement.** Shipper shall furnish at the Point(s) of Injection/Withdrawal, for each Dekatherm injected, the Transporter's Use and EPC Charge utilizing the applicable Rate Schedule FSS Transporter's Use (%) and EPC Charge set forth in Section 4.18 or 4.19.
7. **Cycling Fuel Charge.** If a Shipper has renewed its Agreement for the next Storage Contract Year under this Rate Schedule, or any successor Rate Schedule, and fails to reduce its Working Storage Gas to twenty percent (20%) or less of its MSQ by the end of the Winter Period, then Transporter shall reduce the Working Storage Gas for Cycling Fuel, provided, however, that such deadline for reducing Working Storage Gas shall be extended, as applicable, by the number of Days that the quotient of Shipper's MSQ divided by Shipper's Base MDWQ exceeds 151.
8. If a Shipper has reached the termination date of its Agreement without renewing or extending its Agreement or has reached a break in the period of Shipper's service, and fails to withdraw all of its Working Storage Gas by the end of the Storage Contract Year, then such Shipper shall be deemed to have executed the necessary Agreements under Rate Schedules DDS and ITS for the further disposition of such remaining Working Storage Gas, provided, however, that such deadline for removing Working Storage Gas shall be extended, as applicable, by the number of Days that the quotient of Shipper's MSQ divided by Shipper's Base MDWQ exceeds 151. If Transporter provides notice to Rate Schedule DDS Shippers pursuant to Section 5.13 paragraph 2(d) of Rate Schedule DDS to withdraw Shippers' Rate Schedule DDS quantities, such notice will be deemed as notice to Shippers terminating service under Rate Schedule FSS and Transporter shall contemporaneously notify such Shippers. Any remaining quantities of Working Storage Gas or, as applicable, Rate Schedule DDS quantities will be subject to

confiscation after the end of the forty-five day notice period provided for in Section 5.13 paragraph 2(d) of Rate Schedule DDS.

9. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for which a Maximum Rate and Minimum Rate are stated in Section 4.9 or 4.10 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such section. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

5.15.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charge. The Reservation Rate shown in Section 4.11 for each Dekatherm of NNE of Shipper under this Rate Schedule.
2. Commodity Charge. The Commodity Rate which is shown in Section 4.11, for each Dekatherm of Gas allocated under this Rate Schedule.
3. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas allocated under this Rate Schedule. Such charges or surcharges are shown in Section 4.16. Such surcharges shall not be applicable if paid on related Transportation Service.
4. Overrun Service. "No-Notice Overrun Quantity" shall be defined as the quantities allocated at Delivery Point(s) that exceed the aggregate NNE, after first netting allocated quantities between Delivery Point(s) if the NNS Storage Transportation is rendered pursuant to Rate Schedule ETS. Shipper shall pay, for each Dekatherm of No-Notice Overrun Quantity that exceeds the Swing Percentage, a commodity rate equal to the maximum Reservation Rate which is shown in Section 4.11, times 12 then dividing the result by 365, times one-hundred and fifty percent (150%).
5. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.
6. Fuel. Fuel associated with activity pursuant to this Rate Schedule shall be assessed on the NNS Storage Transportation Agreement(s) subject to the following limitations: (a) fuel shall not be assessed to the extent that Northern Segment fuel has been assessed on the NNS Supply Transportation Agreement(s); and (b) injection and withdrawal activity on each Day pursuant to all NNS Storage Transportation Agreements shall first be netted prior to the assessment of fuel.

5.17.3 CHARGES

Each Month Pooler shall pay to Transporter the following charges:

1. Reservation Charges.
 - (a) For each Dekatherm of MDQ, the Reservation Rate, as stated in Section 4.12 for the Southwest Area, if the Agreement provides for Transportation that reserves Transporter's Southwest Area Facilities.
 - (b)
 - (i) For each Dekatherm of MDQ, the Reservation Rate, as stated in Section 4.12 for the Southeast Area, if the Agreement provides for Transportation that reserves Transporter's Southeast Area Facilities.
 - (ii) If, in any month, Shipper nominates Secondary Receipt Point(s) or Secondary Delivery Point(s) in the Southeast Area where such points are not Transmission Receipt Points or Transmission Delivery Points, respectively, Shipper shall pay the applicable Reservation Rate as stated in Section 5.19.
 - (c) If at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.
2. Commodity Charges.
 - (a) A Southwest Area Commodity Rate, as stated in Section 4.12, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Pooler at the Delivery Point(s) during the Month pursuant to an Agreement that utilizes Transporter's Southwest Area Facilities.
 - (b) A Southeast Area Commodity Rate, as stated in Section 4.12 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Pooler at the Delivery Point(s) during the Month pursuant to an Agreement that utilizes Transporter's Southeast Area Facilities.
 - (c)
 - (i) No ACA or other surcharges shall be assessed against any quantities transported pursuant to this Rate Schedule, provided, however, that if quantities hereunder are delivered off-system from Transporter's Pipeline System, then such charges shall be applicable.
 - (ii) In the case of any Shipper that purchases Gas from a Pooler, service to such Shipper shall be subject to an adjustment for Transporter's Use and Transporter's EPC that includes Transportation Service in the applicable

Pooling Area, and in that event the Pooler hereunder shall not be subject to an adjustment for Transporter's Use and Transporter's EPC, provided, however, that if quantities hereunder are delivered off-system from Transporter's Pipeline System, then service hereunder shall be subject to the adjustment for Transporter's Use and Transporter's EPC.

3. Authorized Overrun Service. Transporter may authorize Pooler to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of Pooler's MDQ. Any request for service under this Section 5.17.3 paragraph 3 must be made by Pooler pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff. Pooler shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to the sum of the applicable maximum Reservation Rates times 12 then dividing the result by 365.
4. Unauthorized Overrun Service.
 - (a) Each Dekatherm of Gas Delivered Hereunder to Pooler pursuant to Section 6.14 of this Tariff on any Day, which is in excess of Pooler's MDQ, which has not been authorized under Section 5.17.3 paragraph 3 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 5.17.3 paragraph 3 above.
 - (b) Each Dekatherm of Gas Delivered Hereunder to Pooler as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Pooler to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Section 5.17.3 paragraphs 3 and 4(a), above.
5. Third Party Charges. Pooler shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Pooler requests, and Transporter agrees, that Transporter shall, for service to Pooler, use transportation service which Transporter has contracted for with third party(ies) for Pooler on or after November 1, 1989, Pooler shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third

party(ies) for transportation or other services attributable to performance of service on behalf of Pooler under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Pooler's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Pooler.

6. Rate Changes. Subject to any limitations agreed to by Pooler and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Pooler for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.12 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.
7. Cashout of Monthly Imbalances. Transporter or Pooler, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

6.7 FORCE MAJEURE

1. Definition. The term "Force Majeure" as used herein shall mean acts of God, strikes, lockouts, or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms (including but not limited to hurricanes or hurricane warnings), crevasses, floods, washouts, arrests and restraints of the government, either Federal or State, civil or military, civil disturbances. Force Majeure shall also mean shutdowns for purposes of unexpected and uncontrollable repairs, relocation, or construction of facilities; failure of electronic data capability; breakage or accident to machinery or lines of pipe; the necessity for testing, excluding that associated with normal and planned maintenance (as required by governmental authority or as deemed necessary by Transporter for the safe operation thereof), the necessity of making unexpected and uncontrollable repairs or alterations to machinery or lines of pipe; failure of surface equipment or pipe lines; accidents, breakdowns, inability to obtain necessary materials, supplies or permits, or labor to perform or comply with any obligation or condition of service, rights of way; and any other causes, whether of the kind herein enumerated or otherwise, including legislative, administrative or judicial action which has been resisted in good faith by all reasonable legal means, all of which are not reasonably expected and within Transporter's control. It is understood and agreed that the settlement of strikes or lockouts or controversies with landowners involving rights of way shall be entirely within Transporter's discretion and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts or controversies with landowners involving rights of way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of Transporter.
2. Force Majeure. If by reason of Force Majeure either party hereto is rendered unable, wholly or in part, to carry out its obligations under this Tariff, it is agreed that upon such party giving notice in full particulars of such Force Majeure in writing or by other electronic means to the other party within a reasonable time after the occurrence of the cause relied on, the party giving such notice, so far as and to the extent that it is affected by such Force Majeure, shall not be liable in damages 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.

Transporter shall not be liable in damages to Shipper other than for acts of gross negligence or willful misconduct and then only where Force Majeure does not apply.

3. Limitations. Such Force Majeure affecting the performance hereunder by either Transporter or Shipper, however, shall not relieve such party of liability in the event of failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such cause or contingency affecting such performance relieve Shipper from its obligations to make

payments as then due or becoming due determined hereunder, except as provided for in Section 6.36 of the General Terms and Conditions of this Tariff. Transporter shall notify any affected Shipper of such Force Majeure by use of Electronic Communication.

6.36 RESERVATION CHARGE CREDITS

1. Reservation Charge Credits – Firm Daily Volumes.

As used in this Section 6.36, Firm Daily Volume shall mean the volume of gas which ANR is obligated to deliver on a firm basis at Shipper's Primary Delivery Point(s) on any Day, based on confirmable nominations for firm service within Shipper's MDQ (for Rate Schedules ETS, FTS-1, FTS-2, FTS-4, and FTS-4L), MDQ and MHQ (for Rate Schedule FTS-3) or MDWQ and MSQ (for Rate Schedule FSS), as applicable; and the actual quantity of Gas that Shipper would otherwise have taken within Shipper's NNE (for Rate Schedule NNS).

2. Reservation Charge Credits - Force Majeure Event.

If, due to an event of Force Majeure as defined in Section 6.7 of the General Terms and Conditions of this FERC Gas Tariff, ANR is unable to deliver any portion of Shipper's Firm Daily Volume for a period greater than ten (10) consecutive days, then for each day beyond ten (10) days that ANR so fails to provide service, the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by ANR within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary service.

3. Reservation Charge Credits - PHMSA.

For a two-year transitional period beginning December 2, 2013, reservation charge credits associated with outages that are required to comply with orders issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Section 60139(c) of Title 49 of the United States Code, Chapter 601, shall be calculated in accordance with paragraph 2 above. Notices of outages pursuant to this section shall identify the specific PHMSA order of requirement with which ANR is complying.

4. Reservation Charge Credits - Non-Force Majeure Event.

Except as provided for in paragraphs 2 and 3 above, in the event ANR fails to deliver any portion of Shipper's Firm Daily Volume on any Day under any firm contract, then the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by ANR within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary service.

5. Reservation Charge Credits - Confirmable Nominations.

Any exemption from crediting for nominated amounts not confirmed, as provided in paragraphs 2, 3, and 4 hereof, is limited to events caused solely by the conduct of others, such as Shipper or upstream or downstream facility operators not controlled by ANR.

Appendix B

ANR Pipeline Company FERC Gas Tariff, Third Revised Volume No. 1

Marked Tariff

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5.1.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Dekatherm of MDQ, the sum of the applicable Reservation Rate(s), as stated in Section 4.1 or 4.4, for each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route designated for such MDQ.
- (b) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.1.3 paragraph 1(a), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
- (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.1.3 paragraph 1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated in Sections 4.1, 4.4 and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- ~~(d) If Transporter fails to Tender Gas for redelivery at the Delivery Point(s) for the account of a Shipper during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie in of new facilities, the quantity of Gas that Shipper has nominated, or makes available to Transporter on such Day, or Shipper's Delivery Point MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the monthly bill of such Shipper which is attributable to the Reservation Charges shall be reduced by an amount equal to the combined Reservation Rates times 12 then dividing the result by 365, and multiplied by the difference between such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, up to the Delivery Point MDQ, and the quantity actually delivered by Transporter for the account of Shipper during such Day.~~
- (de) If, at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. **Commodity Charges.**
 - (a) The applicable Commodity Rate, as stated in Section 4.1 or 4.4 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route utilized during the Service Month.
 - (b) **Other Applicable Charges or Surcharges.** All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of MDQ, or Gas Delivered Hereunder, as applicable. Such charges or surcharges are stated in Sections 4.16 and 4.20.
3. **Daily Scheduling Penalties.** Only Shippers identified in Section 6.14.1(a)(3)(iii) of the General Terms and Conditions of this Tariff, may be subject to daily scheduling penalties, and only on each Dekatherm of the quantities of variance set forth therein that exceeds the Swing Percentage. The rate for any such daily scheduling penalty per Dekatherm shall be the highest applicable Rate Schedule ITS Maximum Rate to that Delivery Point.
4. **Authorized Overrun Service.** Transporter may authorize Shipper to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of any of Shipper's Delivery Point MDQs. Any request for service under this Section 5.1.3 paragraph 4 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff, provided, however, a separate nomination is not required if the overrun is being delivered under any service associated with the operation of Transporter's Rate Schedule NNS or MBS and has been authorized and allocated to Shipper pursuant to Section 6.14.1(a)(1), 6.14.1(a)(3) or 6.14.1(c) of the General Terms and Conditions of this Tariff. In addition to other applicable charges, Shipper shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to (a) the applicable maximum Reservation Charges times 12 then dividing the result by 365, plus (b) in the case of utilization of any Secondary Receipt or Delivery Points, the applicable incremental maximum Reservation Rate(s) set forth in Section 5.1.3 paragraph 1(c), above, times 12 then dividing the result by 365.
5. **Unauthorized Overrun Service.**

- (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of any of Shipper's Delivery Point MDQs, which has not been authorized under Section 5.1.3 paragraph 4 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 5.1.3 paragraph 4 above.
 - (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Section 5.1.3 paragraphs 4 and 5(a), above.
6. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
 7. Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
 8. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.1 or 4.4 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of

service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

9. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

5.3.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Dekatherm of MDQ, the applicable Reservation Rate(s), as stated in Section 4.3 or 4.4, for each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route designated for such MDQ.
- (b) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.3.3 paragraph 1(a), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
- (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) that are outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.3.3 paragraph 1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated in Sections 4.3, 4.4, and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- ~~(d) If Transporter fails to Tender Gas for redelivery at the Delivery Point(s) for the account of a Shipper during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie-in of new facilities, the quantity of Gas that Shipper has nominated, or makes available to Transporter on such Day, or Shipper's MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the monthly bill of such Shipper which is attributable to the Reservation Charges shall be reduced by an amount equal to the combined Reservation Rates times 12 then dividing the result by 365, and multiplied by the difference between such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, up to the MDQ, and the quantity actually delivered by Transporter for the account of Shipper during such Day.~~
- (de) If, at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.

- (a) The applicable Commodity Rate, as stated in Section 4.3 or 4.4 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route during the Month.
 - (b) Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of MDQ, or Gas Delivered Hereunder, as applicable. Such charges or surcharges are shown in Sections 4.16 and 4.20.
3. Daily Scheduling Penalties. Only Shippers identified in Section 6.14.1(a)(3)(iii) of the General Terms and Conditions of this Tariff, may be subject to daily scheduling penalties, and only on each Dekatherm of the quantities of variance set forth therein that exceeds the Swing Percentage. The rate for any such daily scheduling penalty per Dekatherm shall be the highest applicable Rate Schedule ITS Maximum Rate to that Delivery Point.
 4. Authorized Overrun Service. Transporter may authorize Shipper to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of any of Shipper's Primary Route MDQs. Any request for service under this Section 5.3.3 paragraph 4 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff, provided, however, a separate nomination is not required if the overrun is being delivered under any service associated with the operation of Transporter's Rate Schedule NNS or MBS and has been authorized and allocated to Shipper pursuant to Section 6.14.1(a)(1), 6.14.1(a)(3) or 6.14.1(c) of the General Terms and Conditions of this Tariff.

In addition to other applicable charges, Shipper shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to (a) the applicable maximum Reservation Rates times 12 then dividing the result by 365, plus (b) in the case of utilization of any Secondary Receipt or Delivery Points, the applicable incremental maximum Reservation Rate(s) set forth in Section 5.3.3 paragraph 1(c), above, times 12 then dividing the result by 365.

5. Unauthorized Overrun Service.

- (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of any of Shipper's Primary Route MDQs, which has not been authorized under Section 5.3.3 paragraph 4 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 5.3.3 paragraph 4 above.
 - (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Section 5.3.3 paragraphs 4 and 5(a), above.
6. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
7. Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
8. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.3 or 4.4 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of

service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

9. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

5.4.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Dekatherm of MDQ, the sum of the applicable Reservation Rate(s), as stated in Section 4.5, for each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route designated for such MDQ.
- (b) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.4.3 paragraph 1(a), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
- (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) that are outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.4.3 paragraph 1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated in Section 4.5 and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- ~~(d) Except for any Gas not scheduled on a firm basis as permitted under Section 5.4.2, above, in which case no reductions shall be made in Reservation Charges, if Transporter fails to Tender Gas for redelivery at the Delivery Point(s) for the account of a Shipper during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie-in of new facilities, the quantity of Gas that Shipper has nominated, or makes available to Transporter on such Day, or Shipper's MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the monthly bill of such Shipper which is attributable to the Reservation Charges shall be reduced by an amount equal to the combined Reservation Rate times 12 then dividing the result by 365 and multiplied by the difference between such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, up to the MDQ, and the quantity actually delivered by Transporter for the account of Shipper during such Day.~~
- (de) If at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.
 - (a) A Commodity Rate, as stated in Section 4.5 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route utilized during the Month.
 - (b) Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of MDQ, or Gas Delivered Hereunder, as applicable. Such charges or surcharges are shown in Sections 4.16 and 4.20.
3. Daily Scheduling Penalties. Only Shippers identified in Section 6.14.1(a)(3)(iii) of the General Terms and Conditions of this Tariff, may be subject to daily scheduling penalties, and only on each Dekatherm of the quantities of variance set forth therein that exceeds the Swing Percentage. The rate for any such daily scheduling penalty per Dekatherm shall be the highest applicable Rate Schedule ITS Maximum Rate to that Delivery Point.
4. Authorized Overrun Service. Transporter may authorize Shipper to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of Shipper's Primary Route MDQ. Any request for service under this Section 5.4.3 paragraph 4 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff, provided, however, a separate nomination is not required if the overrun is being delivered under any service associated with the operation of Transporter's Rate Schedule NNS or MBS and has been authorized and allocated to Shipper pursuant to Section 6.14.1(a)(1), 6.14.1(a)(3) or 6.14.1(c) of the General Terms and Conditions of this Tariff. Shipper shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to the applicable incremental maximum Reservation Rates times 12 then dividing the result by 365.
5. Unauthorized Overrun Service.
 - (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of Shipper's MDQ, which has not been authorized under Section 5.4.3 paragraph 4 of this Rate Schedule, shall be considered as "Unauthorized

Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 5.4.3 paragraph 4 above.

- (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Section 5.4.3 paragraphs 4 and 5(a), above.
6. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
7. Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
8. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.5 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

9. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

5.5.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route, an FTS-3 Deliverability Reservation Rate, as stated in Section 4.6, shall be paid each Month for each Dekatherm of Shipper's Billing MHQ; plus
- (b) For each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route, an FTS-3 Capacity Reservation Rate, as stated in Section 4.6, shall be paid each Month for each Dekatherm of Shipper's Primary Route Billing MDQ.
- (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.5.3 paragraphs 1(a) and (b), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
- (d) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.5.3 paragraphs 1(a) and (b), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rates, as stated in Section 4.6 and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- ~~(e) If Transporter fails to Tender Gas for redelivery at the delivery Point(s) for the account of a Shipper during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for a tie-in of new facilities, the quantity of Gas that Shipper has nominated, or makes available to Transporter on such Day, or Shipper's MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the monthly bill of such Shipper which is attributable to the Reservation Charges shall be reduced by an amount equal to the applicable overrun rate (as calculated in the currently effective Section 4.6), multiplied by the difference between such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, up to the MDQ, and the quantity actually delivered by Transporter for the account of Shipper during such Day.~~

(e) If, at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.

A Commodity Rate, as stated in Section 4.6 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route during the Month.

3. Other Applicable Charges or Surcharges.

All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of MDQ or of Gas Delivered Hereunder, as applicable. Such charges or surcharges are shown in Section 4.16.

4. Authorized Overrun Service.

(a) Transporter may authorize Shipper to take hereunder overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of Shipper's Primary Route MDQs or Primary Delivery Point MHQs, whichever is greater. Any request for service under this Section 5.5.3 paragraph 4 must be made by Shipper pursuant to a separate nomination for Authorized Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff.

(b) In addition to other applicable charges, Shipper shall pay a commodity charge for each Dekatherm of Authorized Overrun Quantity. The formula for calculating this Rate Schedule FTS-3 Overrun Service Rate is stated in Section 4.6.

5. Unauthorized Overrun Service.

(a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of Shipper's Primary Route MDQs or Primary Delivery Point MHQ, whichever is greater, and which has not been authorized under Section 5.5.3 paragraph 4 of this Rate Schedule, shall be considered as "Unauthorized Overrun Quantity" and shall be subject to a penalty rate equal to the greater of

ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 5.5.3 paragraph 4 above.

- (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Deliverability rate, plus the Capacity Reservation Rate multiplied by 365 and divided by 12, in addition to all of the charges set forth in Section 5.5.3 paragraphs 4(b) and 5(a), above.
6. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shippers electing the optional variation of delivery feature provided under Section 5.5.5, below, shall also furnish Gas for Transporter's Use for storage injections. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
7. Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
8. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.6 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

5.12.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) The applicable FSS Deliverability Reservation Rate, as stated in Section 4.9 or 4.10, shall be paid each Month for each Dekatherm of Shipper's Base MDWQ; plus
- (b) The applicable FSS Capacity Reservation Rate, as stated in Section 4.9 or 4.10, shall be paid each Month for each Dekatherm of Shipper's MSQ divided by twelve (12).

~~(c) If Transporter fails to Tender Gas for delivery at the Point of Injection/Withdrawal for the account of a Shipper during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie in of new facilities, the quantity of Gas that Shipper has nominated for, or makes available to Transporter on such Day, or Shipper's MDIQ or MDWQ, as applicable, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the Monthly bill of such Shipper which is attributable to the Reservation Charges shall be reduced by an amount equal to the product of (1)(i) the combined Reservation Charge multiplied by (ii) twelve (12) divided by (iii) the MSQ and (2) the difference between such quantity of Gas nominated or made available for withdrawal, whichever is less, up to the MDWQ, as applicable, and the quantity actually withdrawn by Transporter for the account of Shipper during such Day.~~

- 2. Commodity Charges. The applicable Injection/Withdrawal Commodity Rate, as stated in Section 4.9 or 4.10, shall be paid each Month by Shipper for each Dekatherm of Gas tendered to or by Transporter at the Point of Injection/Withdrawal during the Service Month, excluding quantities delivered pursuant to Section 5.12.3 paragraph 4 of this Rate Schedule.
- 3. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown in Section 4.16. Such surcharges shall not be applicable if paid on related Transportation Service.

4. **Storage Overrun Service.** Shipper may request Transporter to inject quantities of Gas for Shipper on any Day during the Injection Period in excess of the quantities specified in Section 5.12.2(c)(1) of this Rate Schedule or to withdraw quantities of Gas for Shipper on any Day during the Withdrawal Period in excess of Shipper's MDWQ. Shipper may also request Transporter to inject quantities of Gas for Shipper on any Day during the Withdrawal Period or withdraw quantities of Gas for Shipper on any Day during the Injection Period. Shipper may request Transporter to accept deliveries of quantities of Gas in excess of the MSQ during any Injection Period and Shipper may request Transporter to redeliver quantities of Gas in excess of the MSQ or Working Storage Gas during any Withdrawal Period provided, however, that at no time may Shipper's Working Storage Gas exceed Shipper's MSQ. Transporter may do so on an interruptible basis if it can do so without adverse effect on Transporter's operations or its ability to meet all of its other firm service obligations. Shipper may nominate on an interruptible basis for the redelivery of any quantities of Gas which have been provided to Shipper in excess of Working Storage Gas, in accordance with Section 6.6 of these General Terms and Conditions of this Tariff; however, Shipper shall be required to return all such quantities commencing within forty-eight (48) hours of notification by Transporter to do so unless Transporter in its reasonable discretion determines that a longer period is operationally feasible. For each Dth of such Gas that Shipper shall not return to Transporter as expressly required pursuant to this Section 5.12.3 paragraph 4, Shipper shall be subject to a penalty rate equal to twelve (12) times the sum of the maximum applicable FSS Deliverability and Capacity Reservation Rates.
5. **Overrun Service Charge.** The applicable Overrun Service Rate shall be paid for each Dekatherm of Gas which is injected or withdrawn on behalf of Shipper during the Month pursuant to Section 5.12.3 paragraph 4 of this Rate Schedule unless such overrun service, with Transporter's concurrence, is makeup of quantities of Gas that Transporter previously failed to inject into storage or withdraw from storage. The formula for calculating the applicable Rate Schedule FSS Overrun Service Rate is stated in Section 4.9 or 4.10.
6. **Fuel and Electric Power Cost Reimbursement.** Shipper shall furnish at the Point(s) of Injection/Withdrawal, for each Dekatherm injected, the Transporter's Use and EPC Charge utilizing the applicable Rate Schedule FSS Transporter's Use (%) and EPC Charge set forth in Section 4.18 or 4.19.
7. **Cycling Fuel Charge.** If a Shipper has renewed its Agreement for the next Storage Contract Year under this Rate Schedule, or any successor Rate Schedule, and fails to reduce its Working Storage Gas to twenty percent (20%) or less of its MSQ by the end of the Winter Period, then Transporter shall reduce the Working Storage Gas for Cycling Fuel, provided, however, that such deadline for reducing Working

Storage Gas shall be extended, as applicable, by the number of Days that the quotient of Shipper's MSQ divided by Shipper's Base MDWQ exceeds 151.

8. If a Shipper has reached the termination date of its Agreement without renewing or extending its Agreement or has reached a break in the period of Shipper's service, and fails to withdraw all of its Working Storage Gas by the end of the Storage Contract Year, then such Shipper shall be deemed to have executed the necessary Agreements under Rate Schedules DDS and ITS for the further disposition of such remaining Working Storage Gas, provided, however, that such deadline for removing Working Storage Gas shall be extended, as applicable, by the number of Days that the quotient of Shipper's MSQ divided by Shipper's Base MDWQ exceeds 151. If Transporter provides notice to Rate Schedule DDS Shippers pursuant to Section 5.13 paragraph 2(d) of Rate Schedule DDS to withdraw Shippers' Rate Schedule DDS quantities, such notice will be deemed as notice to Shippers terminating service under Rate Schedule FSS and Transporter shall contemporaneously notify such Shippers. Any remaining quantities of Working Storage Gas or, as applicable, Rate Schedule DDS quantities will be subject to confiscation after the end of the forty-five day notice period provided for in Section 5.13 paragraph 2(d) of Rate Schedule DDS.
9. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for which a Maximum Rate and Minimum Rate are stated in Section 4.9 or 4.10 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such section. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

5.15.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charge. The Reservation Rate shown in Section 4.11 for each Dekatherm of NNE of Shipper under this Rate Schedule.
 - ~~(a) The Reservation Rate shown in Section 4.11 for each Dekatherm of NNE of Shipper under this Rate Schedule;~~
 - ~~(b) If, on any Day, Transporter fails to Tender the lawful quantity of Gas that Shipper would otherwise have taken at the Delivery Point(s), due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie-in of new facilities, then the portion of the Monthly bill of such Shipper which is attributable to the Reservation Charges shall be reduced by an amount equal to the Reservation Rate (times 12 then dividing the result by 365) multiplied by the difference between such lawful quantity of Gas that Shipper would otherwise have taken and the quantity of Gas Delivered Hereunder for the account of Shipper during such Day.~~
2. Commodity Charge. The Commodity Rate which is shown in Section 4.11, for each Dekatherm of Gas allocated under this Rate Schedule.
3. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Sections 6.24 and 6.26 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas allocated under this Rate Schedule. Such charges or surcharges are shown in Section 4.16. Such surcharges shall not be applicable if paid on related Transportation Service.
4. Overrun Service. "No-Notice Overrun Quantity" shall be defined as the quantities allocated at Delivery Point(s) that exceed the aggregate NNE, after first netting allocated quantities between Delivery Point(s) if the NNS Storage Transportation is rendered pursuant to Rate Schedule ETS. Shipper shall pay, for each Dekatherm of No-Notice Overrun Quantity that exceeds the Swing Percentage, a commodity rate equal to the maximum Reservation Rate which is shown in Section 4.11, times 12 then dividing the result by 365, times one-hundred and fifty percent (150%).
5. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

6. Fuel. Fuel associated with activity pursuant to this Rate Schedule shall be assessed on the NNS Storage Transportation Agreement(s) subject to the following limitations: (a) fuel shall not be assessed to the extent that Northern Segment fuel has been assessed on the NNS Supply Transportation Agreement(s); and (b) injection and withdrawal activity on each Day pursuant to all NNS Storage Transportation Agreements shall first be netted prior to the assessment of fuel.

5.17.3 CHARGES

Each Month Pooler shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Dekatherm of MDQ, the Reservation Rate, as stated in Section 4.12 for the Southwest Area, if the Agreement provides for Transportation that reserves Transporter's Southwest Area Facilities.
- (b) (i) For each Dekatherm of MDQ, the Reservation Rate, as stated in Section 4.12 for the Southeast Area, if the Agreement provides for Transportation that reserves Transporter's Southeast Area Facilities.

(ii) If, in any month, Shipper nominates Secondary Receipt Point(s) or Secondary Delivery Point(s) in the Southeast Area where such points are not Transmission Receipt Points or Transmission Delivery Points, respectively, Shipper shall pay the applicable Reservation Rate as stated in Section 5.19.

~~(c) If Transporter fails to Tender Gas for redelivery at the Delivery Point(s) for the account of a Pooler during any Day, due to the Transporter's scheduling of necessary maintenance and repair of pipeline facilities, necessary maintenance and repair of compression facilities, and/or facility outages for tie-in of new facilities, the quantity of Gas that Pooler has nominated, or makes available to Transporter on such Day, or Pooler's MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions of this Tariff, the portion of the monthly bill of such Pooler which is attributable to the Reservation Charges shall be reduced by an amount equal to the combined Reservation Rate times 12 then dividing the result by 365 and multiplied by the difference between such quantity of Gas nominated or made available for delivery by Pooler, whichever is less, up to the MDQ, and the quantity actually delivered by Transporter for the account of Pooler during such Day.~~

~~(c)~~ If at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.

- (a) A Southwest Area Commodity Rate, as stated in Section 4.12, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Pooler at

the Delivery Point(s) during the Month pursuant to an Agreement that utilizes Transporter's Southwest Area Facilities.

- (b) A Southeast Area Commodity Rate, as stated in Section 4.12 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Pooler at the Delivery Point(s) during the Month pursuant to an Agreement that utilizes Transporter's Southeast Area Facilities.
 - (c) (i) No ACA or other surcharges shall be assessed against any quantities transported pursuant to this Rate Schedule, provided, however, that if quantities hereunder are delivered off-system from Transporter's Pipeline System, then such charges shall be applicable.

(ii) In the case of any Shipper that purchases Gas from a Pooler, service to such Shipper shall be subject to an adjustment for Transporter's Use and Transporter's EPC that includes Transportation Service in the applicable Pooling Area, and in that event the Pooler hereunder shall not be subject to an adjustment for Transporter's Use and Transporter's EPC, provided, however, that if quantities hereunder are delivered off-system from Transporter's Pipeline System, then service hereunder shall be subject to the adjustment for Transporter's Use and Transporter's EPC.
3. Authorized Overrun Service. Transporter may authorize Pooler to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of Pooler's MDQ. Any request for service under this Section 5.17.3 paragraph 3 must be made by Pooler pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff. Pooler shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to the sum of the applicable maximum Reservation Rates times 12 then dividing the result by 365.
4. Unauthorized Overrun Service.
- (a) Each Dekatherm of Gas Delivered Hereunder to Pooler pursuant to Section 6.14 of this Tariff on any Day, which is in excess of Pooler's MDQ, which has not been authorized under Section 5.17.3 paragraph 3 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to the greater of ten dollars (\$10.00) or two times the Spot Price Index for the Service Month, as defined in Section

6.16 of the General Terms and Conditions of this Tariff, in addition to all the charges set forth in Section 5.17.3 paragraph 3 above.

- (b) Each Dekatherm of Gas Delivered Hereunder to Pooler as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Pooler to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Section 5.17.3 paragraphs 3 and 4(a), above.
5. Third Party Charges. Pooler shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Pooler requests, and Transporter agrees, that Transporter shall, for service to Pooler, use transportation service which Transporter has contracted for with third party(ies) for Pooler on or after November 1, 1989, Pooler shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Pooler under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Pooler's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Pooler.
6. Rate Changes. Subject to any limitations agreed to by Pooler and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Pooler for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.12 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.
7. Cashout of Monthly Imbalances. Transporter or Pooler, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

6.7 FORCE MAJEURE

1. Definition. The term "Force Majeure" as used herein shall mean acts of God, strikes, lockouts, or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms (including but not limited to hurricanes or hurricane warnings), crevasses, floods, washouts, arrests and restraints of the government, either Federal or State, civil or military, civil disturbances. Force Majeure shall also mean shutdowns for purposes of ~~necessary~~unexpected and uncontrollable repairs, relocation, or construction of facilities; failure of electronic data capability; breakage or accident to machinery or lines of pipe; the necessity for testing, excluding that associated with normal and planned maintenance (as required by governmental authority or as deemed necessary by Transporter for the safe operation thereof), the necessity of making unexpected and uncontrollable repairs or alterations to machinery or lines of pipe; failure of surface equipment or pipe lines; accidents, breakdowns, inability to obtain necessary materials, supplies or permits, or labor to perform or comply with any obligation or condition of service, rights of way; and any other causes, whether of the kind herein enumerated or otherwise, including legislative, administrative or judicial action which has been resisted in good faith by all reasonable legal means, all of which are not reasonably expected and within Transporter's control. It is understood and agreed that the settlement of strikes or lockouts or controversies with landowners involving rights of way shall be entirely within Transporter's discretion and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts or controversies with landowners involving rights of way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of Transporter.
2. Force Majeure. If by reason of Force Majeure either party hereto is rendered unable, wholly or in part, to carry out its obligations under this Tariff, it is agreed that upon such party giving notice in full particulars of such Force Majeure in writing or by other electronic means to the other party within a reasonable time after the occurrence of the cause relied on, the party giving such notice, so far as and to the extent that it is affected by such Force Majeure, shall not be liable in damages 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.

Transporter shall not be liable in damages to Shipper other than for acts of gross negligence or willful misconduct and then only where Force Majeure does not apply.

3. Limitations. Such Force Majeure affecting the performance hereunder by either Transporter or Shipper, however, shall not relieve such party of liability in the event of failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such cause or contingency affecting such performance relieve Shipper from its obligations to make

payments as then due or becoming due determined hereunder, except as provided for in Section 6.36 of the General Terms and Conditions of this Tariff. Transporter shall notify any affected Shipper of such Force Majeure by use of Electronic Communication.

6.36 RESERVATION CHARGE CREDITS

1. Reservation Charge Credits – Firm Daily Volumes.

As used in this Section 6.36, Firm Daily Volume shall mean the volume of gas which ANR is obligated to deliver on a firm basis at Shipper's Primary Delivery Point(s) on any Day, based on confirmable nominations for firm service within Shipper's MDQ (for Rate Schedules ETS, FTS-1, FTS-2, FTS-4, and FTS-4L), MDQ and MHQ (for Rate Schedule FTS-3) or MDWQ and MSQ (for Rate Schedule FSS), as applicable; and the actual quantity of Gas that Shipper would otherwise have taken within Shipper's NNE (for Rate Schedule NNS).

2. Reservation Charge Credits - Force Majeure Event.

If, due to an event of Force Majeure as defined in Section 6.7 of the General Terms and Conditions of this FERC Gas Tariff, ANR is unable to deliver any portion of Shipper's Firm Daily Volume for a period greater than ten (10) consecutive days, then for each day beyond ten (10) days that ANR so fails to provide service, the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by ANR within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary service.

3. Reservation Charge Credits - PHMSA.

For a two-year transitional period beginning December 2, 2013, reservation charge credits associated with outages that are required to comply with orders issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Section 60139(c) of Title 49 of the United States Code, Chapter 601, shall be calculated in accordance with paragraph 2 above. Notices of outages pursuant to this section shall identify the specific PHMSA order of requirement with which ANR is complying.

4. Reservation Charge Credits - Non-Force Majeure Event.

Except as provided for in paragraphs 2 and 3 above, in the event ANR fails to deliver any portion of Shipper's Firm Daily Volume on any Day under any firm contract, then the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by ANR within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary service.

5. Reservation Charge Credits - Confirmable Nominations.

Any exemption from crediting for nominated amounts not confirmed, as provided in paragraphs 2, 3, and 4 hereof, is limited to events caused solely by the conduct of others, such as Shipper or upstream or downstream facility operators not controlled by ANR.