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RATE SCHEDULES

RATE SCHEDULE FT-A
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for the transportation of natural gas on a firm basis by Company for any Shipper:

- (a) that completes a valid request for service and executes a Firm Transportation Agreement; and
- (b) provided that capacity is available on Company's system necessary to provide the service on a firm basis.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The service rendered shall be the transportation of natural gas up to the Transportation Quantity ("TQ") set out in the Firm Transportation Agreement performed under Subparts B or G of Part 284 of the Commission's Regulations. Firm transportation service under this Rate Schedule shall be provided to the extent Company determines firm capacity is available, to any Shipper in the order in which such Shipper has fulfilled the requirements of Section 3 below.
- 2.2 In accordance with Section 3 of the General Terms and Conditions, Company shall not commence service until Company and Shipper have executed a Firm Transportation Agreement.
- 2.3 Company shall file all new backhaul service agreements under this Rate Schedule FT-A for Commission approval
- 2.4 Company shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule except as provided in Subsection 5.3 of this Rate Schedule.
- 2.5 Service shall be provided on a firm basis. However, service may be curtailed for any of the reasons set out in Section 10 of the General Terms and Conditions.
- 2.6 To the extent that Shipper is paying the applicable Maximum Rate for Rate Schedule FT-A Service, Company and Shipper may agree to contract extensions, including an evergreen provision as set forth in Section 10.1 of Shipper's Firm Transportation Agreement.

3. QUALIFICATION FOR SERVICE

- 3.1 All Shippers requesting firm transportation service under this Rate Schedule must qualify pursuant to Section 22 of the General Terms and Conditions of Company's FERC Gas Tariff.
- 3.2 All Shippers requesting firm transportation service must execute a Firm Transportation Agreement in accordance with the provisions of Section 22 of the General Terms and Conditions of Company's FERC Gas Tariff.

4. DELIVERIES AND RECEIPTS

- 4.1 Primary Receipt Points

A Shipper may designate as a Primary Receipt Point under this Rate Schedule any receipt point on Company's system covered by an Operational Balancing Agreement ("OBA") to the extent that capacity is available on a firm basis at such receipt point.

4.2 Secondary Receipt Points

For a given FT-A Shipper, any receipt point on Company's system covered by an OBA that is not a designated Primary Receipt Point shall be deemed a Secondary Receipt Point.

4.3 Primary Delivery Points

A Shipper may designate as a Primary Delivery Point under this Rate Schedule any delivery point on Company's system covered by an OBA to the extent that capacity is available on a firm basis at such delivery point.

4.4 Secondary Delivery Points

For a given FT-A Shipper, any delivery point on Company's system covered by an OBA that is not a designated Primary Delivery Point shall be deemed a Secondary Delivery Point.

4.5 OBA Coverage

A receipt or delivery point on Company's system shall be deemed to be covered by an OBA if the Balancing Party at such point has entered into such an OBA with Company in the form set forth in this Tariff or in a form acceptable to Company and such OBA is in full force and effect. Notwithstanding anything in this Rate Schedule to the contrary, Company shall not refuse to receive gas at a receipt point(s) or deliver gas at a delivery point(s) due to the lack of an effective OBA at such point, provided that the Balancing Party at such point is exercising reasonable efforts to enter promptly into an OBA with Company in the form set forth in this Tariff or in a form acceptable to Company.

4.6 Gas Quantities at Receipt/Delivery Points

The sum of the Maximum Daily Quantity (MDQ) applicable to a Shipper's designated Primary Receipt Points or the sum of the MDQ applicable to a Shipper's designated Primary Delivery Points may not exceed the TQ under Shipper's Firm Transportation Agreement. Shipper's TQ and MDQ shall be a uniform quantity throughout the term of the Firm Transportation Agreement, except that Company may, on a not unduly discriminatory basis, agree to certain differing levels in Shipper's TQ and MDQ for specified periods throughout the term of the Firm Transportation Agreement. Shipper's TQ and MDQ, along with the effective period of such differing TQ and MDQ levels, shall be specified in Exhibit A of the Firm Transportation Agreement.

4.7 Pressures

Shipper shall deliver gas to Company at the pressure required from time to time to enable the gas to enter Company's facilities at the receipt point(s), but in no event shall such pressure exceed the maximum allowable operating pressure of Company's system at such point(s). Company shall deliver gas to Shipper or Shipper's designee at Company's line pressure existing at the delivery point(s).

4.8 Uniform Quantities

As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any Gas Day.

5. RATES AND CHARGES

5.1 Applicable Rates and Charges

The rates and charges for service under this Rate Schedule shall be set forth in the Statement of Rates and, if applicable, any charges pursuant to Section 5 of this Rate Schedule. A Shipper's reservation rate shall be based on the term-differentiated rate, i.e., Category 1 Rates, Category 2 Rates or Category 3 Rates, applicable to the term of the Firm Transportation Agreement. The term of Firm Transportation Agreements in effect as of July 1, 2002 shall be from the service commencement date of the Firm Transportation Agreement to the first possible termination or expiration date under such Firm Transportation Agreement. The rate category applicable to the term of Firm Transportation Agreements that are entered into on or after July 1, 2002 shall be specified in the Firm Transportation Agreement, and the term shall be from the service commencement date of the Firm Transportation Agreement to the first possible termination or expiration date of the Firm Transportation Agreement. In the event a Shipper exercises an extension provision (whether contained in the original Firm Transportation Agreement or mutually agreed to by Company and Shipper), a new term shall be determined for the Firm Transportation Agreement and shall be from the service commencement date of the extension to the end of the extension period. If a Shipper's Firm Transportation Agreement contains an evergreen clause, then during the term of the evergreen period the applicable rates shall be the Category 1 rates.

5.2 Transportation Rates

The applicable rates for service under this Rate Schedule are the applicable maximum Reservation and Commodity Rates shown on the effective Statement of Rates; provided, however, Company has the right at any time and from time to time to adjust the Reservation and Commodity Rates applicable to any service upon agreement with Shipper to any level not less than the minimum or more than the maximum Reservation and Commodity Rates established for this Rate Schedule and set forth on the effective Statement of Rates.

When a Shipper has firm transportation service agreements in effect for both Zone 1-1 and Zone 2-2, such Shipper may utilize its Zone 1-1 firm transportation service agreement in conjunction with its Zone 2-2 firm transportation service agreement to make deliveries from one zone into the other zone without paying an extended delivery charge for the transportation outside of each contract zone provided that the Shipper seeking to use its Zone 1-1 and Zone 2-2 firm transportation service agreements in conjunction with each other has a corresponding available receipt MDQ to match its available delivery MDQ from the receipt zone to the corresponding delivery zone and actual quantities do not exceed the MDQ under each agreement. For example, a Shipper with a Zone 1-1 firm transportation service agreement and a Zone 2-2 transportation service agreement nominating 10,000 Dth/day from zone 1-1 to Zone 2-2 must have available MDQ in both such zones of at least 10,000 Dth/day and not receive or deliver in excess of 10,000 Dth/day to avoid paying extended delivery charges. The ability of a Shipper to use its Zone 1-1 and Zone 2-2 firm transportation service agreements in conjunction with each other will not relieve the Shipper of any other applicable rates, charges or surcharges pursuant to Company's FERC Gas Tariff including but not limited to the applicable Transportation Rates, ACA or overrun charges.

The sum of the MDQ applicable to each Primary Receipt and Primary Delivery Point combination shall not exceed the TQ under the Firm Transportation Agreement.

On any Gas Day that transportation service is scheduled for a Shipper at a Primary or Secondary Receipt Point(s) in an upstream rate zone that is in excess of the MDQ applicable to such rate zone for such Shipper or is scheduled at a Primary or Secondary Delivery

Point(s) in a downstream rate zone that is in excess of the MDQ applicable to such rate zone for such Shipper, Shipper shall pay a charge equal to the difference between the applicable daily demand rates for the upstream and downstream rate zones on the quantity of gas received or delivered in excess of the MDQ of the respective rate zone.

In the event Company and Shipper agree to establish a fixed rate to be charged for the duration of the transportation service, such rate will be set forth in the applicable Firm Transportation Agreement.

5.3 Incidental Charges

In addition to the charges pursuant to Subsection 5.2 of this Rate Schedule, Company shall charge Shipper an amount to reimburse Company 100 percent for any filing or similar fees, which have not been previously paid by Shipper, which Company incurs in establishing or rendering service. Company shall not use the amounts so collected (both costs and revenues) in establishing its general system rates.

5.4 Overrun Charge

If Shipper should on any Gas Day take, under this Rate Schedule, a quantity of gas more than the effective quantity applicable to such Shipper established in an Operational Flow Order pursuant to Section 8 of the General Terms and Conditions, then such excess quantity shall constitute an unauthorized overrun quantity.

Shipper shall pay Company an unauthorized overrun charge equal to fifteen dollars (\$15.00) for each Dth of excess deliveries to Shipper. The payment of the overrun charge is in addition to any other remedies Company may have against Shipper for Shipper's unauthorized overrun.

If Shipper, upon receiving the advanced approval by Company, should on any Gas Day transport under this Rate Schedule a quantity of natural gas in excess of Shipper's TQ under Shipper's Firm Transportation Agreement, then such excess quantity shall constitute authorized overrun quantities.

Shipper shall nominate authorized overrun quantities through Company's System. Authorized overrun quantities shall be requested on a separate transaction. [1.3.19]

Shipper shall pay Company a rate equal to the volumetric derivative of the maximum transportation charge applicable to the service under its Firm Transportation Agreement pursuant to this Rate Schedule designed on a 100 percent load factor basis multiplied by the amount of the authorized overrun quantity, unless the parties mutually agree otherwise.

5.5 Negotiated Rates

Notwithstanding any provision of Company's effective FERC Gas Tariff to the contrary, Company and Shipper may mutually agree in writing to a Negotiated Rate with respect to rates, rate components, charges, or credits that are otherwise prescribed, required, established or imposed by this Rate Schedule or by any other applicable provision of Company's effective FERC Gas Tariff. The Negotiated Rate may be less than, equal to or greater than the Maximum Rate; shall not be less than the Minimum Rate; may be based on a rate design other than straight fixed variable; and may include a minimum quantity. The Maximum Rate shall be available to any Shipper that does not choose a Negotiated Rate. Nothing in the provisions governing Negotiated Rate Agreements shall authorize Company or Shipper to violate FERC's policy with respect to negotiation of terms and conditions of service.

Such Negotiated Rate shall be set forth on an Exhibit of the executed Firm Transportation Agreement and listed on the Statement of Negotiated Rates in Company's FERC Gas Tariff.

If Company agrees to such Negotiated Rate(s), then the Negotiated Rate(s) shall be effective only for the period agreed upon by Company. During such period, the Negotiated Rate shall govern and apply to the Shipper's services and the otherwise applicable rate, rate component, charge or credit which the parties have agreed to replace with the Negotiated Rate, shall not apply to, or be available to, the Shipper. Only those rates, rate components, charges or credits identified by Company and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed, required, established or imposed by this Rate Schedule or Company's Tariff shall remain in effect.

At the end of the period during which the Negotiated Rate is in effect, the otherwise applicable Maximum Rates or charges shall govern the service provided to Shipper.

Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, and calculating the economic value of a request for unsubscribed firm capacity.

For capacity releases with a term of more than one year, or for releases with a term of one year or less that will take effect more than one year from the date Releasing Shipper notifies the Company of the release, Replacement Shippers may not bid or pay a rate greater than the Maximum Rate and are not eligible for Negotiated Rates. In the event that capacity subject to a Negotiated Rate which is based on a rate design other than straight fixed variable is released, Shipper and Company may agree on billing adjustments to the Releasing Shipper that may vary from or are in addition to those set forth in Section 21 of the General Terms and Conditions of Company's effective FERC Gas Tariff in order to preserve the economic bases of the Negotiated Rate. Such payment obligation and crediting mechanism for capacity release shall be set forth on an Exhibit of the executed Firm Transportation Agreement.

6. FUEL AND LOSSES

Shipper shall furnish the quantity of gas required for fuel and losses associated with rendering transportation service pursuant to this Rate Schedule in accordance with Section 26 of the General Terms and Conditions.

7. MONTHLY BILL

The Monthly Bill for deliveries shall be equal to:

(a) Reservation Charge

A reservation rate or rates determined under Section 5 of this Rate Schedule multiplied by the TQ applicable to the month as specified in the Firm Transportation Agreement; and

(b) Commodity Charge

The applicable Commodity Rate(s) under Section 5 of this Rate Schedule multiplied by the applicable quantities of gas delivered in the month; and

(c) Other Charges

If applicable, any Incidental Charges and any Overrun Charges pursuant to Subsections 5.3 and 5.4 of this Rate Schedule.

8. WAIVER

Company may waive any rights hereunder or any obligations of Shipper hereunder on a basis which is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.

9. GENERAL TERMS AND CONDITIONS

Shipper shall provide Company with such information as is needed to meet the requirements placed on Company by regulation, rule, and/or order. Furthermore, any terms or conditions not specified in this Rate Schedule shall be determined consistent with Company's General Terms and Conditions specified in Volume I of Company's Tariff, which are incorporated into this Rate Schedule.

RATE SCHEDULE IT
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for the transportation of natural gas on an interruptible basis by Company for any Shipper, which has executed an Interruptible Transportation Agreement wherein Company agrees to transport gas for Shipper's account up to a specific TQ.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Interruptible transportation services under this Rate Schedule shall be provided when and to the extent that Company determines that capacity is available in its existing facilities without detriment or disadvantage to Company's firm Shippers.

2.2 Company may interrupt service to any Shipper under this Rate Schedule at any time and without prior notice to the extent required to provide service to any firm Shipper under Rate Schedules FT-A or LMS. Interruption of service includes decreasing, suspending, or discontinuing either the receipt or delivery of gas. Interruption and the allocation of available interruptible capacity shall be in accordance with Section 3 of the General Terms and Conditions.

2.3 Company shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. Further, Company shall not be required to provide any service that threatens the integrity of its system.

2.4 Company shall not be required to transport gas under this Rate Schedule when the total quantity of gas scheduled for transportation is less than that required to operate existing compression facilities necessary to provide such transportation service.

3. QUALIFICATION FOR SERVICE

3.1 All Shippers requesting new interruptible transportation service must qualify for service pursuant to Section 22 of the General Terms and Conditions of Company's FERC Gas Tariff.

3.2 All Shippers requesting interruptible transportation service must execute an Interruptible Transportation Agreement in accordance with the provisions of Section 22 of the General Terms and Conditions of Company's FERC Gas Tariff.

4. DELIVERIES AND RECEIPTS

4.1 Receipt Points

All receipt point(s) on Company's system covered by an Operational Balancing Agreement ("OBA") shall be available as receipt points for all gas transported by Company under this Rate Schedule.

4.2 Delivery Points

All delivery point(s) on Company's system covered by an OBA shall be available as delivery points for all gas transported by Company under this Rate Schedule.

4.3 OBA Coverage

A receipt or delivery point on Company's system shall be deemed to be covered by an OBA if the Balancing Party at such point has entered into such an OBA with Company in the form set forth in this Tariff or in a form acceptable to Company and such OBA is in full force and effect. Notwithstanding anything in this Rate Schedule to the contrary, Company shall not refuse to receive gas at a receipt point(s) or deliver gas at a delivery point(s) due to the lack of an effective OBA at such point, provided that the Balancing Party at such point is exercising reasonable efforts to enter promptly into such an OBA with Company in the form set forth in this Tariff or in a form acceptable to Company.

4.4 Pressures

Shipper shall deliver gas to Company at the pressure required from time to time to enable the gas to enter Company's facilities at the receipt point(s), but in no event shall such pressure exceed the maximum allowable operating pressure of Company's system at such point(s). Company shall deliver gas to Shipper or Shipper's designee at Company's line pressure existing at the delivery point(s).

4.5 Uniform Quantities

As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any Gas Day.

5. RATES AND CHARGES

5.1 Applicable Rates and Charges

The rates for service under this Rate Schedule are listed on the Statement of Rates of Company's FERC Gas Tariff; provided, however, that Company has the right at any time and from time to time to adjust the rates applicable to service under this Rate Schedule, including the component for fuel and losses, upon agreement with Shipper to any level not less than the Minimum or more than the Maximum Rates. In the event that Company makes such an adjustment, such adjusted rate shall apply solely to service at the receipt and/or delivery points agreed upon by Shipper and Company and shall be applicable solely for the period agreed upon by Shipper and Company.

In the event Company and Shipper agree to establish a rate which is not subject to change and which is to be charged for the duration of the transportation service, such rate will be set forth in the applicable Transportation Agreement.

5.2 Incidental Charges

In addition to the rates and charges pursuant to Subsection 5.1 of this Rate Schedule, Company shall charge Shipper an amount to reimburse Company 100 percent for any filing or similar fees, which have not been previously paid by Shipper, which Company incurs in establishing or rendering service. Company shall not use the amounts so collected (both costs and revenues) in establishing its general system rates.

5.3 Overrun Charge

If Shipper should on any Gas Day take, under this Rate Schedule, a quantity of gas more than the effective quantity applicable to such Shipper established in an Operational Flow Order pursuant to Section 8 of the General Terms and Conditions, then such excess quantity shall constitute an unauthorized overrun quantity.

Shipper shall pay Company an unauthorized overrun charge equal to fifteen dollars (\$15.00) for each Dth of excess deliveries to Shipper. The payment of the overrun charge is in addition to any other remedies Company may have against Shipper for Shipper's unauthorized overrun.

A Shipper, upon receiving the advanced approval by Company, should on any Gas Day take under this Rate Schedule a quantity of natural gas in excess of Shipper's TQ under Shipper's IT Transportation Agreement, then such excess quantity shall constitute authorized overrun quantities.

Shipper shall nominate authorized overrun quantities through Company's system. Authorized overrun quantities shall be requested on a separate transaction. [1.3.19]

Shipper shall pay Company a rate equal to the volumetric derivative of the maximum transportation charge applicable to the service under its IT Transportation Agreement pursuant to this Rate Schedule designed on a 100 percent load factor basis multiplied by the amount of the authorized overrun quantity, unless the parties mutually agree otherwise.

5.4 Negotiated Rates

Notwithstanding any provision of Company's effective FERC Gas Tariff to the contrary, Company and Shipper may mutually agree in writing to a Negotiated Rate with respect to rates, rate components, charges, or credits that are otherwise prescribed, required, established or imposed by this Rate Schedule or by any other applicable provision of Company's effective FERC Gas Tariff. The Negotiated Rate may be less than, equal to or greater than the Maximum Rate; shall not be less than the Minimum Rate; may be based on a rate design other than straight fixed variable; and may include a minimum quantity. The Maximum Rate shall be available to any Shipper that does not choose a Negotiated Rate. Nothing in the provisions governing Negotiated Rate Agreements shall authorize Company or Shipper to violate FERC's policy with respect to negotiation of terms and conditions of service.

Such Negotiated Rate shall be set forth on an Exhibit of the executed Interruptible Transportation Agreement and listed on the Statement of Negotiated Rates in Company's FERC Gas Tariff.

If Company agrees to such Negotiated Rate(s), then the Negotiated Rate(s) shall be effective only for the period agreed upon by Company. During such period, the Negotiated Rate shall govern and apply to the Shipper's services and the otherwise applicable rate, rate component, charge or credit which the parties have agreed to replace with the Negotiated Rate, shall not apply to, or be available to, the Shipper. Only those rates, rate components, charges or credits identified by Company and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed, required, established or imposed by this Rate Schedule or Company's Tariff shall remain in effect.

At the end of the period during which the Negotiated Rate is in effect, the otherwise applicable Maximum Rates or charges shall govern the service provided to Shipper.

Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, and calculating the economic value of a request.

6. FUEL AND LOSSES

Shipper shall furnish the quantity of gas required for fuel and losses associated with rendering transportation service pursuant to this Rate Schedule in accordance with Section 26 of the General Terms and Conditions.

7. MONTHLY BILL

The Monthly Bill for deliveries shall be equal to:

(a) Applicable Rates

The applicable rates as determined pursuant to Section 5 of this Rate Schedule multiplied by the quantity of natural gas actually delivered by Company to Shipper from each point of receipt to the corresponding point of delivery; and

(b) Other Charges

If applicable, any Incidental Charges and Overrun Charges pursuant to Subsections 5.2 and 5.3 of this Rate Schedule.

8. WAIVER

Company may waive any rights hereunder or any obligations of Shipper hereunder on a basis which is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or further rights or obligations, whether of a like or different character.

9. GENERAL TERMS AND CONDITIONS

Shipper shall provide Company with such information as is needed to meet the requirements placed on Company by regulation, rule, and/or order. Furthermore, any terms or conditions not specified in this Rate Schedule shall be determined consistent with Company's General Terms and Conditions specified in Volume I of Company's Tariff, which are incorporated into this Rate Schedule.

RATE SCHEDULE AOT
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for the transportation of natural gas on an interruptible basis by Company for any Shipper which

- (a) received service under Rate Schedule AO or authorized overrun transportation service under Rate Schedule T-9 prior to November 1, 1992, provided that the quantity of service received by Shipper under this Rate Schedule shall not exceed the quantity of authorized overrun service received by Shipper under Rate Schedule AO or T-9; and
- (b) has elected service under this Rate Schedule and has executed an AOT Transportation Agreement.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Interruptible transportation services under this Rate Schedule shall be provided when and to the extent that Company determines that capacity is available in its existing facilities without detriment or disadvantage to Company's firm Shippers.
- 2.2 Company may interrupt service to any Shipper under this Rate Schedule at any time and without prior notice to the extent required to provide service to any firm Shipper under Rate Schedules FT-A or LMS. Interruption of service includes decreasing, suspending, or discontinuing either the receipt or delivery of gas. Interruption and the allocation of available interruptible capacity shall be in accordance with Section 3 of the General Terms and Conditions.
- 2.3 Company shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. Further, Company shall not be required to provide any service that threatens the integrity of its system.
- 2.4 Company shall not be required to transport gas under this Rate Schedule when the total quantity of gas scheduled for transportation is less than that required to operate existing compression facilities necessary to provide such transportation service unless the Shipper requesting such service provides at its own cost the additional quantity of gas required to operate such facilities.

3. QUALIFICATION FOR SERVICE

- 3.1 All Shippers requesting new interruptible transportation service must qualify for service pursuant to Section 22 of the General Terms and Conditions of Company's FERC Gas Tariff.
- 3.2 All Shippers requesting interruptible transportation service must execute an AOT Transportation Agreement in accordance with the provisions of Section 22 of the General Terms and Conditions of Company's FERC Gas Tariff.

4. DELIVERIES AND RECEIPTS

4.1 Receipt Points

All receipt point(s) on Company's system covered by an Operational Balancing Agreement (OBA) shall be available as receipt points for all gas transported by Company under this Rate Schedule.

4.2 Delivery Points

All delivery point(s) on Company's system covered by an OBA shall be available as delivery points for all gas transported by Company under this Rate Schedule.

4.3 OBA Coverage

A receipt or delivery point on Company's system shall be deemed to be covered by an OBA if the Balancing Party at such point has entered into such an OBA with Company in the form set forth in this Tariff and such OBA is in full force and effect. Notwithstanding anything in this Rate Schedule to the contrary, Company shall not refuse to receive gas at a receipt point(s) or deliver gas at a delivery point(s) due to the lack of an effective OBA at such point, provided that the Balancing Party at such point is exercising reasonable efforts to enter promptly into such an OBA with Company in the form set forth in this Tariff or in a form acceptable to Company.

4.4 Pressures

Shipper shall deliver gas to Company at the pressure required from time to time to enable the gas to enter Company's facilities at the receipt point(s), but in no event shall such pressure exceed the maximum allowable operating pressure of Company's system at such point(s). Company shall deliver gas to Shipper or Shipper's designee at Company's line pressure existing at the delivery point(s).

4.5 Uniform Quantities

As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any Gas Day.

5. RATES AND CHARGES

5.1 Applicable Rates and Charges

The rates for service under this Rate Schedule are listed on the Statement of Rates of Company's FERC Gas Tariff; provided, however, that Company has the right at any time and from time to time to adjust the rates applicable to service under this Rate Schedule, including the component for fuel and losses, upon notice to Shipper to any level not less than the Minimum or more than the Maximum Rates. In the event that Company makes such an adjustment, such adjusted rate shall apply solely to service at the receipt and/or delivery points agreed upon by Shipper and Company and shall be applicable solely for the period agreed upon by Shipper and Company.

In the event Company and Shipper agree to establish a rate which is not subject to change and which is to be charged for the duration of the transportation service, such rate will be set forth in the applicable AOT Transportation Agreement. Company shall post on Company's Informational Posting site the required reports of any adjustment below the Maximum Rates for service under this Rate Schedule.

5.2 Incidental Charges

In addition to the rates and charges pursuant to Subsection 5.1 of this Rate Schedule, Company shall charge Shipper an amount to reimburse Company 100 percent for any filing or similar fees, which have not been previously paid by Shipper, which Company incurs in establishing or rendering service. Company shall not use the amounts so collected (both costs and revenues) in establishing its general system rates.

5.3 Overrun Charge

If Shipper should on any Gas Day take, under this Rate Schedule, a quantity of gas more than the effective quantity applicable to such Shipper established in an Operational Flow Order pursuant to Section 8 of the General Terms and Conditions, then such excess quantity shall constitute an unauthorized overrun quantity.

Shipper shall pay Company an unauthorized overrun charge equal to fifteen dollars (\$15.00) for each Dth of excess deliveries to Shipper. The payment of the overrun charge is in addition to any other remedies Company may have against Shipper for Shipper's unauthorized overrun.

If Shipper, upon receiving the advanced approval by Company, should on any Gas Day take under this Rate Schedule a quantity of natural gas in excess of Shipper's TQ under Shipper's AOT Transportation Agreement, then such excess quantity shall constitute authorized overrun quantities.

Shipper shall nominate authorized overrun quantities through Company's system. Authorized overrun quantities shall be requested on a separate transaction. [1.3.19]

Shipper shall pay Company a rate equal to the volumetric derivative of the maximum transportation charge applicable to the service under its AOT Transportation Agreement pursuant to this Rate Schedule designed on a 100 percent load factor basis multiplied by the amount of the authorized overrun quantity, unless the parties mutually agree otherwise.

6. FUEL AND LOSSES

Shipper shall furnish the quantity of gas required for fuel and losses associated with rendering transportation service pursuant to this Rate Schedule in accordance with Section 26 of the General Terms and Conditions.

7. MONTHLY BILL

The Monthly Bill for deliveries shall be equal to:

(a) Applicable Rates

The applicable rates as determined pursuant to Subsection 5.1 of this Rate Schedule multiplied by the quantity of natural gas actually delivered by Company to Shipper from each point of receipt to the corresponding point of delivery; and

(b) Other Charges

If applicable, any Incidental Charges and Overrun Charges pursuant to Subsections 5.2 and 5.3 of this Rate Schedule.

8. WAIVER

Company may waive any rights hereunder or any obligations of Shipper hereunder on a basis which is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or further rights or obligations, whether of a like or different character.

9. GENERAL TERMS AND CONDITIONS

Shipper shall provide Company with such information as is needed to meet the requirements placed on Company by regulation, rule, and/or order. Furthermore, any terms or conditions not specified in this Rate Schedule shall be determined consistent with Company's General Terms and Conditions specified in Volume I of Company's Tariff, which are incorporated into this Rate Schedule.

RATE SCHEDULE LMS
LOAD MANAGEMENT SERVICE

1. AVAILABILITY

- (a) Company shall provide a monthly balancing service to any person (herein referred to as "Balancing Party") who has executed an Operational Balancing Agreement ("OBA") in the form set forth on Company's Web Site (www.vgt.oneokpartners.com) under Customer Activities. An OBA will be available to:
- (i) the Balancing Party at a receipt point(s) on Company's system;
 - (ii) the Balancing Party at a delivery point(s) on Company's system;
 - (iii) a pipeline whose facilities interconnect with Company's system; provided, however, that this Rate Schedule shall not be applicable to a pipeline who entered into an OBA with Company prior to November 1, 1993 for so long as such agreement is in effect.
 - (iv) a market aggregator who has obtained agency agreements from delivery point Balancing Party that impose responsibility on aggregator for all scheduling and balancing at stated delivery points and that provide authority and ability to aggregator to change physical flows at stated delivery points upon notice from the pipeline to the aggregator.
- (b) Subject to Section 6 of this Rate Schedule, Company shall provide a Daily Demand Service with respect to swings in excess of the 5 percent daily variance described in Section 4 of this Rate Schedule to Shippers which operate delivery point(s) and have executed an OBA specifying a daily demand quantity (DDQ) for swing service at specified delivery points, provided that the DDQ requested by a Shipper may not exceed the lesser of (a) 10,000 Dth, or (b) 100 percent of the Maximum Daily Quantity provided at each delivery point under a Shipper's Firm Transportation Agreement.

Daily Demand Service shall also be available on a pro rata basis to other delivery point Balancing Parties not qualifying under Subsection 1(b)(i) of this Rate Schedule to the extent Company determines that there is additional capacity available for the service and that there will be no impairment of firm services.

2. APPLICABILITY

The terms, conditions and charges set forth in this Rate Schedule governing daily variances and monthly balancing shall apply to all gas flowing through meters covered by an OBA. A receipt point OBA may include all receipt points within a rate zone controlled by a single Balancing Party. A delivery point OBA may include all delivery points within a rate zone controlled by a single Balancing Party. A market aggregator OBA may include all delivery points located in the same rate zone of the quantities to be scheduled.

3. SCHEDULING AND CONFIRMATION BY BALANCING PARTY

A Balancing Party will confirm nominations of the quantities to be scheduled at receipt or delivery points, as applicable. Such nominations shall provide a rank ordering of the markets to be served by gas quantities nominated at the receipt point. The Balancing Party will notify Shipper and Company, within two hours of any change in the nomination by an affected Shipper to confirm nominations scheduled for delivery.

Company agrees to perform as Balancing Party on other pipelines' systems at its existing points of interconnection with other pipelines to the extent necessary and agreed to by the other pipelines. To the extent Company incurs any imbalance or cash-out charges or any penalties or other liabilities on such other pipelines, all such expenditures shall be borne by Balancing Parties on Company's system in relation to the share of each Balancing Party's firm deliveries related to such other pipelines.

4. DAILY VARIANCES

- (a) The daily variance for a receipt point OBA shall be the difference between the total quantities scheduled for receipt at that point by confirmed nominations and the actual quantity delivered into Company's system at that point on any Gas Day. The daily variance for a delivery point OBA shall be the difference between the total quantities scheduled for delivery at that point by confirmed nomination and the actual quantity of gas delivered by Company at such point on any Gas Day.
- (b) A Balancing Party electing Daily Demand Service shall pay the daily overrun charges for that portion of a daily variance that exceeds 5 percent of the scheduled quantities plus the DDQ specified in its OBA. A Balancing Party electing Daily Demand Service may also be subject to an unauthorized overrun charge for quantities outside of the daily limitation as set forth in Section 29 of the General Terms and Conditions. A Balancing Party electing Daily Demand Service that is a Consenting Party under the terms and conditions of the Docket No. RP02-132-000 Stipulation and Agreement shall pay the Daily Overrun Rate set forth in the Statement of Rates for that portion of a daily variance that exceeds the greater of 500 Dth or 5 percent of the scheduled quantities plus the DDQ specified in its OBA.
- (c) A Balancing Party not electing Daily Demand Service shall pay daily overrun charges for that portion of a daily variance that exceeds 5 percent of the scheduled quantities. A Balancing Party may also be subject to an unauthorized overrun charge for quantities outside of the daily limitation as set forth in Section 29 of the General Terms and Conditions. A Balancing Party not electing Daily Demand Service that is a Consenting Party under the terms and conditions of the Docket No. RP02-132-000 Stipulation and Agreement shall pay the Daily Overrun Rate set forth in the Statement of Rates for that portion of a daily variance that exceeds the greater of 500 Dth or 5 percent of the scheduled quantities.
- (d) Based upon the best information available, Balancing Party shall take action to correct any imbalances occurring during the month by making adjustments in nominations, receipts or deliveries. If Balancing Party fails to take such corrective action, then Company may, upon 48 hours notice, adjust Balancing Party's scheduled receipts and deliveries over the remainder of the calendar month in order to maintain a balance of receipts, deliveries and nominations.
- (e) Section 27 of the General Terms and Conditions shall apply to Rate Schedule LMS Service. Adjustments under Section 27 shall be listed on the Statement of Rates in Company's FERC Gas Tariff.

5. MONTHLY IMBALANCES

- (a) Monthly Imbalance Trading
 - (i) Availability

Monthly Imbalance Trading shall be available to any non-interstate pipeline, market aggregator, receipt point Balancing Party, delivery point Balancing Party or its designated agent. Monthly Imbalance Trading shall mean the trading of the monthly imbalances between two such Balancing Parties for the month in which the imbalances occurred.

(ii) Operational Impact Area

Operational Impact Area is the largest possible area on Company's system in which imbalances have a similar operational effect and within which the Balancing Party can trade imbalances without incurring any charges for Transportation Service, except for any fuel and losses resulting from the trade. On Company's system there are two (2) Operational Impact Areas corresponding to the two (2) rate zones on the system.

(iii) Posting of Imbalances for Trade

The Balancing Party may notify Company either electronically or in writing that it wishes its imbalances to be posted on Company's Web Site as being available for trading. The Balancing Party shall communicate to Company the quantity available for trading; the area where the imbalance is located; a contact name, phone number, and e-mail address; and any special conditions. Authorization to post imbalances received by Company by 11:45 a.m. (CCT) shall be posted by 8:00 a.m. (CCT) on the following Gas Day.

The Balancing Party may also notify Company to post automatically the Balancing Party's imbalances on Company's Web Site. The Balancing Party shall communicate to Company a contact name, phone number, and e-mail address and any special conditions. Company shall continue to post imbalances for trading until subsequent notice is received by Company to discontinue such posting.

(iv) Trading of Imbalances

After a trade has been negotiated between Balancing Parties, one Balancing Party (the Initiating Trader) shall notify Company electronically or in writing of its request to trade imbalances with another Balancing Party (the Confirming Trader).

In the form prescribed by Company, the Initiating Trader must communicate to Company the parties to the trade; contact names, phone numbers, and e-mail addresses; quantity and zone location of the imbalances to be traded; and the direction of the imbalance trade.

Before Company shall facilitate the imbalance trade, the Confirming Trader must verify the terms of the trade and, in the form prescribed by Company, notify Company of its acceptance of such terms.

Company shall notify both the Initiating Trader and the Confirming Trader of Company's acceptance of the imbalance trade no later than noon (CCT) on the first Business Day after the Confirming Trader has notified Company of its acceptance of the terms of the trade.

Any imbalance trade must be requested and confirmed by no later than the fifth Business Day after the end of the month in which the imbalances occurred.

Imbalance trades may only be withdrawn by the Initiating Trader and only prior to the acceptance of the trade by the Confirming Trader. Imbalance trades are considered final when the Company is notified of the Confirming Trader's acceptance of the terms of the trade and the trade is effectuated by Company.

Company shall permit imbalance trades to the extent operationally feasible. Imbalance trades shall be facilitated at no cost, except the Initiating Trader shall pay for any fuel and losses resulting from the trade.

Company shall reflect the imbalance trade in the month in which it occurred on that month's Imbalance Statement for both parties to the trade.

(b) Imbalance Cash Out

Balancing Party's monthly imbalance shall reflect the net total of daily variances from all points covered by the OBA and any imbalance trades implemented under Subsection 5(a) of this Rate Schedule. Unless Company and Balancing Party mutually agree to correct the imbalance in kind on a nondiscriminatory basis, each month Company and Balancing Party shall "cash out" any imbalance between scheduled nominations at receipt points covered by a receipt point OBA and between deliveries and scheduled nominations at delivery points covered by a delivery point OBA. Company shall divide the monthly imbalance by the sum of the scheduled nominations for all Gas Days of the month for all points covered by the OBA to determine the monthly imbalance to be cashed out as set forth below:

(i) Receipt Point OBA

If the monthly imbalance is due to an excess of receipts relative to scheduled nominations, Company shall pay Balancing Party in accordance with Schedule A below. If the monthly imbalance is due to a deficiency in receipts relative to scheduled nominations, Balancing Party shall pay Company in accordance with Schedule B below. A monthly imbalance that is less than 1000 Dths shall be cashed out at the 0-5 percentage level in accordance with the applicable Schedule A or Schedule B below, regardless of the monthly imbalance percentage.

(ii) Delivery Point OBA

If the monthly imbalance is due to an excess of deliveries relative to scheduled nominations, Balancing Party shall pay Company in accordance with Schedule B below. If the monthly imbalance is due to a deficiency of deliveries relative to scheduled nominations, Company shall pay Balancing Party in accordance with Schedule A below. A monthly imbalance that is less than 1000 Dths shall be cashed out at the 0-5 percentage level in accordance with the applicable Schedule A or Schedule B below, regardless of the monthly imbalance percentage. In addition to correcting the monthly imbalance in cash, (a) Balancing Party shall pay to Company the "Transportation Component" if deliveries are greater than scheduled nominations, or (b) Company shall pay to Balancing Party the "Transportation Component" if deliveries are less than scheduled nominations. The "Transportation Component" shall be equal to the Commodity Rate under the applicable rate schedule for transportation to the applicable zone multiplied by the monthly imbalance, plus any applicable fuel and use charges.

Schedule A

<u>Monthly Imbalance Percentage</u>	<u>Company Pays Balancing Party the Following Percentage of the Index Price</u>
0-5%	100%
>5-10%	85%
>10-15%	70%
>15-20%	60%
>20%	50%

Schedule B

<u>Monthly Imbalance Percentage</u>	<u>Balancing Party Pays Company the Following Percentage of the Index Price</u>
0-5%	100%
>5-10%	115%
>10-15%	130%
>15-20%	140%
>20%	150%

The Index Price shall be determined on a weekly and monthly basis. Each Weekly Index Price shall equal the price of gas delivered to Company at Emerson, Manitoba as published in the "Weekly Price Survey" of Gas Daily for such week. The Weekly Index Price will be posted on Company's System a reasonable time after receipt of Gas Daily's "Weekly Price Survey". For purposes of determining the cash out of imbalances in accordance with Schedules A and B herein, the "Average Monthly Index Price" shall be the average of the Weekly Index Prices determined during a given month.

If none of the Gas Daily "Weekly Price Surveys" for a given month include a price for gas delivered to Company at Emerson, Manitoba ("Weekly Emerson Price"), the "Average Monthly Price Index" for such month shall be the average of the last Weekly Emerson Price published by Gas Daily preceding that month and the first Weekly Emerson Price published by Gas Daily following that month.

If Gas Daily's "Weekly Price Survey" is no longer published, Company and parties to OBAs shall meet to undertake to agree upon alternative spot price indices.

A delivery point Balancing Party or market aggregator which has OBAs in more than one rate zone may net the monthly imbalances between such OBAs; provided however, that such Balancing Party or market aggregator shall pay to Company a charge equal to the difference between the applicable daily reservation rates applied to any excess quantities delivered in a downstream rate zone which are netted against quantities not delivered in an upstream rate zone.

The amounts due hereunder shall be paid in accordance with Sections 5 and 6 of the General Terms and Conditions of Company's FERC Gas Tariff; provided that Company shall have the right, but not the obligation, to delay invoicing for such matters until the fifteenth (15th) day of the second month following the month of delivery.

(c) Access to Information

Upon request, and to the extent Company has electronic measurement information available to it, Company will make available within one Business Day the best information it has concerning the total physical deliveries at applicable receipt and delivery points. Company will also make available by electronic means the best information it has concerning the scheduled and allocated receipts and deliveries at all of Balancing Party's receipt and delivery points by the end of the third Business Day after each Gas Day. This information will include electronic gas measurement data at meters where such data is utilized for billing purposes (Electronic Data). Company will designate the points where Electronic Data is available. Balancing Parties will be entitled to rely on the Electronic Data for purposes of correcting imbalances during the month. Balancing Parties will not be entitled to rely on the data from other receipt or delivery points for purposes of correcting imbalances during the month and will be responsible for verifying the actual receipts and deliveries at receipt and delivery points where no Electronic Data is available. Imbalances will be cashed-out on the basis of actual receipts and deliveries and scheduled

nominations; provided that the penalty level associated with imbalances that are associated with receipt or delivery points where Electronic Data is available will be based upon the lesser of (1) the monthly imbalance reported by Company for the last day of the month based upon the Electronic Data or (2) the monthly imbalance based upon actual receipts and deliveries at such locations; provided, however, that if the monthly imbalance reported by Company for the 20th day of the calendar month based upon Electronic Data is subsequently adjusted during the remainder of the month and (1) such adjustment materially increases the level of the imbalance and (2) Balancing Party did not have adequate time to correct the imbalance by adjusting nominations, receipts or deliveries, then the penalty level associated with imbalances at points where Electronic Data is available will be based upon the lesser of (a) the imbalance reported on the 20th day of the calendar month plus the imbalance reported for each subsequent day in the calendar month, or (b) the monthly imbalance based upon actual deliveries at such points to the extent that applicable OBA documents the situation. Notwithstanding anything to the contrary, if the Electronic Data at any point is inaccurate, through no fault of Company, but rather as the result of the action or inaction of third parties, then the penalty level associated with monthly imbalances occurring at such points will be based upon the Electronic Data, unless Company also incurs penalties, in which event the penalties to Shipper will be determined based upon actual deliveries.

- (d) Any imbalances caused by an event as set forth in Section 10 of the General Terms and Conditions or caused by Company's actions (1) will not be included in the calculation of the total monthly imbalance for purposes of determining the appropriate cash-out level and (2) will be cashed out at the 0-5 percentage tolerance level, as set forth in Section 5 of this Rate Schedule.
- (e) Operational Integrity

Nothing in this Section 5 shall limit Company's right to take action as may be required to adjust receipts and deliveries of gas in order to alleviate conditions which threaten the integrity of its system or the ability of Company to transport quantities scheduled by any Shipper.

6. CONDITIONS AND LIMITATIONS APPLICABLE TO DAILY DEMAND SERVICE

- (a) The availability of Daily Demand Service shall be subject to the following conditions:
 - (i) the maintenance by Company at all times of a quantity of line pack sufficient to ensure the delivery of all nominated firm quantities, such quantity to be determined by Company after taking into account the operational and other requirements existing from time to time on its system; and
 - (ii) the execution by each Shipper receiving Daily Demand Service of a gas supply contract that obligates the gas supplier to deliver at such Shipper's Primary Receipt Point(s), on a firm basis and within the time period and at the hourly rate specified in an Operational Flow Order, a quantity of gas during any Gas Day at least equal to such Shipper's level of Daily Demand Service; and
 - (iii) the designation by each Shipper receiving Daily Demand Service of an agent, employee, department or group with the authority to (a) control the nomination of quantities under each of the gas supply contracts entered into by such Shipper described in Subsection 6(a)(ii) of this Rate Schedule, and (b) implement Operational Flow Orders with respect to such Shipper. Shipper's designee shall be available during all hours of the Gas Day to control such nominations and implement Operational Flow Orders.
 - (iv) the full compliance by Shipper's designees and by all Shippers not receiving Daily Demand Service with the terms of any Operational Flow Orders; and

- (v) the installation of any facilities necessary to electronically measure the receipt and delivery of natural gas at such points as determined by Company on its system.
- (b) Each Shipper eligible for and electing to receive Daily Demand Service shall notify Company of the DDQ requested by such Shipper in accordance with the procedures established in Docket No. RS92-52. In no event shall a Shipper's DDQ exceed the lesser of (i) 10,000 Dth, or (ii) 100 percent of the level of firm sales or transportation service such Shipper received from Company as of October 31, 1991 under Rate Schedules CR-2, CRL-2, SR-2 or T-9.
- (c) If, on any Gas Day, Company determines that the capacity of its system, or any portion thereof, including the points at which gas is tendered for transportation, is insufficient to satisfy all requirements for Daily Demand Service, or if any of the conditions set forth in Subsection 6(a) of this Rate Schedule are not satisfied in full, Company shall reduce the Daily Demand Service available to each Shipper pro rata on the basis of the Daily Demand Quantity of such Shipper; provided, however, that if the amount of Daily Demand Service is reduced due to the failure of a Shipper to comply with an Operational Flow Order, Company shall, to the extent practicable, first reduce the Daily Demand Service available to such Shipper prior to reducing the Daily Demand Service available to other Shippers.
- (d) Nothing in Subsection 6(a) of this Rate Schedule shall limit the ability of a Shipper to contract with any gas supplier it desires, provided that Shipper agrees to the appointment of a Shipper's designee in accordance with Subsection 6(a)(iii) of this Rate Schedule.

7. DISPOSITION OF EXCESS GAS

Under the cash-out procedures of Section 5 of this Rate Schedule and in order to alleviate conditions that threaten the integrity of its system, Company may periodically acquire quantities of gas that are in excess of system needs. Company shall have the right to make interruptible sales of such excess gas from time to time at mainline receipt points on Company's system pursuant to the terms of the blanket certificate of public convenience and necessity granted to Company pursuant to 18 C.F.R. Section 284.284(6) and Order No. 636. Such sales shall be made under rates, terms and conditions mutually agreed upon between Company and the purchasers; provided, however, that all such sales shall be fully interruptible and shall be curtailed pro rata without regard to transportation arrangements made by purchasers.

8. APPLICABLE RATES

The rates for service under this Rate Schedule, when applicable, are the applicable Maximum Rates listed on the Statement of Rates in Company's FERC Gas Tariff.

9. WAIVER

Company may waive any rights hereunder or any obligations of Balancing Provider hereunder on a basis which is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or further rights or obligations, whether of a like or different character.

10. GENERAL TERMS AND CONDITIONS

Balancing Provider shall provide Company with such information as is needed to meet the requirements placed on Company by regulation, rule, and/or order. Furthermore, any terms or conditions not specified in this Rate Schedule shall be determined consistent with Company's General Terms and Conditions specified in Volume I of Company's Tariff, which are incorporated into this Rate Schedule.

RATE SCHEDULE PAL
PARK AND LOAN SERVICES

1. AVAILABILITY

This Rate Schedule is available for the parking and loaning (PAL) of natural gas on an interruptible basis by Company for any Buyer which has executed a Gas Park and Loan Agreement ("PAL Agreement") for service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

PAL services under this Rate Schedule shall be provided when and to the extent that Company determines that it may provide PAL services without detriment or disadvantage to Company's firm Shippers. Company may interrupt service to any Buyer under this Rate Schedule at any time and without prior notice to the extent required to provide service to any firm Shipper under Rate Schedules FT-A or LMS or any interruptible Shipper under Rate Schedule IT or Rate Schedule AOT.

Company shall provide PAL service for a minimum of one (1) Gas Day. The term and quantity(ies) of each PAL Agreement shall be set forth in the effective Exhibit A of an executed PAL Agreement. PAL transactions shall occur at a PAL Point mutually agreed upon by Company and Buyer. In the event parked quantities remain in Company's system and/or loaned quantities have not been returned to Company's system by the expiration of a PAL Agreement, Company and Buyer may mutually agree to an extended time frame and/or modified terms, including the rate, of such PAL Agreement, to permit Buyer to return such quantities to Company or to permit Company to return such quantities to Buyer.

A PAL Point shall mean a logical or "paper" point at which Company is authorized to receive and hold on behalf of Buyer or advance to Buyer a quantity of gas nominated by Buyer pursuant to the PAL service of Rate Schedule PAL. Company has established PAL Point to correspond to each physical receipt and delivery point on its system.

2.1 Service under this Rate Schedule shall be provided as follows:

2.1.1 Park Service

Park Service is an interruptible service which provides for:

- (a) Company's receipt of gas quantities that have been delivered by Buyer to a PAL Point on Company's system;
- (b) Company holding the parked quantities on Company's system; and
- (c) Company's return of parked quantities of gas to Buyer at the PAL Point where Buyer delivered the gas.

2.1.2 Loan Service

Loan Service is an interruptible service which provides for:

- (a) Buyer's receipt of gas quantities from Company at a PAL Point on Company's system; and
- (b) Buyer's return of the loaned gas quantities to Company at the PAL Point where Buyer received the gas.

2.2 Park and Loan (PAL) Service Options

2.2.1 Buyer Nominated Parking/Lending (NPL)

Buyer Nominated Parking/Lending (NPL) is a service option that allows a Buyer to nominate and link supplemental PAL service to nominated transportation service on Company's system in each of the supported nomination and scheduling cycles.

2.2.2 Buyer Requested Term Parking/Lending (RPL)

Buyer Requested Term Parking/Lending (RPL) is a service option that allows a Buyer to request parking and/or lending service from Company for a mutually agreed to term.

Requests for RPL service shall be considered if Buyer has completed and submitted a proposed Amendment to Exhibit A of an effective PAL Agreement reflecting the selection of RPL service for a specific time period.

If Company accepts Buyer's request for RPL service, Company shall execute Buyer's Exhibit A amendment to its PAL Agreement.

2.2.3 Company Offered Parking/Lending (OPL)

Company Offered Parking/Lending (OPL) is a service option that allows Company to offer parking and/or lending service to potential Buyers for a mutually agreed to term.

Company shall post all OPL offers, detailing the specific terms and conditions of each OPL offer, as well as provide electronic notification of such offers.

Bids for OPL service shall be considered only if Buyer has completed and submitted to Company an amendment to Exhibit A of its PAL Agreement reflecting the selection of OPL service.

For the purposes of determining the Best Bid(s) for a posted Company Offered Parking/Lending Service, Company will award service on basis of highest rate bid. In the event there is more than one Best Bid, Company will allocate service on a pro-rata basis.

Company shall execute Exhibit A to a PAL Agreement(s) for the winning bid(s).

In the event that the receipt and delivery points differ under a specific OPL transaction, then a separately stated amount for transportation shall be included in the bid. Such transportation amount shall not be priced at less than the Minimum Commodity Rate pursuant to Rate Schedule IT-1.

2.2.4 Buyer Authorized Automatic Parking/Lending (APL)

Buyer Authorized Automatic Parking/Lending (APL) is a service option that allows a Buyer to pre-authorize Company to nominate, on the Buyer's behalf, parking and/or lending service within a supported nomination cycle in an attempt to minimize the Buyer's Stranded Allocated Capacity in such cycle.

To initiate or terminate APL on a prospective basis, a Buyer must complete and submit to Company an amendment to the Exhibit A of an effective PAL Agreement.

Buyer retains the right to prospectively adjust scheduled parking and/or lending activity nominated via APL in subsequent nomination cycles.

2.2.5 For all options listed in Subsections 2.2.1 through 2.2.4 above, service under this Rate Schedule shall be subject to confirmation by Company prior to being scheduled.

2.3 Services under this Rate Schedule shall be made available on a first-come, first-served basis, to any Buyer willing and able to pay Maximum Rates or such other rate mutually agreed upon by Company and Buyer, subject to all applicable provisions of the General Terms and Conditions of this Tariff.

2.4 Company shall not be required to install, operate or maintain any additional facilities in order to provide services under this Rate Schedule. Further, Company shall not provide any service that threatens the integrity of its system.

3. QUALIFICATIONS FOR SERVICE

3.1 All Buyers requesting new PAL service must qualify for service pursuant to Section 22 of the General Terms and Conditions of Company's FERC Gas Tariff.

3.2 All Buyers requesting PAL service must execute a PAL Agreement in accordance with the provisions of Section 22 of the General Terms and Conditions of Company's FERC Gas Tariff.

3.3 In addition to the information provided in the PAL Agreement, Buyer also shall provide the following information to Company with its initial request for service:

3.3.1 Certification - Certification from Buyer that:

(a) Buyer shall warrant for itself, its successors and assigns, that it shall at the time of delivery to Company have title to all gas free and clear of all liens, encumbrances, and claims whatsoever. Buyer shall indemnify Company and hold it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of adverse claims of any or all persons or parties to said gas, including claims for royalties, taxes, license fees or charges applicable to such gas or to the delivery thereof to Company under this Rate Schedule; and

(b) it has entered into all necessary arrangements to assure that upstream and downstream transportation, if any, shall be in place prior to the commencement of a PAL service option on Company.

3.3.2 Credit information - Buyer shall furnish credit information as prescribed in Section 22 of the General Terms and Conditions.

4. NOMINATIONS AND SCHEDULING

4.1 Buyer shall nominate PAL services under this Rate Schedule in accordance with the nomination deadlines set forth in Section 3 of the General Terms and Conditions of this Tariff. Buyer shall nominate the agreed upon park or loan quantities at the PAL Point. Such

nominated quantities shall be subject to confirmation by Company. The confirmed quantity shall be deemed the scheduled quantity.

4.2 PAL services shall be provided on an interruptible basis. Interruption of PAL services may include decreasing, temporarily suspending, or discontinuing the receipt or delivery of gas if Company in its reasonable discretion determines that such decrease, suspension or discontinuance is necessary to maintain system integrity or when a higher priority service so requires.

4.3 If, on any Gas Day, Buyer nominates quantities of gas to be withdrawn from or deposited into its PAL account, but Company is unable to schedule any of the quantities nominated, Company shall suspend the Park and/or Loan Service rate charges for that quantity not scheduled until Company is able to schedule the quantity nominated. Additionally, Company and Buyer may mutually agree to extend the agreed upon term for the amount of time that Company was unable to schedule the Park and/or Loan Service.

5. NOTIFICATION, ALLOCATIONS AND CURTAILMENT

5.1 For purposes of restricting PAL services, Company shall give priority to PAL Agreements with the highest daily revenue commitment to Company. For purposes of calculating the daily revenue commitment, Buyers willing to pay more than the Maximum Rate listed on the Statement of Rates of this Tariff shall be considered to be paying the maximum Tariff rate. Service shall be allocated or curtailed on a pro rata basis among Buyers willing to make the same daily revenue commitment to Company for PAL services.

5.2 Buyer may be required, upon notification from Company, to suspend or reduce deliveries for the agreed upon Park Service, or receipts for the agreed upon Loan Service. Further, Buyer may be required, upon notification from Company, to remove quantities of gas previously provided to Company under the Park Service, or return quantities of gas previously loaned to Buyer under the Loan Service. Such notification shall be by telephone and then by facsimile, e-mail or posting on the Company's Internet Web Site.

5.3 In the event Company notifies Buyer to remove or return quantities of gas pursuant to Subsection 5.2 of this Rate Schedule, Company's notification shall specify the time frame within which Park Service quantities shall be removed, and/or Loan Service quantities shall be returned. Such notifications shall be consistent with Company's operating conditions, but in no event shall the specified time frame by which all Park Service quantities must be removed and/or Loan Service quantities must be returned be less than three (3) calendar days from the date of Company's notification unless Company and Buyer mutually agree to a different time frame. The obligation of Buyer to comply with the issued notification shall be monitored until such time as Company is able to recommence the Park and/or Loan Services. In the event Company is unable to schedule gas nominated by a Buyer in response to such notification, Company shall extend the time available for the Buyer to remove their parked quantities or return their loaned quantities by one Gas Day for every Gas Day that the Buyer is unable to schedule the removal or return of gas, respectively.

5.4 In the event any of the following occurs, parked quantities shall become the property of Company at no cost to Company, free and clear of any adverse claims:

- (i) Company's prevailing operations require Company to notify Buyer that deliveries of parked quantities must be suspended or be reduced, and Buyer fails to comply with such notification; and/or

- (ii) Company's prevailing operations require Company to notify Buyer that all or part of Buyer's parked quantities must be removed, and Buyer fails to comply within the specific time frame; and/or
- (iii) Subject to Section 2 herein, the PAL account reflects a balance at the termination date of the executed PAL Agreements.

If Company notifies Buyer that deliveries of parked quantities must be suspended or be reduced, only those quantities parked in violation of the notification shall become the property of Company at no cost to Company, free and clear of any adverse claims.

5.5 In the event any of the events listed below occur, loaned quantities shall be sold to Buyer at twice the highest weekly index price for gas at Emerson, Manitoba as set forth in Gas Daily's "Weekly Price Survey" for the month in which the PAL activity occurred; provided, however, that if none of Gas Daily's "Weekly Price Survey" for a given month include a price for gas delivered to Company at Emerson, Manitoba, the index price shall be the highest of: (1) the highest weekly index price for gas at Emerson, Manitoba, published in Gas Daily's "Weekly Price Survey" in the preceding month, or (2) the highest weekly index price for gas at Emerson, Manitoba, published in Gas Daily's "Weekly Price Survey" in the following month; provided, however, that if a weekly index price for gas at Emerson, Manitoba, is no longer published in Gas Daily's "Weekly Price Survey," Company shall identify on its Internet Web Site an alternative spot price index to be used:

- (i) Company's prevailing operations require Company to notify Buyer that receipt of Buyer's loaned quantities must be suspended or be reduced, and Buyer continues to receive loaned quantities; and/or
- (ii) Company's prevailing operations require Company to notify Buyer that all or part of Buyer's loaned quantities must be returned to Company, and Buyer fails to comply within the specified time frame; and/or
- (iii) Subject to Section 2 herein, the PAL account reflects a balance at the termination date of the executed PAL Agreement.

If Company notifies Buyer that receipt of Buyer's loaned quantities must be suspended or be reduced, only those quantities loaned in violation of the notification shall be sold to Buyer at twice the highest weekly index price as set forth in this Subsection.

6. RATES AND CHARGES

6.1 Applicable Rates

The rates for service under this Rate Schedule are the applicable maximum and minimum daily unit rates shown on the effective Statement of Rates of Company's FERC Gas Tariff; provided, however, that Company has the right at any time and from time to time to adjust the rates applicable to service under this Rate Schedule upon agreement with Buyer to any level not less than the Minimum or more than the Maximum Rates. In the event that Company makes such an adjustment, such adjusted rate shall apply solely to service at the receipt and/or delivery points agreed upon by Buyer and Company and shall be applicable solely for the period agreed upon by Buyer and Company.

Buyer shall pay the Maximum Rate for service under this Rate Schedule unless Company and Buyer mutually agree to a different rate. By mutual agreement between Company and Buyer, discounts may be limited consistent with the provisions of Article 3 of the pro forma agreement applicable to this Rate Schedule PAL.

The monthly charges for PAL services shall be the product of the quantities of gas in Buyer's PAL account for each separate transaction and the maximum or mutually agreed upon rate for each day service is tendered by Company. Charges shall commence on the first day of the agreed upon transaction and continue until Buyer's account balance reaches zero or until the last day of the agreed upon term as set forth in the Exhibit A of the executed PAL Agreement, whichever comes first.

6.2 Incidental Charges

In addition to the rates and charges pursuant to Subsection 6.1 of this Rate Schedule, Company shall charge Buyer an amount to reimburse Company 100 percent for any filing or similar fees, which have not been previously paid by Buyer, which Company incurs in establishing or rendering service. Company shall not use the amounts so collected (both costs and revenues) in establishing its general system rates.

6.3 Negotiated Rates

Notwithstanding any provision of Company's effective FERC Gas Tariff to the contrary, Company and Buyer may mutually agree in writing to a Negotiated Rate with respect to rates, rate components, charges, or credits that are otherwise prescribed, required, established or imposed by this Rate Schedule or by any other applicable provision of Company's effective FERC Gas Tariff. The Negotiated Rate may be less than, equal to or greater than the Maximum Rate; shall not be less than the Minimum Rate; may be based on a rate design other than straight fixed variable; and may include a minimum quantity. The Maximum Rate shall be available to any Buyer that does not choose a Negotiated Rate. Nothing in the provisions governing Negotiated Rate Agreements shall authorize Company or Buyer to violate FERC's policy with respect to negotiation of terms and conditions of service.

Such Negotiated Rate shall be set forth on an Exhibit of the executed PAL Agreement and on the Negotiated Rates section of the Tariff.

If Company agrees to such Negotiated Rate(s), then the Negotiated Rate(s) shall be effective only for the period agreed upon by Company. During such period, the Negotiated Rate shall govern and apply to the Buyer's services and the otherwise applicable rate, rate component, charge or credit which the parties have agreed to replace with the Negotiated Rate, shall not apply to, or be available to, the Buyer.

Only those rates, rate components, charges or credits identified by Company and Buyer in writing as being superseded by a Negotiated Rate shall be in effect during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed, required, established or imposed by this Rate Schedule or Company's Tariff shall remain in effect.

At the end of the period during which the Negotiated Rate is in effect, the otherwise applicable Maximum Rates or charges shall govern the service provided to Buyer.

Buyers paying a Negotiated Rate which exceeds the Maximum Rate shall be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, and for calculating the economic value.

7. MONTHLY BILL

The Monthly Bill for deliveries shall be equal to:

(a) Applicable Rates

The applicable rates as determined pursuant to Subsection 6.1 of this Rate Schedule multiplied by the total quantity of natural gas parked and/or loaned in accordance with the effective Exhibit A of Buyer's PAL Agreement; and

(b) Other Charges

If applicable, any other charges including Incidental Charges pursuant to Subsection 6.2 of this Rate Schedule.

8. WAIVER

Company may waive any rights hereunder or any obligations of Buyer hereunder on a basis which is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or further rights or obligations, whether of a like or different character.

9. GENERAL TERMS AND CONDITIONS

Buyer shall provide Company with such information as is needed to meet the requirements placed on Company by regulation, rule, and/or order. Furthermore, any terms or conditions not specified in this Rate Schedule shall be determined consistent with Company's General Terms and Conditions specified in Volume I of Company's Tariff, which are incorporated into this Rate Schedule.

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7.Part 7.0 - Rate Schedules(v.0.1.05/24/2010

7.10.Part 7.10 - Rate Schedule FT-A(v.2.0.02/1/2011

7.20.Part 7.20 - Rate Schedule IT(v.1.0.02/1/2011

7.21.Part 7.21 - Rate Schedule AOT(v.1.0.02/1/2011

7.30.Part 7.30 - Rate Schedule LMS(v.0.1.05/24/2010

7.31.Part 7.31 - Rate Schedule PAL(v.0.1.05/24/2010