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FERC GAS TARIFF
First Revised Volume No. 1

superseding

Volume No. 1

of

ALLIANCE PIPELINE L.P.

Filed with the
FEDERAL ENERGY REGULATORY COMMISSION

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PRELIMINARY STATEMENT

Alliance Pipeline L.P. ("Transporter") is a limited partnership formed under the laws of the State of Delaware. Transporter is a "natural gas company" as defined by the Natural Gas Act ("NGA"), 15 U.S.C. §717-717w, and is subject to the jurisdiction of the Federal Energy Regulatory Commission. Transporter owns and operates a natural gas transmission system that extends from an interconnection with Alliance Pipeline Limited Partnership at the Canadian-United States border at Renville County, North Dakota, to various points of delivery in the Chicago, Illinois area.

Transporter is engaged in the business of transporting natural gas for shippers in interstate commerce on a firm and interruptible basis. The transportation of natural gas in interstate commerce is provided pursuant to a Certificate of Public Convenience and Necessity issued to Transporter by the Commission under Section 7(c) of the NGA, and pursuant to a blanket certificate issued to Transporter for the activities specified in Part 284, Subpart G, of the Commission's regulations, as amended from time to time.

SYSTEM MAP

A map of the Alliance Pipeline L.P. system is available for viewing and download at the following uniform resource locator (url).

http://tariff.alliance-pipeline.com/itasc/FERC_Map.pdf

STATEMENTS OF RATES
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Description/Title

1. Statements of Rates
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Rate Schedule FT-1 Recourse Rates:

	Maximum	Minimum	
Reservation Charge, effective December 1, 2020	\$10.2500	\$0.0000	\$ per Dth / Month
Reservation Charge, effective June 1, 2021	\$9.4505	\$0.0000	\$ per Dth / Month
Reservation Charge, effective November 1, 2021	\$7.8200	\$0.0000	\$ per Dth / Month
Usage Charge, effective December 1, 2020	\$0.0000	\$0.0000	\$ per Dth
Usage Charge, effective June 1, 2021	\$0.0091	\$0.0091	\$ per Dth
AOS Charge, effective December 1, 2020	\$0.3370	\$0.0000	\$ per Dth
AOS Charge, effective June 1, 2021	\$0.3198	\$0.0091	\$ per Dth
AOS Charge, effective November 1, 2021	\$0.2662	\$0.0091	\$ per Dth
Tioga Lateral Incremental Reservation Charge, effective December 1, 2020	\$15.3110	\$0.0000	\$ per Dth / Month
Tioga Lateral Incremental Reservation Charge, effective November 1, 2021	\$16.0607	\$0.0000	\$ per Dth / Month
Tioga Lateral Incremental Usage Charge, effective December 1, 2020	\$0.0404	\$0.0404	\$ per Dth
Tioga Lateral Incremental AOS Charge, effective December 1, 2020	\$0.5438	\$0.0404	\$ per Dth
Tioga Lateral Incremental AOS Charge, effective November 1, 2021	\$0.5684	\$0.0404	\$ per Dth

Rate Schedule IT-1 Recourse Rates:

	Maximum	Minimum	
Usage Charge, effective December 1, 2020	\$0.3370	\$0.0000	\$ per Dth
Usage Charge, effective June 1, 2021	\$0.3198	\$0.0091	\$ per Dth
Usage Charge, effective November 1, 2021	\$0.2662	\$0.0091	\$ per Dth
Tioga Lateral Incremental Usage Charge, effective December 1, 2020	\$0.5438	\$0.0404	\$ per Dth
Tioga Lateral Incremental Usage Charge, effective November 1, 2021	\$0.5684	\$0.0404	\$ per Dth

-
- 1/ An ACA Unit Charge calculated by the Commission and posted at <http://www.ferc.gov>, in accordance with Section 30 of the GTC of Transporter's Tariff, shall be added to each rate herein. The rate per Dth is calculated and revised annually by the Commission.
 - 2/ For invoicing purposes, the rates and surcharges set forth above (including the ACA Unit Charge) will be applied, as appropriate, to a) Shipper's Contracted Capacity as stated in the Firm Transportation Agreement and b) volumes of Gas received by Transporter from Shipper for Transportation, after such Contracted Capacity and volumes of Gas received are converted to Dekatherms utilizing a Thermal Conversion Factor equal to 1.100 Dth per Mcf.
 - 3/ The Fuel Requirement applicable to Shippers under Rate Schedules FT-1 and IT-1 shall be equal to 1.91%. The Fuel Requirement shall be revised annually in accordance with Section 14 of the GTC.
 - 4/ The Recourse rates for FT-1 and IT-1 transportation service originating on the Tioga Lateral consist of the aggregate of the applicable Tioga Lateral incremental charge and the corresponding charge set forth immediately above such incremental charges.

Statements of Rates

Rate Schedule IW Recourse Rates:	Maximum	Minimum	
Usage Charge, effective December 1, 2020	\$0.3370	\$0.0000	\$ per Dth
Usage Charge, effective June 1, 2021	\$0.3198	\$0.0091	\$ per Dth
Usage Charge, effective November 1, 2021	\$0.2662	\$0.0091	\$ per Dth

Rate Schedule PAL Recourse Rates:

Term PAL			
Reservation Charge, effective December 1, 2020	\$0.3370	\$0.0000	\$ per Dth per Day
Reservation Charge, effective June 1, 2021	\$0.3198	\$0.0091	\$ per Dth per Day
Reservation Charge, effective November 1, 2021	\$0.2662	\$0.0091	\$ per Dth per Day
Auto PAL			
Usage Charge, effective December 1, 2020	\$0.3370	\$0.0000	\$ per Dth
Usage Charge, effective June 1, 2021	\$0.3198	\$0.0091	\$ per Dth
Usage Charge, effective November 1, 2021	\$0.2662	\$0.0091	\$ per Dth

STATEMENTS OF NEGOTIATED RATES

Essential Elements of
 Rate Schedule FT-1 Negotiated Rate Transactions 1/2/3/4/5/6/7/

Shipper Name	Contract Number	Contract Term Start – Contract Term End	Contracted Capacity MMcf/d	Negotiated Reservation Charge \$/Dth/mo.	Primary Delivery Point	Primary Delivery Point Capacity MMcf/d
Vermilion Energy Inc.	1011506	10/1/2022 – 10/31/2026	12.496	Applicable Rate Schedule FT-1 Maximum Recourse Reservation Rate, as revised from time to time	Vector (IL06)	12.496
Coelacanth Energy Inc.	1014490	10/1/2022 – 10/31/2026	1.472	Applicable Rate Schedule FT-1 Maximum Recourse Reservation Rate, as revised from time to time	Vector (IL06)	1.472
Macquarie Energy LLC	1011507	11/01/2019 – 10/31/2026	14.189	Applicable Rate Schedule FT-1 Maximum Recourse Reservation Rate, as revised from time to time	Vector (IL06)	14.189
NuVista Energy Ltd.	1014918	11/01/2026 – 10/31/2028	14.189	Applicable Rate Schedule FT-1 Maximum Recourse Reservation Rate, as revised from time to time	Vector (IL06)	14.189
Veren U.S. Corp.	1015357	11/01/2024 – 10/31/2030	26.8	Applicable Rate Schedule FT-1 Maximum Recourse Reservation Rate, as revised from time to time	ANR (IL05)	26.8

- 1/ The Negotiated Rate Contracts set forth herein do not deviate in any material respect from Transporter’s Form of Firm Transportation Agreement.
- 2/ The name and location of each Delivery Point is maintained on Transporter’s Informational Postings Site.
- 3/ For invoicing purposes, the Negotiated Reservation Charge will be applied to the Shipper’s Contracted Capacity as stated in the Firm Transportation Agreement after such Contracted Capacity is converted to Dekatherms utilizing a Thermal Conversion Factor equal to 1.100 Dth per Mcf.
- 4/ The Primary Receipt Point for each Negotiated Rate Contract set forth herein is the Interconnect with Alliance Pipeline Limited Partnership at the Canadian Border. The rates applicable to service at Primary or Secondary Receipt Points located on the Tioga Lateral shall be the aggregate of the applicable rates set forth above and the corresponding Tioga Lateral Incremental Recourse Rates set forth in the

Statements of Rates.

- 5/ Rich Gas Credit - Transporter will apply the following credit if applicable to Shipper's invoice:

The Shipper's energy conversion factor is deemed to be 1.100 Dth per Mcf ("ConvF"). The ConvF will be compared quarterly to a calculated gross heating value ("GHV") of the commingled stream, excluding that portion of the commingled stream contributed by FT-1 Shippers without a deemed energy conversion factor. If the quarterly average GHV exceeds the ConvF, the Shipper will receive a Rich Gas Credit on its invoice for the fourth month following the measured quarter. The Rich Gas Credit will be calculated as the difference between the reservation rate and a notional reservation rate that is calculated using the GHV. If the quarterly average GHV is less than the ConvF, the Shipper will be assessed a rich gas debit which will carry forward to subsequent quarters and be applied against any future Rich Gas Credit. The formula for calculating the Rich Gas Credit is:

The formula for determining whether a system rich gas credit or system rich gas debit has occurred in a quarter is as follows:

- (i) Determine AQV flowing as follows:

$$AQV \text{ (MMcf)} = QSQ / \text{ConvF.}$$

- (ii) Determine the QSRGC/QSRGD as follows:

$$QSRGC/QSRGD \text{ (\$)} = AQV \times \text{FT-1 Rate} \times (\text{GHV} - \text{ConvF}) / \text{ConvF.}$$

A negative result means a QSRGD has occurred in the quarter and a positive result means a QSRGC has occurred in the quarter.

Where:

AQV = The actual quarterly volumes flowing under all FT-1 TAs eligible for a Rich Gas Credit.

QSQ = The total of all scheduled quantities for FT-1 TAs eligible for a Rich Gas Credit in the quarter. FT-1 Rate = Rate specified in Appendix A.

ConvF = Energy Conversion Factor.

GHV = Calculated Gross Heating Value for volumes flowing under FT-1 TAs eligible for a Rich Gas Credit in the quarter.

QSRGC = Quarterly System Rich Gas Credit. QSRGD = Quarterly System Rich Gas Debit.

The Transporter shall carry and accrue Quarterly System Rich Gas Credits against Quarterly System Rich Gas Debits. At the end of any quarter in which the accrued Quarterly System Rich Gas Credit exceeds the accrued Quarterly System Rich Gas Debit, the Transporter will determine the Shipper's share of such excess and zero the system account balances. The Shipper's Rich Gas Credit shall be calculated as follows:

$$\text{Shipper's Rich Gas Credit} = ((\sum QSRGC - \sum QSRGD) / (\text{Eligible FT-1 CC})) \times \text{Shipper's Contracted Capacity in the Month.}$$

Where:

CC = The total of all FT-1 Contracted Capacity eligible for a Rich Gas Credit in the Month.

The Rich Gas Credit applies only to Shipper's invoice and therefore a Shipper whose Firm Transportation Agreement has expired without renewal cannot receive a Rich Gas Credit.

- 6/ Recoverable Cost Variances Surcharge: Transporter will apply a surcharge to recover i) costs that are incurred by Transporter in excess of forecasted amounts for pipeline integrity costs (including any pipe replacements or re-routes required to comply with applicable codes and regulations), property and business taxes, FERC cost recovery charges, and environmental levies, and ii) new costs that are imposed upon Transporter by governmental authority, including without limitation pipeline abandonment charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.
- 7/ ACA Unit Charge: Shipper shall pay the currently effective ACA Unit Charge as set forth in Section 30 of the GTC of Transporter's Tariff, as such rates may be revised and superseded, subject to Commission approval, from time to time.

Essential Elements of
 Rate Schedule FT-1 Temporary Capacity Release Negotiated Rate Transactions 1/2/3/4/5/6/7/

Releasing Shipper	Releasing Contract Number	Shipper Name	Contract Number	Contract Term Start – Contract Term End	Contracted Capacity MMcf/d	Negotiated Reservation Charge \$/Dth/mo.	Usage Charge \$/Dth	Primary Delivery Point	Primary Delivery Point Capacity MMcf/d
Vermilion Energy Inc.	1011506	BP Canada Energy Marketing Corp.	1015910	11/01/2024 – 10/31/2025	12.496	7.82	0.00	VECTOR (IL06)	12.496
Coelacanth Energy Inc.	1014490	BP Canada Energy Marketing Corp.	1015969	12/01/2024 – 12/31/2024	1.472	7.82	0.00	VECTOR (IL06)	1.472

- 1/ The Negotiated Rate Contracts set forth herein do not deviate in any material respect from Transporter’s Form of Firm Transportation Agreement.
- 2/ The name and location of each Delivery Point is maintained on Transporter’s Informational Postings Site.
- 3/ For invoicing purposes, the Negotiated Reservation Charge will be applied to the Shipper’s Contracted Capacity as stated in the Firm Transportation Agreement after such Contracted Capacity is converted to Dekatherms utilizing a Thermal Conversion Factor equal to 1.100 Dth per Mcf.
- 4/ The Primary Receipt Point for each Negotiated Rate Contract set forth herein is the Interconnect with Alliance Pipeline Limited Partnership at the Canadian Border. The rates applicable to service at Primary or Secondary Receipt Points located on the Tioga Lateral shall be the aggregate of the applicable rates set forth above and the corresponding Tioga Lateral Incremental Recourse Rates set forth in the Statements of Rates.
- 5/ Rich Gas Credit - Transporter will apply the following credit if applicable to Shipper’s invoice:

The Shipper’s energy conversion factor is deemed to be 1.100 Dth per Mcf (“ConvF”). The ConvF will be compared quarterly to a calculated gross heating value (“GHV”) of the commingled stream, excluding that portion of the commingled stream contributed by FT-1 Shippers without a deemed energy conversion factor. If the quarterly average GHV exceeds the ConvF, the Shipper will receive a Rich Gas Credit on its invoice for the fourth month following the measured quarter. The Rich Gas Credit will be calculated as the difference between the reservation rate and a notional reservation rate that is calculated using the GHV. If the quarterly average GHV is less than the ConvF, the Shipper will be assessed a rich gas debit which will carry forward to subsequent quarters and be applied against any future Rich Gas Credit. The formula for calculating the Rich Gas Credit is:

The formula for determining whether a system rich gas credit or system rich gas debit has occurred in a quarter is as follows:

- (i) Determine AQV flowing as follows:

$$AQV \text{ (MMcf)} = QSQ / \text{ConvF.}$$

- (ii) Determine the QSRGC/QSRGD as follows:

$$\text{QSRGC/QSRGD (\$)} = \text{AQV} \times \text{FT-1 Rate} \times (\text{GHV} - \text{ConvF}) / \text{ConvF}.$$

A negative result means a QSRGD has occurred in the quarter and a positive result means a QSRGC has occurred in the quarter.

Where:

AQV = The actual quarterly volumes flowing under all FT-1 TAs eligible for a Rich Gas Credit.

QSQ = The total of all scheduled quantities for FT-1 TAs eligible for a Rich Gas Credit in the quarter. FT-1 Rate = Rate specified in Appendix A.

ConvF = Energy Conversion Factor.

GHV = Calculated Gross Heating Value for volumes flowing under FT-1 TAs eligible for a Rich Gas Credit in the quarter.

QSRGC = Quarterly System Rich Gas Credit. QSRGD = Quarterly System Rich Gas Debit.

The Transporter shall carry and accrue Quarterly System Rich Gas Credits against Quarterly System Rich Gas Debits. At the end of any quarter in which the accrued Quarterly System Rich Gas Credit exceeds the accrued Quarterly System Rich Gas Debit, the Transporter will determine the Shipper's share of such excess and zero the system account balances. The Shipper's Rich Gas Credit shall be calculated as follows:

$$\text{Shipper's Rich Gas Credit} = ((\sum \text{QSRGC} - \sum \text{QSRGD}) / (\text{Eligible FT-1 CC})) \times \text{Shipper's Contracted Capacity in the Month}.$$

Where:

CC = The total of all FT-1 Contracted Capacity eligible for a Rich Gas Credit in the Month.

The Rich Gas Credit applies only to Shipper's invoice and therefore a Shipper whose Firm Transportation Agreement has expired without renewal cannot receive a Rich Gas Credit.

- 6/ Recoverable Cost Variances Surcharge: Transporter will apply a surcharge to recover i) costs that are incurred by Transporter in excess of forecasted amounts for pipeline integrity costs (including any pipe replacements or re-routes required to comply with applicable codes and regulations), property and business taxes, FERC cost recovery charges, and environmental levies, and ii) new costs that are imposed upon Transporter by governmental authority, including without limitation pipeline abandonment charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.
- 7/ ACA Unit Charge: Shipper shall pay the currently effective ACA Unit Charge as set forth in Section 30 of the GTC of Transporter's Tariff, as such rates may be revised and superseded, subject to Commission approval, from time to time.

Essential Elements of
 Rate Schedule FT-1 Negotiated Rate Transactions 1/2/3/4/5/6/7/

Shipper Name	Contract Number	Contract Term Start – Contract Term End	Contracted Capacity MMcf/d	Negotiated Reservation Charge \$/Dth/mo.	Usage Charge \$/Dth	Primary Delivery Point	Primary Delivery Point Capacity MMcf/d
Outlier Resources Ltd.	1004706	12/01/2017 – 10/31/2025	7.9	11.7273	0.0000	ANR (IL05)	7.9
Outlier Resources Ltd. 8/	1015706	11/01/2025 – 10/31/2030	7.9	7.82	0.0091	ANR (IL05)	7.9
Arc Resources U.S. Corp.	1004707	04/01/2017 – 10/31/2025	7.9	11.7273	0.0000	Vector (IL06)	7.9
Arc Resources U.S. Corp. 8/	1015705	11/01/2025 – 10/31/2032	7.9	7.82	0.0091	Vector (IL06)	7.9

- 1/ The Negotiated Rate Contracts set forth herein do not deviate in any material respect from Transporter’s Form of Firm Transportation Agreement.
- 2/ The name and location of each Delivery Point is maintained on Transporter’s Informational Postings Site.
- 3/ For invoicing purposes, the Negotiated Reservation Charge will be applied to the Shipper’s Contracted Capacity as stated in the Firm Transportation Agreement after such Contracted Capacity is converted to Dekatherms utilizing a Thermal Conversion Factor equal to 1.100 Dth per Mcf.
- 4/ The Primary Receipt Point for each Negotiated Rate Contract set forth herein is the Interconnect with Alliance Pipeline Limited Partnership at the Canadian Border. The rates applicable to service at Primary or Secondary Receipt Points located on the Tioga Lateral shall be the aggregate of the applicable rates set forth above and the corresponding Tioga Lateral Incremental Recourse Rates set forth in the Statements of Rates.
- 5/ Rich Gas Credit - Transporter will apply the following credit if applicable to Shipper’s invoice:

The Shipper’s energy conversion factor is deemed to be 1.100 Dth per Mcf (“**ConvF**”). The ConvF will be compared quarterly to a calculated gross heating value (“**GHV**”) of the commingled stream, excluding that portion of the commingled stream contributed by FT-1 Shippers without a deemed energy conversion factor. If the quarterly average GHV exceeds the ConvF, the Shipper will receive a Rich Gas Credit on its invoice for the fourth month following the measured quarter. The Rich Gas Credit will be calculated as the difference between the reservation rate and a notional reservation rate that is calculated using the GHV. If the quarterly average GHV is less than the ConvF, the Shipper will be assessed a rich gas debit which will carry forward to subsequent quarters and be applied against any future Rich Gas Credit. The formula for calculating the Rich Gas Credit is:

The formula for determining whether a system rich gas credit or system rich gas debit has occurred in a quarter is as follows:

- (i) Determine AQV flowing as follows:

$$\text{AQV (MMcf)} = \text{QSQ} / \text{ConvF}.$$

- (ii) Determine the QSRGC/QSRGD as follows:

$$\text{QSRGC/QSRGD (\$)} = \text{AQV} \times \text{FT-1 Rate} \times (\text{GHV} - \text{ConvF}) / \text{ConvF}.$$

A negative result means a QSRGD has occurred in the quarter and a positive result means a QSRGC has occurred in the quarter.

Where:

AQV = The actual quarterly volumes flowing under all FT-1 TAs eligible for a Rich Gas Credit.

QSQ = The total of all scheduled quantities for FT-1 TAs eligible for a Rich Gas Credit in the quarter.

FT-1 Rate = Rate specified in Appendix A.

ConvF = Energy Conversion Factor.

GHV = Calculated Gross Heating Value for volumes flowing under FT-1 TAs eligible for a Rich Gas Credit in the quarter.

QSRGC = Quarterly System Rich Gas Credit.

QSRGD = Quarterly System Rich Gas Debit.

The Transporter shall carry and accrue Quarterly System Rich Gas Credits against Quarterly System Rich Gas Debits. At the end of any quarter in which the accrued Quarterly System Rich Gas Credit exceeds the accrued Quarterly System Rich Gas Debit, the Transporter will determine the Shipper's share of such excess and zero the system account balances. The Shipper's Rich Gas Credit shall be calculated as follows:

$$\text{Shipper's Rich Gas Credit} = ((\sum \text{QSRGC} - \sum \text{QSRGD}) / (\text{Eligible FT-1 CC})) \times \text{Shipper's Contracted Capacity in the Month}.$$

Where:

CC = The total of all FT-1 Contracted Capacity eligible for a Rich Gas Credit in the Month.

The Rich Gas Credit applies only to Shipper's invoice and therefore a Shipper whose Firm Transportation Agreement has expired without renewal cannot receive a Rich Gas Credit.

- 6/ Recoverable Cost Variances Surcharge: Transporter will apply a surcharge to recover i) costs that are incurred by Transporter in excess of forecasted amounts for pipeline integrity costs (including any pipe replacements or re-routes required to comply with applicable codes and regulations), property and business taxes, FERC cost recovery charges, and environmental levies, and ii) new costs that are imposed upon Transporter by governmental authority, including without limitation pipeline abandonment charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.
- 7/ Interruptible Transportation Service revenue will not be credited to shipper's negotiated rate.
- 8/ ACA Unit Charge: Shipper shall pay the currently effective ACA Unit Charge as set forth in Section 30 of the GTC of Transporter's Tariff, as such rates may be revised and superseded, subject to Commission approval, from time to time.

Essential Elements of
 Rate Schedule FT-1 Temporary Capacity Release Negotiated Rate Transactions 1/2/3/4/5/6/7/

Releasing Shipper	Releasing Contract Number	Shipper Name	Contract Number	Contract Term Start – Contract Term End	Contracted Capacity MMcf/d	Negotiated Reservation Charge \$/Dth/mo.	Usage Charge \$/Dth	Primary Delivery Point	Primary Delivery Point Capacity MMcf/d
Outlier Resources Ltd.	1004706	BP Canada Energy Marketing Corp.	1015895	11/01/2024 – 12/31/2024	7.9	11.7273	0.00	ANR (IL05)	7.9

- 1/ The Negotiated Rate Contracts set forth herein do not deviate in any material respect from Transporter’s Form of Firm Transportation Agreement.
- 2/ The name and location of each Delivery Point is maintained on Transporter’s Informational Postings Site.
- 3/ For invoicing purposes, the Negotiated Reservation Charge will be applied to the Shipper’s Contracted Capacity as stated in the Firm Transportation Agreement after such Contracted Capacity is converted to Dekatherms utilizing a Thermal Conversion Factor equal to 1.100 Dth per Mcf.
- 4/ The Primary Receipt Point for each Negotiated Rate Contract set forth herein is the Interconnect with Alliance Pipeline Limited Partnership at the Canadian Border. The rates applicable to service at Primary or Secondary Receipt Points located on the Tioga Lateral shall be the aggregate of the applicable rates set forth above and the corresponding Tioga Lateral Incremental Recourse Rates set forth in the Statements of Rates.
- 5/ Rich Gas Credit - Transporter will apply the following credit if applicable to Shipper’s invoice:

The Shipper’s energy conversion factor is deemed to be 1.100 Dth per Mcf (“**ConvF**”). The ConvF will be compared quarterly to a calculated gross heating value (“**GHV**”) of the commingled stream, excluding that portion of the commingled stream contributed by FT-1 Shippers without a deemed energy conversion factor. If the quarterly average GHV exceeds the ConvF, the Shipper will receive a Rich Gas Credit on its invoice for the fourth month following the measured quarter. The Rich Gas Credit will be calculated as the difference between the reservation rate and a notional reservation rate that is calculated using the GHV. If the quarterly average GHV is less than the ConvF, the Shipper will be assessed a rich gas debit which will carry forward to subsequent quarters and be applied against any future Rich Gas Credit. The formula for calculating the Rich Gas Credit is:

The formula for determining whether a system rich gas credit or system rich gas debit has occurred in a quarter is as follows:

- (i) Determine AQV flowing as follows:

$$AQV \text{ (MMcf)} = QSQ / \text{ConvF.}$$

- (ii) Determine the QSRGC/QSRGD as follows:

$$QSRGC/QSRGD \text{ ($) } = AQV \times \text{FT-1 Rate} \times (\text{GHV} - \text{ConvF})/\text{ConvF.}$$

A negative result means a QSRGD has occurred in the quarter and a positive result means a QSRGC has occurred in the quarter.

Where:

AQV = The actual quarterly volumes flowing under all FT-1 TAs eligible for a Rich Gas Credit.

QSQ = The total of all scheduled quantities for FT-1 TAs eligible for a Rich Gas Credit in the quarter.

FT-1 Rate = Rate specified in Appendix A.

ConvF = Energy Conversion Factor.

GHV = Calculated Gross Heating Value for volumes flowing under FT-1 TAs eligible for a Rich Gas Credit in the quarter.

QSRGC = Quarterly System Rich Gas Credit.

QSRGD = Quarterly System Rich Gas Debit.

The Transporter shall carry and accrue Quarterly System Rich Gas Credits against Quarterly System Rich Gas Debits. At the end of any quarter in which the accrued Quarterly System Rich Gas Credit exceeds the accrued Quarterly System Rich Gas Debit, the Transporter will determine the Shipper's share of such excess and zero the system account balances. The Shipper's Rich Gas Credit shall be calculated as follows:

$$\text{Shipper's Rich Gas Credit} = ((\sum \text{QSRGC} - \sum \text{QSRGD}) / (\text{Eligible FT-1 CC})) \times \text{Shipper's Contracted Capacity in the Month.}$$

Where:

CC = The total of all FT-1 Contracted Capacity eligible for a Rich Gas Credit in the Month.

The Rich Gas Credit applies only to Shipper's invoice and therefore a Shipper whose Firm Transportation Agreement has expired without renewal cannot receive a Rich Gas Credit.

- 6/ Recoverable Cost Variances Surcharge: Transporter will apply a surcharge to recover i) costs that are incurred by Transporter in excess of forecasted amounts for pipeline integrity costs (including any pipe replacements or re-routes required to comply with applicable codes and regulations), property and business taxes, FERC cost recovery charges, and environmental levies, and ii) new costs that are imposed upon Transporter by governmental authority, including without limitation pipeline abandonment charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.
- 7/ Interruptible Transportation Service revenue will not be credited to shipper's negotiated rate.

Essential Elements of
 Rate Schedule FT-1 Negotiated Rate Transactions 1/2/3/4/5/6/

Shipper Name	Contract Number	Contract Term Start – Contract Term End	Contracted Capacity MMcf/d	Negotiated Reservation Charge \$/Dth/mo.	Usage Charge \$/Dth	Primary Delivery Point	Delivery Point Capacity MMcf/d
Cannat Energy Inc. 7/	1013819	11/01/2022 – 10/31/2027	25.0	7.82	0.0000	Vector (IL06)	25.0
Cannat Energy Inc. 7/	1013818	11/01/2022 – 10/31/2027	14.9	7.82	0.0000	Vector (IL06)	14.9
PetroChina Duvernay Gas Partnership 7/	1013743	11/01/2022 – 10/31/2026	45.0	7.82	0.0000	Vector (IL06)	45.0
Kiwetinohk Marketing US Corp.	1013723	12/01/2021 – 10/31/2025	7.187	11.7273	0.0000	Vector (IL06)	7.187
Kiwetinohk Marketing US Corp. 7/	1015711	11/01/2025 – 10/31/2032	7.187	7.82	0.0091	Vector (IL06)	7.187
Kiwetinohk Marketing US Corp.	1013722	12/01/2021 – 10/31/2025	22.5	11.7273	0.0000	ANR (IL05)	22.5
Kiwetinohk Marketing US Corp. 7/	1015710	11/01/2025 – 10/31/2032	22.5	7.82	0.0091	ANR (IL05)	22.5
Kiwetinohk Marketing US Corp.	1013185	05/01/2021 – 10/31/2025	27.1	11.7273	0.0000	Peoples (IL04)	27.1
NuVista Energy Ltd. 7/	1013742	11/01/2022 – 10/31/2026	19.8	7.82	0.0000	ANR (IL05)	19.8
NTE Energy Canada Ltd.	1000484	11/01/2021 – 10/31/2026	1.5	11.7273	0.0000	Vector (IL06)	1.5
NTE Energy Canada Ltd.	1000485	12/01/2015 – 10/31/2026	1.2	11.7273	0.0000	ANR (IL05)	1.2
Tourmaline Oil Marketing Corp.	1013092	04/01/2021 – 10/31/2025	5.013	11.7273	0.0000	Vector (IL06)	5.013
Tidal Energy Marketing (U.S.) LLC	1002852	10/01/2016 – 10/31/2025	5.000	11.7273	0.0000	Vector (IL06)	5.000
Outlier Resources Ltd.	1011321	11/01/2019- 10/31/2025	16.0	11.7273	0.0000	ANR (IL05)	16.0
NuVista Energy Ltd.	1011586	11/01/2020 – 10/31/2031	40.0	11.7273	0.0000	ANR (IL05)	40.0
CPV Three Rivers, LLC	1011589	11/01/2020- 10/31/2031	36.2	11.7273	0.0000	ANR (IL05)	36.2

Kiwetinohk Marketing US Corp. 7/	1015714	11/01/2025 – 10/31/2032	27.1	7.82	0.0091	Peoples (IL04)	27.1
Outlier Resources Ltd. 7/	1015707	11/01/2025 – 10/31/2030	16.0	7.82	0.0091	ANR (IL05)	16.0
Tourmaline Oil Marketing Corp. 7/	1015708	11/01/2025 – 10/31/2030	5.013	7.82	0.0091	Vector (IL06)	5.013
Tidal Energy Marketing (U.S.) LLC 7/	1015709	11/01/2025 – 10/31/2030	5.000	7.82	0.0091	ANR (IL05)	5.000
Kiwetinohk Marketing US Corp.	1013183	05/01/2021 – 10/31/2025	27.100	11.7273	0.0000	Midwestern Gas Transmission (IL03)	27.100
Kiwetinohk Marketing US Corp. 7/	1015712	11/01/2025 – 10/31/2032	27.100	7.82	0.0091	Midwestern Gas Transmission (IL03)	27.100
Kiwetinohk Marketing US Corp.	1013184	05/01/2021 – 10/31/2025	36.100	11.7273	0.0000	Vector (IL06)	36.100
Kiwetinohk Marketing US Corp. 7/	1015713	11/01/2025 – 10/31/2032	36.100	7.82	0.0091	Vector (IL06)	36.100
Kelt Exploration Ltd.	1007193	12/01/2017 – 10/31/2026	1.998	11.7273	0.0000	Vector (IL06)	1.998
Kelt Exploration Ltd.	1007894	04/01/2018 – 10/31/2026	0.402	11.7273	0.0000	Vector (IL06)	0.402
Kelt Exploration Ltd.	1007895	04/01/2018 – 10/31/2026	1.7	11.7273	0.0000	ANR (IL05)	1.7

- 1/ The Negotiated Rate Contracts set forth herein do not deviate in any material respect from Transporter's Form of Firm Transportation Agreement.
- 2/ The name and location of each Delivery Point is maintained on Transporter's Informational Postings Site.
- 3/ For invoicing purposes, the Negotiated Reservation Charge will be applied to the Shipper's Contracted Capacity as stated in the Firm Transportation Agreement after such Contracted Capacity is converted to Dekatherms utilizing a Thermal Conversion Factor equal to 1.100 Dth per Mcf.
- 4/ The Primary Receipt Point for each Negotiated Rate Contract set forth herein is the Interconnect with Alliance Pipeline Limited Partnership at the Canadian Border. The rates applicable to service at Primary or Secondary Receipt Points located on the Tioga Lateral shall be the aggregate of the applicable rates set forth above and the corresponding Tioga Lateral Incremental Recourse Rates set forth in the Statements of Rates.

- 5/ Recoverable Cost Variances Surcharge: Transporter will apply a surcharge to recover i) costs that are incurred by Transporter in excess of forecasted amounts for pipeline integrity costs (including any pipe replacements or re-routes required to comply with applicable codes and regulations), property and business taxes, FERC cost recovery charges, and environmental levies, and ii) new costs that are imposed upon Transporter by governmental authority, including without limitation pipeline abandonment charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.
- 6/ Interruptible Transportation Service revenue will not be credited to shipper's negotiated rate.
- 7/ ACA Unit Charge: Shipper shall pay the currently effective ACA Unit Charge as set forth in Section 30 of the GTC of Transporter's Tariff, as such rates may be revised and superseded, subject to Commission approval, from time to time.

Essential Elements of
 Rate Schedule FT-1 Temporary Capacity Release Negotiated Rate Transactions 1/2/3/4/5/6/

Releasing Shipper	Releasing Contract Number	Shipper Name	Contract Number	Contract Term Start – Contract Term End	Contracted Capacity MMcf/d	Negotiated Reservation Charge \$/Dth/mo.	Usage Charge \$/Dth	Primary Delivery Point	Primary Delivery Point Capacity MMcf/d
CPV Three Rivers, LLC	1011589	J. Aron and Company	1015936	11/01/2024 – 03/31/2025	12.986	0.00	0.00	ANR (IL05)	12.986
Kelt Exploration Ltd	1007193	PetroChina International (Canada) Trading Ltd.	1015881	11/01/2024 – 10/31/2025	1.998	11.7273	0.00	VECTOR (IL06)	1.998
Kelt Exploration Ltd	1007894	PetroChina International (Canada) Trading Ltd.	1015882	11/01/2024 – 10/31/2025	0.402	11.7273	0.00	VECTOR (IL06)	0.402
Kelt Exploration Ltd	1007895	PetroChina International (Canada) Trading Ltd.	1015883	11/01/2024 – 10/31/2025	1.7	11.7273	0.00	ANR (IL05)	1.7
NuVista Energy Ltd	1011586	Tidal Energy Marketing (U.S.) LLC	1015915	11/01/2024 – 10/31/2025	40.0	0.00	0.00	ANR (IL05)	40.0
NuVista Energy Ltd	1013742	Tidal Energy Marketing (U.S.) LLC 7/	1015914	11/01/2024 – 10/31/2025	19.8	0.00	0.0091	ANR (IL05)	19.8
Outlier Resources Ltd.	1011321	BP Canada Energy Marketing Corp.	1015893	11/01/2024 – 12/31/2024	16.0	11.7273	0.00	ANR (IL05)	16.0
NTE Energy Canada Ltd.	1000484	BP Canada Energy Marketing Corp.	1015891	11/01/2024 – 10/31/2025	1.5	11.7273	0.00	VECTOR (IL06)	1.5
NTE Energy Canada Ltd.	1000485	BP Canada Energy Marketing Corp.	1015892	11/01/2024 – 10/31/2025	1.2	11.7273	0.00	ANR (IL05)	1.2
PetroChina Duvernay Gas Partnership	1013743	PetroChina International (Canada) Trading Ltd. 7/	1015919	11/01/2024 – 10/31/2025	45.0	7.82	0.0091	Vector (IL06)	45.0
Kiwetinohk Marketing US Corp.	1013723	Tenaska Marketing Ventures	1015867	11/01/2024 – 10/31/2025	3.522	11.7273	0.00	Vector (IL06)	3.522
Kiwetinohk Marketing US Corp.	1013722	Tenaska Marketing Ventures	1015868	11/01/2024-10/31/2025	0.880	11.7273	0.00	ANR (IL05)	0.880

- 1/ The Negotiated Rate Contracts set forth herein do not deviate in any material respect from Transporter's Form of Firm Transportation Agreement.
- 2/ The name and location of each Delivery Point is maintained on Transporter's Informational Postings Site.
- 3/ For invoicing purposes, the Negotiated Reservation Charge will be applied to the Shipper's Contracted Capacity as stated in the Firm Transportation Agreement after such Contracted Capacity is converted to Dekatherms utilizing a Thermal Conversion Factor equal to 1.100 Dth per Mcf.
- 4/ The Primary Receipt Point for each Negotiated Rate Contract set forth herein is the Interconnect with Alliance Pipeline Limited Partnership at the Canadian Border. The rates applicable to service at Primary or Secondary Receipt Points located on the Tioga Lateral shall be the aggregate of the applicable rates set forth above and the corresponding Tioga Lateral Incremental Recourse Rates set forth in the Statements of Rates.
- 5/ Recoverable Cost Variances Surcharge: Transporter will apply a surcharge to recover i) costs that are incurred by Transporter in excess of forecasted amounts for pipeline integrity costs (including any pipe replacements or re-routes required to comply with applicable codes and regulations), property and business taxes, FERC cost recovery charges, and environmental levies, and ii) new costs that are imposed upon Transporter by governmental authority, including without limitation pipeline abandonment charges, fuel and carbon taxes, and environmental levies for greenhouse gas emissions.
- 6/ Interruptible Transportation Service revenue will not be credited to shipper's negotiated rate.
- 7/ ACA Unit Charge: Shipper shall pay the currently effective ACA Unit Charge as set forth in Section 30 of the GTC of Transporter's Tariff, as such rates may be revised and superseded, subject to Commission approval, from time to time.

Essential Elements of
 Rate Schedule FT-1 Negotiated Rate Transactions 1/2/3/4/5/6/

Shipper Name	Contract Number	Contract Term Start – Contract Term End	Contracted Capacity MMcf/d	Negotiated Reservation Charge \$Dth/mo.	Primary Delivery Point	Primary Delivery Point Capacity MMcf/d
Pecan Pipeline (North Dakota), Inc.	1000494	01/01/2016 – 01/31/2026	32.8000	13.4907	Vector (IL06)	32.8000
Pecan Pipeline (North Dakota), Inc.	1000495	01/01/2016 – 01/31/2026	40.0000	13.4907	ANR (IL05)	40.0000
Pecan Pipeline (North Dakota), Inc.	1000496	01/01/2016 – 01/31/2026	20.0000	13.4907	Peoples (IL04)	20.0000

- 1/ The Negotiated Rate Contract for Pecan Pipeline (North Dakota), Inc. was filed on September 15, 2008 in Docket No. RP08-624-000 and approved by the Commission as a nondiscriminatory nonconforming Firm Transportation Agreement in Alliance Pipeline L.P., 125 FERC ¶ 61,109 (2008) Effective January 1, 2016 contract number US5040 was assigned within the same corporate family under three contract numbers (1000494, 1000495, and 1000496) in accordance with GT&C Section 28.
- 2/ Reservation Charge Credits shall be provided in accordance with the terms of paragraph 2 of Appendix B of the Pecan Pipeline (North Dakota), Inc. Firm Transportation Agreement. For invoicing purposes, the Reservation Charge will be applied to the Contracted Capacity converted to Dekatherms utilizing a Thermal Conversion Factor of 1.250 Dth per Mcf.
- 3/ Negotiated Reservation Charge Rate shall be adjusted to recover Shipper’s share of costs and expenses incurred by Transporter to comply with changes in laws or regulations.
- 4/ The name and location of each Delivery Point is maintained on Transporter’s Informational Postings Site. Subject to change pursuant to Section 4 of Rate Schedule FT-1.
- 5/ Shippers Primary Delivery Point Capacity may equal up to 100% of the Contracted Capacity.
- 6/ The Primary Receipt Point for each Negotiated Rate Contract set forth herein is Bantry, North Dakota (ND08). The rates applicable to service at Secondary Receipt Points located on the Tioga Lateral shall be the aggregate of the applicable rates set forth above and the corresponding Tioga Lateral Incremental Recourse Rates set forth in the Statements of Rates.

Essential Elements of
 Rate Schedule FT-1 Negotiated Rate Transactions 1/2/3/4/

Shipper Name	Contract Number	Contract Term Start – Contract Term End	Contracted Capacity MMcf/d	Negotiated Reservation Charge \$/Dth/mo.	Usage Charge	Tioga Lateral Incremental Reservation Charge \$/Dth	Tioga Lateral Incremental Usage Charge \$/Dth	Primary Delivery Point	Primary Delivery Point Capacity MMcf/d
Hess Trading Corporation	1014678	09/01/2023 – 08/31/2033	35.363	7.82	0.00	14.38	0.00	Vector (IL06)	35.363
Hess Trading Corporation	1014677	09/01/2023 – 08/31/2033	35.363	7.82	0.00	14.38	0.00	ANR (IL05)	35.363
Hess Trading Corporation	1014499	09/01/2023 – 08/31/2033	9.276	7.82	0.00	14.38	0.00	ANR (IL05)	9.276

- 1/ The Negotiated Rate Contracts set forth herein do not deviate in any material respect from Transporter's Form of Firm Transportation Agreement.
- 2/ The name and location of each Delivery Point is maintained on Transporter's Informational Postings Site.
- 3/ For invoicing purposes, the Negotiated Reservation Charge and the Tioga Lateral Incremental Reservation Charge will be applied to the Shipper's Contracted Capacity as stated in the Firm Transportation Agreement after such Contracted Capacity is converted to Dekatherms utilizing a Thermal Conversion Factor equal to 1.100 Dth per Mcf.
- 4/ Interruptible Transportation Service revenue will not be credited to the Shipper's negotiated rate.

Essential Elements of
 Rate Schedule FT-1 Negotiated Rate Transactions 1/2/3/4/5/6/

Shipper Name	Contract Number	Contract Term Start – Contract Term End	Contracted Capacity MMcf/d	Negotiated Reservation Charge \$Dth/mo.	Primary Delivery Point	Primary Delivery Point Capacity MMcf/d
ARC Resources U.S. Corp.	1013744	11/01/2022 – 10/31/2030	350.0	7.82	NGPL (IL02)	215.0
					ANR (IL05)	20.0
					Guardian (IL10)	15.0
					Nicor (IL01)	100.0

- 1/ The Negotiated Rate Contracts set forth herein do not deviate in any material respect from Transporter’s Form of Firm Transportation Agreement.
- 2/ The name and location of each Delivery Point is maintained on Transporter’s Informational Postings Site.
- 3/ For invoicing purposes, the Negotiated Reservation Charge will be applied to the Shipper’s Contracted Capacity as stated in the Firm Transportation Agreement after such Contracted Capacity is converted to Dekatherms utilizing a Thermal Conversion Factor equal to 1.100 Dth per Mcf.
- 4/ The Primary Receipt Point for each Negotiated Rate Contract set forth herein is the Interconnect with Alliance Pipeline Limited Partnership at the Canadian Border. The rates applicable to service at Primary or Secondary Receipt Points located on the Tioga Lateral shall be the aggregate of the applicable rates set forth above and the corresponding Tioga Lateral Incremental Recourse Rates set forth in the Statements of Rates.
- 5/ Interruptible Transportation Service revenue will not be credited to shipper’s negotiated rate.
- 6/ Shipper shall pay Transporter all applicable maximum rates, charges, and surcharges (other than the maximum Reservation Charge) of any nature set forth in Transporter's FERC Gas Tariff, as revised from time to time, for service provided under the Transportation Agreement, including without limitation the Fuel Reimbursement charge, ACA Unit Charge, and all applicable Incremental Tioga Lateral rates, charges and surcharges.

RATE SCHEDULES
(Index)

Description/Title

1. Rate Schedule FT-1 (Firm Transportation Service)
2. Rate Schedule IT-1 (Interruptible Transportation Service)
3. Rate Schedule IW (Interruptible Wheeling Service)
4. Rate Schedule PAL (Park and Loan Service)

RATE SCHEDULE FT-1 FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any party, hereinafter called "Shipper", which has (i) entered into a Firm Transportation Agreement with Transporter for Firm Transportation Service under this Rate Schedule; (ii) made arrangements acceptable to Transporter for Transportation service on upstream and downstream transporters; (iii) made arrangements acceptable to Transporter for the processing of natural gas to meet downstream transporters' gas quality specifications, which acceptance shall not be unreasonably withheld, and (iv) satisfied the requirements of Section 22 of the GTC of Transporter's Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 On each Day during the term of a Firm Transportation Agreement the Shipper shall be entitled to request service hereunder subject to this Rate Schedule and the GTC. Nominations for service shall be made pursuant to Section 11 of the GTC. Service hereunder shall not be subject to curtailment or interruption except as provided for herein and in Section 15 of the GTC.

2.2 Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Agreement with Transporter, or under the GTC.

2.3 Transporter will receive for Shipper's account for Transportation hereunder daily quantities of Gas up to Shipper's Contracted Capacity, plus any scheduled quantities of Authorized Overrun Service, plus an amount reflecting a Fuel Requirement as determined in Section 14 of the GTC, at the Receipt Point(s) on Transporter's system available to Shipper pursuant to Shipper's Firm Transportation Agreement and the GTC. Such Contracted Capacity shall be specified in Shipper's Firm Transportation Agreement. Transporter will deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper, Dths equivalent to the amount of Dths received by Transporter, less associated Fuel Requirement, at the Receipt Point(s). If Shipper so directs Transporter, Transporter will transport Shipper's Gas to a designated Processing Delivery Point for processing and, after processing, transport, for the Shipper's account, to nominated downstream Delivery Point(s), Dths equivalent to the lesser of: (i) the amount of Dths received for Shipper's account at the Receipt Point(s), less associated Fuel Requirement, or (ii) the amount of Dths received for Shipper's account at the outlet of the designated Processing Plant.

2.4 Except as may be required under Section 32 of the GTC, Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any

manner in order to provide Transportation service to Shipper pursuant to this Rate Schedule.

- 2.5 A Shipper may request the staging of its Contracted Capacity in periodic tranche commitments provided that the term-weighted average aggregate requested Contracted Capacity is 50 MMcf/d or greater (which may be reduced by Transporter due to capacity availability) and further provided that the initial term of the Firm Transportation Agreement is five (5) years or greater.
- 2.6 Actual capacity available for Authorized Overrun Service will vary daily depending upon Shipper nominations for Firm Service and the capability of Transporter's system to provide Transportation. A firm shipper may nominate Authorized Overrun Service in excess of Shipper's Contracted Capacity.
- 2.7 Firm Shippers may nominate Authorized Overrun Service in accordance with Section 11 of the GTC. Authorized Overrun Service nominations will be scheduled in accordance with Section 12 of the GTC.

3. RATES

- 3.1 The applicable maximum and minimum Recourse Rates for service hereunder are set forth in the currently effective Statements of Rates of this Tariff and are hereby incorporated herein.
- 3.2 Unless Transporter and Shipper agree in writing to a discounted rate or a Negotiated Rate for service provided hereunder, the rates applicable to Shipper for service hereunder shall be the applicable maximum Recourse Rates as set forth in the effective Statements of Rates. Transporter may agree to a discounted rate pursuant to Section 33 of the GTC, or to a Negotiated Rate pursuant to Section 39 of the GTC.
- 3.3 Effective as of the date of commencement of service, as provided for in the Firm Transportation Agreement, Transporter shall charge and Shipper shall pay for Transportation under this Rate Schedule each Month:
 - (a) subject to the credits set forth in Section 3.3(b), the sum of the following amounts:
 - (i) the applicable Reservation Charge, as set forth in Shipper's Firm Transportation Agreement, multiplied by Shipper's Contracted Capacity (converted to Dth, utilizing the applicable Thermal Conversion Factor);
 - (ii) the applicable discounted, Negotiated or Recourse Usage Charge, multiplied by the total volume actually received from Shipper

during the Month (converted to Dth, utilizing the applicable Thermal Conversion Factor), less the Fuel Requirement, pursuant to Shipper's Firm Transportation Agreement;

- (iii) the applicable discounted, Negotiated or Recourse AOS Charge, multiplied by the total volume actually received from Shipper above Contracted Capacity (converted to Dth, utilizing the applicable Thermal Conversion Factor), each day during the Month, less the Fuel Requirement, pursuant to Shipper's Firm Transportation Agreement (for billing purposes, quantities of Authorized Overrun Service received will be treated and billed as quantities received under Rate Schedule IT-1, in accordance with Section 11.1 of the GTC, at a rate equivalent to the applicable discounted, Negotiated or Recourse AOS Charge);
 - (iv) any applicable ACA surcharges, pursuant to Section 30 of the GTC;
 - (v) any applicable late payment charge, as determined under Section 7.4 of the GTC;
 - (vi) any applicable penalties determined under Section 16 of the GTC; and
 - (vii) any unpaid Reservation Charges for Released Capacity, as determined under Section 23.4 of the GTC.
- (b) The sum of the amounts set forth in Sections 3.3(a)(i) through (vii) shall be reduced by the sum of the credits set forth below, as applicable:
- (i) any Reservation Charge Credits to which Shipper is entitled under Section 7 of this Rate Schedule; and
 - (ii) any credits for Released Capacity determined under Section 23.5 of the GTC;

3.4 Nothing in this Section 3 shall be construed as in any way relieving Shipper from its obligations to pay any adjustments or penalties under Section 7 of the GTC.

4. POINTS OF RECEIPT AND DELIVERY

4.1 Shipper's Firm Transportation Agreement shall designate Shipper's Primary Receipt Point(s) and associated Primary Receipt Point Capacity. Shipper shall have the right to utilize those point(s) and all other Receipt Points as Secondary

Receipt Points, subject to availability and the provisions of Section 15 of the GTC.

- 4.2 Shipper's Firm Transportation Agreement shall designate Shipper's Primary Delivery Point(s) and associated Primary Delivery Point Capacity. Shipper shall have the right to utilize those point(s) and all other Delivery Points as Secondary Delivery Points, subject to availability and the provisions of Section 15 of the GTC.
- 4.3 When entering into a Firm Transportation Agreement, Shipper shall elect Primary Receipt Point(s) and Primary Delivery Point(s) from those physical Receipt Points and Delivery Points maintained on Transporter's Informational Postings Site, subject to availability and Transporter's approval. Transporter shall approve such elections based on availability of capacity at the selected points, in a manner that is not unduly discriminatory. Shippers may designate Primary Receipt Point Capacity at each physical Receipt Point, in aggregate not to exceed their Contracted Capacity and Shippers may designate Primary Delivery Point Capacity at each physical Delivery Point, in aggregate not to exceed their Contracted Capacity.
- 4.4 Shippers may request changes to their Primary Receipt and/or Delivery Points, including increases or reductions to Primary Receipt and/or Delivery Point Capacities, by submitting to Transporter a request to change its Primary Receipt and/or Delivery Point designation. Such requested Primary Receipt and/or Delivery Point Capacity must be within Shipper's Contracted Capacity. Transporter will post on its Informational Postings Site the amount of capacity available for designation as Primary Receipt or Primary Delivery Point Capacity for each physical Receipt and Delivery Point. On or before the fifteenth (15th) day of the Month, Transporter will post on its Informational Postings Site that it will consider requests for a change to a Shipper's Primary Receipt and/or Delivery Point, including increases or reductions to the Primary Receipt and/or Delivery Point Capacity, effective on the first day of the succeeding Month. A Shipper's request for a change must be submitted electronically to Transporter prior to 16:00 hours CCT on the fifth (5th) Business Day following Transporter's posting.
- 4.5 If adequate capacity is available at the requested Primary Receipt and/or Delivery Point to accommodate the full request of all requesting Shippers at that Point, the requests will be approved and become effective on the first day of the succeeding Month.
- 4.6 If adequate capacity is not available at the requested Primary Receipt or Delivery Point to accommodate the full request of all requesting shippers at that Point, the capacity available for designation as Primary Receipt or Primary Delivery Point Capacity shall be allocated pro rata amongst all requesting shippers based on the capacity requested, effective on the first day of the succeeding Month.

5. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires Transportation of Natural Gas on any Day under this Rate Schedule, Shipper must nominate and schedule service in accordance with Sections 11 and 12 of the GTC.

6. IMBALANCES

Imbalances associated with Transportation under this Rate Schedule and Firm Transportation Agreements under this Rate Schedule shall be governed by and resolved pursuant to Section 16 of the GTC.

7. RESERVATION CHARGE CREDITS

7.1 (a) If, on any Day (“Under Transport Day”):

- (i) Transporter’s physical capability to transport Gas is reduced; and
- (ii) such reduction in Transporter’s physical capability prevents such Shipper from having its Gas transported in accordance with its Firm Transportation Agreement, and such Shipper chooses not to mitigate such reduction through commercial or other means available on the Transporter’s system (“Impact to Shipper”),

then, subject to Sections 7.1(b), 7.1(c), 7.1(d), and 7.3 hereof, Transporter’s liability to a Shipper for a Reservation Charge credit as determined in accordance with Section 7.2 hereof (“Reservation Charge Credit”) for the Under Transport Day will arise:

- (iii) immediately for events within Transporter’s control; and
- (iv) upon the expiry of ten (10) Days following the occurrence of a Force Majeure event (“Safe Harbor Period”), provided that Transporter shall be limited to no more than two (2) Safe Harbor Periods per calendar year per Firm Transportation Agreement under which there is an Impact to Shipper;

but in either case, Shipper shall only be entitled to the Reservation Charge Credit to the extent of the Impact to Shipper.

- (b) Shipper shall not be entitled to receive a Reservation Charge Credit and there shall be deemed to be no Impact to Shipper if:

- (i) Shipper has, in respect of the Under Transport Day, submitted a Nomination for service from a Secondary Receipt Point, which Nomination has been scheduled in accordance with Section 12 of the General Terms and Conditions, where the Shipper's Secondary Receipt Point is impacted by the reduction in Transporter's physical capability to receive Gas but the Shipper's Primary Receipt Point is not impacted by the reduction in Transporter's physical capability to receive and transport Gas as contemplated in Section 7.1(a) hereof; or
 - (ii) Shipper has, in respect of the Under Transport Day, submitted a Nomination for service from a Secondary Receipt Point, which Nomination has been scheduled in accordance with Section 12 of the General Terms and Conditions, where the Shipper's Primary Receipt Point is impacted by the reduction in Transporter's physical capability to receive Gas but the Shipper's Secondary Receipt Point is not impacted by the reduction in Transporter's physical capability to receive and transport Gas as contemplated in Section 7.1(a) hereof; or
 - (iii) Shipper has, in respect of the Under Transport Day, submitted a Nomination for service to a Secondary Delivery Point, which Nomination has been scheduled in accordance with Section 12 of the General Terms and Conditions, where the Shipper's Secondary Delivery Point is impacted by the reduction in Transporter's capability to deliver Gas but the Shipper's Primary Delivery Point is not impacted by the reduction in Transporter's physical capability to transport and deliver Gas as contemplated in Section 7.1(a) hereof; or
 - (iv) Shipper has, in respect of the Under Transport Day, submitted a Nomination for service to a Secondary Delivery Point, which Nomination has been scheduled in accordance with Section 12 of the General Terms and Conditions, where the Shipper's Primary Delivery Point is impacted by the reduction in Transporter's physical capability to deliver Gas but the Shipper's Secondary Receipt Point is not impacted by the reduction in Transporter's physical capability to transport and deliver Gas as contemplated in Section 7.1(a) hereof.
- (c) Shipper shall only be entitled to receive a Reservation Charge Credit in respect of Gas ("Nominal Capacity") that, if it had been nominated, would have been (1) scheduled in accordance with Section 12 of the General Terms and Conditions and (2) tendered at Shipper's Primary Receipt Point(s) for service hereunder by or on behalf of Shipper, up to Shipper's

Contracted Capacity, and delivered at Shipper's Primary Delivery Point(s) in the absence of the reduction in transporter's physical capability to transport Gas under the Shipper's Firm Transportation Agreement as contemplated in Section 7.1(a) hereof.

- (d) Refusal by Transporter to receive Gas that does not comply with the Quality of Gas specifications in Section 2 of the General Terms and Conditions, or which is in excess of the volumes which Transporter is required under the Tariff to accept from Shipper, shall not give rise to any Reservation Charge Credit.

7.2 Notwithstanding any Impact to Shipper, as set out in Section 7.1(a) hereof, there shall be no reduction in respect thereof to Shipper's Monthly Bill for the Month in which the Under Transport Day occurs. Subject to Section 7.3 hereof, such Shipper's Monthly Bill for the subsequent Month shall be reduced by a Reservation Charge Credit in an amount equal to the applicable Reservation Charge, divided by the number of Days in the Month, and multiplied by the difference between the Shipper's Nominal Capacity in Dths, minus the Fuel Requirement, and the amount of Dths actually delivered to such Shipper.

7.3 If Transporter and Shipper mutually agree, Transporter may transport make-up Gas for Shipper within an agreed-upon period of time, in which event Transporter shall be relieved of its obligation to provide Reservation Charge Credits. The tendering of make-up Gas will in no way impact the availability of service under any Firm Transportation Agreement.

8. RESERVATIONS

Transporter reserves the right to take actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to other Shippers under Rate Schedule FT-1.

9. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and Firm Transportation Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the Commission for which Transporter has filed or in which Transporter has agreed to participate.

10. GENERAL TERMS AND CONDITIONS

All of the GTC of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder, and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GTC and the provisions of this Rate Schedule or a Firm

Transportation Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or a Firm Transportation Agreement under this Rate Schedule shall control. In the event of a conflict between the provisions of this Rate Schedule and a Firm Transportation Agreement, the specific provisions of this Rate Schedule shall prevail.

RATE SCHEDULE IT-1 INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any party, hereinafter called "Shipper", which has requested Interruptible Transportation Service pursuant to Section 10 of the GTC of Transporter's Tariff and, after review and acceptance of such request by Transporter, has entered into an Interruptible Transportation Agreement with Transporter for Interruptible Transportation Service under this Rate Schedule, and made arrangements acceptable to Transporter for the processing of natural gas to meet downstream transporters' gas quality specifications, which acceptance shall not be unreasonably withheld, and which has satisfied the requirements of Section 22 of the GTC.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Service hereunder is available on any Day during a Year, and will be interruptible, as provided herein, and pursuant to Shipper's Interruptible Transportation Agreement and the GTC.

2.2 Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Agreement with Transporter, or under the GTC.

2.3 Shipper hereunder shall be subject to curtailment or interruption at any time that service hereunder would in any way interfere with or restrict Transporter's ability to meet its service obligations under Rate Schedule FT-1.

2.4 Transporter will receive for Shipper's account for Transportation hereunder daily quantities of Gas up to Shipper's Maximum Daily Transportation Quantity ("MDTQ"), as set forth in its Interruptible Transportation Agreement, plus an amount reflecting the Fuel Requirement as determined under Section 14 of the GTC, at the Receipt Point(s) on Transporter's system available to Shipper pursuant to Shipper's Interruptible Transportation Agreement and the GTC. Such MDTQ shall be specified in Shipper's Interruptible Transportation Agreement. Transporter will deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper, Dths equivalent to the amount of Dths received by Transporter, less the associated Fuel Requirement, at the Receipt Point(s). If Shipper so directs Transporter, Transporter will transport Shipper's Gas to a designated Processing Delivery Point for processing and, after processing, transport, for the Shipper's account, to nominated downstream Delivery Point(s), Dths equivalent to the lesser of: (i) the amount of Dths received for Shipper's account at the Receipt Point(s), less associated Fuel Requirement or (ii) the amount of Dths received for Shipper's account at the outlet of the designated Processing Plant.

2.5 Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide Transportation service to Shipper pursuant to this Rate Schedule. Transporter is free to contract at any time with other parties to provide new Transportation services (whether firm or interruptible) without liability to Shipper for any resulting interruption or reduction of Transportation service hereunder.

3. RATES

3.1 The applicable maximum and minimum unit rates for service hereunder are set forth in the currently effective Statements of Rates of this Tariff and are hereby incorporated herein.

3.2 Unless Transporter and Shipper agree in writing upon a discounted rate or Negotiated Rate for service provided hereunder, the rate applicable to Shipper for service hereunder shall be the applicable maximum Rate Schedule IT-1 Recourse Rates Usage Charge as set forth in the effective Statements of Rates. Transporter may provide service hereunder at discounted rates pursuant to GTC Section 33, or at Negotiated Rates pursuant to GTC Section 39.

3.3 Effective as of the date of commencement of service, as provided for in the Interruptible Transportation Agreement, Transporter shall charge and Shipper shall pay Transporter for Transportation service under this Rate Schedule each Month:

- (a) the applicable Rate Schedule IT-1 discounted, Negotiated or Recourse Rates Usage Charge, multiplied by the total volume of Gas received from Shipper (converted to Dth, utilizing the applicable Thermal Conversion Factor), less the Fuel Requirement, during the Month, pursuant to Shipper's Interruptible Transportation Agreement;
- (b) any applicable ACA surcharges, pursuant to Section 30 of the GTC;
- (c) any applicable late payment charge, as determined under Section 7.4 of the GTC; and,
- (d) any applicable penalties determined under Section 16 of the GTC.

3.4 Nothing in this Section 3 shall be construed as in any way relieving Shipper from its obligation to pay any adjustments or penalties under Section 7 of the GTC.

4. RECEIPT AND DELIVERY POINTS

4.1 The Receipt Point(s) at which Transporter may receive Gas for Transportation hereunder shall be those Receipt Points maintained on Transporter's Informational Postings Site.

4.2 The Delivery Point(s) at which Transporter may deliver Gas for Shipper's account under this Rate Schedule shall be those Delivery Points maintained on Transporter's Informational Postings Site.

5. NOMINATION AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires Transportation of Natural Gas on any Day under this Rate Schedule, Shipper must nominate and schedule service in accordance with Sections 11 and 12 of the GTC. If nominations exceed available Interruptible Transportation Service, the available service shall be apportioned pursuant to Section 12 of the GTC.

6. IMBALANCES

Imbalances associated with Transportation under this Rate Schedule and Interruptible Transportation Agreements under this Rate Schedule shall be governed by and resolved pursuant to Section 16 of the GTC.

7. RESERVATIONS

Transporter reserves the right to take actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to Shippers under Rate Schedule FT-1.

8. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and Interruptible Transportation Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the Commission for which Transporter has filed or in which Transporter has agreed to participate.

9. GENERAL TERMS AND CONDITIONS

All of the GTC of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder, and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GTC and the provisions of this Rate Schedule or an Interruptible Transportation Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or an Interruptible Transportation Agreement under this Rate Schedule shall control. In the event of a conflict between the provisions of this Rate Schedule and an

Interruptible Transportation Agreement, the specific provisions of this Rate Schedule shall prevail.

RATE SCHEDULE IW INTERRUPTIBLE WHEELING SERVICE

1. AVAILABILITY

This Rate Schedule is available to any Person, hereinafter called “Shipper” when:

- (a) Shipper has entered into an Interruptible Wheeling Agreement with Transporter for interruptible wheeling service under this Rate Schedule; and
- (b) Shipper has satisfied the requirements of Section 22.3 of the GTC; and
- (c) Transporter determines that there is adequate scheduled transportation of Gas to the ACE Hub under Rate Schedules FT-1 and IT-1, in order to fulfill Shipper’s request; and
- (d) Transporter determines there is adequate Delivery Point capacity available at the nominated Delivery Point in the ACE Hub.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the interruptible wheeling of Shipper’s Gas between any of the Delivery Points in the ACE Hub which are posted on Transporter’s Informational Postings Site, subject to Transporter’s ability to displace scheduled quantities at Delivery Points in the ACE Hub.
- 2.2 Specifically, service hereunder shall consist of interruptible wheeling of Gas received by displacement for Shipper's account at a Delivery Point in the ACE Hub; and the delivery of Gas for Shipper's account at another Delivery Point(s) located in the ACE Hub.
- 2.3 On each Day during the term of an effective Interruptible Wheeling Agreement, Shipper shall have the right to nominate service hereunder subject to the terms of this Rate Schedule, the applicable GTC, and Shipper’s Interruptible Wheeling Agreement.
- 2.4 Interruptible wheeling service shall be provided up to the Maximum IW Quantity stated on the effective Schedule to Shipper’s Interruptible Wheeling Agreement, as nominated by Shipper for receipts by displacement and for delivery, and as scheduled and confirmed by Transporter from time to time.
- 2.5 Except as expressly provided for in this Rate Schedule, Shipper must nominate services hereunder and service shall not be available or authorized until scheduled

and confirmed by Transporter. Service hereunder is subject to the nomination, scheduling and confirmation processes pursuant to Sections 11 and 12 of the GTC.

- 2.6 A Shipper utilizing interruptible wheeling service is required to match receipt and delivery nomination quantities. In order for Transporter to protect its ability to provide services with a higher priority and prevent an adverse effect on Transporter's operations, a Shipper's scheduled nomination for deliveries within and out of the ACE Hub may be adjusted by Transporter to reflect changes to scheduled nominations for receipts into and within the ACE Hub. Imbalances under an Interruptible Wheeling Agreement shall be subject to the applicable provisions of Section 16 of the GTC of this Tariff.
- 2.7 Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide service to Shipper pursuant to this Rate Schedule. Transporter is free to contract at any time with other parties to provide new services (whether firm or interruptible) without liability to Shipper for any resulting interruption or reduction of service hereunder.
- 2.8 Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Agreement with Transporter or under the GTC.

3. RATES

The rate charged for service hereunder shall be the effective Rate Schedule IW Maximum Recourse Rate, shown in the Statements of Rates in Transporter's Tariff, unless Transporter agrees to a different rate as provided for in Section 4 herein.

4. FLEXIBILITY OF RATES

Shipper and Transporter may agree to a discounted rate in accordance with Section 33 of the GTC or a Negotiated Rate in accordance with Section 39 of the GTC. Such discounted rate or Negotiated Rate will be stated in the effective Schedule to the Interruptible Wheeling Agreement. Transporter shall not be required to render service under this Rate Schedule IW at a rate less than the effective Maximum Recourse Rate.

5. MONTHLY BILL

- 5.1 Shipper's bill for a Month shall be the sum of the charges for service provided under Shipper's Interruptible Wheeling Agreement during a Month, as calculated for each day of the Month, equal to the product of the rate set forth in the effective Schedule of the applicable effective Interruptible Wheeling Agreement and the Dths of Gas scheduled for delivery under the effective Schedule, and
- 5.2 Shipper shall reimburse Transporter for all fees and charges, as required by the Commission, which are related to service provided under this Rate Schedule IW.

6. RESERVATIONS

Transporter reserves the right to take actions as may be required to preserve the integrity of Transporter's system, including the maintenance of service to Shippers under Rate Schedule FT-1.

7. GOVERNMENT AUTHORIZATIONS

Service under this Rate Schedule and Interruptible Wheeling Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the Commission for which Transporter has filed or in which the Transporter has agreed to participate.

8. AUTHORIZATION, RATES, TERMS AND CHANGES

Transporter shall have the right to propose to the Commission such changes to its rates and Tariff; provided, however, that any rates negotiated between Transporter and its Shipper(s) shall remain in effect for the term of such Negotiated Rate agreement.

9. GENERAL TERMS AND CONDITIONS

All of the GTC of Transporter's Tariff, of which this Rate Schedule is part, are applicable to this Rate Schedule and service hereunder, and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GTC and the provisions of this Rate Schedule or the applicable Interruptible Wheeling Agreement, the specific provisions of this Rate Schedule or the Interruptible Wheeling Agreement shall control. In the event of a conflict between the provisions of this Rate Schedule and the Interruptible Wheeling Agreement, the specific provisions of this Rate Schedule shall prevail.

**RATE SCHEDULE PAL
PARK AND LOAN SERVICE (PAL)**

1. AVAILABILITY

This Rate Schedule is available to any Person hereinafter called “Shipper” when:

- (a) Shipper has entered into a PAL Service Agreement with Transporter for park and loan service under this Rate Schedule; and
- (b) Shipper has satisfied the requirements of Section 22.3 of the GTC, and
- (c) Transporter has determined that it has sufficient line pack capacity available to perform the park and/or loan service requested by Shipper in the ACE Hub.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the interruptible service options set forth in Section 2.5 hereof, which Shipper may select and under which a dekatherm quantity of Shipper’s Gas may be temporarily stored in Transporter’s line pack or Shipper may receive a temporary loan of Gas from Transporter’s line pack within the ACE Hub up to the PAL Quantity set forth in the applicable Schedule to a PAL Service Agreement. PAL service is nominated and scheduled in accordance with Sections 11 and 12 of the GTC. Transporter shall not be required to receive or deliver quantities of Natural Gas under Shipper’s PAL Service Agreement on any Day for which there is insufficient line pack capacity available to park Shipper’s Gas or insufficient line pack to loan to Shipper within the ACE Hub, as determined by Transporter.
- 2.2 Subject to conditions set forth herein, Natural Gas, may be parked or loaned for a minimum of one Gas Day. The term of a particular PAL service option, as described in Section 2.5 hereof, shall be set forth on the applicable Schedule of Shipper’s PAL Service Agreement.
- 2.3 Park service shall consist of the receipt of Shipper’s Natural Gas by Transporter in the ACE Hub, the holding of such parked quantity for Shipper’s account in Transporter’s line pack for a contracted time period and Transporter’s redelivery of the parked quantity (“unpark”) to Shipper at a Delivery Point in the ACE Hub.
- 2.4 Loan service shall consist of Transporter’s advancement of a quantity of Transporter’s line pack Gas at a Delivery Point in the ACE Hub for Shipper’s account for a contracted time period and Shipper’s redelivery of such loaned quantity to Transporter in the ACE Hub (“return”).

2.5 Park and Loan (PAL) Service Options

Pursuant to an executed PAL Service Agreement, Shipper on any Day may nominate a PAL service option listed below under (a), and Transporter may nominate on Shipper's behalf under option (b) below if Shipper has selected service option (b).

(a) Shipper Requested Term Park/Loan (Term PAL)

- (i) Shipper Requested Term Park/Loan (Term PAL) is a service option offered by Transporter in the ACE Hub that allows a Shipper to nominate a park or loan of a dekatherm quantity of Gas to or from Transporter during a mutually agreed upon term, that is at least one Gas Day, subject to the Transporter's determination of the availability of line pack capacity for the requested term and park or loan quantity within the ACE Hub. For purposes of this service option, the maximum quantity of Gas parked or loaned at any time during the term shall be the Maximum PAL Quantity set forth on the effective and applicable Schedule of Shipper's PAL Service Agreement. The term, rate and the Maximum PAL Quantity committed to be available for a park or loan during the term as set forth on an effective Schedule of a PAL Service Agreement shall be the basis upon which Transporter will calculate the charge for the Term PAL service.
- (ii) Service under Term PAL shall be awarded to Shipper on a not unduly discriminatory basis.

(b) Shipper Authorized Automatic Park/Loan (Auto PAL)

- (i) Auto PAL is a service option offered by Transporter in the ACE Hub under which a Shipper pre-authorizes Transporter to initiate a park or loan of Gas at the end of a Gas Day, on the Shipper's behalf, to address an imbalance that the Shipper has under another Agreement with Transporter.
- (ii) Shipper retains the right to adjust scheduled park or loan activity via subsequent nomination cycles during the term of the Auto PAL.

2.6 Service under this Rate Schedule for Auto PAL shall be scheduled and confirmed after Term PALs, on the basis of the Shipper paying the highest daily rate for each nomination cycle. Ties will be scheduled and confirmed on a pro rata basis.

- 2.7 During the term of a PAL transaction, Shipper may be required, upon notification from Transporter, to cease or reduce deliveries to or receipts from its Park service within the Day, of all, or any part, of its parked quantity as rapidly as is consistent with Transporter's operating capabilities. Any parked quantity not removed in accordance with Transporter's notice, within three (3) days of Transporter giving Shipper such notice, shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims; provided, however, that Transporter shall extend the time available for Shipper to remove any portion of its parked quantity by one day for every day that Transporter has been unable to schedule such parked quantity, on Transporter's system, through no fault of Shipper. Parked quantities not removed, which become the property of Alliance, will become part of Alliance's operational line pack.
- 2.8 During the term of a PAL transaction, Shipper may be required, upon notification from Transporter to return all, or any part, of its loaned quantity as rapidly as is consistent with Transporter's operating capabilities. For any quantity of Natural Gas not returned to Transporter in accordance with Transporter's notice, within three (3) days of Transporter giving Shipper such notice, Shipper shall be charged for the loaned quantity; provided, however, Transporter shall extend the time available for Shipper to deliver any portion of its loaned quantity by one day for every day that Transporter has been unable to schedule such loaned quantity on Transporter's system, through no fault of Shipper. The loaned quantity not returned will be charged to a Shipper at 150% of the highest weekly average of the daily "Alliance" prices as reported in S&P Global Market Intelligence Next-Day Natural Gas Spot Index during the term of the applicable PAL transaction.
- 2.9 Except as provided in Section 32 of the GTC, Transporter shall have no obligation to add any facilities or expand the capacity of its pipeline facilities in order to provide PAL service under this Rate Schedule.
- 2.10 Existing quantities of Gas parked or loaned by Transporter cannot be bumped by new requests for park and/or loan service.
- 2.11 Transporter may refuse to render service hereunder if and for so long as Shipper is in default under any Agreement with Transporter or under the GTC.

3. RATES

The rate charged for service hereunder shall be the effective Rate Schedule PAL Maximum Recourse Rate, shown in the Statements of Rates in Transporter's Tariff, unless Transporter agrees to a different rate as provided for in Section 4 herein.

4. FLEXIBILITY OF RATES

Shipper and Transporter may agree to a discounted rate in accordance with Section 33 of the GTC. Shipper and Transporter may also agree to a Negotiated Rate in accordance with Section 39 GTC. Such discounted rate or Negotiated Rate will be stated in the applicable Schedule of the PAL Service Agreement. Transporter shall not be required to render service under this Rate Schedule PAL at a rate less than the effective Maximum Recourse Rate.

5. MONTHLY BILL

5.1 Shipper's bill for a Month shall be the sum of the charges for services provided under Shipper's effective PAL Service Agreement equal to the product of the daily PAL rate as set forth on the effective Schedule of Shipper's PAL Service Agreement, multiplied by:

- (a) For Term PAL service: the Maximum PAL Quantity committed to be available for a park or loan during the term as set forth on the effective Schedule of Shipper's PAL Service Agreement, multiplied by the number of days such Maximum PAL Quantity is applicable during the term of the Term PAL service in the Delivery Month; or
- (b) For Auto PAL service: the daily quantity of Gas either parked or loaned in accordance with the Auto PAL service, multiplied by the number of days such daily quantity is applicable during the term of the Auto PAL service in the Delivery Month.

5.2 Shipper shall reimburse Transporter for all fees and charges, as required by the Commission, and all other charges as set forth in this Rate Schedule, which are related to service provided under this Rate Schedule PAL.

6. FAILURE OF SHIPPER TO RESPOND UPON TERMINATION

Immediately before the termination of a PAL transaction, if Shipper has failed to unpark a parked quantity of Gas or return a loaned quantity of Gas, Shipper may request to extend the term. Transporter may agree to an extension of the term. Transporter shall not be required to extend at less than the maximum Recourse Rate. If Transporter and Shipper do not extend the term and Shipper fails to respond upon termination of a PAL transaction:

- (a) In the case of a Park transaction, the quantities parked shall become the property of the Transporter, free and clear of any obligations to Shipper, and will become part of Alliance's operational line pack and;

- (b) In the case of a Loan transaction, the quantities loaned will be charged to a Shipper at 150% of the highest weekly average of the daily “Alliance” prices as reported in S&P Global Market Intelligence Next-Day Natural Gas Spot Index during the term of the applicable PAL transaction.

7. RESERVATIONS

Transporter reserves the right to take actions as may be required to preserve the integrity of Transporter’s system, including the maintenance of service to Shippers under Rate Schedule FT-1.

8. GOVERNMENT AUTHORIZATIONS

Service under this Rate Schedule and the PAL Service Agreement shall be implemented pursuant to any applicable self-implementing authorizations or program of the Commission for which Transporter has filed or in which the Transporter has agreed to participate.

9. AUTHORIZATION, RATES, TERMS AND CHANGES

Transporter shall have the right to propose to the Commission changes to its rates and Tariff; provided, however, that any rates negotiated between Transporter and its Shipper(s) shall remain in effect for the term of such negotiated rate agreement.

10. GENERAL TERMS AND CONDITIONS

The GTC are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GTC and the provisions of this Rate Schedule or a PAL Service Agreement, the specific provisions of this Rate Schedule or a PAL Service Agreement shall control. In the event of a conflict between the provisions of this Rate Schedule and the PAL Service Agreement, the specific provisions of this Rate Schedule shall prevail.

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1. DEFINITIONS

Except where the context expressly states another meaning, the following terms, when used in this Tariff, and in any Agreement or Rate Schedule incorporating this Tariff, shall have the meanings set forth below where appropriate. Capitalized terms not defined below or not defined in the specific Section of the Tariff, shall have the meaning set forth in the governing NAESB standards.

“ACE Hub” means the Transporter’s notional Receipt Point and notional Delivery Point located downstream of the Aux Sable Processing Delivery Point.

“Affiliate”, when used to indicate a relationship with a specific Person, means another Person that directly, or indirectly through one or more intermediaries or otherwise, controls, is controlled by, or is under common control with, such specific Person. A corporation shall be deemed to be an Affiliate of another corporation if one of them is directly or indirectly controlled by the other or if each of them is directly or indirectly controlled by the same Person.

“Agreement” means any executed Firm Transportation Agreement, Interruptible Transportation Agreement, Interruptible Wheeling Agreement, Master Capacity Release Agreement, PAL Service Agreement, or Title Transfer Agreement between Shipper and Transporter for services rendered by Transporter pursuant to Transporter’s FERC Gas Tariff.

“Assignee” means a party that has entered into an Assignment and Novation Agreement with Transporter substantially in the form of the Form of Assignment and Novation Agreement set forth in Transporter's Tariff.

“Assignment and Novation Agreement” means an agreement, in the form provided in this Tariff, between Transporter, a Shipper, an Assignee, and, if applicable, Transporter’s U.S. security trustee, whereby Transporter and, if applicable, the U.S. security trustee, consent to the assignment to the Assignee of Shipper's right, title, and interest under a Firm Transportation Agreement.

“AOS Charge” means the AOS charge component of the rate applicable to Authorized Overrun Service.

“Authorized Overrun Service” or “AOS” means a firm Shippers’ quantities in addition to its Contracted Capacity, nominated in accordance with Section 11 of the GTC, and scheduled in accordance with Section 12 of the GTC.

“Aux Sable” means Aux Sable Liquid Products L.P.

“BTU” means British thermal unit (International Table) in accordance with the International System of Units.

"Business Day" is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico. [NAESB 3.2.1]

"Capacity" shall have the meaning set forth at Section 23.1 of the GTC.

"Central Clock Time" or "CCT" means Central Daylight Time when daylight savings time is in effect and Central Standard Time when daylight savings time is not in effect.

"Commission" or "FERC" means the Federal Energy Regulatory Commission or any federal commission, agency, or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which, as of the date hereof, are exercisable by the Federal Energy Regulatory Commission.

"Contracted Capacity" means the daily volume of Natural Gas contracted for by a Shipper and for which the Shipper has agreed to pay a Reservation Charge in accordance with the terms and conditions of Shipper's Firm Transportation Agreement, as defined in the Firm Transportation Agreement.

"Cubic Foot" means that volume of Gas which occupies one (1) cubic foot when such gas is at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of 14.73 pounds per square inch absolute.

"Customer Activities" means the business function categories relating to Nominations, Flowing Gas, Invoicing, Capacity Release, Contracts and other business functions that are conducted on Transporter's Customer Activities Web Site. [NAESB 4.2.10]

"Customer Activities Web Site" means that site to which parties are given access by Transporter for purposes of conducting Customer Activities, subject to such parties providing to Transporter the information required in Section 10 of the GTC and executing Transporter's Customer Activities Web Site Subscriber Agreement.

"Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 9:00 am CCT or such other period of twenty-four (24) consecutive hours agreed to by Shipper and Transporter.

"Delivery Month" means any Month in which Shipper has requested and Transporter has provided service pursuant to this Tariff.

"Dekatherm" or "Dth" means the quantity of heat energy which is equivalent to one million (1,000,000) BTUs.

“Dth/d” means one million BTUs per Day.

"Delivery Point" means the point or points located on Transporter's system, and as maintained on Transporter's Informational Postings Site, at which Transporter has the ability to deliver Gas to Shippers or for Shippers' accounts.

"Elapsed Prorata Capacity" means that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity. [NAESB 5.2.3]

"Elapsed-Prorated-Scheduled Quantity" means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected. [NAESB 1.2.12]

"Extraction Agreement" means a contract executed between a Shipper and a Processing Plant whereby Shipper grants to the designated Processing Plant the right to extract and take title to any non-methane hydrocarbon constituents contained in Shipper's Gas.

"Firm Transportation Agreement" means an agreement, in the form provided in this Tariff, pursuant to which Transporter is obligated to provide Firm Transportation Service to a Shipper.

"Firm Transportation Service" means Transportation service provided by Transporter pursuant to Transporter's Rate Schedule FT-1.

"Force Majeure" means any act of God, war, civil insurrection or disobedience, acts of public enemy, strikes, lockouts, or other industrial disturbances, accidents, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, explosions, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, breakage or accidents to machinery or lines of pipe, the necessity for making repairs to or alterations of machinery or lines of pipe, freezing of lines of pipe, inability to obtain materials, supplies, permits or labor, or other cause whether of the kind enumerated or otherwise which is beyond the control of any applicable Party and which by the exercise of due diligence such Party is unable to prevent or overcome. The settlement of strikes, lockouts or other labor disputes shall be entirely within the discretion of the Party having the difficulty. The following shall not be events of Force Majeure: (i) insufficiency of Shipper's Natural Gas supplies; (ii) inadequate or uneconomic markets for Shipper's Natural Gas; (iii) Shipper's lack of funds, (iv) curtailment or disruption of service, for any reason whatsoever, on facilities upstream of Receipt Points on Transporter, or downstream of Delivery Points on

Transporter; (v) curtailment or disruption of service, for any reason whatsoever, on facilities which are not part of Transporter's jurisdictional Natural Gas transmission system, provided however that for a Shipper whose Primary Receipt Point is the Interconnect with Alliance Pipeline Limited Partnership a curtailment or disruption of service on facilities operated by Alliance Pipeline Limited Partnership shall constitute an event of Force Majeure on Transporter's system unless such Shipper's Gas is scheduled at a Secondary Receipt Point downstream of the Interconnect with Alliance Pipeline Limited Partnership; or (vi) when, at Shipper's instruction, Gas is not within Transporter's custody. As used in this definition, "upstream of Receipt Points" shall mean upstream of the inlet side of Transporter's point of interconnection with systems delivering Gas to Transporter, and "downstream of Delivery Points" shall mean downstream of the outlet side of Transporter's Delivery Point measuring stations.

"Fuel" means Gas consumed in pipeline operations, including without limitation fuel used at compressor stations, heaters and other facilities, and company use, expressed on an energy basis.

"Fuel Requirement" has the meaning ascribed to it in Section 14 hereof.

"Gas" or "Natural Gas" means methane, and such other hydrocarbon constituents, or a mixture of two or more of them which, in any case, meets the quality specifications of the Tariff.

"Gas Day" means the period from 9:00a.m. to 9:00a.m. (Central Clock Time). [NAESB 1.3.1]

"Gross Heating Value" means the quantity of heat in BTU's liberated by the complete combustion at constant pressure, of a Cubic Foot of Gas at a temperature of sixty degrees (60°) Fahrenheit on a water-free basis and at an absolute pressure of fourteen and seventy-three hundredth pounds per square inch absolute (14.73 Psia) with air at the same temperature and pressure as the Gas, when the products of the combustion are cooled to the initial temperature of the Gas and air when the water formed by combustion is condensed to the liquid state.

"GTC" means the General Terms and Conditions of Transporter's Tariff, as amended and approved by the Commission from time to time.

"Informational Postings" means the common information posted on Transporter's Informational Postings Site that is publicly available.

"Informational Postings Site" means that portion of Transporter's web site upon which Transporter posts information which it is required by regulation or this Tariff to make publicly available.

"Interruptible Transportation Agreement" means an agreement, in the form provided in this Tariff, pursuant to which Transporter is obligated to provide interruptible Transportation service to a Shipper.

"Interruptible Transportation Service" means Transportation service provided by Transporter pursuant to Transporter's Rate Schedule IT-1.

"Interruptible Wheeling Agreement" or "IW Agreement" means an agreement in the form of the Interruptible Wheeling Agreement provided in this Tariff for interruptible wheeling service between Delivery Points in the ACE Hub pursuant to Rate Schedule IW.

"Lenders" means any Person(s) with whom Transporter, from time to time, has entered into a debt financing agreement or other loan or credit facility with respect to the financing of Transporter's pipeline system.

"Lost or Unaccounted For Gas" means, the quantity of Gas reasonably determined by Transporter to be lost during Transportation, expressed on an energy basis, other than Gas consumed in pipeline operations and included in the Fuel Requirement pursuant to Section 14 of the GTC.

"Master Capacity Release Agreement" means an agreement, in the form provided in this Tariff, setting forth the terms and conditions pursuant to which Transporter will provide Transportation service to a Replacement Shipper in the event such Replacement Shipper is awarded Released Capacity on a temporary basis pursuant to Section 23 of the GTC.

"Maximum IW Quantity" means the maximum quantity of Gas under an interruptible wheeling service utilizing the Delivery Points in the ACE Hub as stated on an executed Schedule to an effective IW Service Agreement.

"Maximum PAL Quantity" means the maximum quantity of Gas under a Term PAL park or loan service in the ACE Hub as stated on a Schedule to an effective PAL Service Agreement.

"Mcf" means one thousand (1,000) Cubic Feet.

"MMBTU" means one million (1,000,000) BTUs.

"MMcf" means one million (1,000,000) Cubic Feet.

"MMcf/d" means one million (1,000,000) Cubic Feet per Day.

"Mcf/d" means one thousand (1,000) Cubic Feet per Day.

"Month" means a period extending from 9:00 am CCT on the first Day in a calendar Month and ending at 9:00 am CCT on the first Day of the next succeeding calendar Month, or at such hour as Shipper and Transporter agree upon.

"Negotiated Rate" shall mean a rate (including a rate derived from a Negotiated Rate Formula) that Transporter and Shipper have agreed will be charged for service under a Rate Schedule contained in this Tariff, where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the Maximum Recourse Rate or which may be below the Minimum Recourse Rate for such component set forth in Transporter's Tariff or otherwise deviate from Transporter's Recourse Rates.

"Negotiated Rate Formula" shall mean a rate formula that Transporter and Shipper have agreed will apply to service under a specific contract under Rate Schedules contained in this Tariff which results in a rate, for all or a portion of the contract term or for one or more of the individual components of such rate, which may exceed the Maximum Recourse Rate or which may be below the Minimum Recourse Rate for such component set forth in Transporter's Tariff or otherwise deviate from Transporter's Recourse Rate.

"Nomination" means the information provided by Shipper to Transporter in accordance with Section 11.1 of the GTC.

"North American Energy Standards Board Wholesale Gas Quadrant" or "NAESB WGQ" or "NAESB" means the Wholesale Gas Quadrant of the North American Energy Standards Board, as the accredited organization established to set standards for certain natural gas business practices and procedures.

"Operator" means a Person retained by Transporter to operate its pipeline systems pursuant to Section 38 of the GTC.

"PAL Quantity" means the Shipper's scheduled quantity in a nomination cycle for the Auto PAL service option under Rate Schedule PAL in the ACE Hub as stated in the applicable Schedule of a PAL Service Agreement.

"PAL Service Agreement" means an agreement, in the form contained in this Tariff, for Park and Loan service pursuant to Rate Schedule PAL under which Term PAL or Auto PAL service options may be rendered within the ACE Hub.

"Person" means an individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other

legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.

"Pre-Approved Bidders List" means the list of those parties eligible to bid for Released Capacity, as provided for at Section 22.2 of the GTC.

"Pre-Arranged Release" means a Capacity Release transaction pursuant to Section 23 of the GTC wherein the terms of the release are agreed to between the Releasing Shipper and the Replacement Shipper in advance of notifying Transporter or posting the Release on Transporter's Customer Activities Web Site.

"Pre-Arranged Replacement Shipper" means a Person acquiring Capacity through a Pre-Arranged Release under Section 23 of the GTC.

"Primary Delivery Point" means those physical Delivery Points identified in Shipper's Firm Transportation Agreement where Transporter delivers Gas to Shipper or for Shipper's account, to the extent of the capacity entitlement identified in Shipper's Firm Transportation Agreement.

"Primary Delivery Point Capacity" means Shippers capacity entitlement at the Primary Delivery Point(s) identified in Shipper's Firm Transportation Agreement.

"Primary Path" means the portion of capacity physically located between a Shipper's designated Primary Receipt Point and Primary Delivery Point.

"Primary Receipt Point" means those physical Receipt Points identified in Shipper's Firm Transportation Agreement where Transporter receives Gas from Shipper or for Shipper's account, to the extent of the capacity entitlement identified in Shipper's Firm Transportation Agreement.

"Primary Receipt Point Capacity" means Shipper's capacity entitlement at the Primary Receipt Point(s) identified in Shipper's Firm Transportation Agreement.

"Processing Delivery Point" means a Delivery Point where Transporter delivers gas for processing at the facilities of a designated Processing Plant for Shippers who have entered into an Extraction Agreement with that Processing Plant.

"Processing Plant" means a natural gas processing plant that is connected to Transporter's system at a Processing Delivery Point.

"Psia" or "psia" means pounds per square inch absolute.

"Rate Schedule" means any one of Transporter's Rate Schedules in Transporter's FERC Gas Tariff.

"Receipt Point" means the point or points located on Transporter's system, and as maintained on Transporter's Informational Postings Site, at which Transporter has the ability to receive Gas from Shipper.

"Recourse Rate" shall mean the applicable maximum Tariff rate that would apply to a service but for the rate flexibility allowed under Section 33 of the GTC with respect to a discounted rate and under Section 39 of the GTC with respect to a Negotiated Rate.

"Released Capacity" means Capacity released by a Releasing Shipper to a Replacement Shipper pursuant to Section 23 of the GTC.

"Releasing Shipper" means a Shipper under Rate Schedule FT-1 who releases Capacity pursuant to Section 23 of the GTC.

"Replacement Shipper" means a Person acquiring Released Capacity pursuant to Section 23 of the GTC.

"Reservation Charge" means the reservation charge component of the rate applicable to Firm Transportation Service as specified in Transporter's Tariff and the Firm Transportation Agreement between such Shipper and Transporter, or the reservation charge applicable to a Term PAL service option pursuant to Rate Schedule PAL and a PAL Service Agreement.

"Secondary Delivery Point" means a Delivery Point available to a Shipper, to the extent Shipper has not designated capacity at the individual point as Primary Delivery Point Capacity.

"Secondary Receipt Point" means a Receipt Point available to a Shipper, to the extent Shipper has not designated capacity at the individual point as Primary Receipt Point Capacity.

"Shipper" means an entity who enters into a Firm Transportation Agreement with Transporter, or who has executed an Assignment and Novation Agreement with Transporter, or who has acquired Firm Transportation Service rights pursuant to the provisions of Section 23 of the GTC hereof or, if the context so requires, a person who has executed an Interruptible Transportation Agreement, or a PAL Service Agreement, or an Interruptible Wheeling Agreement, or a Title Transfer Agreement pursuant to this Tariff.

"Tariff" means Transporter's FERC Gas Tariff, as amended and approved from time to time by the Commission.

"Thermal Conversion Factor" shall mean the Dekatherm factor, as determined by Transporter, which reflects a representative energy content of the system-wide

composite gas stream delivered to Transporter at a Receipt Point. Except as otherwise expressly stated in a Negotiated Rate Firm Transportation Agreement or in a Negotiated Rate Interruptible Transportation Agreement, the Thermal Conversion Factor identified in the Statements of Rates of Transporter's Tariff will be used to assign an energy value to volumetric quantities of Gas and Contracted Capacity for invoicing purposes.

"Title Transfers" has the meaning ascribed to it in Section 11 hereof.

"Transportation" of gas means the receipt of Gas for Shipper's account at Receipt Points on Transporter's pipeline system that are available to Shipper pursuant to Rate Schedule FT-1 or Rate Schedule IT-1 and the delivery, for Shipper's account, of Gas by Transporter at the Delivery Point(s) located on Transporter's system.

"Transporter" means Alliance Pipeline L.P.

"U.S. Receipt Pool" is a notional location immediately downstream of the Receipt Point, maintained for each Shipper, forming itself a Receipt Point from which energy may be scheduled for Transportation or nominated to or from for purposes of effecting Title Transfers, as defined in Section 11 of the GTC. The ACE Hub is considered a U.S. Receipt Pool for purposes of managing imbalances as defined in Section 16 of the GTC.

"U.S. Delivery Pool" is a notional location immediately upstream of the Delivery Point, maintained for each Shipper, forming itself a Delivery Point from which energy may be scheduled for Transportation or nominated to or from for purposes of effecting Title Transfers, as defined in Section 11 of the GTC. The ACE Hub is considered a U.S. Delivery Pool for purposes of effecting Title Transfers within the ACE Hub.

"Usage Charge" means the usage charge component of the rate applicable to Rate Schedules and Agreements as specified in Transporter's Tariff.

"Year" means a period of 365 consecutive days; provided, however, that any such year which contains a date of February 29 shall consist of 366 consecutive days.

2. QUALITY OF GAS

2.1 Unless otherwise agreed to by Transporter, Natural Gas delivered at Receipt Points shall conform to the specifications set forth in this Section 2. Specifically, Natural Gas:

- (a) shall have a heat content of no less than 962 BTUs per Cubic Foot;
- (b) shall be commercially free, at prevailing pressure and temperature in Transporter's pipeline, from sand, dust, and gums, impurities, other objectionable substances which may become separated from the Natural Gas, and other solids or liquids which will render it unmerchantable or cause injury to or interference with proper operation of the lines, regulators, meters or other facilities through which it flows; shall be commercially free from hydrocarbons liquefiable at temperature in excess of twenty three degrees Fahrenheit (23°F) at the prevailing operating pressure; and shall not contain any substance not normally contained in Natural Gas, other than traces of those materials and chemicals necessary for the Transportation and delivery of the Natural Gas and which do not cause it to fail to meet any of the quality specifications herein set forth;
- (c) shall contain no more than one (1) grain of hydrogen sulphide per one hundred (100) Cubic Feet of Natural Gas and no more than five (5) grains of total sulphur per one hundred (100) Cubic Feet of Natural Gas, determined by standard methods and testing;
- (d) shall contain no more by volume, than four percent (4%) of total non-hydrocarbons, which shall be combined nitrogen, carbon dioxide and oxygen, provided however, that:
 - (i) the carbon dioxide content shall not exceed two percent (2.0%) by volume and
 - (ii) such Natural Gas shall be as free of oxygen as practicable and shall, in any event, contain no more than four tenths of one percent (0.4%) by volume of oxygen
- (e) shall not contain water vapor in the gas stream in excess of four (4) pounds/MMcf;
- (f) shall not exceed a temperature of one hundred twenty-two degrees Fahrenheit (122°F) nor be less than a temperature of forty-one degrees Fahrenheit (41°F); and

- (g) shall, in no event, contain any mix of components that will cause the presence of any liquids in the pipeline under normal operating conditions.

2.2 Failure to Conform: In the event Natural Gas delivered by a Shipper fails to meet the specifications in Section 2.1, Transporter may refuse to receive the Natural Gas, in which case, Transporter will, as soon as possible, inform the Shipper to allow Shipper to promptly remedy any deficiency in quality.

2.3 Waivers:

- (a) Transporter reserves the right to waive any or all such Gas quality provisions, in a not unduly discriminatory manner, if it is determined by Transporter that such waiver can be granted without, in any way, jeopardizing the integrity of its system or violating any requirements of downstream systems.

- (b) Hydrocarbon dewpoint waivers

Transporter shall waive the hydrocarbon dewpoint specification of Section 2.1(b) on a nondiscriminatory, first come, first served basis. Nothing in this Section 2.3(b) affects Transporter's rights under Section 2.3(a) above or Section 15.1 of the GT&C of Transporter's FERC Tariff, to temporarily suspend or permanently reduce any waivers granted under this Section 2.3(b), in whole or in part, and Transporter may exercise such rights while this Section remains in effect. Waivers granted pursuant to this Section 2.3(b) shall be set forth below, in order of descending priority. No waiver having a higher priority shall be suspended, reduced, prorated or terminated to accommodate a waiver request which is later in time. If more than one waiver is granted pursuant to this Section 2.3(b), and if operating conditions require a suspension, reduction or termination (pursuant to the standards set forth in Section 2.3(a) or Section 15.1 of the GT&C) of the level of hydrocarbon dewpoint waivers granted under this Section 2.3(b), as measured by volumes or aggregate deviations from Section 2.1(b), Transporter shall suspend, reduce or terminate such waivers beginning with the last numbered waiver set forth below.

- (1) Bantry, North Dakota Receipt Point

Subject to the provisions of Section 2.3(a) and Section 15.1 of the GT&C, Transporter will accept 80 MMcf/day of Contracted Capacity, at the Bantry, North Dakota Receipt Point with a hydrocarbon dewpoint not to exceed 114 degrees Fahrenheit at prevailing operating pressure and a maximum energy content of 1.550 Dth/Mcf. C5+ at this Receipt Point shall be limited to no more than 0.6 mole % and less than 300bpd.

(2) [Reserved for Future Use]

(3) Bantry, North Dakota Receipt Point

Subject to the provisions of Section 2.3(a) and Section 15.1 of the GT&C, Transporter will accept 12.880 MMcf/day of Contracted Capacity at the Bantry, North Dakota Receipt Point with a hydrocarbon dewpoint not to exceed 114 degrees Fahrenheit at prevailing operating pressure and a maximum energy content of 1.550 Dth/Mcf. C5+ at this Receipt Point shall be limited to no more than 0.6 mole%.

(4) ****

3. MEASUREMENT

- 3.1 Unit of Volume: The unit of volume for the purpose of measurement shall be one cubic foot of gas at 14.73 pounds per square inch and 60 degrees Fahrenheit. The readings and registrations of the measuring equipment provided for herein and determinations of Gross Heating Value shall be computed in terms of such volumes.
- 3.2 Unit of Energy: The unit of energy for the purpose of measurement shall be one BTU.
- 3.3 Factors Considered in Computation: To determine the volume of Gas received, required factors such as pressure, temperature, chemical composition, and deviations from the ideal gas law shall be reflected in accordance with the American Gas Association Report #8 and any modifications and amendments thereof, and applied in a practical manner.
- 3.4 Assumed Atmospheric Pressure: The absolute atmospheric pressure used for volume calculations shall be assumed to be a specific pressure determined by calculations based on the actual elevation above sea level at the site of the meter rounded off to the nearest one hundredth of a pound, regardless of variations in actual barometric pressure.

4. MEASUREMENT EQUIPMENT

- 4.1 All meters and measuring equipment for the determination of volume, Gross Heating Value and density shall be approved pursuant to, and installed and maintained in accordance with, the currently published standards of the American Gas Association, or as mutually agreed upon by Transporter and Shipper. Notwithstanding the foregoing, all installation of equipment applying to or effecting deliveries of Gas shall be made in a manner permitting accurate determination of the quantity of Gas delivered and ready verification of the accuracy of measurement. Care shall be exercised by Transporter and by Shipper in the installation, maintenance and operation of pressure regulating equipment so as to prevent any inaccuracy in the determination of the volume of Gas delivered under the Agreement.
- 4.2 Transporter shall verify the accuracy of its measuring equipment at such intervals as agreed to by the parties. Transporter will verify the accuracy of measuring equipment whenever requested by a Shipper, provided requests do not require verification more than once in any month. If, upon a requested verification, the measuring equipment is found to be registering correctly (which shall include any inaccuracy of two percent (2%) or less as mentioned below), the cost of such requested verification shall be charged to and borne by the requesting party; otherwise the cost of all requested verifications shall be borne by Transporter. If, upon any test, measuring equipment is found to be inaccurate but not by more than two percent (2%) of reported energy, previous readings of the equipment shall be considered correct in computing deliveries, but the equipment shall be adjusted properly at once to record accurately. If, upon any tests, any measuring equipment is found to be inaccurate to an amount exceeding two percent (2%) of reported energy or if, for any reason, Transporter's measuring equipment is out of service, then the previous readings of the equipment shall be corrected to zero error for any such period which is known definitely or can be agreed upon, but if the period is not known definitely or cannot be agreed upon, such corrections shall be for a period covering the last half of the time elapsed since the date of the last test.
- 4.3 Each party shall have the right to be present at the time of any installing, changing, repairing, inspecting, verifying or calibrating done in connection with the other's equipment used in measuring receipts and deliveries hereunder. The records from such measurement equipment shall remain the property of their owner, but, upon request, each will submit to the other its records, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) days after receipt thereof. Each party shall preserve records for a period of at least two (2) years. or such longer period as may be required by the Commission.

5. FORCE MAJEURE

- 5.1 If either Transporter or Shipper fails to perform any obligations under the Tariff and any Firm Transportation Agreement or Interruptible Transportation Agreement due to an event of Force Majeure or any other event beyond its reasonable control then, subject to the provisions of the Tariff and such Firm Transportation Agreement or Interruptible Transportation Agreement, such failure shall be deemed not to be a breach of such obligations. A Party that fails to perform any obligation under the Tariff, Firm Transportation Agreement or Interruptible Transportation Agreement where such failure is caused by such an event shall promptly remedy the cause thereof so far as it is reasonably able to do so, provided that the terms of the settlement of any strike, lockout or other industrial disturbance shall be wholly in the discretion of the Party claiming suspension of its obligations hereunder by reason thereof.
- 5.2 Notwithstanding the provisions of Section 5.1, no event referred to therein shall: (i) relieve any Party from any obligation or obligations pursuant to the Tariff, Firm Transportation Agreement or Interruptible Transportation Agreement unless such Party gives notice with reasonable promptness of such event to the other Party, (ii) relieve any Party from any obligation or obligations pursuant to the Tariff, Firm Transportation Agreement or Interruptible Transportation Agreement after the expiration of a reasonable period of time within which, by the use of due diligence, such Party could have remedied or overcome the consequences of such event; or (iii) relieve either party from its obligations to make payments of amounts as provided in the applicable Rate Schedule, except for the Reservation Charge Credit provided for in Section 7 of Rate Schedule FT-1.
- 5.3 Where the failure by either Party to perform any obligation under the Tariff, Firm Transportation Agreement or Interruptible Transportation Agreement is, by virtue of the provisions of Section 5.1, deemed not to be a breach of such obligation, then the time for the performance of such obligation shall be extended by a number of days equal to the number of days during which the relevant event existed.

6. DELIVERY PRESSURE

- 6.1 Deliveries by Shipper, or for Shipper's account, to Transporter shall be made at the Receipt Point(s) at the pressure agreed to by Transporter and the upstream transporter. Deliveries for Shipper's account shall be made by Transporter at the Delivery Point(s) at the prevailing pressure of the downstream transporter(s) or as agreed to by Transporter and the downstream transporter.

7. BILLING AND PAYMENT

- 7.1 On or before the 9th Business Day of each Month, Transporter shall prepare and render to Shipper via the Customer Activities Web Site the invoice for the amount payable by Shipper to Transporter for the preceding Delivery Month under the applicable Rate Schedule(s) and a statement of any charges, penalties, or credits calculated in accordance with the GTC or the applicable Rate Schedule. “Render” is defined as, time-stamped, and delivered to the designated site. [NAESB 3.3.14]Invoices will be based on actuals (if available) or best available data. Quantities at points where OBAs exist will be based on scheduled quantities [NAESB 3.3.9]. Transporter shall provide, in the succeeding Month's invoice, an adjustment based on any difference between actual quantities and either best available data at the time of invoicing or scheduled quantities, as the case may be.
- 7.2 When information necessary for billing purposes is in the control of Shipper, Shipper shall furnish such information to Transporter on or before the 3rd Day of the Month. At the reasonable request of Transporter, Shipper shall provide to Transporter, in a timely manner, any additional information or data required by Transporter to calculate and verify the volume and quality, and calculate the heat content of Shipper's actual deliveries.
- 7.3 Payment: All payments under an Agreement or a Rate Schedule shall be made by electronic funds transfer, on or before the later of the twenty fifth (25th) Day of the Month and the fifth Business Day following receipt by Shipper of the monthly invoice, to a depository designated by Transporter, in United States funds immediately payable to Transporter. If the payment due date falls on a Day that the designated depository is not open in the normal course of business to receive Shipper's payment, then Shipper's payment shall be made on the first Day after the payment due date that such depository is open in the normal course of business.
- 7.4 Failure to Pay: If Shipper fails to pay all or part of a monthly statement in accordance with this Section 7, Shipper shall pay a charge for late payment which shall be included by Transporter on the next regular monthly invoice rendered to Shipper under this Section 7. Such charge for late payment shall be determined by multiplying (a) the unpaid portion of the invoice by (b) the ratio of the number of Days from the due date to the date of actual payment to 365 by (c) the annual interest rate as determined in accordance with 18 C.F.R. Section 154.501(d)(1) or any successor provision of the FERC's regulations. If the failure to pay continues for ten (10) Days, after payment is due, Transporter, in addition to any other remedy it may have, including its rights under Section 8 hereof, may suspend further delivery of Gas without further notice; provided that Transporter shall report such suspension of service to the Commission. Such suspension of service shall not give rise to any Reservation Charge Credit, pursuant to Section 7 of Rate Schedule FT-1.

- 7.5 Correction of Invoicing Errors: In the event an error is discovered in the amount invoiced in any invoice rendered by Transporter, such error shall be adjusted within thirty (30) Days of the determination thereof; provided that claim therefore shall have been made within sixty (60) Days of discovery of such error and, in any event, within six (6) Months from the date of the invoice claimed to be in error, provided, however, that the party harmed by such adjustment shall have up to three (3) Months to dispute such adjustment. The timing of invoice claims and adjustments referenced in this Section shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not be diminished by this standard. Invoicing errors shall be corrected as follows:
- (a) Where Shipper has been overcharged and has paid the invoice, the amount of the overpayment will be refunded to Shipper with interest at the interest rate determined in accordance with 18 C.F.R. §154.501(d)(1) or any successor provision of the FERC's regulations from the date of the overpayment to the date of the refund. Where the refund is provided to Shipper by way of credit on another Transporter invoice, the overpayment will be deemed to have been refunded on the date the credited invoice was received by the Shipper.
 - (b) Where Shipper has been undercharged by Transporter, Shipper will pay the amount of the undercharge without interest provided the undercharge is paid within thirty (30) Days. Undercharge amounts not paid within thirty (30) Days will be subject to interest charges at the interest rate determined in accordance with 18 C.F.R. §154.501(d)(1) or any successor provision of the FERC's regulations from the date of the invoice.
 - (c) Shippers shall have the right, at all reasonable times, during normal business hours, upon written request and at their own expense, to review or cause to be reviewed all books, records, documents and other data of Transporter pertaining to its performance under Shipper's Agreements, solely as necessary to verify the amount payable by a Shipper to Transporter under those Agreements, in any Month, so long as such review shall be completed within two Years following the end of the calendar year in which such amount is payable.
- 7.6 Good Faith Disputes: If an invoice is in dispute, Shipper shall pay the portion not in dispute and provide documentation identifying the basis for the dispute. [NAESB 3.3.19] Provided Shipper complies with this Section 7.6, Transporter shall not be entitled to suspend further service pursuant to Section 7.4. Shipper shall not offset any disputed amounts against the Reservation Charge portion of its bill.

In the event of a good faith invoicing dispute, Transporter may demand and Shipper, within ten (10) Days of such demand, shall furnish good and sufficient surety bond, guaranteeing payment to Transporter of all disputed amounts for any invoices that are or will be affected by such dispute. If Shipper fails to provide a bond to Transporter guaranteeing payment, or if Shipper defaults in the conditions of such bond, then Transporter shall have the right to suspend service under or terminate Shipper's Agreement(s).

Any good faith invoicing dispute may be submitted to arbitration pursuant to Section 25 hereof within thirty (30) Days of Transporter's receipt of Shipper's written notice.

- 7.7 Right to Set Off Unpaid Amounts: In the event that Shipper does not pay the full amount due Transporter in accordance with this Section 7, Transporter, without prejudice to any other rights or remedies it may have, shall have the right to withhold and set off payment of any amounts or monies due or owing by Transporter to Shipper, whether in connection with Shipper's Agreement(s), or otherwise, against any and all amounts or monies due or owing by Shipper to Transporter.

8. DEFAULT AND TERMINATION

- 8.1 Except for events described by Section 5 of the GTC, if a Shipper fails to perform any of the covenants or obligations imposed upon it under any Rate Schedule, or Agreement, the Transporter may, at its option, terminate the Agreement, as follows: (i) the Transporter shall serve a written notice on the Shipper in default stating specifically the default under the Agreement, and declaring it to be the intention of the Transporter to suspend service under or terminate the Agreement; and (ii) the Shipper in default shall have ten (10) Days after receipt of the written notice in which to remedy the default set out in the written notice.
- 8.2 If, within the ten (10) Day period, the Shipper in default remedies the default and fully indemnifies the Transporter for any and all consequences of such default, then the written notice shall be withdrawn and the Agreement shall continue in full force and effect.
- 8.3 In the event that the Shipper in default does not remedy the default within ten (10) Days of service of the written notice, and if Transporter, at its sole option, provides written notice to the Shipper within such ten (10) Days that it elects to terminate the Agreement, then the Agreement shall terminate at the end of the ten (10) Day period.
- 8.4 Any termination of an Agreement, pursuant to the provisions of this Section 8 shall be without prejudice to the right of Transporter to collect any amounts then due to it for Gas delivered or service provided prior to the date of the termination, and shall be without prejudice to the right of Shipper to receive any Gas which it has not received but the Transportation of which has been paid for prior to the date of termination, and without waiver of any other remedy to which the Transporter may be entitled for breaches of the Agreement.

9. WAIVER AND FUTURE DEFAULT

- 9.1. Transporter may waive any of its rights or any obligations of Shipper hereunder as to any specific right or obligation that has already arisen or in advance as to any specific, temporary issue on a case-by-case basis that is not unduly discriminatory.
- 9.2. No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provisions of an Agreement, nor any election not to terminate an Agreement, made pursuant to Section 8.3 of the GTC, shall operate or be construed as a waiver of any continuing or future default or defaults, whether of a like or different character.

10. REQUESTS FOR SERVICES

- 10.1 A party requesting services hereunder must, prior to making any such request, prequalify by providing to Transporter such information as Transporter may reasonably request. Upon receipt of such information, Transporter will provide the party with an execution copy of Transporter's Customer Activities Web Site Subscriber Agreement as well as any additional agreements or forms required in accordance with Transporter's Tariff.
- 10.2 Provided a party has executed and delivered to Transporter the Customer Activities Web Site Subscriber Agreement as well as any additional agreements or forms required in accordance with Transporter's Tariff, a party may make a request for services under the applicable Rate Schedule via the Customer Activities Web Site. A request for Forward Commencement Date Capacity shall be subject to the provisions of GTC Section 42.7.

11. NOMINATIONS

- 11.1 For service under each Agreement, Shipper shall provide Transporter with a nomination ("Nomination") reflecting Shipper's contract numbers, the applicable Rate Schedule, and the quantities of Gas that Shipper desires to be delivered from specified Receipt Point(s) to specified Delivery Point(s) on Transporter's pipeline system. A nomination for quantities of Authorized Overrun Service will, for nomination purposes, be treated as a nomination for service under Rate Schedule IT-1. Nominations shall also specify such additional information as Transporter reasonably determines to be necessary.
- 11.2 Transporter shall support a seven-days-a-week, twenty-four-hours-a-day Nomination process, subject to nightly processing and routine maintenance. The success of seven days a week, twenty-four hours a day nominations process is dependent on the availability of Shippers' scheduling personnel on a similar basis. Party contacts need not be at their ordinary work sites but should be available by telephone or other electronic means. [NAESB 1.3.4].
- 11.3 Whenever Shipper desires service, Shipper shall furnish to Transporter a separate Nomination for each nominated Receipt and Delivery Point. All nominations will include shipper defined begin dates and end dates. All nominations excluding intra-day nominations will have roll-over options so that Shippers will have the ability to nominate several days, months, or years, provided the nomination begin and end dates are within the term of shipper's contract. [NAESB 1.3.5] All Nominations will be considered original Nominations and must be replaced in order to be deemed changed. When a Nomination for a date range is received, each Day within that range is considered an original Nomination. When a subsequent Nomination is received for one or more days within that range, the previous Nomination is superseded by the subsequent Nomination only to the extent of the days specified. The days of the previous Nomination outside the range of the subsequent Nomination are unaffected. Nominations have prospective effect only. [NAESB 1.3.7]
- 11.4 Nominations are to be provided to Transporter under the timeline set forth in Section 11.7 via Transporter's Customer Activities Web Site. All such postings for Nomination purposes shall comply with all format and protocol requirements specified by Transporter.
- 11.5 Shippers may, as part of a Nomination, request transfers to and from the U.S. Delivery Pools of other parties. Shippers may also nominate for transfer from Shipper's U.S. Receipt Pool to the U.S. Receipt Pool of other parties. Transfers to and from the U.S. Delivery Pools of other parties and transfers to and from the U.S. Receipt Pools of other parties are collectively referred to as "Title Transfers." Title Transfer service is an administrative service performed by Transporter. A Shipper, other than a Rate Schedule FT-1 or IT-1 Shipper, who desires to take

title to Gas which was transported into the ACE Hub pursuant to a Firm Transportation Agreement or Interruptible Transportation Agreement, must execute a Title Transfer Agreement, the form of which is contained in Transporter's Tariff.

11.6 Title Transfers shall be confirmed through matching and equal nominations.

11.7 Transporter supports the following standard Nomination cycles:

- (a) The Timely Nomination Cycle: On the day prior to gas flow: 1:00 p.m. for Nominations leaving control of the nominating party; 1:15 p.m. for receipt of Nominations by Transporter (including from Title Transfer Tracking Service Providers (TTTSP's)); 1:30 p.m. to send Quick Response; 4:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 5:00 p.m. for receipt of scheduled quantities by Shipper and point operator (Central Clock Time on the Day prior to flow). [NAESB 1.3.2 (i)]
- (b) The Evening Nomination Cycle: On the day prior to gas flow: 6:00 p.m. for Nominations leaving control of the nominating party; 6:15 p.m. for receipt of Nominations by Transporter (including from TTTSP's); 6:30 p.m. to send Quick Response; 8:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (Central Clock Time on the Day prior to flow). Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day. [NAESB 1.3.2 (ii)]
- (c) The Intraday 1 Nomination Cycle: On the current Gas Day: 10:00 a.m. for Nominations leaving control of the nominating party; 10:15 a.m. for receipt of Nominations by Transporter (including from TTTSP's); 10:30 a.m. to send Quick Response; 12:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 1:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (Central Clock Time on the Gas Day). Scheduled quantities resulting from Intraday 1 Nominations will be effective at 2:00 p.m. on the current Gas Day. [NAESB 1.3.2 (iii)]
- (d) The Intraday 2 Nomination Cycle: On the current Gas Day: 2:30 p.m. for Nominations leaving control of the nominating party; 2:45 p.m. for receipt of Nominations by Transporter (including from TTTSP's); 3:00 p.m. to send Quick Response; 5:00 p.m. for receipt of completed confirmations by

Transporter from upstream and downstream connected parties; 5:30 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators (Central Clock Time on the Gas Day). Scheduled quantities resulting from Intraday 2 Nominations will be effective at 6:00 p.m. on the current Gas Day. [NAESB 1.3.2 (iv)]

- (e) The Intraday 3 Nomination Cycle: On the current Gas Day: 7:00 p.m. for Nominations leaving control of the nominating party; 7:15 p.m. for receipt of Nominations by Transporter (including from TTSP's); 7:30 p.m. to send Quick Response; 9:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 10:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point operators (Central Clock Time on the Gas Day). Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle. [NAESB 1.3.2 (v)]
- (f) For purposes of the Evening, Intraday 1, Intraday 2, and Intraday 3 Nomination Cycles, "provide" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post. [NAESB 1.3.2 (vi)]
- (g) With the exception of otherwise stated NAESB nomination deadlines, when Transporter receives a Nomination from a Shipper by the conclusion of a given quarter hour period, Transporter will send to the Shipper's designated site a corresponding Quick Response document by the conclusion of the subsequent quarter hour period.

The quarter hour periods will be defined to begin on the hour and at 15, 30, and 45 minutes past the hour. A given quarter hour will contain all transactions whose receipt time is less than the beginning of the subsequent quarter hour. [NAESB 1.3.37]

- (h) Transporter's nightly processing and routine maintenance occurring outside of normal business hours are apt to interrupt the normal schedule for nominations/quick response turnaround stated above. Such delays will be kept to a minimum. The normal schedule will be resumed at the earliest opportunity and no later than the start of normal working hours the following day, seven days per week. [NAESB 1.3.38]
- (i) The Timely and Evening Nomination Cycles pertain to transportation and services for the upcoming Gas Day. The Intraday 1, Intraday 2, and Intraday 3 Nomination Cycles pertain to the current Gas Day. Transporter will process Nominations in addition to the five supported Nomination

cycles subject to the additional Intraday Nomination subsections, and accordingly Transporter is not required to hold capacity for Nominations until a standard Nomination cycle.

- 11.8 (a) Intraday Nominations. An intraday Nomination is a Nomination submitted after the Nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day. [NAESB 1.2.4] The Intraday 1, Intraday 2, and Intraday 3 Nomination Cycles constitute Transporter's standard intraday Nomination opportunities. Intraday Nominations may be used to nominate new supply or market. [NAESB 1.3.33] Intraday Nominations can be used to request increases or decreases in total flow, changes to Receipt Points, or changes to Delivery Points of scheduled Gas. [NAESB 1.3.11] All Nominations, including intraday Nominations, will be based on a daily quantity; thus, an intraday nominator need not submit an hourly Nomination. Intraday Nominations must include an effective date and time. The interconnected parties should agree on the hourly flows of the intraday Nomination, if not otherwise addressed in Transporter's agreement or Tariff. [NAESB 1.3.9] Intraday Nominations do not rollover (i.e. intraday Nominations span one day only). Intraday Nominations do not replace the remainder of a standing Nomination. There is no need to re-nominate if intraday Nomination modifies existing Nomination. [NAESB 1.3.13]
- (b) There is no limitation as to the number of intraday Nominations which a Shipper may submit at any one standard Nomination cycle or in total across all standard Nomination cycles. [NAESB 1.3.32]
- (c) Firm intraday Nominations are entitled to bump scheduled interruptible service only during the Evening, Intraday 1, and Intraday 2 Nomination Cycles. Any Shipper who is bumped pursuant to Section 11.7 shall be notified by Transporter via its Customer Activities Web Site. Transporter will provide notice of the applicability and types of penalties to be effective the following Gas Day for any bumped volumes on its Customer Activities Web Site by 3:00 p.m. prior to the Gas Day. During most periods, daily penalties will be waived for bumped volumes on the date of the bump. Penalties related to the bumped volume will be waived if notice has not been provided. [NAESB 1.3.51]
- (d) Other Nominations. At its option, Transporter may accept Nominations which are submitted and received outside the timelines applicable to Timely, Evening or standard intraday Nominations, but Transporter shall not be required to comply with the NAESB Nominations Related Standards with respect to such Nominations. Nominations received after the Nomination deadlines specified in Section 11.7 will be scheduled after

the Nominations received before the Nomination deadlines.[NAESB 1.3.6]

11.9 Reserved For Future Use

11.10

- (a) Shippers shall cause the operator of each Delivery Point designated in any Nomination to confirm all such Nominations prior to implementation by Transporter.

The receiver of the Nomination initiates the confirmation process. The party that would receive a Request for Confirmation or an unsolicited Confirmation Response may waive the obligation of the sender to send. [NAESB 1.3.20]

The operator(s) of the Receipt and Delivery Points shall confirm the quantities of Gas being nominated by Shipper under the timelines set forth in Section 11.7. At the end of each Gas Day, Transporter will provide the final scheduled quantities for the just completed Gas Day.

- (b)
- (i) With respect to the timely nomination/confirmation process at a Receipt or Delivery Point, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the scheduled quantity for the Timely Nomination Cycle of the previous Gas Day will be the new confirmed quantity. [NAESB 1.3.22(i)]
- (ii) With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the scheduled quantity for the previous nomination cycle for the subject Gas Day will be the new confirmed quantity. [NAESB 1.3.22(ii)]
- (iii) With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation

Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity will be the new confirmed quantity. [NAESB 1.3.22(iii)]

- (iv) With respect to Section 11.10(b) (i), (ii), and (iii), if there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the Transporter shall provide the Shipper with the following information to explain why the Nomination failed, as applicable:
- (1) the Transporter did not conduct the confirmation;
 - (2) the Shipper is told by Transporter that the upstream confirming party did not conduct the confirmation;
 - (3) the Shipper is told by Transporter that the upstream service requester did not have the Gas or submit the Nomination;
 - (4) the Shipper is told by Transporter that the downstream confirming party did not conduct the confirmation;
 - (5) the Shipper is told by Transporter that the downstream service requester did not have the market or submit the Nomination.

This information will be imparted to the Shipper on the scheduled quantity document. [NAESB 1.3.22(iv)]

- (c) The Explicit Confirmation process requires that the confirming party respond to a request for confirmation or initiate an unsolicited confirmation response. Absent mutual agreement to the contrary, Explicit Confirmation is the default methodology. [NAESB 1.3.40]

11.11 A Shipper may delegate to a third party responsibility for submitting and receiving Nominations under any Agreement, using the agency form provided on the Informational Postings Site or such other form as Transporter may designate as acceptable from time to time.

11.12 All Nominations are subject to adjustment by Transporter in accordance with Section 16 of the GTC.

12. SCHEDULING OF TRANSPORTATION AND DELIVERIES

- 12.1 Transporter shall schedule all firm Transportation quantities within Shippers' Contracted Capacities prior to the scheduling of any AOS and interruptible quantities. Transportation quantities shall be scheduled in accordance with the following order of declining priority:
- (a) Firm Transportation quantities within Shippers' Contracted Capacities under Rate Schedule FT-1, pro rata based on each Shipper's Contracted Capacity.
 - (b) Interruptible Transportation quantities under Rate Schedule IT-1 and Authorized Overrun Service quantities, allocated together on the basis of rate paid, from highest to lowest, with pro rata allocation when the rate paid is equal, including the maximum Rate Schedule IT-1 Recourse Rates Usage Charge and the maximum Rate Schedule FT-1 Recourse Rates AOS Charge, as applicable, as set forth in Transporter's Statements of Rates.
- 12.2 (a) Scheduling at specific Receipt or Delivery Points shall be in accordance with the following order of declining priority:
- (i) All Firm Transportation Service up to a Shipper's Contracted Capacity under Rate Schedule FT-1 provided at Primary Receipt and Delivery Points, to the extent of Shipper's Primary Receipt and Delivery Point Capacity for such points, prorated on the basis of Shipper's Primary Receipt and Delivery Point Capacity at the Primary Receipt and Delivery Points, subject to Shipper's nominated volume.
 - (ii) All Firm Transportation Service up to a Shipper's Contracted Capacity under Rate Schedule FT-1 at Receipt and Delivery Points within a Shipper's Primary Path for Shippers for which the Receipt or Delivery point is not a Primary Receipt or Delivery Point and Shippers nominating quantities greater than Shipper's Primary Receipt or Delivery Point Capacity at the Receipt or Delivery Point, prorated on the basis of each Shipper's share of the total of such nominations.
 - (iii) All Firm Transportation Service up to a Shipper's Contracted Capacity under Rate Schedule FT-1 at Receipt or Delivery Points outside a Shipper's Primary Path for Shippers for which the Receipt or Delivery Point is not a Primary Receipt or Delivery Point, prorated on the basis of each such Shipper's share of the total of such nominations.

- (iv) All quantities under Title Transfer Agreements at Delivery Points in the ACE Hub,
 - (v) All Interruptible Transportation Service under Rate Schedule IT-1 and Authorized Overrun Service quantities, allocated together on the basis of rate paid, from highest to lowest, with pro rata allocation when the rate paid is equal, including the maximum Rate Schedule IT-1 Recourse Rates Usage Charge and the maximum Rate Schedule FT-1 Recourse Rates AOS Charge, as applicable, as set forth in Transporter's Statements of Rates.
 - (vi) All interruptible service under Rate Schedule IW, on the basis of rate paid, from highest to lowest, with pro rata allocation when rate paid is equal, including the maximum Rate Schedule IW Recourse Rate Usage Charge as set forth in Transporter's Statements of Rates.
 - (vii) All Term PALs on the basis of net present value.
 - (viii) All Auto PALs on the basis of rate, from highest to lowest, with pro rata allocation when the rate paid is equal, including the Rate Schedule PAL maximum Recourse Rate for each service as set forth in Transporter's Statements of Rates.
- (b) Until Transporter has informed Shipper that its Nomination, whether monthly, Daily or intraday, is confirmed, such volumes will not be deemed scheduled.
- 12.3 Any allocation of capacity on the basis of the rate paid shall be subject to the limitations of Section 39.7 of the GTC.

13. PRIORITY OF RECEIPTS

13.1 Gas shall be deemed received from Shipper in the following order:

- (a) Quantities within a Shipper's Contracted Capacity under a Firm Transportation Agreement, and pursuant to Rate Schedule FT-1;
- (b) Interruptible quantities under Rate Schedule IT-1 and quantities of Authorized Overrun Service.

13.2 The transportation priority for fuel will be the same priority as the transportation service to which it applies. [NAESB 1.3.31]. The Fuel Requirement (as defined in Section 14) will be deemed to be the first gas received under each transaction.

14. FUEL

- 14.1 In addition to the Gas nominated for and tendered to the applicable Receipt Point for service hereunder, each Firm and Interruptible Transportation Service Shipper shall nominate and tender to Transporter an amount of energy determined on the basis of the applicable “Fuel Requirement” established by Transporter and set out in Transporter’s Statements of Rates. The Fuel Requirement shall include Fuel and the Lost or Unaccounted For Gas.
- 14.2 The Fuel Requirement will be calculated on an energy basis and expressed as a percentage of a Shipper’s Nomination. Transporter shall file annually to revise the Fuel Requirement for Firm and Interruptible Transportation Service, effective on November 1 of each year. Such annual filing shall be made at least 30 days prior to the effective date of the revised Fuel Requirement and shall include revised tariff sections and supporting documentation. The first annual filing to revise the Fuel Requirement shall be effective November 1, 2016. Concurrent with the annual filing, Transporter will post on its Customer Activities Web Site and on its Informational Postings Site the revised Fuel Requirement and effective date.
- 14.3 Definitions:
- (i) “Base Period” shall mean for the first revision of the Fuel Requirement, effective November 1, 2016, the nine-month period from December 1, 2015 to August 31, 2016. Thereafter, for each subsequent annual revision of the Fuel Requirement effective November 1 of each year, the Base Period shall be the preceding twelve month period from September 1 to August 31.
 - (ii) “Base Period Fuel” shall mean the sum of monthly Fuel recorded in energy during the Base Period.
 - (iii) “Base Period Fuel Requirement” shall mean the sum of the monthly products obtained by multiplying the Fuel Requirement in effect during each month of the Base Period by the Throughput in each month of the Base Period.
 - (iv) “Base Period Lost or Unaccounted For Gas” shall mean the sum of monthly Lost or Unaccounted For Gas recorded in energy during the Base Period.
 - (v) “Base Period Throughput” shall mean the sum of monthly Throughput recorded during the Base Period.

(vi) “Over/(Under) Collection” shall mean the total of; i) the Base Period Fuel Requirement, less ii) the Base Period Fuel, less iii) the Base Period Lost or Unaccounted For Gas.

(vii) “Throughput” shall mean the sum of scheduled quantities for Firm and Interruptible Service recorded in energy.

14.4 The Fuel Requirement effective November 1, 2016, and on November 1 of each year thereafter, shall be equal to: a) the total of i) the Base Period Fuel, plus ii) the Base Period Lost or Unaccounted For Gas, less iii) the Over/(Under) Collection; divided by b) the Base Period Throughput, with the result expressed as a percentage. The Fuel Requirement may be adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing.

15. PRIORITY OF SERVICE AND CURTAILMENT

- 15.1 Transporter shall have the right to curtail or discontinue Transportation services, in whole or in part, on all or a portion of its system at any time for reasons of Force Majeure or when, in Transporter's sole judgment, capacity or operating conditions so require, or it is desirable or necessary to make modifications, repairs or operating changes to its system. Transporter shall provide Shipper such notice of the curtailment as is reasonable under the circumstances.
- 15.2 Transporter shall have the unqualified right to interrupt Transportation services at any time under Transporter's Rate Schedule IT-1 or Authorized Overrun Service to provide service up to a Shipper's Contracted Capacity under Transporter's Rate Schedule FT-1.
- 15.3 In the event of curtailment pursuant to Section 15.1 above, Transportation service shall be curtailed in the following order:
- (a) Interruptible Transportation Service and Authorized Overrun Service will be together curtailed first, pro rata based on rate paid, except that curtailment will be on a pro rata basis when the price paid by Shippers is equal, including the maximum Rate Schedule IT-1 Recourse Rates Usage Charge and the maximum Rate Schedule FT-1 Recourse Rates AOS Charge, as applicable, as set forth in Transporter's Statements of Rates;
 - (b) Firm Transportation Service will be curtailed next, pro rata based on and up to the Firm Transportation Service that is Scheduled for each Shipper receiving this service up to its Contracted Capacity in accordance with Section 12.
- 15.4 If the need for curtailment is caused by an event affecting only a specific Receipt Point or Delivery Point, curtailment will be in the following order of priorities:
- (a) Interruptible service and Authorized Overrun Service shall be together curtailed first, in reverse order from that set forth in Section 12.2 of the GTC, except when a constraint on the pipeline occurs and the rendering of interruptible service or Authorized Overrun Service at a Receipt or Delivery Point will not adversely affect service up to a Shipper's Contracted Capacity under Firm Transportation Agreements.
 - (b) All quantities under Title Transfer Agreements at Delivery Points in the ACE Hub.
 - (c) Firm Transportation Service up to a Shipper's Contracted Capacity for Shippers for whom the Receipt Point or Delivery Point is not a Primary Receipt Point or Primary Delivery Point and is outside of the Shipper's

Primary Path, will be curtailed next, and such Firm Transportation Service that is available at such Receipt Point or Delivery Point shall be allocated among such Shippers, pro rata, based on and up to the Firm Transportation Service that is Scheduled for each such Shipper in accordance with Section 12.

- (d) Firm Transportation Service up to a Shipper's Contracted Capacity for Shippers for whom the Receipt Point or Delivery Point is not a Primary Receipt Point or Primary Delivery Point but is within the Shipper's Primary Path, and Shippers nominating quantities greater than Shipper's Primary Delivery Point Capacity at that Delivery Point will be curtailed next, and such Firm Transportation Service that is available at such Receipt Point or Delivery Point shall be allocated among such Shippers, pro rata, based on and up to the Firm Transportation Service that is Scheduled for each such Shipper at the Receipt Point or Delivery Point in accordance with Section 12;
- (e) Firm Transportation Service up to a Shipper's Contracted Capacity for Shippers for whom the Receipt Point or Delivery Point is a Primary Receipt Point or Primary Delivery Point, to the extent of Shipper's Primary Receipt Point or Primary Delivery Point Capacity for such Receipt Point or Delivery Point, will be curtailed next and such Firm Transportation Service that is available at such Receipt Point or Delivery Point shall be allocated among such Shippers, pro rata, based on and up to the Firm Transportation Service that is Scheduled for each such Shipper at the Receipt Point or Delivery Point in accordance with Section 12.

15.5 Any curtailment on the basis of the rate being paid shall be subject to the limitations of Section 39.7 of the GTC.

16. UNAUTHORIZED VOLUMES AND IMBALANCES

- 16.1 Shipper shall use reasonable efforts to minimize variances from scheduled quantities under each Agreement. Notwithstanding such efforts, it is acknowledged that such variances are likely to occur. However, under certain circumstances, pursuant to the provisions of this Section 16, Shipper may be subject to penalties for failure to operate reasonably in this regard. Transporter shall, in good faith, assist Shipper in avoiding such penalties. Under no circumstances shall the payment of such penalties relieve Shipper from the obligation to take all required actions to resolve outstanding imbalances.
- 16.2 Transporter shall use all reasonable efforts to tolerate Shipper variances due to temporary limitations of the physical capability of the Transporter's system, giving due consideration to flexibility available to Transporter by fluctuating line pack levels and the exploitation of any operational balancing agreements with interconnecting facilities. Under no circumstances shall Transporter tolerate Shipper imbalances which have a deleterious and discriminatory effect upon the capacity available to Shippers under Firm Transportation Agreements and pursuant to Rate Schedule FT-1.
- 16.3 (a) Shipper shall use all reasonable effort at all times to maintain balance, based on the best available information, between the aggregate energy received to Shipper's account and aggregate energy delivered by Transporter from Shipper's account at the Receipt and Delivery Points ("Imbalance").
- (b) Imbalances shall be held in the Rate Schedule FT-1 and IT-1 Shipper's account in the Shipper's U.S. Receipt Pool, unless the Shipper is able to transact a title transfer or a Rate Schedule PAL transaction in the ACE Hub during the same Gas Day. Transporter shall make available in advance of the time for timely nominations each Day the best available estimate of the various Imbalances to Shipper's account.
- 16.4 Shipper shall not be subject to any penalty for prevailing Imbalances, provided at all times:
- (a) Shipper's account is within acceptable tolerance levels, as specified by Transporter from time-to-time, based on the best available information; and
- (b) Shipper takes all reasonable actions to eliminate any Imbalances, as required by the provisions of this Section 16, including complying with all reasonable directions of Transporter to address prevailing Imbalances, with Transporter giving due consideration to avoiding potential impacts on other Shippers in identifying reasonable courses of action in specific circumstances.

- 16.5 Transporter shall communicate to all Shippers, as part of the nomination procedures, the current acceptable level of tolerance for Imbalances. Transporter shall use all reasonable efforts to operate its system so as to permit tolerance of periodic Imbalances by each Rate Schedule FT-1 Shipper and IT-1 Shipper, subject to compliance with the requirements of Section 16.4. The Imbalance tolerance for FT-1 Shippers will be 4% of the thermal equivalent of the Shipper's contracted capacity and 4% of the energy scheduled for Authorized Overrun Service. The Imbalance tolerance for IT-1 Shippers will be 4% of the energy scheduled for Shipper by Transporter. However, Transporter reserves the right to impose more or less stringent Imbalance tolerance levels, based on the need to maximize throughput or to protect the integrity of Transporter's facilities.
- 16.6 If Shipper fails to take immediate action to reduce any identified Imbalances to within tolerance levels specified by Transporter, Transporter may adjust new or standing Nominations so as to bring Shipper's account within the specified tolerance levels.
- 16.7 If during a Gas Day a cumulative Imbalance outside of the tolerance specified in accordance with Section 16.5 should arise under Rate Schedule FT-1, such Imbalance for a Shipper shall be posted on the Customer Activities Web Site. Such Imbalance shall be eliminated by Shipper under Rate Schedule FT-1 by immediately implementing one of the following courses of action:
- (a) Effecting Title Transfer(s) to or from Shipper's U.S. Receipt Pool sufficient to eliminate any such Imbalance (provided this does not create an Imbalance for the account of another Shipper); or
 - (b) Effect a nomination under an Agreement that will clear the Imbalance during the Gas Day; or
 - (c) Effect a Rate Schedule PAL Transaction within the ACE Hub.

If Shipper does not respond to clear such Imbalance and Transporter does not act pursuant to Section 16.6 or 16.8, then Shipper's remaining Gas in Transporter's system shall be retained by Transporter and become the property of Transporter and part of Transporter's operational line pack. Any Gas effectively loaned will be charged to Shipper at 150% of the highest weekly average of the daily "Alliance" prices as reported in S&P Global Market Intelligence Next-Day Natural Gas Spot Index during the time period of the Imbalance.

- 16.8 In the event Shipper does not take action in accordance with Section 16.7 or 16.12 in sufficient quantity, Transporter may decrease Shipper's receipt or delivery nomination to eliminate the outstanding Imbalance in a timely and orderly fashion.

- 16.9 If the Imbalance exceeds the Imbalance tolerance level specified by Transporter on any Day, Shipper shall be subject to a charge ("Imbalance Penalty"). The Imbalance Penalty shall be imposed only with respect to Days when an Imbalance threatens to impair reliable service. The Imbalance Penalty shall be the product obtained by multiplying the absolute amount of the Imbalances in excess of the stated tolerance level on each Day by ten times the maximum applicable Rate Schedule FT-1 Recourse Rate Reservation Charge pursuant to Rate Schedule FT-1 as set forth in Transporter's Statements of Rates divided by the number of Days in the Month.
- 16.10 Shippers may obtain imbalance management services from third parties.
- 16.11 Subject to the last sentence of this Section 16.11, each Month, one hundred percent (100%) of any penalty revenues received by Transporter in the previous Month, pursuant to this Section 16, shall be credited to all Shippers as a credit against such Shippers' invoices. Allocation of the penalty revenues among Shippers shall be pro rata, based on revenue contributions of such Shippers during the Month in which the penalty revenues were received. Those Shippers to whom such penalties were assessed on any Day shall not receive a credit for that portion of the penalty revenues received by Transporter on any Day for which such Shipper was assessed a penalty and shall be excluded from the pro rata allocation for that Day.
- 16.12 If during a Gas Day, an Imbalance should arise under Rate Schedules IT-1 outside of the tolerance specified in accordance with Section 16.5 or under Rate Schedule IW, or Title Transfer service, such Imbalance for a Shipper will be posted on the Customer Activities Web Site. Shipper shall then implement one of the following courses of action to eliminate or address the Imbalance during the Gas Day;
- (a) Effect a nomination under an Agreement that will clear the imbalance during the Gas Day; or
 - (b) Effect a Rate Schedule PAL transaction within the ACE Hub; or
 - (c) Effecting Title Transfer(s) to or from Shipper's U.S. Receipt Pool sufficient to eliminate any such Imbalance (provided this does not create an Imbalance for the account of another shipper).
- 16.13 If Shipper does not respond to clear the Imbalance pursuant to Section 16.12, and Transporter does not act pursuant to Section 16.8 then Shipper's remaining Gas in Transporter's system shall be retained by Transporter and become the property of Transporter and part of Transporter's operational line pack. Any Gas effectively loaned will be charged to Shipper at 150% of the highest weekly average of the daily "Alliance" prices as reported in S&P Global Market Intelligence Next-Day Natural Gas Spot Index during the time period of the Imbalance.

17. RIGHT TO COMMINGLE

- 17.1 Transporter shall have the unqualified right at all times to commingle Shipper's Gas with other Gas in Transporter's pipeline. It is recognized that Gas delivered by Transporter may not be the same molecules as those received from Shipper at the Receipt Point(s).

18. NOTICE OF CHANGES IN OPERATING CONDITIONS

- 18.1 Transporter and Shipper shall notify each other from time to time, as necessary, of expected changes in the rates of delivery or receipt of Gas, or in the pressures or other operating conditions, and the reason for such expected changes, to the end that the other party may be prepared to meet them when they occur.

19. POSSESSION OF GAS AND RESPONSIBILITY

- 19.1 As between Transporter and Shipper, Shipper shall be deemed to be in control and possession of, and responsible for, all Gas until it is delivered to Transporter at the Receipt Point(s) set forth in an executed Agreement, after which Transporter shall be deemed to be in control and possession of, and responsible for, such Gas until it is delivered at the Delivery Point(s). Transporter is authorized to relinquish control and possession of Shipper's Gas to a third party, at Shipper's direction, solely for the purpose of having the Gas processed by the third party. Transporter shall not be responsible for Shipper's Gas while it has relinquished custody and control of the Gas for processing.

20. WARRANTY OF TITLE

- 20.1 Shipper warrants to Transporter that it will at the time of delivery have title to all Gas delivered by it to Transporter for Transportation or other services by Transporter, free and clear of liens and encumbrances and adverse claims of every kind, except that if Shipper relinquishes the right to process its Gas to a third party, such relinquishment shall not constitute an encumbrance or adverse claim hereunder. Shipper further warrants that it has all governmental, regulatory and other authorizations required to permit its Gas to be transported hereunder, including but not limited to, Canadian export authorizations and U.S. import authorizations.
- 20.2 Transporter warrants that at the time of delivery of such Gas to Shipper such Gas will be free and clear of all liens and encumbrances, arising as part of Transporter's activities.
- 20.3 Transporter and Shipper will each indemnify the other and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses, arising out of the adverse claim of any person with respect to such Gas, including any claims for taxes, licenses, fees, royalties, or charges, which claims arise with respect to such Gas prior to the time of delivery of such Gas to such other party.

21. LIABILITY OF PARTIES

- 21.1 Transporter and Shipper each assume responsibility and liability for the installation, maintenance and operation of its respective properties and shall indemnify and save harmless the other party from all liability and expense on account of any and all losses, damages, claims or actions, including injury to or death of persons, arising from any act or accident resulting from the installation, presence, maintenance and operation of the property and equipment of the indemnifying party.
- 21.2 In no event will either Transporter or Shipper be liable to the other for any indirect, special or consequential loss, damage, cost or expense whatsoever based on breach of contract, negligence, strict liability or otherwise including, without limitation, loss of profits or revenues, cost of capital, loss or damages for failure to deliver Gas, cost of lost, purchased or replacement Gas, cancellation of permits or certificates and the termination of contracts.
- 21.3 Except as set out in Section 7 of Rate Schedule FT-1, Transporter shall have no liability to Shipper, nor obligation to indemnify and save harmless Shipper, in respect of Transporter's failure for any reason whatsoever to accept receipt of, or deliver Gas pursuant to any service agreement between Transporter and Shipper.

22. CREDITWORTHINESS

22.1 Credit Requirements: Shipper shall at all times comply with the following creditworthiness requirements:

- (a) The Shipper (or an Affiliate which guarantees the Shipper's obligations under a Firm Transportation Agreement, Interruptible Transportation Agreement, Master Capacity Release Agreement, Interruptible Wheeling Agreement or PAL Service Agreement) has an investment grade rating for its long term senior unsecured debt from a recognized rating agent. The schedule below sets out the minimum acceptable rating from each of the indicated rating agencies:

Acceptable Credit Ratings *
(Long-term Senior Unsecured Debt)

Moody's	Baa 3
S&P**	BBB- or better
DBRS***	BBB or better
NAIC****	NAIC 1 or NAIC 2

*Or other equivalent ratings from recognized rating agencies, as determined by Transporter.

**Standard & Poors

***Dominion Bond Rating Service

****National Association of Insurance Commissioners

A Shipper who qualifies under this category initially but is later downgraded below investment grade will be required to qualify under another category below.

- (b) A Shipper whose long term senior unsecured debt does not have an acceptable rating as outlined in the schedule above will be accepted as creditworthy if Transporter determines that, notwithstanding the absence of an acceptable rating, the financial position of the Shipper (or an Affiliate which guarantees the Shipper's obligations under a Firm Transportation Agreement, Interruptible Transportation Agreement, Master Capacity Release Agreement, Interruptible Wheeling Agreement, or PAL Service Agreement) is acceptable to Transporter. Application for acceptance as creditworthy may be made at any time. Shipper will not be subject to having its acceptance under this category revoked unless there

has been a material adverse change in the financial criteria relied on at the time of acceptance in the sole opinion of Transporter.

- (c) A Shipper, who, at the time of execution and delivery of a Firm Transportation Agreement, Interruptible Transportation Agreement, or Master Capacity Release Agreement, or at any time thereafter while it is bound thereby, is not eligible under (a) or (b) above, or who, at the time of a nomination under an Interruptible Wheeling Agreement and/or PAL Service Agreement, or at any time thereafter while it is bound thereby, is not eligible under (a) or (b) above, must provide security for its obligation by either:
- (i) posting a Letter of Credit or pledging a cash deposit, in an amount equal to the amount of the Letter of Credit, as set forth in (iii) below; or
 - (ii) by providing other security acceptable to Transporter.
 - (iii) A Letter of Credit or cash deposit under (i) above shall be in the following amounts: (i) subject to Section 22.1(c)(iv) hereof, with respect to a Shipper under a Firm Transportation Agreement or a Master Capacity Release Agreement, an amount not to exceed an amount equal to three (3) months of all Reservation Charges and other charges and surcharges payable by Shipper under the applicable agreement(s), provided that the number of months of Reservation Charges and other charges and surcharges required for such security shall not exceed the term of the applicable agreement(s); (ii) with respect to a Shipper under an Interruptible Transportation Agreement, such security shall be equal to the Maximum Daily Transportation Quantity in Shipper's Interruptible Transportation Agreement, multiplied by the maximum Rate Schedule IT-1 Usage Charge, multiplied by thirty (30); and shall be adjusted from time to time to reflect any changes to Shipper's Maximum Daily Transportation Quantity or in the maximum Rate Schedule IT-1 Recourse Rates Usage Charge; and (iii) with respect to a Shipper under an Interruptible Wheeling Agreement and/or a PAL Service Agreement before a nomination under such an executed agreement can be accepted, such security shall not be less than the sum of the products of the proposed and, if applicable, effective daily quantities under each Shipper's Interruptible Wheeling Agreement and/or PAL Agreement(s), multiplied by the applicable daily rate(s), multiplied by a term up to but not exceeding 91.2 days, plus the Market Value of Loaned Gas; (and such shall be adjusted from time to time to reflect any changes to Shipper's daily quantities or in the applicable rate or value of

loaned gas). The term “Market Value of Loaned Gas” means the value of the Gas loaned to Shipper for service under Rate Schedule PAL, if any, which is an amount equal to the average of the daily “Alliance” prices as reported in S&P Global Market Intelligence Next-Day Natural Gas Spot Index for the weekly period occurring directly prior to the date of commencement of service multiplied by the quantity of loaned gas that will be returned pursuant to Shipper’s PAL Service Agreement. Transporter shall calculate Shipper’s Market Value of Loaned Gas on a daily basis.

(iv) In the case of Firm Transportation Service contracted in connection with requirements for facilities construction or other capital expenditure requirements by Transporter that are not new or expanded mainline or lateral facilities, a Letter of Credit or cash deposit under (i) above shall not exceed an amount equal to twelve (12) months of all Reservation Charges and other charges and surcharges payable by Shipper under the Firm Transportation Agreement. Nothing herein shall be read to preclude Transporter from requiring, and enforcing for the term of the initial agreement, more than twelve (12) months of all Reservation Charges and other charges and surcharges payable by Shipper for advance service as security in agreements supporting construction of new or expanded mainline or lateral facilities. For purposes of this Section 22.1(c)(iv), the term “initial agreement” shall include any replacement agreement entered into upon a permanent release of capacity under an initial agreement.

(d) Transporter reserves the right to require any Shipper who does not qualify under paragraph (a) above and who has not been accepted pursuant to paragraph (b) above to provide the security required by paragraph (c) above. Any Shipper who qualifies under paragraphs (a) or (b) above by virtue of an Affiliate guaranteeing the obligations of the Shipper shall provide Transporter with a written guarantee from the Affiliate.

22.2 Creditworthiness for Temporary Capacity Release:

(a) Pre-Approved Bidders List: Transporter shall maintain a Pre-Approved Bidders List containing the names of the parties eligible to bid for Released Capacity under Section 23 hereof. A prospective Replacement Shipper is not eligible to submit a valid bid for service unless its name appears on the Pre-Approved Bidders List.

In order to be listed on the Pre-Approved Bidders List, a prospective Replacement Shipper (or an Affiliate which guarantees the Replacement Shipper’s obligations) must meet the creditworthiness requirements of

Section 22.1(a) or 22.1(b) above; or post a Letter of Credit or other security acceptable to Transporter pursuant to Section 22.1(c) above.

- (b) If a prospective Replacement Shipper satisfies the creditworthiness requirements of this Section 22 by satisfying the criteria of Section 22.1(a); by a determination of Transporter pursuant to Section 22.1(b) above; or by posting a Letter of Credit or other security acceptable to Transporter pursuant to Section 22.1(c) above, such prospective Replacement Shipper shall be eligible to bid for Released Capacity for a rate and term such that the maximum financial obligation under such bid (including amounts bid for Authorized Overrun Service) shall not exceed an amount determined by Transporter. Such amount shall be the prospective Replacement Shipper's "Bid Limit."
- (c) On any Day, a prospective Replacement Shipper may make multiple, simultaneous bids for capacity offered pursuant to Section 23 (each individual bid being in compliance with the prospective Replacement Shipper's Bid Limit) which, if accepted in the aggregate, would exceed the prospective Replacement Shipper's Bid Limit. If multiple awards of such capacity are made in such circumstances which, in the aggregate, exceed the applicable Bid Limit: (i) such Replacement Shipper's prospective Bid Limit shall be reduced to \$0.00; and (ii) Transporter shall notify such Replacement Shipper that it must post a Letter of Credit or cash deposit within 7 Days in an amount equal to or greater than the difference between the Bid Limit that was in effect prior to the awards of Capacity and the additional maximum financial obligation under the awards of such capacity. If the Replacement Shipper fails to post such Letter of Credit or cash deposit within 7 Days, the award of such capacity shall be invalidated as of the next Day and the Capacity shall revert to the Releasing Shipper.
- (d) A prospective Replacement Shipper may be removed from the Pre-Approved Bidders List if Transporter determines that such prospective Replacement Shipper is no longer creditworthy under the criteria of Section 22.1; or that such prospective Replacement Shipper has failed to comply with Transporter's FERC Tariff or any Firm or Interruptible Transportation Agreement, or Master Capacity Release Agreement, or any award of Capacity thereunder. By placing a prospective Replacement Shipper on the Pre-Approved Bidders List, Transporter does not assume responsibility for such prospective Replacement Shipper's creditworthiness.

22.3 Shipper's obligation to maintain an Acceptable Credit Rating or to provide security shall continue for so long as the Parties are bound by such Agreements and all transactions entered into thereunder. This obligation shall terminate when

Shipper has performed or satisfied all of its obligations under such Agreements and, upon such termination.

- 22.4 Shipper shall furnish to Transporter, upon request, its audited consolidated financial statements setting forth in comparative form the corresponding figures of the preceding fiscal year together with an auditor's report thereon. Shipper shall also furnish to Transporter, upon request, its unaudited consolidated financial statements prepared on a basis consistent with the corresponding period of the preceding fiscal year. Shipper shall furnish to Transporter any additional information regarding the business affairs, operations, assets and financial condition of Shipper as Transporter may reasonably request from time to time.

23. CAPACITY RELEASE

- 23.1 This Section sets forth the terms and conditions that are applicable to the release by a Shipper of Contracted Capacity held under a Firm Transportation Agreement, together with the Authorized Overrun Service provisions herein that are associated with that Shipper's Contracted Capacity (hereinafter referred to jointly as "Capacity").
- 23.2 Release of Capacity shall be subject to the terms and conditions of this Section 23.
- (a) Eligibility: Any Shipper ("Releasing Shipper") under Rate Schedule FT-1 shall be entitled, subject to the terms and conditions of this Section 23, to release any or all of its Capacity, but only to the extent that the Capacity so released is acquired by another Person ("Replacement Shipper") pursuant to the provisions of this Section 23. Any prospective Replacement Shipper bidding for such released Capacity must be listed on Transporter's Pre-Approved Bidders List, must have executed a Customer Activities Web Site Subscriber Agreement with Transporter, and must be an authorized Customer Activities Web Site user, and must have executed a Master Capacity Release Agreement with Transporter. Any such release shall result in a temporary suspension of the Releasing Shipper's right to use the Released Capacity, subject to any recall rights specified in the release.
 - (b) Capacity to be released shall be made available on a basis that is not unduly discriminatory. Any prospective Replacement Shipper shall be entitled to acquire Releasing Shipper's Capacity subject to the terms and conditions under this Section 23, provided that the prospective Replacement Shipper meets all provisions governing eligibility under this Tariff in a timely manner.
 - (c) A Replacement Shipper shall be entitled to release acquired Capacity to another Replacement Shipper, if specified in the Releasing Shipper's original offer subject to the requirement that the releasing Replacement Shipper satisfies, and is subject to, all of the provisions of this Section 23, as if such Replacement Shipper were a Releasing Shipper, and the new Replacement Shipper meets all provisions governing eligibility under this Tariff in a timely manner.
 - (d) Term: Any release of Capacity under this Section 23 shall be for a minimum period of one Day, and shall not exceed the balance of the period until the expiration of the primary term of the Firm Transportation Agreement, or Master Capacity Release Agreement under which the Releasing Shipper holds the Capacity to be released.

(e) Recall/Reput Rights.

- (i) The original Releasing Shipper may specify recall rights and conditions and shall be the only party that can exercise and administer such recall rights. Recall conditions cannot be expanded or in any way modified by subsequent Releasing Shippers. Releasing shippers may, to the extent permitted as a condition of the capacity release, recall scheduled released capacity.

Transporter shall support the following recall notification periods for all released capacity subject to recall rights:

A. Timely Recall Notification:

- (1) A Releasing Shipper recalling capacity shall provide notice of such recall to the Transporter and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
- (2) The Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due (Central Clock Time);

B. Early Evening Recall Notification:

- (1) A Releasing Shipper recalling capacity shall provide notice of such recall to the Transporter and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
- (2) The Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

C. Evening Recall Notification:

- (1) A Releasing Shipper recalling capacity shall provide notice of such recall to the Transporter and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;
- (2) The Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

D. Intraday 1 Recall Notification:

- (1) A Releasing Shipper recalling capacity shall provide notice of such recall to the Transporter and

the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;

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

E. Intraday 2 Recall Notification:

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

F. Intraday 3 Recall Notification:

- (1) A Releasing Shipper recalling capacity shall provide notice of such recall to the TSP and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
- (2) The Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due (Central Clock Time). [5.3.44]

- (ii) For the recall notification provided to the Transporter, the Transporter's Tariff shall specify whether the quantity shall be expressed in terms of:
 - a) Total released capacity entitlements or
 - b) Adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity.

The capacity entitlements resulting from the use of either a) or b) shall be the same. [NAESB 5.3.55]

- (iii) In the event of an intra-day capacity recall, Transporter shall determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). Variations to the use of EPC may be necessary to reflect the nature of the Transporter tariff, services, and/or operational characteristics. [NAESB 5.3.56]

- (iv) Transporter shall not be obligated to deliver in excess of the total daily contract quantity of the release as a result of Section 23.2(e)(ii). [NAESB 5.3.57]
 - (v) The amount of capacity allocated to the Replacement Shipper(s) shall equal the original released capacity less the recalled capacity that is adjusted based upon the Elapsed Prorata Capacity (EPC) or other Transporter tariff specific variations of the EPC in accordance with Section 23.2(e)(iii). [NAESB 5.3.58]
 - (vi) Upon notification of a recall, the Capacity of the Replacement Shipper(s) shall be reduced by the quantity of the recall. If the original Releasing Shipper recalls less than the total amount of the Released Capacity and the original Replacement Shipper has re-released less than the total amount of the Released Capacity, then, upon such recall, the Capacity of the original Replacement Shipper shall be reduced first, absent a specification to the contrary in the original Replacement Shipper's submittal under Section 23.2(h)(x) hereof.
 - (vii) Any necessary Nomination changes are subject to Transporter's Nomination deadline in accordance with Section 11. Transporter shall be entitled to rely upon such Nomination change and not be held liable under any circumstances whatsoever in the event of any such recall.
 - (viii) Reput method and rights shall be specified at the time of the deal. Reput method and rights are individually negotiated between the Releasing Shipper and Replacement Shipper. [NAESB 5.3.8]
- (f) Bidding.
- (i) Releasing Shipper may specify the date and time that the bidding period starts and the date that the bidding period ends, provided, however, that the bidding period shall not commence any later than the time set forth in the capacity release timeline in Section 23.2(g).
 - (ii) The Releasing Shipper has the right to withdraw its Offer during the bid period, where unanticipated circumstances so justify and no minimum bid has been made. [NAESB 5.3.16]
 - (iii) Offers shall be binding until notice of withdrawal is received by Transporter on its Customer Activities Web Site. [NAESB 5.3.14]

- (g) The Transporter will post Offers and Bids, including prearranged deals, upon receipt. A Releasing Shipper may request a later posting time for posting of such Offer, and the Transporter will support such request insofar as it comports with the standard capacity release timeline specified below. [NAESB 5.3.24]

The capacity release timeline applies to all parties involved in the capacity release process provided that:

- 1) all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be creditworthy before the capacity release bid is tendered
- 2) for index-based capacity release transaction, the Releasing Shipper has provided the Transporter with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and
- 3) there are no special terms or conditions of the release.

Further, the Transporter may complete the capacity release process on a different timeline if the Offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by the Transporter) [NAESB 5.3.1]

- (i) For biddable releases (1 year or less):

Offers shall be tendered by 9:00 a.m.. on a Business Day; open season ends no later than 10:00 a.m. on the same or a subsequent Business Day (evaluation period begins at 10:00 a.m. during which contingency is eliminated, determination of best bid is made, and ties are broken); evaluation period ends and award posting if no match required at 11:00 a.m.; match or award is communicated by 11:00 a.m.; match response by 11:30 a.m.; where match required, award posting by 12:00 Noon.; contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

- (ii) For biddable releases (more than 1 year):

Offers shall be tendered by 9:00 a.m. on a Business Day; open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days; evaluation period begins at 10:00 a.m. during which contingency is eliminated, determination of best bid is made, and ties are broken; evaluation period ends and award posting if no match required at 11:00 a.m.; match or award

is communicated by 11:00 a.m.; match response by 11:30 a.m.; where match required, award posting by 12:00 Noon; contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

(iii) For non-biddable releases:

The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to Section 11.7 of this tariff. The posting deadlines are:

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

The contract is issued within one hour of the Award posting (with a new contract number, when applicable). Nomination is possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock time). [NAESB 5.3.2]

(h) Required information for the release of Capacity: The Releasing Shipper shall submit the following information, objectively stated and applicable to all prospective Replacement Shippers on a non-discriminatory basis, to Transporter via the Customer Activities Web Site:

- (i) The Releasing Shipper's legal name, contract number, and the name, phone number, and email address of the individual who will authorize the release of Capacity for the Releasing Shipper.
- (ii) Whether the Capacity is biddable.
- (iii) The amount of Capacity that the Releasing Shipper elects to release expressed as a numeric quantity per Day for transportation.
- (iv) The Primary Receipt and Delivery Point(s) associated with the Capacity to be released.
- (v) Reserved for future use
- (vi) The requested effective date and the term of the release.

- (vii) The minimum acceptable period of release and minimum acceptable quantities (if any).
- (viii) Rate conditions, including: (i) any minimum rate requirement; (ii) whether bids may be submitted on a reservation and/or volumetric basis; (iii) any minimum volumetric commitment (if volumetric release); (iv) the rate that must be bid for Authorized Overrun Service associated with the released Contracted Capacity must be the same as the Releasing Shipper's rate; and (v) whether the bids will be stated in dollars and cents, percent of the maximum applicable Recourse Rates, or percent of the rate derived from the terms of a Negotiated Rate contract, if applicable and as identified in the Releasing Shipper's notice.
- (ix) The legal name of the Replacement Shipper that is designated in any Pre-Arranged Release ("Pre-Arranged Replacement Shipper"), and, where applicable, identification of the Pre-Arranged Replacement Shipper as an "asset manager" (as that term is defined in 18 C.F.R. Section 284.8(h)(3)) or a "marketer participating in a state-regulated retail access program" (as that term is defined in 18 C.F.R. Section 284.8(h)(4)).
- (x) Whether the Capacity is to be released on a recallable basis, and, if so, the terms and conditions applicable to such recalls, including any prioritization of Capacity rights reductions under the circumstances set forth in Section 23.2(e)(ii) above; or whether the Capacity is to be released on a permanent basis.
- (xi) Whether the Capacity to be released is contingent on the release of other Capacity; or whether the release of such capacity is contingent on certain other terms and conditions and, if so, the terms and/or conditions upon which the release is contingent.
- (xii) The terms and conditions under which Releasing Shipper will accept contingent bids, including bids that are contingent upon the Replacement Shipper acquiring transportation on a pipeline interconnected to Transporter, the method for evaluating contingent bids, what level of proof is required by the contingent bidder to demonstrate that the contingency did not occur, and for what time period the next highest bidder will be obligated to acquire the Capacity if the winning contingent bidder declines the release.

- (xiii) For the capacity release business process timing model, only the following methodologies are required to be supported by Transporter and provided to Releasing Shippers as choices from which they may select and, once chosen, shall be used in determining the Awards from the Bid(s) submitted. They are: 1) highest rate, 2) net revenue, and 3) present value. For Index-based capacity release transactions, the Releasing Shipper shall provide the necessary information and instructions to support the chosen methodology.

Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the Transporter. However, the Transporter is not required to offer other choices or similar timeline treatment for other choices, nor, is the Transporter held to the timeline should the Releasing Shipper elect another method of evaluation. [NAESB 5.3.3]

- (xiv) The Transporter shall allow re-releases on the same terms and basis as the primary release (except as prohibited by regulations) [NAESB 5.3.19]
- (xv) Any other additional information that Transporter deems necessary, from time to time, to effectuate releases hereunder, as posted on Transporter's Customer Activities Web Site and or the Informational Posting Site.
 - (i) Transporter shall not be liable for the accuracy or completeness of any information provided to Transporter, including any such information that is posted on Transporter's Customer Activities Web Site.
 - (j) Bidding Process:
 - (i) A prospective Replacement Shipper wishing to acquire Capacity available for release ("Bidding Shipper") shall place a bid on Transporter's Customer Activities Web Site for the available Capacity during the Posting Period.

Bids and Offers shall be complete before being posted. Only posted Offers and Bids shall be available electronically. [NAESB 5.3.12] To be complete, a bid shall contain the following information:

- (A) The Bidding Shipper's legal name, phone number and email address of the individual who will authorize the acquisition of the available Capacity.
 - (B) The amount of Capacity that the Bidding Shipper requests and the minimum quantity that it will accept.
 - (C) The requested effective date and the term of the acquisition.
 - (D) The Bidding Shipper's bid, addressing all criteria required by the Releasing Shipper.
- (ii) Bids shall be binding until notice of withdrawal is received by Transporter on its Customer Activities Web Site. [NAESB 5.3.13]

Bids cannot be withdrawn after the bid period ends. [NAESB 5.3.15]

If Bidding Shipper withdraws its bid, it may not resubmit a lower bid. If Bidding Shipper submits a higher bid, lower bids previously submitted by Bidding Shipper will be automatically eliminated. A Bidding Shipper may submit multiple bids where the term or quantity involved in each bid is different. Transporter shall post all information provided by Bidding Shippers, except the information provided in Section 23.2(h)(i), above.

- (iii) No bid for Capacity available for release for a term of more than one year shall exceed the maximum applicable Recourse Rates, in addition to any and all applicable fees and surcharges, as specified in this Tariff. Neither the quantity nor the requested term of such bid shall exceed the maximum quantity or term specified by the Releasing Shipper.
- (k) Pre-Arranged Release Not Subject to Bidding: For Pre-Arranged Releases: (i) at maximum Recourse Rates for a term of more than one year;(ii) for a period of thirty-one (31) days or less; or (iii) to a Pre-Arranged Replacement Shipper that is either an asset manager (as that term is defined in 18 C.F.R. Section 284.8(h)(3)) or a marketer participating in a state-regulated retail access program (“Retail Choice” as that term is defined in 18 C.F.R. Section 284.8(h)(4)), a Releasing Shipper may release Capacity, without subjecting the Release to bidding, by notifying Transporter via Transporter's Customer Activities Web Site of such release. The Replacement Shipper shall adhere to the contracting requirements pursuant to Section 23.3.

- (i) Replacement Shipper initiates confirmations of prearranged deals electronically. [NAESB 5.3.11]
- (ii) The Replacement Shipper shall meet the eligibility requirements under this Section 23.
- (iii) Transporter will support the creation of prearranged deals on the Transporter's Customer Service Activities Web Site. [NAESB 5.3.10]

(l) **Matching Rights:** In the case of a Pre-Arranged Release that is subject to bidding, the Pre-Arranged Replacement Shipper shall have the right of first refusal for thirty (30) minutes following the time the Pre-Arranged Replacement Shipper has been notified of the winning bid ("Matching Period"). In the event a bid is received that offers a higher rate or that more closely meets the criteria specified by the Releasing Shipper, Transporter shall provide the Pre-Arranged Replacement Shipper an opportunity during the Matching Period to match or exceed the bid that offers a higher rate or more closely meets the criterion specified by the Releasing Shipper. No later than 2:00 P.M. of the Day prior to the Day nominations are due, the Pre-Arranged Replacement Shipper shall receive an email notification of the terms and conditions of the prevailing bid, and shall have the Matching Period to respond via Customer Activities Web Site. Absent a response, the Capacity shall be awarded to the prevailing Bidding Shipper.

(m) **Award**

i The Capacity available for release shall be awarded to the Bidding Shipper with the highest bid matching all terms and conditions specified by the Releasing Shipper.

ii When the Transporter makes awards of capacity for which there have been multiple Bids meeting minimum conditions, the Transporter will award the Bids, best Bid first, until all offered capacity is awarded. [NAESB 5.3.4]

If bids are received that do not match all the terms and conditions provided by the Releasing Shipper, bids will be evaluated by the criteria provided by the Releasing Shipper. If no criteria are provided by the Releasing Shipper, the Bidding Shipper bidding the greatest present value (PV) shall be awarded the Capacity. PV shall be calculated pursuant to the following formula:

$$R \times \frac{1 - (1 + i)^{-n}}{i} \times V = PV$$

- Where:
- i = annual interest rate, i.e., Transporter's return on equity in its currently effective Recourse Rates
 - n = term of the release in days
 - R = the Reservation Rate(s) bid in \$/Dth
 - V = Quantity stated in Mcf

If more than one such bid has an equal PV, then the Capacity shall be awarded on a first come, first served basis. The ultimate awarding of Capacity will be posted on Transporter's Customer Activities Web Site by 5:00 p.m. on the Business Day prior to the Day nominations are due. Unless the bidder was a contingent bidder and the contingency did not occur, the terms and conditions of each award of Released Capacity to Replacement Shipper by Transporter via the Customer Activities Web Site shall be deemed incorporated into and made part of the Replacement Shipper's Master Capacity Release Agreement.

- (n) Remaining Capacity: In the event that a Releasing Shipper does not release all of its Capacity, then the Releasing Shipper is entitled to utilize the remaining Capacity.
- (o) No Rollover: The Releasing Shipper shall not release Capacity that was previously released pursuant to Section 23.2(k)(ii) to the same Pre-Arranged Replacement Shipper on a pre-arranged basis, until twenty eight (28) Days after the end of the first release period, unless the Pre-Arranged Replacement Shipper agrees to pay the maximum rate, the offer is posted for bidding, or the deal is an AMA or Retail Choice release pursuant to 18.C.F.R. 284.8(h)(2) and meets all other terms and conditions of the release.
- (p) Capacity release historical data shall be made available on a consistent basis from the Transporter, which shall provide for retrieval of open and closed Offers during the FERC archival period. [NAESB 5.3.20]

23.3 Contractual Obligations: Replacement Shipper must have executed a Customer Activities Web Site Subscriber Agreement and a Master Capacity Release Agreement with Transporter prior to bidding for Capacity. All Replacement Shippers shall accept by an award of Capacity all Transportation rights and obligations of the Releasing Shipper with respect to the Capacity released, including Nominations in accordance with Section 11. Furthermore, the Releasing Shipper shall remain fully liable to Transporter for all Reservation Charges payable under the Releasing Shipper's Firm Transportation Agreement,

unless Replacement Shipper has agreed to accept all obligations of the Releasing Shipper under the Releasing Shipper's Firm Transportation Agreement for the remaining term of such Releasing Shipper's Firm Transportation Agreement and a Permanent Release has been effected in accordance with Section 23.9.

- 23.4 **Billing:** Pursuant to Sections 7 and 16, a Replacement Shipper shall be invoiced for all Reservation Charges contained within its bid and all applicable Usage Charges and AOS Charges, as well as any penalties and late charges that are incurred by such Replacement Shipper. In the event a Replacement Shipper fails to pay any Reservation Charges or Usage Charges or AOS Charges in the time required by Section 7.3, such unpaid Reservation Charges or Usage Charges or AOS Charges shall be invoiced to Releasing Shipper in the following Month. By invoicing such unpaid amounts to Releasing Shipper, Transporter does not relinquish its right to seek recovery of such amounts, plus applicable late payment charges, from Replacement Shipper.
- 23.5 **Credits:** Each Month, Releasing Shipper's statement rendered pursuant to Section 7.1 shall reflect a credit against the Monthly Reservation Charges applicable to the preceding Delivery Month. Such credit shall be equal to the amount of any Reservation Charges billed by Transporter to the Replacement Shipper(s) for service utilizing the Released Capacity during the previous Delivery Month (whether invoiced on a volumetric or reservation basis). In the event Transporter makes refunds to a Replacement Shipper pursuant to Section 23.6, any credit otherwise available to Releasing Shipper for the Month subsequent to the disbursement of such refunds shall be reduced by the amount of such refunds.
- 23.6 **Refunds:** In the event the Commission orders refunds of any such rates charged by Transporter on a subject-to-refund basis, Transporter shall make appropriate refunds of amounts paid by Releasing Shippers and Replacement Shippers in excess of Transporter's ultimately determined just and reasonable, applicable maximum rates.
- 23.7 **Posting of Purchase Offers:** Transporter shall allow a prospective Replacement Shipper to post for at least thirty (30) Days its offers to acquire released Capacity. The offer must contain the following information:
- (a) The prospective Replacement Shipper's legal name and where applicable identification of the Replacement Shipper as an asset manager (as that term is defined in 18 C.F.R. Section 284.8(h)(3)) or a marketer participating in a state-regulated retail access program (as that term is defined in 18 C.F.R. Section 284.8(h)(4)), and the name, email address and phone number of the individual who will authorize the acquisition of the available Capacity.

- (b) The daily quantities of Capacity which the prospective Replacement Shipper requests.
 - (c) The Receipt Points and/or Delivery Points where Capacity is requested, as applicable.
 - (d) The requested effective date and the term of the acquisition.
- 23.8 Marketing Fee: Transporter shall be entitled, upon Releasing Shipper's request, to market the Capacity available for release actively on Releasing Shipper's behalf. Transporter and Releasing Shipper will negotiate the terms and conditions upon which Transporter will market the Releasing Shipper's Capacity.
- 23.9 Permanent Releases: A Shipper which has a currently effective, executed Firm Transportation Agreement with Transporter under Transporter's Rate Schedule FT-1 may release its Capacity to a third party ("Permanent Releasee") for the remaining term of the contract and be relieved of all liability under its Firm Transportation Agreement, prospective from the effective date of such release, provided that the following conditions are satisfied:
- (a) The Permanent Releasee executes an Assignment and Novation Agreement, and if determined to be necessary, a new Firm Transportation Agreement under Rate Schedule FT-1 pursuant to Part 284 of the regulations of the FERC that is subject to pregranted abandonment;
 - (b) The Permanent Releasee agrees to pay the applicable rates for service under the Releasing Shipper's Firm Transportation Agreement (unless otherwise agreed to by Transporter) and accepts all obligations of the Releasing Shipper;
 - (c) The Commission provides any necessary abandonment authorization for the service subject to such permanent release on or before the effective date thereof;
 - (d) The Permanent Releasee meets all of the creditworthiness requirements contained in Section 22.1 of the GTC and appears on the Pre-Approved Bidders List, as set forth in Section 22.2 of the GTC; and
 - (e) The Permanent Releasee receives the approval of Transporter and, to the extent deemed necessary, its Lenders, which shall not be unreasonably withheld.
- 23.10 Transporter's Right to Terminate a Temporary Release of Capacity

- (a) Transporter may elect to terminate a temporary Release of Capacity by canceling the applicable award of Released Capacity under the Replacement Shipper's Master Capacity Release Agreement, upon providing 30 days written notice to a Replacement Shipper, under the following conditions:
 - (i) Transporter has terminated Releasing Shipper's Firm Transportation Agreement or Master Capacity Release Agreement in accordance with Section 8 of the GTC; and
 - (ii) The rate for the Replacement Shipper's applicable award of Released Capacity is less than the rate that the Releasing Shipper was obligated to pay Transporter.

- (b) The Replacement Shipper may avoid termination of the temporary Release of Capacity if, prior to the end of the 30-day notice period, the Replacement Shipper agrees that, beginning the first day after the end of the 30-day notice period, it will pay the lesser of the following, for the remainder of the term of the Release of Capacity: (i) the rate that the former Releasing Shipper was obligated to pay Transporter; (ii) the maximum Recourse Reservation, AOS and Usage Charges as stated in this Tariff for the applicable service; or (iii) such rate as mutually agreed to by Transporter and the Replacement Shipper. In such event, the temporary Release of Capacity shall be deemed modified to reflect the new applicable rate. For purposes of this section, Replacement Shipper shall have the right to determine which of the above rate options provides the lowest effective rate over the remainder of the term of the Release of Capacity.

24. GOVERNMENT REGULATIONS

- 24.1 The GTC, the Rate Schedules to which they apply and any executed Agreements are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

25. ARBITRATION

- 25.1 Any disputes arising pursuant to Section 7.6 may be submitted to arbitration in accordance with Section 25.2 below.
- 25.2 All disputes that the parties agree to resolve via arbitration shall be submitted to final and binding arbitration in Minneapolis, Minnesota in accordance with the Rules of Commercial Arbitration of the American Arbitration Association (AAA) then in effect. The dispute shall be decided by a panel of three neutral arbitrators, qualified by education, training, and experience to hear the dispute, and chosen as follows. The party initiating the arbitration proceeding shall name one arbitrator at the time it notifies the other party of its intention to arbitrate the dispute, and the responding party shall name an arbitrator within fifteen (15) days of receiving the above notification. Within twenty (20) days of the appointment of the second arbitrator, the two arbitrators shall select a third arbitrator to act as chairman of the tribunal. If either party fails to appoint an arbitrator within the allotted time or the two party-appointed, arbitrators fail to appoint a third arbitrator as provided above, the AAA shall appoint these arbitrator(s). Any vacancies will be filled in accordance with these procedures. The parties expressly agree to the consolidation of separate arbitral proceedings for the resolution in a single proceeding of all disputes that arise from the same factual situation and the parties further expressly agree that any issue of arbitrability - the existence, validity, and scope of the agreement to arbitrate - shall be decided by the arbitrators. The parties agree that either party may apply to a court of competent jurisdiction, pending arbitration, for injunctive relief to preserve the status quo, to preserve assets, or to protect documents from loss or destruction, and such application will not be deemed inconsistent with or operate as a waiver of the party's right to arbitration. A judgment of the court shall be entered upon the award made pursuant to the arbitration in any court of competent jurisdiction. The arbitrators shall apply as the substantive law to the dispute the laws of the State of Minnesota.

26. NOTICES

26.1 Except as otherwise provided, any notice, request, demand, statement, invoice, or bill, or any notice which either Party desires to give to the other, must be in writing and shall be validly communicated by the delivery thereof to its addressee, either personally or by courier or by electronic transmission, and will be considered duly delivered to the Party to whom it is sent at the time of its delivery if personally delivered or if sent by electronic transmission, or on the Business Day following transmittal thereof if sent by courier (provided that in the event normal courier service or electronic transmission service shall be interrupted by a cause beyond the control of the parties hereto, then the Party sending the notice shall utilize any service that has not been so interrupted or shall deliver such notice personally) to the other Party at the address set forth below. Each Party shall promptly provide notice to the other of any change of address for the purposes hereof.

(a) Transporter:

Alliance Pipeline L.P.
1300 Post Oak Boulevard
Suite 1050
Houston, TX 77056
Attention: Alliance Customer Service
Email: aplcommercial@pembina.com

(b) Shipper:

Shipper's address as set forth in its Customer Activities Web Site Subscriber Agreement, or to the address of Shipper's agent, as provided to Transporter.

26.2 Routine communications, including monthly statements, will be considered duly delivered when mailed either by registered, certified, or ordinary mail or when delivered by electronic transmission.

27. MISCELLANEOUS PROVISIONS

- 27.1 Effect of Headings: The headings used through the GTC, Rate Schedules, and in Agreements are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any paragraph nor to be deemed in any way to qualify, modify or explain the effects of any such terms or provisions.
- 27.2 In the interpretation of the GTC, Rate Schedules, and any Agreement, words in the singular shall be read and construed in the plural and words in the plural shall be read and construed in the singular where the context so requires. Defined terms shall have the meaning ascribed to them in Section 1 hereof regardless of whether such terms are capitalized.

28. ASSIGNMENT AND SUCCESSION AND AGENCY

- 28.1 Transporter may assign any Agreement to any Affiliate of Transporter without obtaining any approvals or consents from Shippers.
- 28.2 Any Person which shall succeed by purchase of all or substantially all of the assets, and assumption of all or substantially all of the liabilities of, or merger or consolidation, with either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under any Agreement. In addition, subject to Transporter's approval, which shall not be unreasonably withheld, Shipper may assign all of its Agreements to an affiliate in the limited circumstances where, after Shipper obtains such Agreements, a corporate reorganization results in a transfer of the functions for which the Agreements were obtained to another company within the same corporate family.
- 28.3 Nothing contained herein shall prevent either party from pledging, mortgaging, or assigning its rights as security for its indebtedness and either party may assign to the pledgees or mortgagees (or to a trustee for the holder of such indebtedness) any money due or to become due under any Agreement. Shipper will execute all consents to assignment or other acknowledgements in favor of Transporter's Lenders or other documents as may be requested by such Lenders or Transporter, of any security interests created hereunder.
- 28.4 (a) Any Shipper may designate an agent or agents to act on its behalf and Shipper shall notify Transporter of such designation using the agency form provided on the Informational Postings Site or such other form as Transporter may designate as acceptable from time to time. In the event Shipper has designated an agent to act on its behalf in a particular capacity, Transporter shall be entitled to rely on any representations made, information provided and actions taken by Shipper's agent in such capacity.
- (b) By designating an agent, Shipper agrees to indemnify and save harmless Transporter from and against any and all liabilities, losses, damages, costs, expenses, suits, actions, claims, charges, levies, liens, taxes, licenses, fees, royalties, or penalties of whatsoever nature incurred by Transporter arising from or in connection with Shipper's agent's actions on behalf of Shipper, Shipper's agent's failure to act on behalf of Shipper, the negligence of Shipper's agent, the breach by Shipper's agent of any of Shipper's obligations under the Tariff or Transporter's reliance upon any representations made, information provided or actions taken by Shipper's agent.

29. AGREEMENTS

- 29.1 Form: Shipper shall enter into a Firm Transportation Agreement, Interruptible Transportation Agreement, Interruptible Wheeling Agreement, PAL Service Agreement, Title Transfer Agreement or Master Capacity Release Agreement with Transporter under Transporter's appropriate standard form of Firm Transportation Agreement, Interruptible Transportation Agreement, Interruptible Wheeling Agreement, PAL Service Agreement, Title Transfer Agreement or Master Capacity Release Agreement, as set forth in this Tariff.
- 29.2 Term: The term of the Firm Transportation Agreement, Interruptible Transportation Agreement, Interruptible Wheeling Agreement, PAL Service Agreement, Title Transfer Agreement or Master Capacity Release Agreement shall be agreed upon between Shipper and Transporter at the time of the execution thereof.

30. ANNUAL CHARGE ADJUSTMENT (ACA) PROVISION

30.1 Purpose:

- (a) The purpose of this Section 30 is to establish an ACA Clause as permitted by Commission Order No. 582, or any superseding or related regulation or order, which allows a natural gas pipeline company to adjust its rates annually to recover from its customers annual charges assessed it by the Commission under Part 382 of the Commission's regulations.
- (b) This Section establishes pursuant to Section 154.402 of the Commission's regulations an ACA unit charge to be applicable to the Recourse Rates set forth in Transporter's Statements of Rates for service under the following rate schedules:

Rate Schedule FT-1

Rate Schedule IT-1
- (c) Transporter shall not recover the annual charges assessed by the Commission and recorded in FERC Account No. 928 in a NGA Section 4 rate case for any time period during which this ACA Clause is in effect.

30.2 Basis of the ACA Unit Charge: The Recourse Rates applicable to the Rate Schedules specified in Section 30.1(b) hereof shall include an ACA unit charge. Such ACA unit charge shall be that annual charge unit rate, adjusted to Transporter's pressure base and heating value, as appropriate, which the Commission publishes in a notice entitled "FY [Year] Gas Annual Charges Correction for Annual Charges Unit Charge" posted on its website located at <http://www.ferc.gov>.

30.3 Payment by Shipper: The amount of applicable Shipper's ACA unit charge shall be due and payable with the bill for the month of each such Shipper.

31. COMPLAINT RESOLUTION

31.1 The following procedures shall be used to address and resolve complaints by Shippers and potential Shippers:

- (a) Transporter urges Shippers to first discuss matters of concern with Transporter on an informal basis before submitting a formal complaint to Transporter. Transporter will respond promptly and will endeavor to resolve those issues concerning existing or requested Transportation service on a timely basis.
- (b) A shipper may submit a formal complaint as follows:
 - (i) The complaint shall be in writing;
 - (ii) The complaint shall state that it constitutes a complaint pursuant to this Section 31 of the GTC;
 - (iii) The complaint shall state with specificity the nature of the complaint, the actions or procedures of Transporter that gave rise to the complaint, and the remedy sought by the Shipper.
 - (iv) The Complaint shall be addressed and mailed to:

FERC Chief Compliance Officer
Alliance Pipeline L.P.
1300 Post Oak Boulevard Suite 1050
Houston, Texas 77056
- (c) If the complaint does not conform to the above provisions, then Transporter may deem the complaint invalid and return it to the Shipper.
- (d) Transporter shall respond by telephone within forty-eight (48) hours to any complaint filed pursuant to Section 31.1(b) above. The response shall advise the Shipper of the status of the complaint. Within thirty (30) Days of the date of receipt of the complaint, Transporter shall respond in writing to the Shipper, stating the disposition of the complaint. In the event the required date of Transporter's response falls on a Saturday, Sunday, or a holiday that affects Transporter, Transporter shall respond by the next Business Day.

32. CONSTRUCTION OF INTERCONNECTION FACILITIES

32.1 Transporter shall not deny a request for new interconnection facilities without adequate operational, environmental or legal justification. Transporter shall grant requests to construct, or permit the construction of such facilities if:

- (a) the party seeking the construction of the facilities is willing to bear the cost of construction if Transporter performs the construction, or such party constructs the facilities itself in compliance with Transporter's technical requirements;
- (b) the proposed construction and operation of the facilities does not adversely affect Transporter's operations;
- (c) the proposed construction and any resulting Transportation does not diminish service to Transporter's existing customers;
- (d) the proposed construction does not cause Transporter to be in violation of any applicable laws or regulations with respect to the facilities required to establish an interconnection with Transporter's existing facilities; and
- (e) the proposed construction does not cause Transporter to be in violation of its right-of-way agreements or any other contractual obligations with respect to the proposed facilities. Contractual obligations in the (a) December 1, 2015 Restated Heat Content Management Agreement among Aux Sable Extraction LP; Aux Sable Liquid Products LP; and Alliance Pipeline L.P. and (b) August 1, 2000 Restated Extraction Facility Interconnection Agreement between Aux Sable Extraction LP and Alliance Pipeline L.P., amended June 24, 2009, shall not constitute legal justification for Transporter to deny a request for a new interconnection.

32.2 Requests for new interconnection facilities must be made in writing and sent to Transporter's address in Section 26 hereof. All such requests shall include the following information:

- (a) the legal name and principal place of business of the Person requesting the interconnection;
- (b) a description of the facilities which will interconnect with Transporter's facilities;
- (c) the capacity of the proposed facilities to be interconnected at the proposed point of interconnection;
- (d) the specific location of the proposed facilities;

- (e) the economic justification for the proposed facilities;
 - (f) additional data concerning such facilities as may reasonably be required by Transporter, including pressures, anticipated hourly, daily, monthly and annual throughput levels of the service that support the new facilities and such other data reasonably required to enable Transporter to assess the operational, environmental or legal consequences of the construction and operation of the proposed facilities.
- 32.3 Any Person owning and/or requesting construction of interconnection facilities shall execute an interconnection agreement with Transporter. If the requesting Person is not the owner of the proposed facilities, the requesting Person shall demonstrate that the owner of the facilities is capable and willing to construct, or permit the construction of, any required facilities. Execution of an interconnection agreement by Transporter shall not affect the terms and conditions of service on Transporter's system, nor will it guarantee priority access to Transporter's system.
- 32.4 New interconnection facilities shall not impose any minimum pressure requirements or other operating parameters which could require alteration of the operation of Transporter's system in any way, unless Transporter agrees otherwise, which agreement shall not be unreasonably withheld.
- 32.5 Transporter shall have the option to design, construct, operate and own the proposed interconnection facilities. Facilities constructed on Transporter's system will be designed according to the specifications of Transporter to be determined by Transporter in consultation with the requesting Person.
- 32.6 The requesting Person's agreement to reimburse Transporter for all costs related to new facilities shall include, but not be limited to, permitting, engineering, land or land rights, buildings, materials, contractor fees, taxes (including income taxes), associated overhead and any carrying costs.
- 32.7 Transporter shall not be responsible for any upstream or downstream Person's facilities or the operation or maintenance of such facilities. Nor shall Transporter be obligated to accept receipts from or effect deliveries to such facilities of any quantities not authorized pursuant to the GTC.

33. DISCOUNT POLICY

- 33.1 In the event Transporter agrees to discount its maximum Recourse Rate for a Shipper, the discounted rate and related terms will be reflected in the applicable Agreement. A discounted rate shall a) not change the underlying rate design, b) not include a minimum bill or minimum take provision that has the effect of guaranteeing revenue, and c) be between the maximum and minimum rates stated for the applicable Rate Schedule in the Statements of Rates in this Tariff.
- 33.2 All firm Transportation rate discounts granted by Transporter will be applied to the Reservation Charge, the Usage Charge and/or the AOS Charge, as applicable.
- 33.3 All rate discounts granted by Transporter under Rate Schedules IT-1, and IW will be applied to the Usage Charge. For service provided under Rate Schedule PAL, any rate discounts will be applied to the applicable PAL charge.
- 33.4 Transporter and Shipper may agree to the following types of discounted rates without any such rate constituting a material deviation from Transporter's *pro forma* Agreement:

Discounted rates that apply:

- (a) only to specified quantities under the Agreement;
- (b) only if specified quantities are achieved or only with respect to quantities below a specified level;
- (c) only during specified periods of the year or for a specifically defined period;
- (d) only to specified points, combination of points, markets, transportation paths or other defined geographic area(s);
- (e) only to reserves or production committed by Shipper;
- (f) only in a specified relationship to the quantities actually delivered (*i.e.*, that the reservation charge will be adjusted in a specified relationship to quantities actually delivered);
- (g) such that the applicable rate may be adjusted in the following manner: when one rate component, which was equal to or within the applicable maximum and minimum Recourse Rate at the time Transporter and Shipper agreed upon the discounted rate, subsequently either exceeds the applicable maximum Recourse Rate or is below the applicable minimum Recourse Rate, so that such rate component must be adjusted upward or downward to equal the new maximum or minimum Recourse Rate, as applicable, then other rate components may be adjusted upward or downward to achieve the agreed-upon overall rate, to the extent that none of the resulting rate components exceed the applicable maximum Recourse Rate or are below the applicable minimum Recourse Rate (with such changes to rate components to be applied prospectively, commencing with the date a Commission order accepts a revised Statements of Rates; provided however that nothing

- contained herein shall be construed to alter a refund obligation under applicable law for any period during which any rate which had been charged as a discounted rate exceeded the corresponding rate which ultimately is determined to be just and reasonable); and/or
- (h) based upon published index prices for specific Receipt Points and/or Delivery Points or other agreed-upon published pricing reference points for price determination, which discounted rate may be based upon a single published index price or the differential between published index prices or arrived at by formula; provided however that such discounted rate shall not change the underlying rate design, shall not include any minimum bill or minimum take obligation, and shall define the rate component to be discounted.

Notwithstanding the foregoing, no discounted rate shall be less than the applicable minimum Recourse Rate.

34. NON-CONFORMING AGREEMENTS

Shipper Name	Contract Number	Start Date End Date	Rate Schedule
Pecan Pipeline (North Dakota), Inc.	1000494	01/01/2016 01/31/2026	FT-1
Pecan Pipeline (North Dakota), Inc.	1000495	01/01/2016 01/31/2026	FT-1
Pecan Pipeline (North Dakota), Inc.	1000496	01/01/2016 01/31/2026	FT-1

35. CUSTOMER ACTIVITIES WEB SITE AND INFORMATIONAL POSTINGS SITE

- 35.1 **Availability:** Transporter has established a Customer Activities Web Site for use on a nondiscriminatory basis by any Person having met the requirements of Section 10 of the GTC and having executed a Customer Activities Web Site Subscriber Agreement (“Customer Activities Web Site Subscriber”). Transporter’s Customer Activities Web Site is an electronic service, which, together with Transporter’s Informational Postings Site, is designed to provide the information and services required by applicable Commission orders or described in Transporter's Tariff, and such other information or services as Transporter may announce from time to time. Transporter’s nightly processing and routine maintenance occurring outside of normal business hours are apt to interrupt the normal schedule for nominations/quick response turnaround stated in Section 11.7 (f) and (g) of the GTC. Such delays will be kept to a minimum. The normal schedule will be resumed at the earliest opportunity and no later than the start of normal working hours the following day, seven days per week. [NAESB 1.3.38] Transporter reserves the right to provide enhancements to Transporter's Customer Activities Web Site and Informational Postings Site or to discontinue information or services not required by Commission order or otherwise described in Transporter's Tariff.
- 35.2 **Services and Information Provided:** A Customer Activities Web Site Subscriber shall be entitled to utilize Transporter's Customer Activities Web Site for purposes of (a) requesting FT-1, IT-1, Interruptible Wheeling, PAL, or Title Transfer service and entering into Agreements for such services; (b) transacting business on the pipeline, including the submission and management of nominations and the management of imbalances; (c) exercising rights as a Releasing Shipper or a prospective Replacement Shipper pursuant to Section 23 of the GTC; (d) viewing invoices; (e) any purposes described in any other provisions of Transporter's Tariff; and (f) viewing information posted by Transporter on Transporter's Customer Activities Web Site and utilizing such other features as may be made available by Transporter from time to time on Transporter's Customer Activities Web Site.
- 35.3 **Maintenance of Public Information:** Notices displayed on Transporter's Informational Postings Site will be displayed in reverse chronological order. Information concerning completed Capacity Release transactions will remain on Transporter's Informational Postings Site for at least ninety (90) days after completion and will be archived after such transactions are no longer actively maintained on the system. Archived information will be made available by Transporter within a reasonable period of time after a Customer Activities Web Site Subscriber's request for such information. Transporter shall maintain and retain back-up records of the information displayed on Transporter's Informational Postings Site for no less than three (3) years.

36. PREGRANTED ABANDONMENT AND RIGHT OF FIRST REFUSAL

- 36.1 Notice of Contract Expiration: Six (6) Months prior to the expiration of any Firm Transportation Agreement to which a Right of First Refusal applies under GTC Section 36.3, Transporter shall post notice of such expiration on its Electronic Delivery Mechanism and solicit bids for the Capacity represented by the Firm Transportation Agreement. Such notice shall be displayed on the EDM for no less than one (1) Month. Transporter may require bidders to make assurances that offers are bona fide by making cash deposits or posting bonds or letters of credit. Transporter shall not be required to accept any bid at less than the maximum Recourse Rates.
- 36.2 Abandonment of Transportation Service: Except as provided in Section 36.3, Transporter shall be entitled to abandon Firm Transportation Service, as authorized by Section 284.221(d) of the Commission's Regulations or successor thereto, upon the termination, or the expiration of the term (including the expiration of any applicable contract extension provisions), of a Firm Transportation Agreement and Transporter shall seek offers from other prospective Shippers interested in receiving such Firm Transportation Service. If termination is caused by a failure of Shipper to perform any of the material covenants or obligations imposed upon it by the Firm Transportation Agreement, Transporter shall be entitled to abandon service immediately upon termination.
- 36.3 Right of First Refusal.
- (a) Subject to the provisions of GTC Section 42.9 regarding Interim Capacity, and unless otherwise agreed to by Transporter on a not unduly discriminatory basis and stated in the applicable service agreement, the Right of First Refusal provisions of this Section 36.3 shall apply only to Firm Transportation Agreements with a term of twelve (12) or more consecutive Months of service, at Transporter's maximum Recourse Rates. For purposes of this GTC Section 36.3(a), a "term of twelve or more consecutive months of service" shall not include multi-year seasonal service agreements.
 - (b) If Transporter receives no bids, or if Transporter receives no bids at its maximum Recourse Rate pursuant to Rate Schedule FT-1 and Transporter determines not to accept any bids below the maximum Recourse Rate pursuant to Rate Schedule FT-1, Transporter shall notify the Shipper of the maximum bid received, or that no bids were received. If Transporter receives a bid at its maximum Recourse Rate pursuant to Rate Schedule FT-1, or if it accepts any bid below the maximum Recourse Rate pursuant to Rate Schedule FT-1, Transporter shall, no less than four (4) Months before the expiration of the Shipper's Firm Transportation Agreement, or no more than four (4) Months after an earlier termination, inform Shipper

of the offer to purchase Capacity received pursuant to Section 36.1 that Transporter intends to accept. Transporter's selection shall be made on a basis that is not unduly discriminatory. Shipper shall have thirty (30) Days to match the offer in terms of price and duration. Shipper may elect to exercise its right to match with respect to a volumetric portion (but not a geographic portion) of the Firm Transportation Service. Shipper shall not be required to match a rate in excess of the maximum Recourse Rate pursuant to Rate Schedule FT-1 on a term in excess of five (5) years.

- (c) If the Shipper fails to match the offer presented by Transporter, Transporter shall enter into a Firm Transportation Agreement with the Person submitting the competing offer pursuant to the terms and conditions of the offer. For purposes of this Section 36, any bid at a rate in excess of the maximum Rate Schedule FT-1 Recourse Rate shall be treated as a bid at the maximum Rate Schedule FT-1 Recourse Rate.

36.4 Iteration: Transporter shall post any matched offer below the maximum Recourse Rate on its EDM for an additional thirty (30) Days, during which time bids may be submitted at a higher price. Shipper again will be given an opportunity to match any higher bid. This process will continue until either the Shipper has agreed to pay Transporter's maximum Recourse Rate; the Shipper fails to match an offer; or no higher bid is submitted. The iterative process shall not extend for greater than one hundred twenty (120) days from the initial posting of a matched offer pursuant to this Section 36.4. At the expiration of such 120-day period, the most recent offer shall be accepted.

36.5 Renegotiation: If no bids are submitted at the maximum Recourse Rate pursuant to Rate Schedule FT-1 and Transporter refuses to accept a lower bid, or competing offers are submitted, Transporter may abandon service to Shipper unless Shipper agrees to pay the maximum Recourse Rate pursuant to Rate Schedule FT-1 for a period of one Year and one Day, or Transporter and Shipper negotiate the terms and conditions of a Firm Transportation Agreement extension.

36.6 Effective Rate During Renegotiation: If, at the expiration of Shipper's Firm Transportation Agreement, the iterative process of Section 36.4 is still in process or Shipper and Transporter are negotiating the terms of a new Firm Transportation Agreement pursuant to Section 36.5, then Transporter shall continue to provide Firm Transportation Service to Shipper pursuant to the terms and conditions, including the pricing terms, of the expired Firm Transportation Agreement.

36.7 Contract Term Extensions: Prior to expiration of the term of any Firm Transportation Agreement, and to the extent otherwise applicable, prior to any posting by Transporter of the availability of capacity under Transporter's Right of First Refusal provisions in connection with such Firm Transportation Agreement, Transporter may, on a not unduly discriminatory basis, mutually agree with the

Shipper under such Firm Transportation Agreement, to an extension of the term of such Firm Transportation Agreement. Upon any such agreement between Transporter and Shipper, any otherwise applicable Right of First Refusal procedures under this Section 36 shall no longer apply to such firm Transportation Service Agreement.

37. ACTION ALERTS AND OPERATIONAL FLOW ORDERS

- 37.1 Circumstances Warranting Issuance. Transporter shall have the right to issue Action Alerts or Operational Flow Orders (OFOs), as specified in this Section 37, upon determination by Transporter that action by a Shipper(s) or by a point operator(s) is required in order to (i) alleviate conditions that threaten to impair reliable firm service, (ii) maintain pipeline operations at the pressures required to provide efficient and reliable firm services, (iii) have adequate Gas supplies in the system to deliver on demand, (iv) maintain service to all firm Shippers and for all firm services, (v) preserve the integrity of the pipeline system, (vi) maintain the system in balance for the foregoing purposes, and/or (vii) alleviate Transporter's operational problems that relate to the quality of the Gas received into Transporter's system.
- 37.2 Actions to be Taken to Avoid Issuance. Transporter shall, to the extent reasonably practicable, take all reasonable actions necessary to avoid issuing an Action Alert or an OFO. Such actions shall include, in order of priority, (i) working with point operators to temporarily adjust, by mutual agreement, receipts and/or deliveries at relevant Receipt Point(s) or Delivery Point(s), (ii) working with Shippers and point operators to adjust, by mutual agreement, scheduled flows on Transporter's system, (iii) issuing an Action Alert designed to mitigate the conditions, which if continued, would require the issuance of an OFO or (iv) taking any other reasonable action designed to mitigate the system problem, including any other reasonable actions against those at fault for disruptions. After taking all such reasonable actions to avoid issuing an Action Alert or an OFO, Transporter will have the right to issue Action Alerts or OFOs, if necessary, in the circumstances described in Section 37.1 above.
- 37.3 Preliminary Notification. Transporter shall provide, to the extent reasonably practicable, via posting on the Informational Postings Site, and to affected parties by e-mail, prior notice to all Shippers and point operators of upcoming events, such as anticipated weather patterns and operational problems that may necessitate the issuance of an Action Alert or an OFO. In addition, Transporter shall provide such notification via e-mail communication to those Shippers and point operators that have provided e-mail address information for at least one contact person and have requested e-mail notification of critical notices issued by Transporter. Any subsequent Action Alert or OFO will be posted on the Informational Postings Site. To the extent the Action Alert or OFO is applicable only to specific Shippers or point operators, or in the event of a known failure of Internet notification, Pipeline will notify affected Shippers or point operators by telephone. Notice of OFOs will be provided to affected parties by e-mail.
- 37.4 Applicability of Action Alert or OFO. Transporter shall make an Action Alert or OFO as localized as is reasonably practicable based on Transporter's good faith and reasonable judgment concerning the situations requiring remediation such

that an Action Alert or OFO will be directed first to Shippers and point operators causing the problem necessitating the Action Alert or OFO or transporting Gas in the area of Transporter's system in which there is an operational problem, and second to those Shippers and point operators transporting Gas in the area of Transporter's system where action is required to correct the problem necessitating the Action Alert or OFO. Transporter will tailor the Action Alert or OFO to match the severity of the known or anticipated operational problem requiring remediation, as more fully set forth in Sections 37.5 and 37.6 below.

37.5 Issuance of Action Alerts. In the event that, in Transporter's judgment, action is required to avoid a system integrity issue, Transporter may issue Action Alerts.

- (a) Action Alerts will be noticed in accordance with the procedures set forth in Section 37.7 below, and Transporter will endeavor to provide a minimum of four (4) hours' notice.
- (b) Action Alerts can be issued to effect any of the following:
 - (1) restriction of interruptible services;
 - (2) restrictions of Gas flow at specific Receipt Point(s) or Delivery Point(s) covered by an operational balancing agreement to the aggregate Contracted Capacity under the firm Service Agreements whose Primary Receipt Point(s) or Primary Delivery Point(s) are at the affected locations;
 - (3) forced balancing such that point operators will be required to assure that nominations equal flows or that receipts and deliveries fall within the tolerance level designated in the Action Alert; and/or
 - (4) any action required to maintain the integrity of Transporter's system in order to avoid operational conditions that would require the issuance of an OFO.

37.6 Issuance of Operational Flow Orders.

- (a) In the event that, in Transporter's judgment, immediate action is required to alleviate conditions which threaten to impair reliable firm service, to maintain pipeline operations at the pressures required to provide an efficient and reliable firm service, to have adequate Gas supplies in the system to deliver on demand (including injection of Gas into the mainline and providing line pack), or to maintain the system in balance for the foregoing purposes, Transporter may forego the action described in Section 37.5 above and immediately issue an OFO.
- (b) In the event that (i) Shipper or point operator does not respond to an Action Alert, (ii) the actions taken thereunder are insufficient to correct the system problem for which the Action Alert was issued, or (iii) there is

insufficient time to carry out the procedures with respect to Action Alerts, Transporter may issue an OFO or take unilateral action, including the curtailment of firm service, to maintain the operational integrity of Transporter's system (or any portion thereof). For the purposes of this Section 37.6, the operational integrity of Transporter's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered.

37.7 Notice of Action Alerts and OFOs.

- (a) Transporter will issue all Action Alerts and OFOs via posting on the Informational Postings Site and notification to affected parties by e-mail or, to the extent that the Action Alert or OFO is applicable only to specific Shippers or point operators, or in the event of a known failure of Internet notification, Transporter will notify affected Shippers or point operators by telephone. Transporter will make any such posting as soon as reasonably practicable prior to the Action Alert or OFO becoming effective. In addition, Transporter shall provide such notification via e-mail communication to those Shippers or point operators that have provided e-mail address information for at least one contact person and have requested e-mail notification of critical notices issued by Transporter.
- (b) The Action Alert or OFO will set forth (i) the time and date of issuance, (ii) the factors that caused the Action Alert or OFO to be issued, to the extent such factors are known, (iii) the actions that the Shipper(s) or point operator(s) is required to take, (iv) the time by which the Shipper(s) or point operator(s) must be in compliance with the Action Alert or OFO, (v) the anticipated duration of the Action Alert or OFO, and (vi) any other terms that Transporter may reasonably require to ensure the effectiveness of the Action Alert or OFO. In addition to the other information contemplated by this Section 37.7, such notice shall also include information about the status of operational variables that determine when an OFO or Action Alert will begin and end, and Transporter shall post periodic updates of such information, promptly upon the occurrence of any material change in the information.

37.8 Information Updates. Transporter will post periodic updates of the information about the status of operational variables that determine when an Action Alert or an OFO will begin and end, promptly upon occurrence of any material change in the information.

37.9 Cancellation of Action Alerts and OFOs. Transporter shall lift any effective Action Alert or OFO promptly upon the cessation of operating conditions that caused the relevant system problem. After Transporter has lifted the Action Alert or the OFO, Transporter shall post a notice on its Informational Postings Site specifying the factors that caused the Action Alert or OFO to be issued and then lifted, to the extent such factors are known. Transporter shall also provide notification to affected parties by e-mail. In addition, Transporter shall provide such notification via e-mail communication to those Shippers or point operators that have provided e-mail address information for at least one contact person and have requested e-mail notification of critical notices issued by Transporter. In the event of a known failure of Internet notification, Transporter will notify affected Shippers or point operators by telephone.

37.10 Action Alert and OFO Penalties.

- (a) All quantities tendered to Transporter and/or taken by Shipper or point operator under any Rate Schedule on a daily basis in violation of Transporter's Action Alert or OFOs shall constitute unauthorized receipts or deliveries for which the applicable Action Alert or OFO penalty charge stated below shall be assessed.
 - (i) An Action Alert penalty charge for each Dekatherm of Gas by which Shipper or point operator deviated from the requirements of the Action Alert equal to an Action Alert Index Price (calculated as 150% of the high price of gas reported for "Chicago city-gates" or "Alliance, into interstates" deliveries, whichever is higher, as published in the "Daily Price Survey" posting in Platts Gas Daily, or, if Platts Gas Daily is no longer available to Transporter, then Transporter shall use S&P Global Market Intelligence for Chicago city-gates or Alliance, into interstates, as applicable) multiplied by each Dth of Gas by which the Shipper or point operator deviated from the requirements of the Action Alert.
 - (ii) An OFO penalty charge for each Dekatherm of Gas by which Shipper or point operator deviated from the requirements of the OFO equal to an OFO Index Price (calculated as 300% of the higher of the high price of gas reported for "Chicago city-gates" or "Alliance, into interstates" deliveries, as published in the "Daily Price Survey" posting in Platts Gas Daily, or, if Platts Gas Daily is no longer available to Transporter, then Transporter shall use S&P Global Market Intelligence for Chicago city-gates or Alliance, into interstates, as applicable) multiplied by each Dth of Gas by which the Shipper or point operator deviated from the requirements of the OFO, or an OFO penalty of twenty-five dollars (\$25.00) for each Dth of Gas by which the Shipper or point operator deviated from

the requirements of the OFO, whichever is higher for the particular Day on which the violation occurred.

- (b) Upon an Action Alert or OFO becoming effective as specified in the Action Alert or OFO, Shipper or point operator shall be permitted three (3) hours, or such lesser time as is required to prevent the impairment of reliable service, to reduce its tenders or takes in compliance with the Action Alert or the OFO. If Shipper adjusts its tenders or takes within such notice period based on operational data, then no charge, as provided for herein, shall be assessed.
- (c) Any Action Alert or OFO penalty revenue collected by Transporter pursuant to this Section 37.10 shall be credited to those firm and interruptible transportation Shippers that did not incur Action Alert or OFO penalties pursuant to this Section 37.10 in the Month for which Action Alert or OFO penalty revenues were received ("Non-Offending Shippers"). Such credits shall be based on the ratio of the Reservation Charges and Usage Charges paid during that Month by the Non-Offending Shipper to the Reservation Charges and Usage Charges paid during that Month by all Non-Offending Shippers. Transporter shall aggregate such monthly allocations by Shipper for each twelve (12) Month period ending December 31 of each year and Transporter shall refund such aggregated amount to each Non-Offending Shipper not later than the following March 31st. Any penalty revenue credited to Non-Offending Shippers pursuant to this section shall include interest calculated in accordance with Section 154.501(d) of the Commission's regulations.

37.11 Liability of Transporter. Transporter shall not be liable for any costs incurred by Shipper or point operator in complying with an Action Alert or OFO. Transporter shall not be responsible for any damages that result from any interruption in Shipper's service that is a result of Shipper's failure to comply promptly and fully with an Action Alert or OFO, and the non-complying Shipper shall indemnify Transporter against any claims of responsibility. However, Transporter shall use reasonable efforts to minimize any such costs or damages.

38. OPERATOR

38.1 Transporter shall have the right to designate a Person to function as Operator of its pipeline system, with respect to, but not limited to, the management of facilities, receipt and disposition of Nominations; scheduling of receipts and deliveries; administration of Firm Transportation Agreements, Interruptible Transportation Agreements, Interruptible Wheeling Agreements, PAL Service Agreements, Title Transfer Agreements, Master Capacity Release Agreements, and other agreements; or accounting. If Transporter designates an Operator, references to Transporter in this Tariff shall be read to include Operator acting on behalf of Transporter, to the extent appropriate.

39. NEGOTIATED RATES

- 39.1 (a) Availability: Notwithstanding anything to the contrary contained in this Tariff, including the provisions of the Rate Schedules contained herein, Transporter and Shipper may mutually agree to a Negotiated Rate under any Agreement, provided that Shipper has not acquired its capacity on a temporary basis under the provisions of Section 23 of the GTC. If a portion of the capacity under any existing Agreement is priced at a higher Negotiated Rate, the existing maximum or discounted rates will continue to apply to the capacity not subject to the Negotiated Rates. The Negotiated Rate may be less than, equal to, or greater than the maximum otherwise applicable rate; may be based on a rate design other than straight-fixed variable; and may include a minimum quantity. Transporter's Recourse Rates shall be available to any Shipper that does not agree to a Negotiated Rate.
- (b) Transporter and Shipper may agree to a Negotiated Rate for the entire term of an Agreement, or may agree to a Negotiated Rate for some portion of the term of an Agreement. Transporter and Shipper may agree to apply the Negotiated Rate to all or a portion of capacity under Shipper's Agreement. An Agreement incorporating such a Negotiated Rate shall be referred to herein as a "Negotiated Rate Agreement".
- (c) During the period a Negotiated Rate is in place, the Negotiated Rate shall govern and apply to Shipper's service under the Agreement and the otherwise applicable rate, rate component, charge or credit shall not apply or be available to the Shipper. Only those rates, rate components, charges or credits identified by Transporter 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 Tariff shall remain in effect. At the end of the period during which the Negotiated Rate is in effect, the otherwise applicable Tariff rates or charges shall govern any service provided to Shipper.
- 39.2 Filing Requirement: Unless Transporter executes and files a non-conforming agreement, Transporter will submit to the Commission a Tariff record stating the exact legal name of the Shipper, and the Negotiated Rate. The applicable Rate Schedule, Receipt and Delivery Points, and the contract quantities shall be posted on Transporter's Informational Postings Site. Such Tariff record will be filed as soon as practicable, but in no event later than the time Transporter intends the rate to go into effect. The filing will contain a provision that the Negotiated Rate Agreement does not deviate in any material respect from the Form of Agreement in Transporter's Tariff for the applicable rate schedule. If, however, the Negotiated Rate Agreement does deviate in any material respect, Transporter

shall file the non-conforming Agreement with the Commission as soon as practicable, but in no event later than the time the Transporter intends the rate to go into effect.

- 39.3 Rate Treatment: Transporter shall have the right to seek in future general rate proceedings discount-type adjustments in the design of its rates related to Negotiated Rate Agreements to the extent Transporter can meet the standards required of an affiliate discount type adjustment including requiring that the Transporter shall have the burden of proving that any discount granted is required to meet competition.

Accordingly, Transporter shall be required to demonstrate that any such discount type adjustment does not have an adverse impact on recourse rate shippers by:

1. Demonstrating that, in the absence of Transporter's entering into such negotiated rate agreement, Transporter would not have been able to contract for such capacity at any higher rate(s) and that recourse rates would otherwise be as high or higher than recourse rates which result after applying the discount adjustment; or
2. Making another comparable showing that the negotiated rate contributes more to fixed costs recovery to the system than could have been achieved without the negotiated rate.

- 39.4 Limitations: This Section does not authorize Transporter to negotiate terms and conditions of service.

- 39.5 Capacity Release: Negotiated Rates do not apply as the price cap for capacity release transactions. All applicable capacity release bids must conform to Transporter's Recourse Rates. Unless otherwise agreed, however, the Negotiated Rate Shipper shall be required to pay Transporter any difference by which the Negotiated Rate exceeds the rate paid by the Replacement Shipper. Transporter and Shipper may negotiate Shipper's payment obligations, or crediting mechanisms, which would apply when capacity subject to a Negotiated Rate is released, so long as the terms and conditions of service are not modified.

- 39.6 Accounting Treatment: Transporter shall maintain separate records for all revenues associated with Negotiated Rate transactions. Transactions related to Negotiated Rate Agreements which originated as pre-existing discounted services and were subsequently converted shall be recorded separately from those originating as Negotiated Rate Agreements. Transporter shall record the volumes transported, billing determinants, rate component, surcharge, and the revenue associated with its Negotiated Rates so that this information can be separately identified in the format of Statement G, I, and J in Transporter's general rate change applications.

- 39.7 Priority of Service: Under any circumstances where scheduling of deliveries, or curtailment is determined by the rate being paid, Shippers agreeing to pay more under a Negotiated Rate than the maximum Recourse Rate will be deemed to be paying the maximum Recourse Rate. .
- 39.8 Right of First Refusal: The highest rate that an existing Shipper shall be required to match to continue its service agreement under the right-of-first refusal provisions of Section 36 of Transporter's Tariff is the maximum applicable Recourse Rate.
- 39.9 Refunds: Transporter shall not be required to refund to a Shipper any amounts collected for service to which Negotiated Rates apply, unless Transporter and Shipper agree otherwise.
- 39.10 Distinction from Discounted Rates: Any Negotiated Rate Agreement entered into between Transporter and Shipper shall contain a provision reflecting the mutual agreement of the parties that the Agreement represents a Negotiated Rate Agreement and not a discounted rate.

40. COMPLIANCE WITH 18 CFR SECTION 284.12

40.1 Transporter has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 CFR Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

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Standards not Incorporated by Reference and their Location in Tariff:

NAESB Standard	Tariff GTC Section	NAESB Standard	Tariff GTC Section
1.2.4	Nominations 11.8(a)	1.3.38	Nominations 11.7(h)
1.2.12	Definitions 1	1.3.40	Nominations 11.10(c)
1.3.1	Definitions 1	1.3.51	Nominations 11.8(c)
1.3.2(i)	Nominations 11.7(a)	3.2.1	Definitions 1
1.3.2(ii)	Nominations 11.7(b)	3.3.9	Billing & Payment 7.1
		3.3.14	
1.3.2(iii)	Nominations 11.7(c)	3.3.15	Billing & Payment 7.5
1.3.2(iv)	Nominations 11.7(d)	3.3.19	Billing & Payment 7.6
1.3.2(v)	Nominations 11.7(e)	4.2.10	Definitions 1
1.3.2(vi)	Nominations 11.7 (f)	5.2.3	Definitions 1
1.3.4	Nominations 11.2	5.3.1	Capacity Release 23.2(g)(i), (ii), & (iii)
		5.3.2	
		5.3.24	
1.3.5	Nominations 11.3	5.3.3	Capacity Release 23.2(h)(xiii)
1.3.6	Nominations 11.8(d)	5.3.4	Capacity Release 23.2 (m)(ii)
1.3.7	Nominations 11.3	5.3.8	Capacity Release 23.2(e)(viii)
1.3.9	Nominations 11.8(a)	5.3.10	Capacity Release 23.2(k)
		5.3.11	
1.3.11	Nominations 11.8(a)	5.3.14	Capacity Release 23.2(f)(ii)(iii)
		5.3.16	
1.3.13	Nominations 11.8(a)	5.3.12	Capacity Release 23.2 (j)(i)(ii)
		5.3.13	
		5.3.15	
1.3.18	Nominations 11.5	5.3.19	Capacity Release 23.2(h)(xiv)
1.3.20	Nominations 11.10(a)	5.3.20	Capacity Release 23.2 (p)
1.3.22	Nominations 11.10(b)	5.3.44	Capacity Release 23.2(e)(i)
1.3.31	Priority of Receipts 13.2	5.3.55	Capacity Release 23.2(e)(ii)
1.3.32	Nominations 11.8(b)	5.3.56	Capacity Release 23.2(e)(iii)
1.3.33	Nominations 11.8(a)	5.3.57	Capacity Release 23.2(e)(iv)
1.3.37	Nominations 11.7 (f) & (g)	5.3.58	Capacity Release 23.2(e)(v)

Standards Incorporated by Reference:

Additional Standards:

General

Definitions: 0.2.5

Standards: 0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

Standards: 0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

Gas/Electric Operational Communications:

Definitions: 0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards: 0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed

Standards: 0.3.18, 0.3.20, 0.3.21, 0.3.22

Data Sets: 0.4.2, 0.4.3

Location Data Download:

Standards: 0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Dataset: 0.4.4

Storage Information:

Data Sets: 0.4.1

Nominations Related Standards:

Definitions: 1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards: 1.3.3, 1.3.8, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.19, 1.3.21, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.34, 1.3.35, 1.3.36, , 1.3.39, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.80, 1.3.81, 1.3.82

Data Sets: 1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7

Flowing Gas Related Standards:

Definitions: 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards: 2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Data Sets: 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.17, 2.4.18

Invoicing Related Standards:

Standards: 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.16, 3.3.17, 3.3.18, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.3.27

Data Sets: 3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions: 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards: 4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.62, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108, 4.3.109, 4.3.110

Capacity Release Standards:

Definitions: 5.2.1, 5.2.2, 5.2.4, 5.2.5

Standards: 5.3.5, 5.3.7, 5.3.9, 5.3.18, 5.3.21, 5.3.22, 5.3.23, 5.3.25, 5.3.26, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.45, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.59, 5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.70, 5.3.71, 5.3.72, 5.3.73

Data Sets: 5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.20, 5.4.21, 5.4.22, 5.4.23, 5.4.24, 5.4.25, 5.4.26, 5.4.27

Internet Electronic Transport Related Standards:

Definitions: 10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.2.39

Standards: 10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27, 10.3.28, 10.3.29

41. ACQUIRED CAPACITY

- (a) Transporter may from time to time enter into transportation agreements with upstream or downstream entities, including other interstate pipelines, intrastate pipelines, or local distribution companies (Acquired Capacity). Transporter may use Acquired Capacity for its system operational needs and to render service to its customers. Except as provided in subsection (b), Transporter states that, if it transports gas for others using Acquired Capacity, such services will be provided pursuant to the same rates and tariffs that are applicable to on-system customers, as such rates and tariffs may change from time to time. For purposes of the use of Acquired Capacity covered by this section 41(a), the "shipper must hold title" requirement is waived.

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

42. AWARD OF AVAILABLE CAPACITY

- 42.1 Firm capacity that becomes available on Transporter's system may be awarded in accordance with this GTC Section 42, except as otherwise provided in GTC Section 36 with regard to capacity to which a Right of First Refusal applies.
- 42.2 Transporter will post all available capacity on its Informational Postings Site.
- 42.3 When a party expresses interest in posted available capacity, Transporter may either award such capacity to such party pursuant to the request procedures set forth in GTC Section 10, or may conduct an auction for such capacity, using the procedures set forth in this GTC Section 42.3.
- (a) Transporter shall post notice on its Informational Postings Site of any auction of available firm capacity. All postings made pursuant to this section shall contain: (i) the type of service that will be available; (ii) the available Primary Receipt and Primary Delivery Points; (iii) the quantity of available capacity; (iv) the term for which the capacity is available; (v) if so elected by Transporter, any minimum terms and conditions that would be acceptable to Transporter; (vi) any minimum bid packages that would be acceptable to Transporter; (vii) the NPV formula to be used in evaluating bids; (viii) if applicable, a statement that the available capacity is Interim Capacity that is subject to the term limitation provisions of GTC Section 42.9; and; (ix) any additional details regarding the bidding process.
 - (b) Notices of auction shall be posted for a minimum of: (i) four (4) business hours for services offerings of 31 days or less; (ii) one (1) business day for service offerings with a term of more than 31 days but not greater than 92 days; (iii) three (3) business days for service offerings with a term of more than 92 days but not greater than one year; and (iv) five (5) business days for service offerings with a term greater than one year.
 - (c) A posting may specify that Transporter reserves the right not to award capacity to any bid rate lower than the applicable maximum Recourse Rate, or that Transporter has established minimum acceptable bid rates by time period(s) for capacity that is subject to the auction. In the event that Transporter elects to establish minimum acceptable bids prior to the auction, Transporter may elect not to disclose the minimum acceptable bids at the time of posting but shall record and maintain such bids for a period of three (3) years.
 - (d) A bid shall be binding on the bidder once submitted, provided that a bidder may submit one or more substitute bids, each with a higher NPV

than the bidder's preceding bid. Bids may be withdrawn only by submitting a superseding higher bid.

- (e) Auctions will be conducted using closed bids. The successful bid(s) will be posted in accordance with GTC Section 42.6(d).
- (f) Transporter may reject any bids that do not satisfy the terms of the auction or that fail to comply with Transporter's Tariff.

42.4 Transporter may enter into a prearranged transaction with a prospective Shipper for capacity which has previously been posted as available capacity by Transporter on its website ("Prearranged Transaction") that is subject to the outcome of a subsequent auction. The terms of any Prearranged Transaction will be posted by Transporter as part of the related auction, and bidders may acquire the capacity by submitting an acceptable bid with a higher value than the Prearranged Transaction. If a higher value bid is received, Transporter will so notify the Prearranged Transaction party, which will then have the one-time right to match the higher value bid within 24 hours after receipt of Transporter's notice in order to obtain the capacity at rates and terms acceptable to Transporter and otherwise consistent with the auction requirements. If the Prearranged Transaction party elects not to match the higher value bid, Transporter will award the capacity to the bidder that submitted the higher value bid. Any Prearranged Transaction that includes Forward Commencement Date Capacity shall additionally be subject to the provisions of GTC Section 42.7.

42.5 Bid Evaluation

- (a) Acceptable bids will be evaluated and ranked based on the net present value ("NPV") of the reservation charge and/or other guaranteed revenue generated by the bid. The NPV shall be determined by using an annual discount factor equal to the applicable interest rate determined in accordance with Section 154.501(d) of the Commission's regulations as of the date on which the auction is posted. The NPV determination for any specific auction may be made on either a per unit or an aggregate basis, as stated in the auction posting. Transporter may aggregate two or more bids to determine the highest NPV of bids for the available capacity.
- (b) Bidders may submit bids at Transporter's applicable maximum Recourse Rate, or to the extent not prohibited in the auction posting, at any other rate, that is greater or less than the applicable maximum Recourse Rate., Any bid rate which is greater than the applicable maximum Recourse Rate will be deemed to be a Negotiated Rate pursuant to GTC Section 39, and shall be treated for evaluation purposes as a maximum Recourse Rate bid.

- (c) In the case of two or more acceptable bids of equal value, capacity will be allocated pro rata to the successful bidders, subject to any minimum acceptable capacity quantity included in any such bid. To the extent that an otherwise successful bidder's capacity award does not meet any minimum acceptable capacity amount stated in such bidder's bid, such bidder shall not be awarded any capacity in the auction.

42.6 Award Process

- (a) Within two (2) Business Days of the close of the bid period, Transporter will notify the successful bidder(s) of their capacity awards.
- (b) Within five (5) Business Days of receiving notice of an award of capacity, a bidder must:
 - (i) Make acceptable arrangements for transportation service on upstream and downstream transporters, and meet all other requirements of Section 1 of the FT-1 Rate Schedule.
 - (ii) Satisfy the creditworthiness requirements of GTC Section 22, if not previously satisfied.
 - (iii) Execute all the agreements required in accordance with the Transporter's Tariff.
- (c) If a successful bidder does not satisfy the requirements of subsection (b) above within the time frame set forth therein, the award will be cancelled and the capacity will be awarded first to any equally ranked bidder, if any, who received a pro rata allocated capacity award, and then to the next highest bidder.
- (d) Within 24 hours of the conclusion of the contracting process, Transporter shall post the terms of the successful bid(s), revealing the identity of the successful bidder(s).

42.7 Forward Commencement Date Capacity

Except as otherwise provided in this GTC Section 42.7, a request or a bid in an auction for firm capacity may not include a service commencement date that is more than ninety (90) days after the date of Transporter's receipt of such request, or the awarding of capacity in such auction, as applicable ("Forward Commencement Date Capacity"); provided, however, that Transporter may consider, on a not unduly discriminatory basis, a request or bid for Forward Commencement Date Capacity to the extent that such request or bid:

- (a) is associated with an auction by Transporter for such capacity;
- (b) is for capacity that is not available prior to the date of commencement of such Forward Commencement Date Capacity;
- (c) involves new supply or new markets being attached to Transporter's system, or new supply being attached to the Alliance Pipeline Limited Partnership system;
- (d) involves termination of an existing contract on another pipeline;
- (f) is for firm service from a direct-served customer (i.e., an end-use customer that, at the time of such customer's service request, is: (i) directly connected to Transporter's system; and (ii) receives gas from an unaffiliated third party which has an executed firm service agreement with Transporter that desires to receive firm service directly from Transporter at either the existing or at a new direct-served primary delivery point;
- (g) involves the construction and/or modification of facilities that: (i) are required to serve a new receipt or delivery point, including without limitation a new receipt point on the Alliance Pipeline Limited Partnership system; or (ii) will result in a material increase in gas usage or production, or (iii) otherwise requires the prior issuance of any necessary governmental authorizations;
- (h) is for capacity that: (i) has been made available by Transporter in an auction that closed no more than ninety (90) days prior to such request or bid, and which permitted bids for terms with an earlier commencement date than applicable to the Forward Commencement Date Capacity; or (ii) is required in connection with contracting for capacity that is offered in an open season on the Alliance Pipeline Limited Partnership system; or
- (i) involves capacity that is available due to the (i) termination of, or a shipper's election not to extend, an existing service agreement; or (ii) reduction of Contracted Capacity quantities under an existing service agreement and such capacity is not subject to a Right of First Refusal or other term extension right.

42.8 Capacity Reservation for Expansion/Extension Projects

To the extent Transporter has: (i) available capacity; or (ii) capacity under expiring or terminating service agreements where such capacity is not subject to a Right of First Refusal or any other term extension rights, Transporter reserves the right, but shall not be obligated, to reserve such capacity for a future expansion or extension project. Transporter may reserve capacity for a future expansion or

extension project for which an auction has been held or will be held within twelve (12) months of the date on which Transporter posts such capacity as being reserved. Any capacity reserved pursuant to this GTC Section 42.8 must first be posted as available capacity on Transporter's Informational Posting Site for at least five (5) Business Days. Any minimum terms and conditions imposed in an auction for capacity to be reserved must not materially differ so as to be more restrictive than the terms and conditions imposed in the expansion or extension project auction. In the event that a subsequent expansion or extension project auction imposes minimum terms and conditions that are materially different from the minimum terms and conditions imposed for the reserved capacity auction, Transporter shall hold another auction for the reserved capacity that uses the same minimum terms and conditions as were imposed for the expansion or extension project auction. Any capacity reserved under this GTC Section 42.8 may be reserved for up to twelve (12) months prior to the date on which Transporter shall file for certificate approval for proposed construction of a related project and thereafter until all expansion or extension facilities are placed into service. Any capacity reserved for a future expansion or extension project that does not go forward for any reason shall be reposted as generally available within thirty (30) days of the date the reserved capacity becomes available.

42.9 Interim Capacity

Any Forward Commencement Date Capacity that is awarded pursuant to GTC Section 42.7, capacity that is reserved by Transporter pursuant to GTC Section 42.8, or awarded capacity that has a future term commencement date but is not Forward Commencement Date Capacity, shall be available solely on an interim basis prior to the future term commencement date applicable to such capacity ("Interim Capacity"). Transporter may limit any otherwise applicable term extension right for Interim Capacity as required in connection with the future term commencement date for such capacity, including without limitation any otherwise applicable Right of First Refusal under GTC Section 36.3.

43. OPERATIONAL PURCHASES AND SALES OF GAS

- 43.1 Transporter may purchase and/or sell gas to the extent necessary to: (i) maintain system pressure and line pack, including the management of Fuel Requirement imbalances pursuant to Section 14 of the GT&C; (ii) manage imbalance quantities pursuant to Section 16 of the GT&C; (iii) perform other operational functions of Transporter in connection with transportation and other similar services; and (iv) otherwise protect the operational integrity of its system. Any such purchases and/or sales shall be made on an unbundled basis at any Receipt Point or Delivery Point on Transporter's pipeline system. Operational purchases or sales shall have a lower transportation priority than firm transportation service.
- 43.2 Transporter will sell natural gas for operational purposes through an industry recognized market exchange or clearinghouse. Alternatively, Transporter may post its operational sales for bid on its Informational Postings Site which shall include at a minimum: (1) the level of daily quantities and whether such sales quantities shall be made on a firm or interruptible basis; (2) the requested effective date and term of the sale; (3) the points of receipt and/or delivery of gas; and (4) any additional information as may be required by Transporter. Transporter shall ask prospective bidders to submit a bid containing the following information: (1) bidders legal name and the name, title, address and phone number of the individual(s) authorized to sell gas; (2) bidders price; (3) completed bid form addressing all criteria requested by Transporter in its posting; and (4) any conditions on the prospective bidder's offer to purchase gas. Transporter shall evaluate bids and shall award such sale of gas to the prospective bidder having a bid containing the highest bid and otherwise matching all terms and conditions requested by Transporter in its posting. Transporter reserves the right, in its sole discretion, (1) to withdraw its postings; (2) reject all bids due to operational changes; and (3) reject any bids which are not complete, which contain modifications to terms of the posting or which contain terms that are operationally unacceptable.
- 43.3 Transporter will file an annual report on or before May 1 of each year reflecting the operational purchases and sales for the 12-month period ending the preceding December 31. The report will state the source of the gas purchased/sold, the date of the purchases/sales, volumes, the purchase/sales price, the cost and revenues for such purchase/sales and the disposition of the associated costs and revenues for all operational purchases and sales.

44. RECEIPT POINTS

The name and location of each Receipt Point is maintained on Transporter's Informational Postings Site.

45. DELIVERY POINTS

The name and location of each Delivery Point is maintained on Transporter's Informational Postings Site.

FORMS OF SERVICE AGREEMENT
(Index)

Description/Title

1. Form of Firm Transportation Agreement
2. Form of Interruptible Transportation Agreement
3. Form of Interruptible Wheeling Agreement
4. Form of Park and Loan Agreement
5. Form of Assignment and Novation Agreement
6. Form of Master Capacity Release Agreement
7. Form of Title Transfer Agreement

FORM OF FIRM TRANSPORTATION AGREEMENT

TRANSPORTATION AGREEMENT
FOR FIRM TRANSPORTATION OF NATURAL GAS
ALLIANCE PIPELINE L.P.

Firm Transportation Agreement No. _____

This TRANSPORTATION AGREEMENT FOR FIRM TRANSPORTATION OF NATURAL GAS ("Firm Transportation Agreement" or "Agreement") is made and entered into this ___ day of _____, 20___, between:

ALLIANCE PIPELINE L.P., ("Transporter"),

and

_____, ("Shipper").

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

Transporter shall perform and Shipper shall receive Firm Transportation Service in accordance with the provisions of Transporter's effective Rate Schedule FT-1 and the applicable General Terms and Conditions (GTC) of Transporter's FERC Gas Tariff on file with the Federal Energy Regulatory Commission ("Commission") as the same may be amended or superseded in accordance with the Rules and Regulations of the Commission.

Section 2. Term

This Firm Transportation Agreement shall be effective as of the date first written above. Service provided by Transporter to Shipper hereunder shall commence at 9:00 a.m. CCT on _____ **[this blank may include a date certain, a date either earlier or later than a specified date certain based on the completion of construction of facilities necessary to provide service under the Firm Transportation Agreement, a date set forth in or established by a relevant order from the Commission or a commencement date as defined in a precedent agreement between Shipper and Transporter]** and shall continue for a primary term ending at 9:00 a.m. CCT on _____ ("Primary Term") **[this blank may include a date certain or a period of time having reference to the effective date or the date for commencement of service].**

[THE FIRM TRANSPORTATION AGREEMENT MAY ALSO INCLUDE TERM EXTENSION PROVISIONS THAT DO NOT MATERIALLY DEVIATE FROM THE FOLOWING PROVISIONS AND PRINCIPLES.]

[Unless either Party has previously provided written notice to terminate this Firm Transportation Agreement pursuant to the provisions of Transporter's Tariff, Shipper shall have the right to extend the term of this Firm Transportation Agreement, in whole year increments, up to _____ time(s) **[specify number of times permitted]** following the end of the Primary Term by _____ year(s) each time (each a "Secondary Term") by providing Transporter at least _____ **[specify applicable time period]** prior written notice before the end of the Primary Term [and at least _____ **[specify applicable time period]** prior written notice before the end of any Secondary Term, as applicable,] that Shipper desires to extend the term.]

[Transporter and Shipper may also agree to additional termination rights for Transporter and/or Shipper that apply during the Primary Term and/or any Secondary Term that shall also include the provision of prior written notice of such termination to the other party within a specified time period. Transporter and Shipper may also agree to a specified evergreen period during which the Firm Transportation Agreement shall remain in effect following expiration of the Primary Term or the final Secondary Term, as applicable, which evergreen provision shall also include a specified agreed time period during which Transporter and/or Shipper may terminate the Firm Transportation Agreement as of the end of any effective evergreen period.] No contractual extension or termination rights expressly set forth herein shall amend or otherwise supersede any term extension or termination rights of Transporter or Shipper which may apply to the Firm Transportation Agreement under the provisions of Transporter's Tariff.

[INCLUDE AS APPLICABLE] This Agreement is for Interim Capacity as set forth in GTC Section 42.9 of Transporter's Tariff. Notwithstanding any otherwise applicable term extension rights under Transporter's Tariff, including without limitation any Right of First Refusal, Interim Capacity under this Service Agreement shall not have any term extension rights unless otherwise expressly set forth in this Section 2.

Section 3. Rates

[Shipper shall pay the currently effective Rate Schedule FT-1 Recourse Rates set forth in the Statements of Rates of Transporter's Tariff, as such rates may be revised and superseded, subject to Commission approval, from time to time.]

OR

[Negotiated Rate].

Section 4. Notices

Notices to Transporter under this Agreement shall be addressed to:

Alliance Pipeline L.P.
1300 Post Oak Boulevard
Suite 1050
Houston, TX 77056
Attention: Alliance Customer Service
Email: aplcommercial@pembina.com

Section 5. Superseded Agreements

This Firm Transportation Agreement supersedes and cancels as of the first day of the Primary Term hereof the following agreements:

_____, _____.

IN WITNESS WHEREOF, the Parties have duly executed this Firm Transportation Agreement in several counterparts by their duly authorized officers with effect as of the day first above written.

ALLIANCE PIPELINE L.P. by its General
Partner, ALLIANCE PIPELINE INC.

Per:

Per:

SHIPPER

Per:

Per:

Appendix A to Firm Transportation Agreement No. _____
Under Rate Schedule FT-1 Between
Alliance Pipeline L.P. and _____

Contracted Capacity _____ MMcf/day

Primary Receipt Points:

Primary Delivery Points:

Staged Contracted Capacity Profile Pursuant to FT-1 Rate Schedule Section 2.5

Start Date	End Date	Contracted Capacity (MMcf/d)

Primary Receipt Points:

Primary Delivery Points:

AGREEMENT FOR INTERRUPTIBLE TRANSPORTATION OF NATURAL GAS
ALLIANCE PIPELINE L.P.

Interruptible Transportation Agreement No. _____

This TRANSPORTATION AGREEMENT FOR INTERRUPTIBLE TRANSPORTATION OF NATURAL GAS ("Interruptible Transportation Agreement" or "Agreement") is made and entered into this ___ day of _____, 20___, between:

ALLIANCE PIPELINE L.P., ("Transporter"),

and

_____, ("Shipper").

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

Transporter shall perform and Shipper shall receive Interruptible Transportation Service in accordance with the provisions of Transporter's effective Rate Schedule IT-1 and the applicable General Terms and Conditions (GTC) of Transporter's FERC Gas Tariff on file with the Federal Energy Regulatory Commission ("Commission") as the same may be amended or superseded in accordance with the Rules and Regulations of the Commission.

Section 2. Term

This Interruptible Transportation Agreement shall be effective as of the date first written above. Service provided by Transporter to Shipper hereunder shall commence at 9:00 a.m. CCT on _____ [this blank may include a date certain, a date either earlier or later than a specified date certain based on the completion of construction of facilities necessary to provide service under the Interruptible Transportation Agreement, a date set forth in or established by a relevant order from the Commission or a commencement date as defined in a precedent agreement between Shipper and Transporter] and shall continue for a primary term ending at 9:00 a.m. CCT on _____ ("Primary Term") [this blank may include a date certain or a period of time having reference to the effective date or the date for commencement of service].

[THE INTERRUPTIBLE TRANSPORTATION AGREEMENT MAY ALSO INCLUDE TERM EXTENSION PROVISIONS THAT DO NOT MATERIALLY DEVIATE FROM THE FOLOWING PROVISIONS AND PRINCIPLES.]

[Unless either Party has previously provided written notice to terminate this Interruptible Transportation Agreement pursuant to the provisions of Transporter's Tariff, Shipper shall have

the right to extend the term of this Interruptible Transportation Agreement, in whole year increments, up to _____ time(s) **[specify number of times permitted]** following the end of the Primary Term by _____ year(s) each time (each a "Secondary Term") by providing Transporter at least _____ **[specify applicable time period]** prior written notice before the end of the Primary Term [and at least _____ **[specify applicable time period]** prior written notice before the end of any Secondary Term, as applicable,] that Shipper desires to extend the term.]

[Transporter and Shipper may also agree to additional termination rights for Transporter and/or Shipper that apply during the Primary Term and/or any Secondary Term that shall also include the provision of prior written notice of such termination to the other party within a specified time period. Transporter and Shipper may also agree to a specified evergreen period during which the Interruptible Transportation Agreement shall remain in effect following expiration of the Primary Term or the final Secondary Term, as applicable, which evergreen provision shall also include a specified agreed time period during which Transporter and/or Shipper may terminate the Interruptible Transportation Agreement as of the end of any effective evergreen period.] No contractual extension or termination rights expressly set forth herein shall amend or otherwise supersede any term extension or termination rights of Transporter or Shipper which may apply to the Interruptible Transportation Agreement under the provisions of Transporter's Tariff.

Section 3. Rates

[Shipper shall pay the currently effective Rate Schedule IT-1 Recourse Rates set forth in the Statements of Rates of Transporter's Tariff as may be revised and superseded subject to Commission approval, from time to time.]

OR

[Negotiated Rate]

Section 4. Notices

Notices to Transporter under this Agreement shall be addressed to:

Alliance Pipeline L.P.
1300 Post Oak Boulevard
Suite 1050
Houston, TX 77056
Attention: Alliance Customer Service
Email: aplcommercial@pembina.com

Section 5. Superseded Agreements

This Interruptible Transportation Agreement supersedes and cancels as of the first day of the Primary Term hereof the following agreements:

_____, _____, ...

IN WITNESS WHEREOF, the Parties have duly executed this Interruptible Transportation Agreement in several counterparts by their duly authorized officers with effect as of the day first above written.

ALLIANCE PIPELINE L.P. by its General
Partner, ALLIANCE PIPELINE INC.

Per:

Per:

SHIPPER

Per:

Per:

Appendix A to Interruptible Transportation Agreement No. _____
Under Rate Schedule IT-1 Between
Alliance Pipeline L.P. and _____

Maximum Daily Transportation Quantity ("MDTQ"):

Primary Receipt Point:

Primary Delivery Point:

FORM OF SERVICE AGREEMENT FOR RATE SCHEDULE IW
INTERRUPTIBLE WHEELING AGREEMENT

Interruptible Wheeling Agreement No.: _____

This agreement for interruptible wheeling service ("IW Agreement") is made and entered into this ___ day of _____, ____, by and between:

ALLIANCE PIPELINE, L.P. (herein called "Transporter")

and

_____ (herein called "Shipper").

WITNESSETH: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be rendered

Transporter agrees to receive by displacement and deliver on a Gas Day, for the account of Shipper, on an interruptible and Delivery Point capacity available basis, quantities of Natural Gas at Delivery Points in the ACE Hub and at a rate as specified on the effective Schedule hereto, which Schedule shall be deemed to be a part of this IW Agreement. Service hereunder is rendered pursuant to Rate Schedule IW and General Terms and Conditions ("GTC") of Transporter's Federal Energy Regulatory Commission ("FERC") Gas Tariff ("Tariff").

At no time shall Shipper exceed its Maximum IW Quantity stated on the effective Schedule to this IW Agreement unless permission is authorized by Transporter.

Section 2. Term

- 2.1 The term of this IW Agreement shall commence on _____ and shall continue in force and effect until _____.
- 2.2 The termination of this IW Agreement triggers pregranted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination.
- 2.3 Any provisions of this IW Agreement necessary to correct imbalances or to pay all applicable rates, charges, and penalties under this IW Agreement shall survive the other parts of this IW Agreement until such time as such balancing or payment has been accomplished.

Section 3. Rates

Shipper agrees to and shall pay Transporter all applicable maximum rates, and charges provided for under Rate Schedule IW and the GTC, as effective from time to time, for service under this IW Agreement, unless service is rendered hereunder at a discounted rate or a Negotiated Rate pursuant to Section 33 or Section 39 of the GTC, respectively, and in which event the rates and charges that Shipper shall pay Transporter are those agreed to and set forth on the effective Schedule of this IW Agreement.

Section 4. Notices

Notices shall be provided in accordance with Section 26 of the GTC and sent to the following addresses.

Transporter:

Alliance Pipeline L.P.
1300 Post Oak Boulevard
Suite 1050
Houston, TX 77056
Attention: Alliance Customer Service
Email: aplcommercial@pembina.com

Shipper:

Unless otherwise notified in writing, the addresses of the parties are as set forth herein.

Section 5. Superseded Agreements

This IW Agreement supersedes and cancels as of the first day of the term hereof the following agreement:

Section 6. Schedule of IW Agreement, Rate Schedule and General Terms and Conditions

Shipper shall initiate a request for interruptible wheeling service hereunder via the Customer Activities Web Site. Upon acceptance by Transporter, Shipper's request shall be deemed incorporated in and made a part hereof as an effective Schedule(s) to this IW Agreement. Transporter's Rate Schedule IW and applicable General Terms and Conditions,

which are on file with the Federal Energy Regulatory Commission and in effect, and Schedules hereto are all applicable to this IW Agreement and are hereby incorporated in, and made a part of, this IW Agreement.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Interruptible Wheeling Agreement for Rate Schedule IW service signed by their duly authorized officers with effect as of the day and year first above written.

ALLIANCE PIPELINE L.P. by its General
Partner, ALLIANCE PIPELINE INC.

Per:

[SHIPPER]

Per:

Schedule No.: _____
Interruptible Wheeling Agreement No.: _____
Date: _____

For Interruptible Wheeling Service Under Rate Schedule IW Between
Alliance Pipeline, L.P. and _____ ("Shipper")

Start Date	End Date	Maximum IW Quantity (Dth)	Daily Rate (\$ Per Dth) 1/	Receipt Point 2/	Delivery Point 2/

Comments:

1/ The daily rate is the maximum Recourse Rate unless Transporter agrees to discount or a Negotiated Rate. If a Negotiated Rate is agreed to, a description of the Negotiated Rate is contained under the Comments section.

2/ Receipt Point is by displacement at a Delivery Point located in the ACE Hub and the Delivery Point is also located in the ACE Hub. Such points are posted on Transporter's Informational Postings Site.

ALLIANCE PIPELINE L.P. by its General
Partner, ALLIANCE PIPELINE INC.

Per:

[SHIPPER]

Per:

FORM OF SERVICE AGREEMENT FOR RATE SCHEDULE PAL
PAL SERVICE AGREEMENT

PAL Service Agreement No.: _____

This agreement for park and loan natural gas service ("PAL Service Agreement") is made and entered into as of _____, ____, by and between ALLIANCE PIPELINE L.P. (herein called "Transporter") and _____ (herein called "Shipper").

W I T N E S S E T H:

WHEREAS, Transporter owns and operates a pipeline system; and

WHEREAS, Shipper desires to purchase park and loan service for Shipper's Natural Gas from Transporter;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements herein contained, the Transporter and Shipper agree as follows:

Section 1. Services to be rendered

Transporter agrees to receive or advance for the account of Shipper and park or loan quantities of Natural Gas in the ACE Hub up to the quantity as specified on an effective Schedule(s) to this PAL Service Agreement and in accordance with Rate Schedule PAL and the General Terms and Conditions of Transporter's Federal Energy Regulatory Commission ("FERC") Gas Tariff ("Tariff").

At no time shall Shipper exceed its Maximum PAL Quantity for a Term PAL.

Select PAL Option: (check the applicable service option(s))

Term PAL: _____

Auto PAL: _____

Section 2.Term

2.1 The term of this PAL Service Agreement shall commence on _____ and shall continue in force and effect until _____.

2.2 Any provisions of this PAL Service Agreement necessary to correct imbalances or to pay all applicable rates, charges, and penalties under this PAL Service Agreement shall survive the other parts of this PAL Service Agreement until such time as such balancing or payment has been accomplished.

Section 3. Rates

Shipper agrees to and shall pay Transporter all applicable maximum rates, and charges provided for in Transporter's Rate Schedule PAL and the GTC, as effective from time to time, for service under this PAL Service Agreement, unless service is rendered hereunder at a discounted rate or a Negotiated Rate pursuant to Section 33 or Section 39, respectively, of the GTC in Transporter's Tariff. The rates and charges that Shipper shall pay Transporter are those agreed to and set forth on an effective Schedule of this PAL Service Agreement.

Section 4. Notices

Notices shall be provided in accordance with Section 26 of the GTC and sent to the following addresses.

Transporter:
Alliance Pipeline L.P.
1300 Post Oak Boulevard
Suite 1050
Houston, TX 77056
Attention: Alliance Customer Service
Email: aplcommercial@pembina.com

Shipper:

Unless otherwise notified in writing, the addresses of the parties are as set forth herein.

Section 5. Superseded Agreements

This PAL Service Agreement supersedes and cancels as of the first day of the term hereof the following agreement(s):

Section 6. Schedules of the PAL Service Agreement, Rate Schedules and General Terms and Conditions

Shipper shall initiate a request for interruptible park and loan service via the Customer Activities Web Site. Upon acceptance by Transporter, Shipper's request shall be deemed incorporated in and made a part hereof as an effective Schedule(s) to this PAL Service Agreement. Transporter's Rate Schedule PAL and applicable General Terms and Conditions,

which are on file with the Federal Energy Regulatory Commission and in effect, and effective Schedule(s) hereto are all applicable to this PAL Service Agreement and are hereby incorporated in, and made a part of, this PAL Service Agreement.

IN WITNESS WHEREOF, the Parties hereto have duly executed this PAL Service Agreement in several counterparts by their duly authorized officers with effect as of the day first above written.

ALLIANCE PIPELINE L.P. by its General
Partner, ALLIANCE PIPELINE INC.

Per:

[SHIPPER]

Per:

AUTO PAL SCHEDULE NO.: _____
 TO PAL SERVICE AGREEMENT NO.: _____

Gas Day: _____

For Park and Loan Service (PAL) Under Rate Schedule PAL between Alliance Pipeline L.P. and
 _____ (“Shipper”)

		Yes or NA	Start Date	End Date	PAL Quantity (Dth)	Daily Rate (\$ Per Dth)	Delivery Point
Auto PAL							
	Park:						
	Loan:						

Comments:

Note: If the rate is a Negotiated Rate, designate above and provide formula details for Negotiated Rate.

ALLIANCE PIPELINE L.P. by its General
 Partner, ALLIANCE PIPELINE INC.

Per:

[SHIPPER]

Per:

TERM PAL SCHEDULE NO.: _____
 TO PAL SERVICE AGREEMENT NO.: _____

Gas Day: _____

For Park and Loan Service (PAL) Under Rate Schedule PAL between Alliance Pipeline L.P. and
 _____ (“Shipper”)

		Yes or NA	Start Date	End Date	Maximum PAL Quantity (Dth)	Rate (\$/Dth/Day)	Delivery Point
Term PAL							
	Park:						
	Loan:						

Comments:

Note: If the rate is a Negotiated Rate, designate above and provide formula details for Negotiated Rate.

ALLIANCE PIPELINE L.P. by its General
 Partner, ALLIANCE PIPELINE INC.

Per:

[SHIPPER]

Per:

ASSIGNMENT AND NOVATION AGREEMENT

THIS AGREEMENT has been entered into as of _____, 20__ , among:

[CURRENT SHIPPER], a [type of legal entity] [incorporated/continued/formed]
and subsisting under the laws of • (the "Assignor")

- and -

[ASSIGNEE], a [type of legal entity] [incorporated/continued/formed] and
subsisting under the laws of • (the "Assignee")

- and -

ALLIANCE PIPELINE L.P., a limited partnership formed under the laws of the
State of Delaware (the "Transporter")

WHEREAS:

- A. The Assignor entered into an agreement dated as of _____ with the Transporter relating to the firm Transportation of Natural Gas (the "Firm Transportation Agreement").
- B. The Assignor wishes to assign to the Assignee [insert as appropriate: "all of its right, title and interest in and under the Firm Transportation Agreement" or "_____ MMcf/day of the Contracted Capacity (as that term is defined in the Firm Transportation Agreement) (the "Assigned Capacity") under the Firm Transportation Agreement"] and the Assignee has agreed to accept such assignment and to assume the obligations of the Assignor under the Firm Transportation Agreement [, to the extent of such Assigned Capacity].
- C. The Assignor has demonstrated to the satisfaction of the Transporter and the other parties hereto that it is in good standing under the Firm Transportation Agreement and has complied with all applicable provisions of the Transporter's Tariff, the Firm Transportation Agreement and any other agreement to which it is a party, respecting such assignment.
- D. The Assignee has demonstrated to the satisfaction of the Transporter and the other parties hereto its capability to observe, carry out, perform and fulfill all of the covenants, conditions, obligations and liabilities of the Assignor under the Firm Transportation Agreement [to the extent of the Assigned Capacity], including but not limited to, those related to creditworthiness.
- [E. The Assignor and the Transporter have agreed to amend the Firm Transportation Agreement to reflect the assignment of the Assigned Capacity, subject to the Assignee

executing and delivering a firm transportation agreement (the "Assignee TA") with respect to the Assigned Capacity in a form acceptable to the Transporter and containing substantively the same terms and conditions as the Firm Transportation Agreement.]

[E./F.] The Transporter has agreed to consent to such assignment and to release the Assignor from its obligations under the Firm Transportation Agreement [with respect to the Assigned Capacity] [insert as appropriate: "subject to (i) the Assignee executing and delivering [[a] replacement agreement[s]/the Assignee TA] in a form acceptable to the Transporter and containing substantively the same terms and conditions as the Firm Transportation Agreement (the "Replacement Document"); and/or (ii) _____ (the "Guarantor") executing an unconditional, irrevocable guarantee of the obligations of the Assignee under the [Firm Transportation Agreement/Assignee TA] (the "Guarantee"); and/or (iii) Assignee delivering to the Transporter security in the form of cash or letter of credit or other security (the "Security"), each in form satisfactory to the Transporter."]

NOW THEREFORE in consideration of these premises and the covenants and agreements hereinafter set forth and contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged, the parties hereto covenant and agree as set forth below.

1. The Assignor hereby assigns, transfers, sets over and conveys unto the Assignee, effective as of the date hereof (the "Effective Date"), all of the Assignor's right, title and interest in and to the Firm Transportation Agreement [with respect to the Assigned Capacity] and all of its obligations and liabilities in respect thereof, to have and to hold the same for the Assignee's sole use and benefit absolutely.
2. The Assignee hereby accepts the assignments herein provided and covenants and agrees with the Assignor and with each of the other parties hereto in respect of the Firm Transportation Agreement to which each is respectively party to assume, as of the Effective Date, and thereupon and thereafter to be bound by, observe, carry out, perform and fulfill all of the covenants, conditions, obligations and liabilities of the Assignor under the Firm Transportation Agreement [with respect to the Assigned Capacity]. [insert as appropriate: ", and to execute and deliver the [Replacement Document/Assignee TA] to evidence such assumption."]
3. Effective as of the Effective Date [or, as appropriate: "Effective upon execution and delivery of (i) the [Replacement Document/Assignee TA] by the Assignee; and/or (ii) the Guarantee by the Guarantor; and/or (iii) the Security by the Assignee, each in form satisfactory to the Transporter"], [insert as appropriate: "the Assignor shall be released and discharged from its obligations under the Firm Transportation Agreement without further or other act or formality, save and except for any obligations and liabilities which accrued thereunder prior to the Effective Date, for which the Assignor shall remain liable." or

- "a) the Firm Transportation Agreement shall be amended by deleting the Contracted Capacity stated in the Firm Transportation Agreement and replacing it with a revised Contracted Capacity (the "Residual Capacity") that reflects the removal of the Assigned Capacity (together with the removal of all other capacity that is concurrently assigned by the Assignor provided such assignments are authorized and accepted by the Transporter from the Assignor's original Contracted Capacity and the Assignor shall retain all right, title and interest, and all obligations and liabilities, in and under the Firm Transportation Agreement with respect to the Residual Capacity, if any; and
- b) the Assignor shall be released and discharged from its obligations under the Firm Transportation Agreement with respect to the Assigned Capacity without further or other act or formality, save and except for any obligations and liabilities with respect to the Assigned Capacity which accrued thereunder prior to the Effective Date, for which the Assignor shall remain liable."]

[4. If, after the assignment described herein (together with the assignment of all other capacity under the Firm Transportation Agreement that is concurrently assigned by the Assignor provided such assignments are authorized and accepted by the Transporter, the Assignor has no Residual Capacity, then the Firm Transportation Agreement will be terminated and of no further force or effect, the Assignor shall be released and discharged from its obligations under the Firm Transportation Agreement without further or other act or formality, save and except for any obligations and liabilities which accrued thereunder prior to the Effective Date, which obligations and liabilities shall survive such termination.]

[4./5.] The parties hereto shall, from time to time and at all times hereafter, without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required to give full effect to the provisions hereof. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective administrators, trustees, receivers, successors and assigns.

[5./6.] This Agreement may be executed and delivered (in original form or in electronic or facsimile form) in one or more counterparts, each of which so executed shall constitute an original and all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement as of the date first above written.

[ASSIGNEE]

[CURRENT SHIPPER]

By: _____ By: _____

By: _____ By: _____

ALLIANCE PIPELINE L.P. by its General
Partner, ALLIANCE PIPELINE INC.

By: _____

By: _____

MASTER CAPACITY RELEASE AGREEMENT

This Master Capacity Release Agreement ("Agreement") is entered into this ___ day of _____, 20___, by and between Alliance Pipeline L.P. ("Transporter"), a Delaware Limited Partnership, with its offices at 1300 Post Oak Boulevard, Suite 1050, Houston, TX U.S.A. 77056 and _____ ("Replacement Shipper"), a _____ [type of legal entity], with its offices at _____.

WHEREAS, Replacement Shipper desires Transporter to Transport Gas on its behalf in the event that Replacement Shipper is awarded Released Capacity on Transporter's system; and

WHEREAS, Transporter is willing to transport Gas under the terms and conditions of this Agreement.

NOW THEREFORE, Transporter and Replacement Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and the General Terms and Conditions ("GTC") of Transporter's FERC Gas Tariff ("Tariff"), as amended from time to time, constitute the Transportation service to be provided and the rights and obligations of Replacement Shipper and Transporter.

1. SCOPE OF AGREEMENT

Replacement Shipper and Transporter acknowledge that this Agreement is entered into pursuant to Section 23 of the GTC of Transporter's Tariff for the purpose of facilitating the Capacity Release process. Accordingly, Replacement Shipper agrees to be bound by the terms of its winning bid for Released Capacity Release or the terms of any Pre-Arranged Capacity Release to which it is a party ("Bid") if and when Transporter awards Replacement Shipper Capacity pursuant to any such Bid. Further, Replacement Shipper agrees that, in addition to the terms and conditions of this Agreement, with respect to Transportation under any Capacity awarded by Transporter, Replacement Shipper's rights under this Agreement shall not exceed those of the Releasing Shipper. Replacement Shipper and Transporter agree that the term, rate, Capacity, Rate Schedule, Receipt and Delivery Point(s), recall and reput rights, and other terms and conditions as applicable, for each Capacity Release transaction under this Agreement, as identified in Replacement Shipper's Bid, are hereby incorporated by reference into this Agreement and made a part hereof.

2. AUTHORITY FOR TRANSPORTATION

The authority for transportation service under this agreement shall be 18 C.F.R. Part 284 Subpart G.

3. AWARDS OF RELEASED CAPACITY VIA CUSTOMER ACTIVITIES WEB SITE

Each award of Capacity to Replacement Shipper by Transporter via Customer Activities Web Site, shall be deemed incorporated into this Agreement and made a part hereof as an effective Schedule(s) to this Agreement. Each such award of Capacity, shall include the following terms, which shall be consistent with Releasing Shipper's offer to release Capacity under GTC Section 23.2(h) (if any) and Replacement Shipper's Bid: (i) the amount of Capacity awarded to Replacement Shipper; (ii) the Primary Receipt and Delivery Point(s) associated with such Capacity; (iii) the Rate applicable to such Released Capacity; (iv) the recall and reput rights, if any, associated with the Released Capacity; (v) the term of the Released Capacity, subject to Section 23.2(d) of the GTC; (vi) the applicable Rate Schedule; and (vii) other applicable terms and conditions.

4. INCORPORATION BY REFERENCE

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

5. TERM

This Agreement shall be effective on the date first stated and shall continue until canceled by either party upon at least 120 days prior notice.

6. EXECUTION AND DELIVERY

This Agreement may be executed and delivered (in original form or in electronic or facsimile form) in one or more counterparts, each of which so executed shall constitute an original and all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective duly authorized Officers or Representatives, to be effective as of the date first written above.

SHIPPER: _____

TRANSPORTER: Alliance Pipeline L.P. by its
General Partner, ALLIANCE PIPELINE INC.

By: _____

By: _____

Title: _____

Title: _____

CAPACITY RELEASE SCHEDULE NO. _____

This Capacity Release Schedule ("Schedule") is incorporated by reference and made a part of that Master Capacity Release Agreement No. _____ entered into by and between Alliance Pipeline L.P. ("Transporter") and _____ ("Replacement Shipper"). This Schedule sets forth certain terms and conditions applicable to Transportation to be performed by Transporter for Replacement Shipper, pursuant to an award of Released Capacity to Replacement Shipper:

Bid No 1/: _____ Capacity Award No. _____

Term 2/: _____

Amount of Capacity: _____

Rate Schedule: _____

Rate: _____

Primary Receipt Point(s): _____

Primary Delivery Point(s): _____

Recall Rights: _____

Reput Rights: _____

Other Terms and Conditions: _____

Shipper and Transporter hereby acknowledge that the terms of Transportation set forth above are specifically subject to the terms and conditions of the Master Capacity Release Agreement identified above; Transporters FERC Gas Tariff; and Transporter's applicable Rate Schedule.

1/ Subject to GTC Section 23.2(d)

2/ Enter "P/A" if Pre-Arranged Release not subject to bidding.

IN WITNESS WHEREOF, the parties have caused this agreement to be signed by their respective duly authorized Officers or Representatives to be effective as of the date first written above.

SHIPPER: _____

TRANSPORTER: Alliance Pipeline L.P. by its
General Partner, ALLIANCE PIPELINE INC.

By: _____

By: _____

Title: _____

Title: _____

TITLE TRANSFER AGREEMENT

Title Transfer Agreement No. _____

This Title Transfer Agreement (“Agreement”) is made and entered into as of _____, 20____, by and between ALLIANCE PIPELINE L.P., hereinafter referred to as "Transporter", and _____, hereinafter referred to as "Shipper".

WHEREAS, Transporter owns and operates mainline transmission and other related facilities whereby it transports natural gas in interstate commerce; and

WHEREAS, Shipper seeks to take title of certain Gas at a U.S. Delivery Pool (“Pool”) on Transporter's system; and

NOW THEREFORE, in consideration of the covenants and conditions herein contained, Transporter and Shipper agree as follows:

Section 1 - Receipt and Delivery of Natural Gas by Transporter

Subject to the terms and provisions of this Agreement, Transporter agrees to accept for Shipper at and from a Pool the quantities of natural gas as nominated pursuant to Section 4 of this Agreement. Shipper total quantities of gas nominated at and out of a Pool shall be in balance.

The terms and conditions of Section 16.12 of the General Terms and Conditions (“GTC”) of Transporter's Federal Energy Regulatory Commission (“FERC”) Gas Tariff, shall govern the resolution of the Energy Imbalance under this Agreement.

Section 2 - Transfer of Title

Title to Natural Gas received by Transporter for Shipper pursuant to this Agreement may be transferred to any other Shipper that has an effective Title Transfer Agreement or Transportation Agreement.

Section 3 - Term

This Agreement shall be effective on the date first stated and shall continue until canceled by either party upon five (5) days prior notice.

Section 4 - Nomination

This Agreement shall be assigned a Title Transfer Agreement number to which the Shipper must reference for nomination purposes. Nominations must be made in accordance with the provisions set forth in Section 11 of the GTC, as amended from time to time.

Section 5 - General Terms and Conditions

This Agreement shall be subject to the GTC of Transporter's FERC Gas Tariff, as amended from time to time.

Section 6 - Other Provisions

Transporter shall have the right to file and seek FERC approval of any changes in Transporter's FERC Gas Tariff or the terms of this Agreement.

The parties' signatures below evidence their agreement to the terms and conditions of this Agreement.

ALLIANCE PIPELINE L.P.
By its General Partner,
ALLIANCE PIPELINE INC.

(Name of Account Holder)

Per: _____
Title: _____
Date: _____

Per: _____
Title: _____
Date: _____

Per: _____
Title: _____
Date: _____

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