



TRANSWESTERN PIPELINE COMPANY
An ENERGY TRANSFER Company

April 28, 2022

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

RE: TRANSWESTERN PIPELINE COMPANY, LLC
Docket No. RP22-_____
Housekeeping Filing

Dear Ms. Bose:

Transwestern Pipeline Company, LLC (Transwestern) hereby electronically submits for filing with the Federal Energy Regulatory Commission (Commission), as part of its FERC NGA Gas Tariff, Fifth Revised Volume No. 1 (Tariff), the revised tariff records listed on Appendix A hereto proposed to become effective May 31, 2022.

STATEMENT OF NATURE, REASONS AND BASIS

The purpose of this filing, made in accordance with the provisions of Section 154.204 of the Commission's Regulations, is to propose housekeeping revisions to the Tariff. First, Transwestern is removing 3 expired contracts and their associated footnotes from its Statement of Negotiated Rates. Second, Transwestern is removing 2 expired contracts from its Statement of Non-Conforming Agreements. Third, the Rate Schedule that was referring to the cancellation of Rate Schedule FTS-4¹ is being modified to show "Reserved". Corresponding changes are reflected in Part I, Table of Contents and Part V, Rate Schedules index tariff records as well as removing a reference to Rate Schedule FTS-4 from GT&C Section 13. Additionally, Transwestern is correcting spelling errors contained within the System Map, GT&C Section 1, GT&C Section 22 and the footnotes of the Currently Effective Rates for Rate Schedules FTS-1 and LFT, FTS-5, FTS-3, ITS-1 and ITS-2. Lastly, formatting issues associated with spacing are being addressed in GT&C Section 36 and GT&C Section 38.

IMPLEMENTATION AND WAIVER REQUEST

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, Transwestern requests that the proposed tariff records be accepted effective May 31, 2022, without further action from Transwestern. Although Transwestern is unaware of any waivers which are required, Transwestern respectfully requests that the Commission waive any parts of its Regulations as may be required to accept the instant filing.

¹ Letter Order, *Transwestern Pipeline Company, LLC*, Docket No. RP15-811-000 (issued April 28, 2015).

CONTENTS OF THE FILING

This filing is made in electronic format in compliance with Section 154.4 of the Commission's Regulations. In addition to the proposed tariff records in RTF format with metadata attached, the XML filing package contains:

- . A transmittal letter with Appendix A in PDF format
- . A clean copy of the proposed tariff records in PDF format for publishing in eLibrary
- . A marked version of the proposed tariff changes in PDF format
- . A copy of the complete filing in PDF format for publishing in eLibrary

COMMUNICATIONS, PLEADINGS AND ORDERS

Transwestern requests that all Commission orders and correspondence as well as pleadings and correspondence from other parties concerning this filing be served on the following:

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In accordance with Section 154.2(d) of the Commission's Regulations, a copy of this filing is available for public inspection during regular business hours at Transwestern's office at 1300 Main Street, Houston, Texas 77002. In addition, copies of this filing are being served electronically on jurisdictional customers and interested state regulatory agencies. Transwestern has posted this filing on its Internet website accessible via <http://twtransfer.energytransfer.com> under Informational Postings, Regulatory.

² Designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure. Transwestern respectfully requests that the Commission waive Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), in order to allow Transwestern to include additional representatives on the official service list.

³ Designated as responsible Company official under Section 154.7(a)(2) of the Commission's Regulations.

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Pursuant to Section 385.2005(a) of the Commission's Regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief, and possesses full power and authority to sign such filing.

Respectfully submitted,

TRANSWESTERN PIPELINE COMPANY, LLC

/s/ Lawrence J. Biediger

Lawrence J. Biediger
Sr. Director, Rates and Regulatory Affairs

TRANSWESTERN PIPELINE COMPANY, LLC
 FERC NGA Gas Tariff
 Fifth Revised Volume No. 1

Proposed to be effective May 31, 2022

<u>Version</u>	<u>Description</u>	<u>Title</u>
6.0.0	Part I	Table of Contents
2.0.0	1. System	Map
5.0.0	1. FTS-1 and LFT	Currently Effective Rates
3.0.0	3. Rate Schedule FTS-5	Currently Effective Rates
3.0.0	4. Rate Schedule FTS-3	Currently Effective Rates
3.0.0	5. Rate Schedule ITS-1	Currently Effective Rates
3.0.0	6. Rate Schedule ITS-2	Currently Effective Rates
9.0.0	9. Negotiated Rates	Currently Effective Rates
3.0.0	10. Non-Conforming	Agreements
4.0.0	Part V	Rate Schedules
4.0.0	4. Reserved	Rate Schedule
6.0.0	GT&C Section 1.	Definitions
3.0.0	GT&C Section 13.	Creditworthiness
8.0.0	GT&C Section 22.	Nomination and Scheduling of Capacity
4.0.0	GT&C Section 36.	Reservation Charge Credit
3.0.0	GT&C Section 38.	Flow Through of Balancing Tools

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System Map

The System Map may be displayed and downloaded at the Internet Web site below.

<http://twtransfer.energytransfer.com/ipost/TW/maps/system-map>

CURRENTLY EFFECTIVE RATES
 RATE SCHEDULES FTS-1 and LFT

	Base Rate Per Dth -----	Surcharges (1) -----	Maximum Rate Per Dth -----	Minimum Rate per Dth -----	Maximum Fuel Reimbursement (9) -----
Delivered to West of Thoreau California					
Received from East of Thoreau					
- Reservation Rate	\$ 0.5700	-	\$ 0.5700	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.5900	-	0.5900	0.0200	2.53
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.2200	-	\$ 0.2200	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.30%
- Overrun Rate (2) (3) (10)	0.2300	-	0.2300	0.0100	1.30
Received from San Juan					
- Reservation Rate	\$ 0.4000	-	\$ 0.4000	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.4150	-	0.4150	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.15%
- San Juan North of Blanco (8)	-	-	-	-	2.49
Received from Phoenix					
- Reservation Rate	\$ 0.7200	-	\$ 0.7200	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (10)	0.7650	-	0.7650	0.0450	1.55
Delivered to West of Thoreau East of California (4)					
Received from East of Thoreau					
- Reservation Rate	\$ 0.5700	-	\$ 0.5700	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.38%
- Overrun Rate (2) (10)	0.5900	-	0.5900	0.0200	2.38
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.2200	-	\$ 0.2200	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.15%
- Overrun Rate (2) (3) (10)	0.2300	-	0.2300	0.0100	1.15
Received from San Juan					
- Reservation Rate	\$ 0.4000	-	\$ 0.4000	0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.4150	-	0.4150	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.00%
- San Juan North of Blanco (8)	-	-	-	-	2.34
Received from Phoenix					
- Reservation Rate	\$ 0.7200	-	\$ 0.7200	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.40%
- Overrun Rate (2) (10)	0.7650	-	0.7650	0.0450	1.40
Delivered to San Juan except for North of Blanco					
Received from East of Thoreau					
- Reservation Rate	\$ 0.5300	-	\$ 0.5300	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.18%
- Overrun Rate (2) (10)	0.5450	-	0.5450	0.0150	2.18
Received from West of Thoreau					
- Reservation Rate	\$ 0.4000	-	\$ 0.4000	\$ 0.0000	2.15%
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.15
- Overrun Rate (2) (10)	0.4150	-	0.4150	0.0150	-
Received from Phoenix					
- Reservation Rate	\$ 0.9000	-	\$ 0.9000	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	2.25%
- Overrun Rate (2) (10)	0.9500	-	0.9500	0.0500	2.25

Delivered to San Juan except for North of Blanco					
Received from San Juan (5)					
- Reservation Rate (3)	\$ 0.1800	-	\$ 0.1800	\$ 0.0000	-
- Usage Rate (10) (3)	0.0050	-	0.0050	0.0050	-
- Overrun Rate (2) (10) (3)	0.1850	-	0.1850	0.0050	-
- San Juan Blanco (7)	-	-	-	-	0.95%
- San Juan North of Blanco (8)	-	-	-	-	1.29
Delivered to San Juan North of Blanco					
Received from San Juan North of Blanco (8)					
- Reservation Rate	\$ 0.1800	-	\$ 0.1800	\$ 0.0000	-
- Usage Rate (10)	0.0050	-	0.0050	0.0050	0.44%
- Overrun Rate (2) (10)	0.1850	-	0.1850	0.0050	0.44
Delivered to East of Thoreau (6)					
Received from East of Thoreau (5)					
- Reservation Rate (3)	\$ 0.3500	-	\$ 0.3500	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.33%
- Overrun Rate (2) (3) (10)	0.3600	-	0.3600	0.0100	1.33
Received from West of Thoreau					
- Reservation Rate	\$ 0.5700	-	\$ 0.5700	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.5900	-	0.5900	0.0200	2.53
Received from San Juan					
- Reservation Rate	\$ 0.5300	-	\$ 0.5300	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.5450	-	0.5450	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.18%
- San Juan North of Blanco (8)	-	-	-	-	2.52
Received from Phoenix					
- Reservation Rate	\$ 1.0700	-	\$ 1.0700	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.1250	-	1.1250	0.0550	2.63
Delivered to Phoenix					
Received from East of Thoreau					
- Reservation Rate	\$ 1.0700	-	\$ 1.0700	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.1250	-	1.1250	0.0550	2.63
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.7200	-	\$ 0.7200	\$ 0.0000	-
- Usage Rate (3) (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (3) (10)	0.7650	-	0.7650	0.0450	1.55
Received from San Juan					
- Reservation Rate	\$ 0.9000	-	\$ 0.9000	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	-
- Overrun Rate (2) (10)	0.9500	-	0.9500	0.0500	-
- San Juan Blanco (7)	-	-	-	-	2.25%
- San Juan North of Blanco (8)	-	-	-	-	2.59
Received from Phoenix (11)					
- Reservation Rate	\$ 0.5000	-	\$ 0.5000	\$ 0.0000	-
- Usage Rate (10)	0.0350	-	0.0350	0.0350	0.35%
- Overrun Rate (2) (10)	0.5350	-	0.5350	0.0350	0.35

Backhaul transportation is transportation on Transporter's system that is opposite to the actual physical flow from the point of receipt to the point of delivery. The backhaul rate will be the same as a forward haul rate; however, the backhaul fuel rate shall be 0.10%.

- (1) Surcharges shall not be applied to the same quantity of gas more than once.
- (2) This rate shall be the maximum firm volumetric rate applicable for capacity release.
- (3) Includes receipts from the Thoreau/San Juan Point.

- (4) These rates will be applicable to all delivery points West of the Thoreau/San Juan Point except for deliveries to the California border, which includes points located West of the junction of the mainline with the Topock Lateral at mile post 75.2 West of Compressor Station No. 1.
- (5) Includes deliveries to Thoreau/San Juan Point and such deliveries shall pay 0.10% less than the fuel reimbursement stated on this tariff section and no surcharges shall be applicable to deliveries to the Thoreau/San Juan Point.
- (6) These rates will be applicable to all delivery points East of the Thoreau/San Juan Point.
- (7) This fuel will be applicable to all receipts in San Juan except for receipts north of the Blanco Hub.
- (8) This fuel will be applicable to all receipts in San Juan north of the Blanco Hub.
- (9) Transport Fuel percentages are from Receipt Point Area through to Delivery Point Area and shall be applied to receipt quantities. The minimum Transport Fuel charge will not be lower than actual fuel costs, if any.
- (10) Excludes the ACA unit charge applicable to Shippers pursuant to Section 23 of the General Terms and Conditions.
- (11) Includes receipts from Ashfork delivered to Phoenix or receipts from Phoenix delivered to Ashfork.

CURRENTLY EFFECTIVE RATES
 RATE SCHEDULE FTS-5

	Base Rate Per Dth -----	Surcharges (1) -----	Maximum Rate Per Dth -----	Minimum Rate per Dth -----	Maximum Fuel Reimbursement (9) -----
Delivered to West of Thoreau California					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6800	-	\$ 0.6800	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.7000	-	0.7000	0.0200	2.53
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.3300	-	\$ 0.3300	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.30%
- Overrun Rate (2) (3) (10)	0.3400	-	0.3400	0.0100	1.30
Received from San Juan					
- Reservation Rate	\$ 0.5100	-	\$ 0.5100	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.5250	-	0.5250	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.15%
- San Juan North of Blanco (8)	-	-	-	-	2.49
Received from Phoenix					
- Reservation Rate	\$ 0.8300	-	\$ 0.8300	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (10)	0.8750	-	0.8750	0.0450	1.55
Delivered to West of Thoreau East of California (4)					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6800	-	\$ 0.6800	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.38%
- Overrun Rate (2) (10)	0.7000	-	0.7000	0.0200	2.38
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.3300	-	\$ 0.3300	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.15%
- Overrun Rate (2) (3) (10)	0.3400	-	0.3400	0.0100	1.15
Received from San Juan					
- Reservation Rate	\$ 0.5100	-	\$ 0.5100	0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.5250	-	0.5250	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.00%
- San Juan North of Blanco (8)	-	-	-	-	2.34
Received from Phoenix					
- Reservation Rate	\$ 0.8300	-	\$ 0.8300	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.40%
- Overrun Rate (2) (10)	0.8750	-	0.8750	0.0450	1.40
Delivered to San Juan except for North of Blanco					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6200	-	\$ 0.6200	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.18%
- Overrun Rate (2) (10)	0.6350	-	0.6350	0.0150	2.18
Received from West of Thoreau					
- Reservation Rate	\$ 0.4900	-	\$ 0.4900	\$ 0.0000	2.15%
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.15
- Overrun Rate (2) (10)	0.5050	-	0.5050	0.0150	-
Received from Phoenix					
- Reservation Rate	\$ 0.9900	-	\$ 0.9900	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	2.25%
- Overrun Rate (2) (10)	1.0400	-	1.0400	0.0500	2.25

Delivered to San Juan except for North of Blanco					
Received from San Juan (5)					
- Reservation Rate (3)	\$ 0.2700	-	\$ 0.2700	\$ 0.0000	-
- Usage Rate (10) (3)	0.0050	-	0.0050	0.0050	-
- Overrun Rate (2) (10) (3)	0.2750	-	0.2750	0.0050	-
- San Juan Blanco (7)	-	-	-	-	0.95%
- San Juan North of Blanco (8)	-	-	-	-	1.29
Delivered to San Juan North of Blanco					
Received from San Juan North of Blanco (8)					
- Reservation Rate	\$ 0.2700	-	\$ 0.2700	\$ 0.0000	-
- Usage Rate (10)	0.0050	-	0.0050	0.0050	0.44%
- Overrun Rate (2) (10)	0.2750	-	0.2750	0.0050	0.44
Delivered to East of Thoreau (6)					
Received from East of Thoreau (5)					
- Reservation Rate (3)	\$ 0.5250	-	\$ 0.5250	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.33%
- Overrun Rate (2) (3) (10)	0.5350	-	0.5350	0.0100	1.33
Received from West of Thoreau					
- Reservation Rate	\$ 0.7450	-	\$ 0.7450	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.7650	-	0.7650	0.0200	2.53
Received from San Juan					
- Reservation Rate	\$ 0.7050	-	\$ 0.7050	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.7200	-	0.7200	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.18%
- San Juan North of Blanco (8)	-	-	-	-	2.52
Received from Phoenix					
- Reservation Rate	\$ 1.2450	-	\$ 1.2450	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.3000	-	1.3000	0.0550	2.63
Delivered to Phoenix					
Received from East of Thoreau					
- Reservation Rate	\$ 1.3200	-	\$ 1.3200	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.3750	-	1.3750	0.0550	2.63
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.9700	-	\$ 0.9700	\$ 0.0000	-
- Usage Rate (3) (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (3) (10)	1.0150	-	1.0150	0.0450	1.55
Received from San Juan					
- Reservation Rate	\$ 1.1500	-	\$ 1.1500	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	-
- Overrun Rate (2) (10)	1.2000	-	1.2000	0.0500	-
- San Juan Blanco (7)	-	-	-	-	2.25%
- San Juan North of Blanco (8)	-	-	-	-	2.59
Received from Phoenix (11)					
- Reservation Rate	\$ 0.7500	-	\$ 0.7500	\$ 0.0000	-
- Usage Rate (10)	0.0350	-	0.0350	0.0350	0.35%
- Overrun Rate (2) (10)	0.7850	-	0.7850	0.0350	0.35

Backhaul transportation is transportation on Transporter's system that is opposite to the actual physical flow from the point of receipt to the point of delivery. The backhaul rate will be the same as a forward haul rate; however, the backhaul fuel rate shall be 0.10%.

- (1) Surcharges shall not be applied to the same quantity of gas more than once.
- (2) This rate shall be the maximum firm volumetric rate applicable for capacity release.

- (3) Includes receipts from the Thoreau/San Juan Point.
- (4) These rates will be applicable to all delivery points West of the Thoreau/San Juan Point except for deliveries to the California border, which includes points located West of the junction of the mainline with the Topock Lateral at mile post 75.2 West of Compressor Station No. 1.
- (5) Includes deliveries to Thoreau/San Juan Point and such deliveries shall pay 0.10% less than the fuel reimbursement stated on this tariff section and no surcharges shall be applicable to deliveries to the Thoreau/San Juan Point.
- (6) These rates will be applicable to all delivery points East of the Thoreau/San Juan Point.
- (7) This fuel will be applicable to all receipts in San Juan except for receipts north of the Blanco Hub.
- (8) This fuel will be applicable to all receipts in San Juan north of the Blanco Hub.
- (9) Transport Fuel percentages are from Receipt Point Area through to Delivery Point Area and shall be applied to receipt quantities. The minimum Transport Fuel charge will not be lower than actual fuel costs, if any.
- (10) Excludes the ACA unit charge applicable to Shippers pursuant to Section 23 of the General Terms and Conditions.
- (11) Includes receipts from Ashfork delivered to Phoenix or receipts from Phoenix delivered to Ashfork.

CURRENTLY EFFECTIVE RATES
 RATE SCHEDULES FTS-3

	Base Rate Per Dth -----	Surcharges (1) -----	Maximum Rate Per Dth -----	Minimum Rate Per Dth -----	Maximum Fuel Reimbursement (9) -----
Delivered to West of Thoreau California					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6800	-	\$ 0.6800	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.7000	-	0.7000	0.0200	2.53
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.3300	-	\$ 0.3300	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.30%
- Overrun Rate (2) (3) (10)	0.3400	-	0.3400	0.0100	1.30
Received from San Juan					
- Reservation Rate	\$ 0.5100	-	\$ 0.5100	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.5250	-	0.5250	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.15%
- San Juan North of Blanco (8)	-	-	-	-	2.49
Received from Phoenix					
- Reservation Rate	\$ 0.8300	-	\$ 0.8300	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (10)	0.8750	-	0.8750	0.0450	1.55
Delivered to West of Thoreau East of California (4)					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6800	-	\$ 0.6800	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.38%
- Overrun Rate (2) (10)	0.7000	-	0.7000	0.0200	2.38
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.3300	-	\$ 0.3300	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.15%
- Overrun Rate (2) (3) (10)	0.3400	-	0.3400	0.0100	1.15
Received from San Juan					
- Reservation Rate	\$ 0.5100	-	\$ 0.5100	0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.5250	-	0.5250	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.00%
- San Juan North of Blanco (8)	-	-	-	-	2.34
Received from Phoenix					
- Reservation Rate	\$ 0.8300	-	\$ 0.8300	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.40%
- Overrun Rate (2) (10)	0.8750	-	0.8750	0.0450	1.40
Delivered to San Juan except for North of Blanco					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6200	-	\$ 0.6200	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.18%
- Overrun Rate (2) (10)	0.6350	-	0.6350	0.0150	2.18
Received from West of Thoreau					
- Reservation Rate	\$ 0.4900	-	\$ 0.4900	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.15%
- Overrun Rate (2) (10)	0.5050	-	0.5050	0.0150	2.15
Received from Phoenix					
- Reservation Rate	\$ 0.9900	-	\$ 0.9900	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	2.25%
- Overrun Rate (2) (10)	1.0400	-	1.0400	0.0500	2.25

Delivered to San Juan except for North of Blanco					
Received from San Juan (5)					
- Reservation Rate (3)	\$ 0.2700	-	\$ 0.2700	\$ 0.0000	-
- Usage Rate (10) (3)	0.0050	-	0.0050	0.0050	-
- Overrun Rate (2) (10) (3)	0.2750	-	0.2750	0.0050	-
- San Juan Blanco (7)	-	-	-	-	0.95%
- San Juan North of Blanco (8)	-	-	-	-	1.29
Delivered to San Juan North of Blanco					
Received from San Juan North of Blanco (8)					
- Reservation Rate	\$ 0.2700	-	\$ 0.2700	\$ 0.0000	-
- Usage Rate (10)	0.0050	-	0.0050	0.0050	0.44%
- Overrun Rate (2) (10)	0.2750	-	0.2750	0.0050	0.44
Delivered to East of Thoreau (6)					
Received from East of Thoreau (5)					
- Reservation Rate (3)	\$ 0.5250	-	\$ 0.5250	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.33%
- Overrun Rate (2) (3) (10)	0.5350	-	0.5350	0.0100	1.33
Received from West of Thoreau					
- Reservation Rate	\$ 0.7450	-	\$ 0.7450	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.7650	-	0.7650	0.0200	2.53
Received from San Juan					
- Reservation Rate	\$ 0.7050	-	\$ 0.7050	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.7200	-	0.7200	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.18%
- San Juan North of Blanco (8)	-	-	-	-	2.52
Received from Phoenix					
- Reservation Rate	\$ 1.2450	-	\$ 1.2450	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.3000	-	1.3000	0.0550	2.63
Delivered to Phoenix					
Received from East of Thoreau					
- Reservation Rate	\$ 1.3200	-	\$ 1.3200	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.3750	-	1.3750	0.0550	2.63
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.9700	-	\$ 0.9700	\$ 0.0000	-
- Usage Rate (3) (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (3) (10)	1.0150	-	1.0150	0.0450	1.55
Received from San Juan					
- Reservation Rate	\$ 1.1500	-	\$ 1.1500	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	-
- Overrun Rate (2) (10)	1.2000	-	1.2000	0.0500	-
- San Juan Blanco (7)	-	-	-	-	2.25%
- San Juan North of Blanco (8)	-	-	-	-	2.59
Received from Phoenix (11)					
- Reservation Rate	\$ 0.7500	-	\$ 0.7500	\$ 0.0000	-
- Usage Rate (10)	0.0350	-	0.0350	0.0350	0.35%
- Overrun Rate (2) (10)	0.7850	-	0.7850	0.0350	0.35

Backhaul transportation is transportation on Transporter's system that is opposite to the actual physical flow from the point of receipt to the point of delivery. The backhaul rate will be the same as a forward haul rate; however, the backhaul fuel rate shall be 0.10%.

(1) Surcharges shall not be applied to the same quantity of gas more than once.

(2) This rate shall be the maximum firm volumetric rate applicable for capacity release.

- (3) Includes receipts from the Thoreau/San Juan Point.
- (4) These rates will be applicable to all delivery points West of the Thoreau/San Juan Point except for deliveries to the California border, which includes points located West of the junction of the mainline with the Topock Lateral at mile post 75.2 West of Compressor Station No. 1.
- (5) Includes deliveries to Thoreau/San Juan Point and such deliveries shall pay 0.10% less than the fuel reimbursement stated on this tariff section and no surcharges shall be applicable to deliveries to the Thoreau/San Juan Point.
- (6) These rates will be applicable to all delivery points East of the Thoreau/San Juan Point.
- (7) This fuel will be applicable to all receipts in San Juan except for receipts north of the Blanco Hub.
- (8) This fuel will be applicable to all receipts in San Juan north of the Blanco Hub.
- (9) Transport Fuel percentages are from Receipt Point Area through to Delivery Point Area and shall be applied to receipt quantities. The minimum Transport Fuel charge will not be lower than actual fuel costs, if any.
- (10) Excludes the ACA unit charge applicable to Shippers pursuant to Section 23 of the General Terms and Conditions.
- (11) Includes receipts from Ashfork delivered to Phoenix or receipts from Phoenix delivered to Ashfork.

CURRENTLY EFFECTIVE RATES
 RATE SCHEDULE ITS-1

	Base Rate Per Dth	Surcharges (1)	Maximum Rate Per Dth	Minimum Rate Per Dth	Maximum Fuel Reimbursement (6)
	-----	-----	-----	-----	-----
Delivered to West of Thoreau California					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.5900	-	\$ 0.5900	\$ 0.0200	2.53%
Received from West of Thoreau (2)					
- Usage Rate (9)	\$ 0.2300	-	\$ 0.2300	\$ 0.0100	1.30%
Received from San Juan					
- Usage Rate (9)	\$ 0.4150	-	\$ 0.4150	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.15%
- San Juan North of Blanco (8)	-	-	-	-	2.49
Received from Phoenix					
Usage Rate (9)	\$ 0.7650		\$ 0.7650	\$ 0.0450	1.55%
Delivered to West of Thoreau East of California (3)					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.5900	-	\$ 0.5900	\$ 0.0200	2.38%
Received from West of Thoreau (2)					
- Usage Rate (9)	\$ 0.2300	-	\$ 0.2300	\$ 0.0100	1.15%
Received from San Juan					
- Usage Rate (9)	\$ 0.4150	-	\$ 0.4150	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.00%
- San Juan North of Blanco (8)	-	-	-	-	2.34
Received from Phoenix					
Usage Rate (9)	\$ 0.7650		\$ 0.7650	\$ 0.0450	1.40%
Delivered to San Juan except to North of Blanco					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.5450	-	\$ 0.5450	\$ 0.0150	2.18%
Received from West of Thoreau					
- Usage Rate (9)	\$ 0.4150	-	\$ 0.4150	\$ 0.0150	2.15%
Received from Phoenix					
Usage Rate (9)	\$ 0.9500		\$ 0.9500	\$ 0.0500	2.25%
Delivered to San Juan except for North of Blanco					
Received from San Juan (4) (2)					
- Usage Rate (9)	\$ 0.1850	-	\$ 0.1850	\$ 0.0050	-
- San Juan Blanco (7)	-	-	-	-	0.95%
- San Juan North of Blanco (8)	-	-	-	-	1.29
Delivered to San Juan North of Blanco					
Received from San Juan North of Blanco (8)					
- Usage Rate (9)	\$ 0.1850	-	\$ 0.1850	\$ 0.0050	0.44%
Delivered to East of Thoreau (5)					
Received from East of Thoreau (2) (4)					
- Usage Rate (9)	\$ 0.3600	-	\$ 0.3600	\$ 0.0100	1.33%
Received from West of Thoreau					
- Usage Rate (9)	\$ 0.5900	-	\$ 0.5900	\$ 0.0200	2.53%
Received from San Juan					
- Usage Rate (9)	\$ 0.5450	-	\$ 0.5450	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.18%
- San Juan North of Blanco (8)	-	-	-	-	2.52
Received from Phoenix					
Usage Rate (9)	\$ 1.1250		\$ 1.1250	\$ 0.0550	2.63%

Delivered to Phoenix					
Received from East of Thoreau					
- Usage Rate (9)	\$ 1.1250	-	\$ 1.1250	\$ 0.0550	2.63%
Received from West of Thoreau					
- Usage Rate (9)	\$ 0.7650	-	\$ 0.7650	\$ 0.0450	1.55%
Received from San Juan					
- Usage Rate (9)	\$ 0.9500	-	\$ 0.9500	\$ 0.0500	-
- San Juan Blanco (7)	-	-	-	-	2.25%
- San Juan North of Blanco (8)	-	-	-	-	2.59
Received from Phoenix					
Usage Rate (9)	\$ 0.5350		\$ 0.5350	\$ 0.0350	0.35%

Backhaul transportation is transportation on Transporter's system that is opposite to the actual physical flow from the point of receipt to the point of delivery. The backhaul rate will be the same as a forward haul rate; however, the backhaul fuel rate shall be 0.10%.

- (1) Surcharges shall not be applied to the same quantity of gas more than once.
- (2) Includes receipts from the Thoreau/San Juan Point.
- (3) These rates will be applicable to all delivery points West of the Thoreau/San Juan Point except for deliveries to the California border, which includes points located West of the junction of the mainline with the Topock Lateral at mile post 75.2 West of Compressor Station No. 1.
- (4) Includes deliveries to Thoreau/San Juan Point and such deliveries shall pay 0.10% less than the fuel reimbursement stated on this tariff section and no surcharges shall be applicable to deliveries to the Thoreau/San Juan Point.
- (5) These rates will be applicable to all delivery points East of Thoreau/San Juan Point.
- (6) Transport Fuel percentages are from Receipt Point Area through to Delivery Point Area and shall be applied to receipt quantities. The minimum Transport Fuel charge will not be lower than actual fuel costs, if any.
- (7) This fuel will be applicable to all receipts in San Juan except for receipts north of the Blanco Hub.
- (8) This fuel will be applicable to all receipts in San Juan north of the Blanco Hub.
- (9) Excludes the ACA unit charge applicable to Shippers pursuant to Section 23 of the General Terms and Conditions.

CURRENTLY EFFECTIVE RATES
 RATE SCHEDULE ITS-2

	Base Rate Per Dth	Surcharges (1)	Maximum Rate Per Dth	Minimum Rate Per Dth	Maximum Fuel Reimbursement (6)
	-----	-----	-----	-----	-----
Delivered to West of Thoreau California					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.7000	-	\$ 0.7000	\$ 0.0200	2.53%
Received from West of Thoreau (2)					
- Usage Rate (9)	\$ 0.3400	-	\$ 0.3400	\$ 0.0100	1.30%
Received from San Juan					
- Usage Rate (9)	\$ 0.5250	-	\$ 0.5250	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.15%
- San Juan North of Blanco (8)	-	-	-	-	2.49
Received from Phoenix					
Usage Rate (9)	\$ 0.8750		\$ 0.8750	\$ 0.0450	1.55%
Delivered to West of Thoreau East of California (3)					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.7000	-	\$ 0.7000	\$ 0.0200	2.38%
Received from West of Thoreau (2)					
- Usage Rate (9)	\$ 0.3400	-	\$ 0.3400	\$ 0.0100	1.15%
Received from San Juan					
- Usage Rate (9)	\$ 0.5250	-	\$ 0.5250	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.00%
- San Juan North of Blanco (8)	-	-	-	-	2.34
Received from Phoenix					
Usage Rate (9)	\$ 0.8750		\$ 0.8750	\$ 0.0450	1.40%
Delivered to San Juan except for North of Blanco					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.6350	-	\$ 0.6350	\$ 0.0150	2.18%
Received from West of Thoreau					
- Usage Rate (9)	\$ 0.5050	-	\$ 0.5050	\$ 0.0150	2.15%
Received from Phoenix					
Usage Rate (9)	\$ 1.0400		\$ 1.0400	\$ 0.0500	2.25%
Delivered to San Juan except for North of Blanco					
Received from San Juan (4) (2)					
- Usage Rate (9)	\$ 0.2750	-	\$ 0.2750	\$ 0.0050	-
- San Juan Blanco (7)	-	-	-	-	0.95%
- San Juan North of Blanco (8)	-	-	-	-	1.29
Delivered to San Juan North of Blanco					
Received from San Juan North of Blanco (8)					
- Usage Rate (9)	\$ 0.2750	-	\$ 0.2750	\$ 0.0050	0.44%
Delivered to East of Thoreau (5)					
Received from East of Thoreau (2) (4)					
- Usage Rate (9)	\$ 0.5350	-	\$ 0.5350	\$ 0.0100	1.33%
Received from West of Thoreau					
- Usage Rate (9)	\$ 0.7650	-	\$ 0.7650	\$ 0.0200	2.53%
Received from San Juan					
- Usage Rate (9)	\$ 0.7200	-	\$ 0.7200	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.18%
- San Juan North of Blanco (8)	-	-	-	-	2.52
Received from Phoenix					
Usage Rate (9)	\$ 1.3000		\$ 1.3000	\$ 0.0550	2.63%

Delivered to Phoenix					
Received from East of Thoreau					
- Usage Rate (9)	\$ 1.3750	-	\$ 1.3750	\$ 0.0550	2.63%
Received from West of Thoreau					
- Usage Rate (9)	\$ 1.0150	-	\$ 1.0150	\$ 0.0450	1.55%
Received from San Juan					
- Usage Rate (9)	\$ 1.2000	-	\$ 1.2000	\$ 0.0500	-
- San Juan Blanco (7)	-	-	-	-	2.25%
- San Juan North of Blanco (8)	-	-	-	-	2.59
Received from Phoenix					
Usage Rate (9)	\$ 0.7850		\$ 0.7850	\$ 0.0350	0.35%

Backhaul transportation is transportation on Transporter's system that is opposite to the actual physical flow from the point of receipt to the point of delivery. The backhaul rate will be the same as a forward haul rate; however, the backhaul fuel rate shall be 0.10%.

- (1) Surcharges shall not be applied to the same quantity of gas more than once.
- (2) Includes receipts from the Thoreau/San Juan Point.
- (3) These rates will be applicable to all delivery points West of the Thoreau/San Juan Point except for deliveries to the California border, which includes points located West of the junction of the mainline with the Topock Lateral at mile post 75.2 West of Compressor Station No. 1.
- (4) Includes deliveries to Thoreau/San Juan Point and such deliveries shall pay 0.10% less than the fuel reimbursement stated on this tariff section and no surcharges shall be applicable to deliveries to the Thoreau/San Juan Point.
- (5) These rates will be applicable to all delivery points East of Thoreau/San Juan Point.
- (6) Transport Fuel percentages are from Receipt Point Area through to Delivery Point Area and shall be applied to receipt quantities. The minimum Transport Fuel charge will not be lower than actual fuel costs, if any.
- (7) This fuel will be applicable to all receipts in San Juan except for receipts north of the Blanco Hub.
- (8) This fuel will be applicable to all receipts in San Juan north of the Blanco Hub.
- (9) Excludes the ACA unit charge applicable to Shippers pursuant to Section 23 of the General Terms and Conditions.

Statement of Non-Conforming Agreements

The contracts listed below have been accepted by the Federal Energy Regulation Commission as non-conforming agreements.

A. Non-Conforming Agreements

- (1) Southwest Gas Transmission Company Operator Balancing Agreement dated September 1, 2006; Contract No. 101444.
- (2) Arizona Public Service Company Operator Balancing Agreement dated January 15, 2008; Contract No. 102078.
- (3) Southwest Gas Corporation Operator Balancing Agreement dated January 15, 2008; Contract No. 102070.
- (4) UNS Gas Inc. Operator Balancing Agreement dated January 15, 2008; Contract No. 102071.
- (5) Salt River Project Agricultural Improvement and Power District Operator Balancing Agreement dated January 15, 2008; Contract No. 102080.
- (6) El Paso Natural Gas Company Operator Balancing Agreement dated February 20, 2009; Contract No. 102474.
- (7) Tucson Electric Power Company Firm Natural Gas Transportation Agreement dated January 14, 2014; Contract No. 103828.

B. Non-Conforming Agreements with Negotiated Rates

- (1) Southwest Gas Corporation Firm Natural Gas Transportation Agreement dated January 15, 2008; Contract No. 102444.
- (2) Arizona Public Service Company Firm Natural Gas Transportation Agreement dated January 15, 2008; Contract No. 102446.
- (3) UNS Gas Inc. Firm Natural Gas Transportation Agreement dated January 15, 2008; Contract No. 102447.
- (4) Salt River Project Agricultural Improvement and Power District Firm Natural Gas Transportation Agreement dated January 15, 2008; Contract No. 102448.

Part V
Transportation Rate Schedules

1. Rate Schedule FTS-1
2. Rate Schedule FTS-2
3. Rate Schedule FTS-3
4. Reserved
5. Rate Schedule FTS-5
6. Rate Schedule LFT
7. Reserved
8. Rate Schedule ITS-1
9. Rate Schedule ITS-2
10. Rate Schedule PNR
11. Rate Schedule SP-1
12. Rate Schedule HPS

Reserved

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

Except as otherwise indicated, the following terms when used herein or in any agreement incorporating these General Terms and Conditions in this Tariff are intended, used and shall be construed to have the following meaning:

"Agent" shall mean one who is authorized, in writing, to act for a Shipper or Operator, and who may do and perform any such authorized acts as may be required to be performed by a Shipper or Operator under this Tariff (including, but not limited to, nominating, scheduling, and/or confirming quantities of gas for transportation; receiving bills; and reconciling and clearing imbalances), as if the same were being performed by the Shipper or Operator itself.

"Alternate Delivery Point" for service under Rate Schedule FTS-1, LFT, FTS-2, FTS-3 or FTS-5 shall mean the point(s) of delivery points within the direction of flow of Shipper's Primary Path on Transporter's system under Shipper's FTS-1, LFT, FTS-2, FTS-3 or FTS-5 Service Agreement, other than Primary Delivery Points, where Shipper nominates quantities; provided, however, that service to such alternate point(s) shall be on an interruptible basis (i.e., may be interrupted only by a firm shipper using the point(s) as a primary point(s)) under Shipper's Service Agreement.

"Alternate Receipt Point" shall mean all eligible receipt points within the direction of flow of Shipper's Primary Path on Transporter's system and volumes in excess of Primary Receipt Point volumes, from which Shipper under Rate Schedule FTS-1, LFT, FTS-2, FTS-3 or FTS-5 may nominate volumes to be received on an interruptible basis (i.e., may be interrupted only by a firm shipper using the point(s) as a primary point(s)) under its FTS-1, LFT, FTS-2, FTS-3 or FTS-5 Service Agreement.

"Area" shall mean those receipt/delivery point areas defined in Section 28 of the General Terms and Conditions.

"British Thermal Unit" (Btu) shall mean the amount of heat required to raise the temperature of one (1) pound of water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit.

"Business day (business day)" is defined as Monday through Friday, excluding Federal Banking Holidays.

"Central Clock Time" shall mean Central Standard Time throughout the year, as adjusted for Central Daylight Time.

"Commission" or "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency.

"Cubic foot (cubic foot)" shall mean the volume of gas which occupies one cubic foot of space measured at 14.73 pounds per square inch absolute at a temperature of 60 degrees Fahrenheit in accordance with Section 4 hereof.

"Customer Activities Website" shall mean the Uniform Resource Locator (URL) of Transporter's electronic communication mechanism on the Internet at <https://transfer.energytransfer.com/customeractivities/TW>.

"Day (day)" shall mean 9 a.m. to 9 a.m. (Central Clock Time).

"Dekatherm" (dth) shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One "dekatherm of gas" shall mean the quantity of gas which contains one dekatherm of heat energy.

"Elapsed Pro-rata Capacity" (EPC) shall mean the portion of the capacity (under capacity release) that would have theoretically been available for use prior to the effective time of the intraday recall based on a cumulative uniform hourly use of the capacity.

"Execution" or "executed" or any other form of the root word "execute" when used with respect to any Service Agreement, amendment to Service Agreement, or any other contract shall include electronic execution pursuant to the procedures established by Transporter.

"Hydrocarbon Dew point" shall mean cricondenthem, the highest temperature at which the vapor-liquid equilibrium may be present. The Hydrocarbon Dew point (cricondenthem) calculations are performed using the Peng-Robinson equation of state.

"Internet Website" or "Transporter's Internet Website" shall mean the Uniform Resource Locator (URL) containing Transporter's informational postings on the Internet at <http://twtransfer.energytransfer.com>.

"Logical Points" shall mean points on Transporter's system which may be used by a Shipper as receipt or delivery points which are not physical points as defined in this Tariff.

"Maximum Daily Transportation Quantity" (MAXDTQ) shall mean the maximum quantity of natural gas provided in the Service Agreement that Shipper is entitled to receive and Transporter is obligated to deliver on any day.

"Mcf" shall mean 1,000 cubic feet of gas.

"Merchantability" refers to a gas stream which is commercially salable and fit for the market, and of a quality which will bring the then current market price without additional treatment or processing. Gas that meets the quality specifications in this Tariff shall be deemed to be Merchantable.

"Month (month)" shall mean the period beginning at nine o'clock a.m. Central Clock Time on the first day of a calendar month and ending at the same hour on the first day of the next succeeding calendar month.

"Monthly Index Price (MIP)" shall mean the index price calculated in accordance with Section 27.2 herein.

"NAESB Standards" are the business practices and electronic standards adopted by the Wholesale Gas Quadrant ("WGQ") of North American Energy Standards Board ("NAESB") and by Section 284.12 of the Commission's Regulations.

"Natural gas (natural gas)" shall mean either natural gas unmixed, or any mixture of natural and artificial gas.

"NGA" shall mean the Natural Gas Act of 1938, as amended.

"Operator" shall mean a party which physically operates facilities connected to Transporter's pipeline system for deliveries of gas into or out of Transporter's system or a third-party designated in writing by the Operator physically operating such facility to sign an Operator Balancing Agreement for the interconnect point(s). Such Operator or third-party Operator must meet on a continuing basis the creditworthiness requirement of Transporter's Tariff, must execute an Operator Balancing Agreement in place of such Operator(s), and must agree to assume all of the Operator's rights, duties and obligations under the Operator Balancing Agreement for the designated interconnect point(s).

"Operator Balancing Agreement" shall mean a contract between two parties which specifies the procedures to manage operating variances at an interconnect pursuant to GT&C Section 15 herein.

"Physical Points" shall mean points on Transporter's system at which gas is actually received into or actually delivered out of Transporter's system.

"Pooling (pooling)" shall mean: (1) the aggregation of gas from multiple Physical and/or Logical Points to a single Physical or Logical Point; and/or (2) the dis-aggregation of gas from a single Physical or Logical Point to multiple Physical and/or Logical Points.

"Pre-Arranged Shipper" shall mean the entity designated by Releasing Shipper prior to the released capacity being posted on the Customer Activities Website. The Pre-Arranged Shipper will become a Replacement Shipper upon selection of its bid as the best bid.

"Primary Delivery Point" shall mean those delivery point(s) on Transporter's system under Shipper's FTS-1, LFT, FTS-2, FTS-3 or FTS-5 Service Agreement with a specified firm volume, as may be amended upon mutual agreement from time to time, but in no event shall any moving of a primary delivery point result in a lower reservation charge.

"Primary Path" shall mean the most direct route on Transporter's system between the Primary Receipt Point(s) and Primary Delivery Point(s). The direction of flow for such path shall be from the Primary Receipt Point(s) to the Primary Delivery Point(s) as indicated in the FTS-1, LFT, FTS-3 and FTS-5 Service Agreements. A Shipper under Rate Schedules FTS-1, LFT, FTS-3 and FTS-5 may change such Primary Receipt Point(s) or Primary Delivery Point(s) or use an Alternate Receipt Point(s) or Alternate Delivery Point(s) outside its Primary Path subject to the negotiation with Transporter of such points and rates, not to exceed the maximum applicable tariff rate.

"Primary Receipt Point" shall mean those receipt points on Transporter's system under Shipper's FTS-1, LFT, FTS-2, FTS-3 or FTS-5 Service Agreement with a specified firm volume, as may be amended upon mutual agreement from time to time, but in no event shall any moving of a primary receipt point result in a lower reservation charge.

"Quantity of gas" shall mean the number of units of gas expressed in dekatherms unless otherwise specified.

"Recourse Rate" shall mean the Commission approved maximum tariff rates set forth in the Currently Effective Rates for the applicable Rate Schedule as modified from time to time.

"Releasing Shipper" shall mean a firm Shipper that releases capacity pursuant to Section 30 herein.

"Replacement Shipper" shall mean any entity that obtains capacity from a Releasing Shipper pursuant to Section 30 herein.

"Service Agreement" shall mean the written executed agreement, in the form prescribed in this Tariff, applicable to the particular Rate Schedule under which service is being provided, including a Capacity Release Service Agreement.

"Shipper" shall mean any party purchasing services from Transporter under any of the Rate Schedules in this Tariff.

"Supply Pooling Points" shall mean Logical Points established by Transporter which may be used by Shippers to aggregate supplies pursuant to the provisions of Rate Schedule SP-1.

"Tariff" shall mean Transporter's currently effective FERC NGA Gas Tariff.

"Total heating value" means:

- A. For Shippers receiving service from Transporter to the Needles and/or Topock delivery points, the number of British Thermal Units evolved by the complete combustion with air, at constant pressure, of one cubic foot of anhydrous (dry) gas under a pressure of 14.73 psia and at a temperature of 60o Fahrenheit and when the products of combustion are cooled to the initial temperature of the gas and air and all of the water formed by combustion is condensed to the liquid state in accordance with rules set forth in "Public Utilities Commission of the State of California General Order No. 58-B" or any other methods of determination as may be mutually agreed upon.
- B. For Shippers receiving service for gas delivered at any delivery point except the Needles and Topock delivery points, the number of British Thermal Units evolved by the complete combustion with air, at constant pressure, of one cubic foot of anhydrous (dry) gas under a pressure of 14.73 psia and at a temperature of 60o Fahrenheit and when the products of combustion are cooled to the initial temperature of the gas and air and all of the water formed by combustion is condensed to the liquid state, or any other methods of determination as may be mutually agreed upon.

"Transport Fuel" shall mean the fuel charge for transmission, company use gas, and lost and unaccounted for gas and recovered on an "in kind" basis, as set forth in the Currently Effective Rates for the applicable Rate Schedule of this Tariff.

"Transporter" shall mean Transwestern Pipeline Company, LLC.

"Written" or "in writing" or any other combination of words indicating a requirement that a document be in a physically written form shall include any Service Agreement, amendment to Service Agreement, or any other contract or document which has been electronically executed pursuant to the procedures established by Transporter.

GENERAL TERMS AND CONDITIONS

13. CREDITWORTHINESS

13.1 Prior to execution of a Service Agreement or as a condition for continuation of service, a Shipper or prospective shipper shall be required to establish and maintain creditworthiness on an on-going basis with Transporter. Transporter shall not be required to: (1) execute a Service Agreement providing for service on behalf of any Shipper who fails to meet Transporter's standards for creditworthiness; or (2) initiate service for a Shipper who fails to meet Transporter's standards for creditworthiness; or (3) continue service on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails to demonstrate creditworthiness pursuant to Transporter's standards in this Section 13.

13.2 A Shipper shall be deemed creditworthy when Shipper meets the creditworthiness criteria in this Section 13.2.

(a) If Shipper is rated by Standard & Poor's Financial Services LLC (S&P), a subsidiary of McGraw Hill Financial, Inc. and/or by Moody's Investors Service, Inc. (Moody's), Transporter may establish creditworthiness if:

(1) (i) In the event Shipper is rated by both S&P and Moody's, Shipper's long-term senior unsecured debt securities are rated at least BBB- by S&P and at least Baa3 by Moody's, provided, however, that if the Shipper's rating is at BBB- and/or Baa3, respectively, the long-term outlook shall be Stable or Positive; or (ii) in the event Shipper is rated by only S&P, Shipper's long-term senior unsecured debt securities are rated at least BBB-, provided, however, that if the Shipper's rating is at BBB-, the long-term outlook shall be Stable or Positive; or (iii) in the event Shipper is rated by only Moody's, Shipper's long-term senior unsecured debt securities are rated at least Baa3, provided, however, that if the Shipper's rating is at Baa3, the long-term outlook shall be Stable or Positive; and

(2) The net present value of the sum of reservation charges, usage charges and any other associated fees and charges for the contract term is less than 15% of Shipper's tangible net worth.

In the event Shipper is rated by both S&P and Moody's at levels which are not equivalent, the lower rating shall apply. For the purposes of this Section 13.2, the term "tangible net worth" shall mean for a corporation the sum of the capital stock, paid-in capital in excess of par or stated value, and other free and clear equity reserve accounts less goodwill, patents, unamortized loan costs or restructuring costs, and other intangible assets. Only actual tangible assets are included in Transporter's assessment of creditworthiness. If a Shipper has multiple

Service Agreements with Transporter, then the total contract commitment and imbalance exposure or potential exposure of all such Service Agreements shall be considered in determining creditworthiness.

- (b) If Shipper cannot demonstrate creditworthiness pursuant to Section 13.2(a) above, Transporter may establish creditworthiness based upon:
- (1) (i) In the event Shipper's parent is rated by both S&P and Moody's, the Shipper's parent having a senior unsecured debt rating of at least BBB- by S&P and Baa3 by Moody's, provided, however, that if the Shipper's parent's rating is at BBB- and/or Baa3, respectively, the long-term outlook shall be Stable or Positive; or (ii) in the event Shipper's parent is rated by only S&P, the Shipper's parent having a senior unsecured debt rating of at least BBB-, provided, however, that if the Shipper's parent's rating is at BBB-, the long-term outlook shall be Stable or Positive; or (iii) in the event Shipper's parent is rated by only Moody's, the Shipper's parent having a senior unsecured debt rating of at least Baa3, provided, however, that if the Shipper's parent's rating is at Baa3, the long-term outlook shall be Stable or Positive; and
 - (2) The net present value of the sum of reservation charges, usage charges and any other associated fees and charges for the contract term is less than 15% of Shipper's parent's tangible net worth; and
 - (3) Shipper's parent issues a guaranty acceptable to Transporter.

In the event Shipper's parent is rated by both S&P and Moody's at levels which are not equivalent, the lower rating shall apply. If a Shipper's parent has multiple Service Agreements with Transporter or multiple subsidiaries with Service Agreements with Transporter in addition to Shipper's Service Agreements, then the total contract commitment and imbalance exposure or potential exposure of all of those Service Agreements shall be considered in determining creditworthiness.

- 13.3 To permit Transporter to conduct an initial or ongoing creditworthiness review, Transporter may request and a Shipper shall provide within five (5) Business Days any or all of the following:
- (a) (i) Audited financial statements for the most current two (2) fiscal years prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America or, for non-U.S. based Shippers, prepared in accordance with equivalent standards, or (ii) if Shipper's fiscal year-end financial statements are unaudited, an attestation by its Chief Financial Officer that such statements constitute a true, correct, and fair representation of financial condition prepared in accordance with GAAP or equivalent or (iii) for non-public entities, any existing

sworn filing, which provides the most recent available interim financial statements and annual financial reports filed with any applicable regulatory authority, showing the Shipper's current financial condition;

- (b) List of corporate affiliates, parent companies, and subsidiaries, if applicable;
- (c) Publicly available information from credit reports of credit and bond rating agencies;
- (d) A bank reference and at least three (3) trade references, a check of which show along with any credit reports submitted herein that Shipper's undisputed obligations are being paid in a timely manner;
- (e) Statement of legal composition;
- (f) Statement of the length of time the business has been in operation;
- (g) For state-regulated utility local distribution companies, documentation from their respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism;
- (h) Confirmation by Shipper that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditor, or any informal creditors' committee agreement; and/or
- (i) Such other information as may be mutually agreed to by Shipper and Transporter.

13.4 If Shipper or Shipper's parent does not meet the criteria described in Section 13.2 above, then credit appraisal shall be based upon Transporter's evaluation of any or all of the following information and credit criteria:

- (a) Any information received pursuant to Section 13.3 above;
- (b) Consistent and nondiscriminatory financial statement analysis to determine the acceptability of Shipper's or Shipper's parent's current and future financial strength. Financial statements shall be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability;
- (c) S&P, Moody's, Dun & Bradstreet and other credit reporting agency ratings, opinions, watch alerts, and rating actions shall be considered in determining creditworthiness;

- (d) Results of credit reports and of bank and trade reference checks must demonstrate that a Shipper is paying its obligations in a timely manner;
- (e) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws and there must not be pending any petition for involuntary bankruptcy; an exception may be made for a Shipper who is a debtor-in-possession operating under Chapter XI of the Federal Bankruptcy Act whereby adequate assurance is provided under purview of by the bankruptcy court having jurisdiction over such debtor-in - possession that the service billings will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future actually to make payment;
- (f) Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent;
- (g) Shipper's ongoing business relationship, if any, with Transporter with consideration being given to whether Shipper has or has had any delinquent balances outstanding for services provided by Transporter, gas imbalances, and gas loans due Transporter and whether Shipper is paying and has paid its account balances promptly according to the terms established in its Service Agreements (excluding amounts as to which there is a good faith dispute);
- (h) Shipper's ability to recover the costs of Transporter's services through filings with regulatory agencies or otherwise to pass on such costs to its customers, as applicable; and/or
- (i) Any other information, including any information provided by Shipper, that is reasonably relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the Service Agreement(s).

13.5 If a Shipper fails to establish or maintain creditworthiness or if Shipper's credit limit as determined by Transporter is insufficient to cover Shipper's total contractual obligations, Shipper may still obtain or continue service hereunder if Shipper, except to the extent otherwise agreed, provides collateral in an amount sufficient to cover three months service as determined in accordance with Section 13.5 (b)(1) plus the value of imbalance gas and loaned gas as determined in Section 13.5(b) (2) under one of the following options.

- (a) Forms of Security. Shipper may select from the following forms of security and Transporter shall not unreasonably discriminate in the forms of security it determines to accept from Shippers.

- (1) Guaranty. A Shipper may provide a guaranty of financial performance in a form satisfactory to Transporter from a corporate parent, corporate affiliate or a third party that meets the creditworthiness standards above.
 - (2) Deposit. A shipper may provide a cash deposit. If Transporter is required to draw down these funds, Transporter will notify Shipper and Shipper must replenish such funds within three (3) Business Days after receipt of such notice.
 - (3) Standby Irrevocable Letter of Credit drawn on a bank which is a U.S. bank or a U.S. branch of a foreign bank with an S&P rating of at least A or Moody's rating of at least A2 on its long-term unsecured debt securities.
 - (4) Security Interest in collateral found to be satisfactory to Transporter.
 - (5) Other security acceptable to Transporter.
- (b) Collateral Requirements. Collateral required for non-creditworthy shippers shall be an amount sufficient to cover service for three months and a value for imbalance and loaned gas as specified below.
- (1) Three months service. The amount of collateral for firm transportation Service Agreements must be sufficient to cover the highest three (3) months of reservation charges. The amount of collateral for interruptible services shall be based upon the highest three (3) months of usage during the previous twelve (12) month period for all rates and charges. If the Shipper has not contracted for or utilized interruptible transportation during the previous 12 month period, Transporter will establish the collateral requirement based upon Shipper's estimated usage for a three (3) month period as determined by Shipper and Transporter's marketing representative.
 - (2) Imbalance and Loaned Gas. In addition to the collateral requirements set forth in Section 13.5(b)(1) above, Transporter shall have the right to seek collateral to cover the value of any imbalance and/or loaned gas owed to Transporter by a non-creditworthy Shipper. Transporter may require collateral from a non-creditworthy Shipper for the value of imbalance Gas owed to Transporter under Rate Schedules FTS-1, FTS-2, FTS-3, FTS-5, LFT, ITS-1 and/or ITS-2. Such collateral amount shall equal the non-creditworthy Shipper's largest monthly imbalance quantity owed to Transporter over the most recent 12 month period valued at the MIP determined in accordance with Section 27.2 of these General Terms and Conditions. For a non-creditworthy Shipper with a new Service Agreement or a Service Agreement in effect for less than 12 months, the imbalance quantity shall be the greater of (i) 10% of Shipper's estimated monthly

usage as determined by Shipper and Transporter's marketing representative or (ii) Shipper's largest monthly imbalance owed to Transporter. The imbalance quantity shall be valued at the MIP determined in accordance with Section 27.2 of these General Terms and Conditions. The collateral requirement for loaned Gas associated with Rate Schedule GPS shall equal the maximum loaned quantity specified in Shipper's Service Agreement valued at the MIP determined in accordance with Section 27.2 herein.

13.6 Security for New Lateral Facilities

In the event Transporter constructs new lateral facilities to accommodate a Shipper under Section 8.2 of these General Terms and Conditions, Transporter may (unless otherwise agreed or unless Shipper reimburses Transporter for the cost of the facilities) require from the Shipper security in an amount up to the cost of the facilities. Such security may be in any of the forms available under Section 13.5(a) of these General Terms and Conditions, at Shipper's choice. As Transporter recovers the cost of these facilities through its rates, the security required shall be reduced accordingly. Specifically, security provided by Shipper related to new facilities shall be returned to that Shipper in equal Monthly amounts over the term of its contract for service related to the new facilities or as otherwise mutually agreed by Transporter and Shipper. Where facilities are constructed to serve multiple Shippers, an individual Shipper's obligation hereunder shall be for no more than its proportionate share of the cost of the facilities. This requirement is in addition to and shall not supersede or replace any other rights that Transporter may have regarding the construction and reimbursement of facilities.

- 13.7 Transporter shall have the right to update Shipper's credit file at any time after commencement of service. Such update may be conducted by Transporter periodically and Shipper shall provide assistance and cooperation. If Transporter concludes that a Shipper is non-creditworthy or if Shipper fails to maintain adequate assurance of future performance under Section 13.5 of these General Terms and Conditions, Transporter shall provide Shipper an initial notice in writing that it has lost its creditworthiness status along with the reasons for such determination and that Shipper has five (5) Business Days after receipt of such initial notice, to provide Transporter with security consistent with Section 13.5 of these General Terms and Conditions which is adequate to cover all charges for one Month's advance service. A Shipper may challenge Transporter's determination by providing a written rebuttal to Transporter's explanation within ten (10) days after the initial notification and explanation is provided by Transporter. Transporter shall respond to such a rebuttal in writing within ten (10) days. Any reevaluation of creditworthiness by Transporter in response to such a rebuttal by the Shipper shall be based on the creditworthiness criteria set out in Section 13.4 and shall be performed as provided in Section 13.4 of these General Terms and Conditions. If Transporter determines after such reevaluation that Shipper is creditworthy, the security to cover all charges for one Month's advance service shall be released to Shipper within five (5) Business Days after such determination. In the event Transporter concludes after reevaluation that Shipper remains

non-creditworthy, Shipper shall comply with the requirement in the initial notice to provide, within thirty (30) days after the initial notice, but not less than five (5) Business Days after notice that Shipper remains non-creditworthy, the means for adequate assurance of future performance, covering the full level of security provided for under Section 13.5 of these General Terms and Conditions. If the Shipper has not satisfied either requirement in the initial notice to provide specified security within five (5) Business Days or to provide the additional specified security within thirty (30) days after the initial notice, but not less than five (5) Business Days after notice that Shipper remains non-creditworthy, Transporter may without further notice immediately suspend service to Shipper.

- 13.8 Any suspension of service hereunder shall continue until Transporter is reasonably satisfied that Shipper is creditworthy under Section 13.2 or 13.4 of these General Terms and Conditions or until Shipper has provided adequate security under Section 13.5 of these General Terms and Conditions. A Shipper shall not be obligated to pay any reservation charges for suspended service attributable to the period when that service is suspended. During the period of suspension, such Shipper may not release or recall capacity. In the event that service to a Shipper is suspended, Transporter shall have the right to remarket the capacity that is subject to the suspension on a month-to-month basis with terms not to exceed thirty-one (31) days (Interim Capacity Arrangements). Any capacity sold pursuant to this Section 13.8 shall be made available on a nondiscriminatory basis and will be assigned pursuant to the Capacity Posting and Contract Procedures provisions provided for in Section 24 of these General Terms and Conditions. Capacity sold pursuant to this Section 13.8 shall not have a right of first refusal and Transporter shall retain all proceeds associated with an Interim Capacity Arrangement. If the Shipper whose service has been suspended remedies the deficiency that gave rise to the suspension after the capacity has been remarketed to another Shipper as part of an Interim Capacity Arrangement, service to the Shipper whose service has been suspended will resume on the first Day following the expiration of the Interim Capacity Arrangement.
- (a) In the event that Transporter has suspended service to a Releasing Shipper, Transporter will not seek to remarket the Releasing Shipper's capacity pursuant to Section 13.8 without first offering the capacity to the Replacement Shipper pursuant to Section 30.8.G of these General Terms and Conditions.
- (b) Transporter may not take any action under this Section 13.8 that would violate the U.S. Bankruptcy Code or the orders of a U.S. Bankruptcy Court.
- 13.9 In addition to suspension, Transporter may terminate service if the Shipper fails to provide security consistent with Section 13.5 of these General Terms and Conditions no earlier than sixty (60) days after Transporter has provided its initial notice to Shipper pursuant to Section 13.7 herein. Any such termination requires thirty (30) days' prior notice to Shipper, Releasing Shipper, if any, and the Commission. To avoid termination, the Shipper must satisfy Section 13.5 of these General Terms and Conditions within this notice period. If the Service Agreement is terminated, Transporter shall net and/or set off, as allowed by law, all positions calculated in accordance with the provisions of the applicable Rate Schedule (i.e.,

invoiced transportation amounts, invoiced imbalance amounts, park and loans, rate refunds, etc.) against outstanding account balances due the Shipper. Transporter shall have the right to assert any liens or other interests, consistent with applicable law, against any gas remaining on its System. Transporter may not take any action under this Section 13 which conflicts with any order of the U. S. Bankruptcy Court.

- 13.10 At any time after a Shipper is determined to be non-creditworthy by Transporter, the Shipper may request a creditworthiness reevaluation by Transporter pursuant to NAESB WGQ Standard Nos. 0.3.8 and 0.3.9 as incorporated in Section 3 of these General Terms and Conditions. If Transporter determines after such reevaluation that Shipper is creditworthy without security, any security requirements under Section 13.5 of these General Terms and Conditions shall be terminated and any deposit amounts shall be released to Shipper within five (5) Business Days after such determination.

GENERAL TERMS AND CONDITIONS

22. NOMINATION AND SCHEDULING OF CAPACITY

22.1 Nominations of Receipts and Deliveries

A. Transporter supports the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17):

1) The Timely Nomination Cycle

On the day prior to gas flow:

- 1:00 p.m. Nominations leave control of the Shipper;
- 1:15 p.m. Nominations are received by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. Transporter sends the Quick Response to the Shipper;
- 4:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 5:00 p.m. Shipper and Point Operator receive scheduled quantities from Transporter

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day.

2) The Evening Nomination Cycle

On the day prior to gas flow:

- 6:00 p.m. Nominations leave control of the Shipper;
- 6:15 p.m. Nominations are received by Transporter (including from TTTSPs);
- 6:30 p.m. Transporter sends the Quick Response to the Shipper;
- 8:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 9:00 p.m. Transporter provides scheduled quantities to the affected Shipper and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day.

3) The Intraday 1 Nomination Cycle

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the Shipper;
- 10:15 a.m. Nominations are received by Transporter (including from TTTSPs);
- 10:30 a.m. Transporter sends the Quick Response to the Shipper;
- 12:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 1:00 p.m. Transporter provides scheduled quantities to the affected Shipper and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on the current Gas Day.

4) The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the Shipper;
- 2:45 p.m. Nominations are received by Transporter (including from TTTSPs);
- 3:00 p.m. Transporter sends the Quick Response to the Shipper;
- 5:00 p.m. Transporter receives completed confirmations from Confirming Parties;
- 5:30 p.m. Transporter provides scheduled quantities to the affected Shipper and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on the current Gas Day.

5) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the Shipper;
- 7:15 p.m. Nominations are received by Transporter (including from TTTSPs);
- 7:30 p.m. Transporter sends the Quick Response to the Shipper;

- 9:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 10:00 p.m. Transporter provides scheduled quantities to the affected Shipper and Point Operator.

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.

B. Such nominations shall contain the following information:

- 1) The contract number under which service is being nominated; and
- 2) The quantity of gas, in dekatherms, to be tendered; and
- 3) The receipt point, the upstream contract number and/or identifier code and the associated ranking; and
- 4) The delivery point, the downstream contract number and/or identifier code and the associated ranking; and
- 5) All nominations should include Shipper defined begin dates and end dates. All nominations excluding intraday nominations should have roll-over options. Specifically, Shippers should have the ability to nominate for several Days, Months, or years, provided the nomination begin and end dates are within the term of Shipper's contract.
- 6) If applicable, the affected contract number(s) and quantities of the gas nominated in Paragraph 22.1(A) above will be transported directly to another contract under Rate Schedule(s) FTS-1, LFT, FTS-2, FTS-3, FTS-5, ITS-1 or ITS-2.
- 7) Shipper rankings.
- 8) Overrun quantities shall be nominated as a separate transaction.

C. For purposes of NAESB WGQ Standard No. 1.3.2 (ii), (iii), (iv), and (v), the word "provides" 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.

D. 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 should 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 should be the new confirmed quantity.

- E. 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 should 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 intraday nomination cycle should be the new confirmed quantity.
- F. 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 should 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 should be the new confirmed quantity.
- G. 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.
- H. Nominations received after the nomination deadline shall be processed after the nominations received before the nomination deadline.
- I. The receiver of a 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.
- J. At the end of each gas day, Transporter should provide the final scheduled quantities for the just completed gas Day. With respect to the implementation of this process via the EDI/EDM, Transporter should send an end of gas Day Scheduled Quantity (NAESB WGQ Standard No. 1.4.5) and Scheduled Quantity for Operator (NAESB WGQ Standard No. 1.4.6). A receiver of either of these documents can waive Transporter's requirement to send such documents.
- K. Transporter shall use Shipper-provided rankings when making reductions during the scheduling process to the extent this methodology does not conflict with Transporter's Tariff.
- L. The sending party shall adhere to nomination, confirmation, and scheduling deadlines. The receiving party has the right to waive the deadline.

- M. Shipper shall provide to Transporter the following information: (1) the name, position and phone number of a person authorized by Shipper to submit nominations; and (2) the name and phone number of a person authorized by Shipper to perform day-to-day dispatching.
- N. If Shipper fails to comply with all the provisions of this Section 22.1, then Transporter shall not schedule the initiation of or changes to service nominated by Shipper.
- O. Transporter reserves the right to take any necessary action to verify gas is flowing as scheduled by Transporter. Upon request of Transporter, Shipper shall contact its source of supply and verify to Transporter that the source is flowing as scheduled hereunder.
- P. For in-kind fuel reimbursement methods, Transportation Service Provider should not reject a nomination for reasons of rounding differences due to fuel calculation of less than 5 Dth.
- Q. A package ID is a way to differentiate between discrete business transactions. When used, Package ID should be supported for nominating and scheduling; mutually agreed between the applicable parties for allocation and imbalance reporting; supported for invoicing (Sales and Purchase), and mutually agreed for transport invoicing. Use of the Package ID is at the discretion of the Shipper, and if sent, should be accepted and processed by the service provider.

22.2 Scheduling of Capacity

Transporter shall schedule all firm transportation quantities prior to the scheduling of interruptible transportation quantities. The transportation priority for fuel should be the same as the level of service as the transaction to which it applies.

- A. Firm service utilizing Primary Points within contract quantities shall be scheduled in the following order:
 - 1. Quantities scheduled from physical Primary Receipt Points to Primary Delivery Points on a pro rata basis, based upon nominated quantities received during the same nomination cycle.
 - 2. Quantities scheduled from logical (pool) Primary Receipt Points to Primary Delivery Points on a pro rata basis, based upon nominated quantities received during the same nomination cycle.
- B. Firm service utilizing Alternate Delivery Points or Alternate Receipt Points within contract quantities shall be scheduled in the order specified below.

1. Quantities scheduled inside the Primary Path utilizing Alternate Receipt Points or Alternate Delivery Points pro rata based upon nominated quantities received during the same nomination cycle.
 2. Quantities scheduled outside the Primary Path utilizing Alternate Receipt Points or Alternate Delivery Points pro rata based upon nominated quantities received during the same nomination cycle.
- C. Interruptible service under Rate Schedules ITS-1 and ITS-2 and overrun quantities on firm contracts shall be scheduled beginning with service charged the applicable maximum rate followed by firm service charged a rate less than the applicable maximum rate in sequence starting with the rate most proximate to the maximum rate (expressed as a percentage of the maximum rate). When Shippers share the same percentage of maximum rate, quantities shall be scheduled pro rata. Shippers paying a negotiated rate above the maximum rate shall be deemed maximum rate shippers for scheduling purposes.
- D. For purposes of allocating or curtailing service among Shippers under Rate Schedule PNR, Transporter shall give service priority based upon the highest total cost commitment by Shipper. For the purposes of allocating capacity under Rate Schedule PNR, Shippers willing to pay more than the maximum tariff rate will be considered to be paying the maximum tariff rate. Service will be allocated or curtailed on a pro-rata basis among Shippers willing to pay the same total cost commitment to Transporter for service under Rate Schedule PNR.
- E. After volumes have been scheduled, Transporter has the right to reduce receipts and/or deliveries of natural gas below the scheduled volume if the available capacity for such quantity is reduced as a result of force majeure or any operational consideration reasonably determined by Transporter. Such reduction shall be in reverse order of the scheduling procedures above.

22.3 Operational Procedure Provisions

- A. If Transporter determines, in the exercise of its reasonable judgment, that sufficient supplies are not being received by Transporter at the receipt point(s) for transportation to a Shipper, then Transporter may, at Transporter's option, unilaterally re-schedule, upon two (2) hours notice by Transporter to Shipper, on a prospective basis only, the quantities nominated by a Shipper so as to conform to the quantities being received at such point(s), or temporarily suspend deliveries to the Shipper. If scheduled quantities are not being taken at the delivery point(s), then Transporter may, at Transporter's option, unilaterally re-schedule, upon two (2) hours notice by Transporter to Shipper, on a prospective basis only, the quantities nominated by a Shipper so as to conform

to the quantities being taken at such delivery point(s), or temporarily suspend receipts of gas from the Shipper. Such two (2) hours notice shall not be applicable, and such re-scheduled volumes may be effective immediately, notwithstanding any other provision of this Section 22, in the event of operational distress, which shall be defined as including any situation which prevents Transporter from operating in a safe and efficient manner, consistent with applicable laws, rules, regulations, standard industry operating practices, and Transporter's Tariff, or from maintaining the integrity of pipeline operations; provided, however, Transporter shall not unilaterally reschedule volumes without two (2) hours notice unless such rescheduling is reasonably anticipated to reduce or eliminate said operational distress.

- B. Transporter shall not unilaterally interrupt or otherwise adjust Rate Schedule HPS service without two (2) hours notice.
- C. Upon request by Transporter, Operator shall provide estimated hourly flows to Transporter's gas control personnel.
- D. Operational purchases or sales may be utilized to manage line pack, with purchases made on those days in which Transporter determines it needs to increase line pack levels, and sales made on those days in which Transporter determines it needs to decrease line pack levels. Transporter will utilize this tool to cover non-compliance with alert days or OFOs, to compensate for the time lag inherent in utilizing tools which require advance notice, to restore in-kind quantities settled through OBA cash out at the end of the month, to maintain system pressure or as otherwise required to maintain a reasonable system balance.

22.4 Alert Day

- A. Transporter shall have the right to declare an Alert Day in the event of operational distress caused by actual or anticipated flow variances at delivery points which threaten the integrity or safe operation of the pipeline. Transporter shall use reasonable efforts to resolve the situation causing the operational distress prior to declaring an Alert Day. An Underage Alert Day shall be applied to flow variances that exacerbate system conditions caused by undertakes from Transporter at a delivery point(s). An Overage Alert Day shall be applied to flow variances that exacerbate the system conditions caused by overtakes from Transporter at a delivery point(s). Transporter will localize its imposition of an Alert Day to the smallest affected area necessary to resolve the problem and to those Operator(s) and specific delivery point(s) causing the problem where such Operator(s) and specific delivery point(s) can be identified. Transporter will determine whether it will issue an Alert Day based on the operating status of the pipeline system using the following criteria: weather forecast, system conditions-line pack, overall projected pressures at monitored

locations, facility status-horsepower utilization and availability, and overall send out projections and availability. The Alert Day will be in effect only for the gas day for which it is issued. If conditions require, new Alert Days will be issued for subsequent gas days based upon the above stated criteria. Transporter shall post a low, high or normal line pack indicator at each scheduling cycle. Such posting shall be for general informational purposes only and Shippers shall not rely on such postings as permission for actual volumes to vary from scheduled volumes.

- B. Transporter shall provide as much notice of the Alert Day declaration as is reasonably possible, but in any event such notice shall be provided, for a Next Day Alert Day, by 5:00 p.m. on the day prior to the applicable gas day. When operating conditions so require a Same Day Alert Day to be declared, notice shall be given by 9:00 a.m. of the applicable gas day and shall provide that the Alert Day will become effective upon such notice. The notice shall designate whether the Alert Day is a Next Day Alert Day or a Same Day Alert Day, the estimated duration of the Alert Day condition, whether it is an Underage Alert Day or an Overage Alert Day and whether it applies system wide, only in certain affected areas, or only to certain Operator(s) and specific delivery points. Transporter shall provide affected parties with notification of Alert Days through the affected party's choice of Internet e-mail or direct notification to the affected party's Internet URL address. Unless the affected party and Transporter have agreed to exclusive notification via EDI/EDM, the affected party should provide Transporter with at least one Internet e-mail address to be used for notification of Alert Days. The obligation of Transporter to provide notification is waived until the above requirement has been met. Transporter will support the concurrent sending of electronic notification of Alert Days to Internet e-mail addresses for each affected party. Affected parties will manage internal distribution of electronic notices.
- C. In the case of an Overage Alert Day, if Operator's actual quantities at a delivery point exceed scheduled quantities at such point (an "Overage Alert Day Variance"), Operator shall be imposed Alert Day charges as follows:
1. For a Next Day Alert Day, for that portion of any Overage Alert Day Variance for the applicable gas day that is more than 500 Dth or four percent (4%), whichever is greater, Operator shall pay Transporter an Alert Day charge equal to three (3) times the applicable Overage Daily Index Price ("Overage DIP"), pursuant to Section 22.4.C.3, per Dth of such variance. An amount equal to that portion of the Overage Alert Day Variance that is more than 500 Dth or four percent (4%), whichever is greater, times the applicable Overage DIP plus an amount equal to the highest transportation rate calculated on a 100% load factor basis which is applicable to the Delivery Point, shall be deducted from the collected Alert Day charge and retained by Transporter and shall be deemed to be

- a resolution of the operational imbalance for such portion of the Overage Alert Day Variance, and such operational imbalance quantity shall be excluded from the operational imbalances otherwise resolved pursuant to Operator's Operational Balancing Agreement. The remaining portion of the Alert Day charge not retained by Transporter shall be deemed to be Alert Day Penalty Revenues for purposes of refunds under Section 22.4.F.
2. For a Same Day Alert Day, for that portion of any Overage Alert Day Variance for the applicable gas day that is more than 500 Dth or four percent (4%), whichever is greater, Operator shall pay Transporter an Alert Day charge equal to the applicable Overage DIP per Dth, pursuant to Section 22.4.C.3, (unless Operator is subject to an Operational Balancing Agreement that includes a daily price valuation and applies to the delivery point at which the Overage Alert Day Variance occurred) plus an amount equal to the highest transportation rate calculated on a 100% load factor basis which is applicable to the Delivery Point. Alert Day charges collected by Transporter under this Section 22.4.C.2 shall be deemed to be a resolution of the operational imbalance for such portion of the Overage Alert Day Variance that is more than 500 Dth or four percent (4%), whichever is greater, and such operational imbalance quantity shall be excluded from the operational imbalances otherwise resolved pursuant to Operator's Operational Balancing Agreement. No portion of the Alert Day charges collected by Transporter under this Section 22.4.C.2 shall be deemed to be Alert Day Penalty Revenues for purposes of refunds under Section 22.4.F.
 3. The Overage DIP shall be the greater of "El Paso, South Mainline" price published in Platts Gas Daily in the table titled "Daily Price Survey", for the subject day or either of the next two days.
 4. A Same Day Alert Day followed by one or more Next Day Alert Days will be considered one declaration event if such calculation reduces the Alert Day charges that would otherwise be incurred by Operator. Successive Same Day Alert Days will be considered individual declaration events.
- D. In the case of an Underage Alert Day, if Operator's actual quantities at a delivery point are less than scheduled quantities at such point (an "Underage Alert Day Variance"), Operator shall be imposed Alert Day charges as follows:
1. For a Next Day Alert Day, for that portion of any Underage Alert Day Variance for the applicable gas day that is more than 500 Dth or four percent (4%), whichever is greater, Operator shall pay Transporter an Alert Day Charge equal to three (3) times the applicable Underage Daily

Index Price (“Underage DIP”) per Dth, pursuant to Section 22.4.D.3, of such variance.

2. For a Same Day Alert Day, for that portion of any Underage Alert Day Variance for the applicable gas day that is more than 500 Dth or four percent (4%), whichever is greater, Operator shall pay Transporter an Alert Day charge equal to \$5 per Dth.
 3. The Underage DIP shall be the lesser of the “Transwestern, San Juan” price published in Platts Gas Daily in the table titled “Daily Price Survey”, for the subject day or either of the next two days.
 4. Payment of the Alert Day charges shall not be deemed to be a resolution of the operational imbalance for any portion of an Underage Alert Day Variance, and such Underage Alert Day Variance shall continue to be resolved pursuant to the Operator’s Operational Balancing Agreement.
 5. All Alert Day charges collected pursuant to this Section 22.4.D shall be deemed to be Alert Day Penalty Revenues for purposes of refunds under Section 22.4.F.
- E. Notwithstanding the provisions of Section 22.4 C or D, Transporter shall not charge Operator an Alert Day charge if the Overage or Underage Alert Day Variance is caused by a "Force Majeure" event, as defined in Section 11.1 of the General Terms and Conditions of this Tariff, a unilateral scheduling change made by Transporter at the Intraday 3 nomination cycle, or due to error, omission or request of Transporter.
- F. All penalty revenues collected pursuant to this section will be refunded to Shippers annually in accordance with Section 38 of these General Terms and Conditions.

22.5 OFO Procedures

- A. An Operational Flow Order (OFO) is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the transportation service providers system or to maintain operations required to provide efficient and reliable firm service. Whenever a Transportation Service Provider experiences these conditions, any pertinent order should be referred to as an Operational Flow Order. OFOs may be declared on an emergency or non-emergency basis. A non-emergency OFO may only be implemented after an Alert Day has been implemented.

- B. Transporter shall have the right to declare an OFO when operating conditions require specific action from Shippers or Operators. Transporter shall use reasonable efforts to resolve the situation causing the operational distress prior to declaring an OFO. Transporter will localize its imposition of an OFO to the smallest affected area necessary to resolve the problem and to those Shippers or Operators causing the problem where such Shippers or Operators can be identified.
- C. Transporter shall provide as much notice of the OFO declaration as is reasonably possible. When operating conditions so require, three (3) hours notice, or lesser notice, if necessary to preserve system integrity and/or reliability, may be given and may provide that the OFO will become effective during the current gas day. The notice will provide the time and date of issuance of the OFO, the time and date the OFO is expected to become effective, the action required of the Shipper or Operator, the reason for issuing the OFO, the anticipated date and time that Transporter expects the OFO to end, and whether it applies system wide, only in certain affected areas, or only to certain Shippers or Operators. Transporter shall provide affected parties with notification of OFOs by e-mail or posting on Transporter's Internet Website. Unless the affected party and Transporter have agreed to exclusive notification via EDI/EDM, the affected party should provide Transporter with at least one Internet e-mail address to be used for notification of OFOs. The obligation of Transporter to provide notification is waived until the above requirement has been met. Transporter will support the concurrent sending of electronic notification of OFOs to Internet e-mail addresses for each affected party. Affected parties will manage internal distribution of electronic notices.
- D. When an OFO becomes effective, Shipper or Operator shall use its best efforts to comply with the OFO as soon as possible but in no event later than three hours, after which the penalty provided for in this Section shall apply. Compliance with an OFO and the other terms and conditions of Transporter's FERC NGA Gas Tariff is essential to Transporter's ability to provide deliveries and services under all Rate Schedules. A failure by one or more Shippers or Operators to comply with an OFO may affect Transporter's ability to provide such deliveries and services. If the Shipper or Operator subject to the OFO does not comply with the OFO, then the Shipper or Operator shall pay, for all Quantities delivered or received in non-compliance with the OFO, three (3) times the applicable Overage Daily Index Price ("Overage DIP") per Dth, pursuant to Section 22.4.C.3. Shipper or Operator shall be charged the greater of the Alert Day penalty or the OFO penalty, but not both, for a single event of non-compliance.
- E. An OFO may be issued for a specific period of time or until further notice is given. Transporter shall post notification and provide updated information concerning the need for the OFO on the Internet Website until Transporter

notifies Shipper or Operator that the order is no longer effective. Within thirty (30) days following the end of the OFO, Transporter will post on the Internet Website a report detailing the conditions that required the issuance and termination of the OFO.

- F. All penalty revenues collected pursuant to this section will be refunded to Shippers annually in accordance with Section 38 of these General Terms and Conditions.

22.6 Intraday Nominations

- A. There is no limitation as to the number of intraday nominations (line items as per NAESB WGQ Standard 1.2.1) which a Shipper may submit at any one standard nomination cycle or in total across all standard nomination cycles. Such nominations must be submitted on a currently existing Service Agreement.
- B. Shipper shall have ability to nominate on an intraday basis on Transporter's system under the following conditions:
 - 1. 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 consistent with Shipper's Service Agreement. A nomination reduction shall not result in a revised nomination which is less than the volume of gas received or delivered on behalf of such Shipper by Transporter on that gas day.
 - 2. Shipper must obtain prior confirmation from all affected upstream and downstream Operators.
 - 3. Intraday nominations will be scheduled only if operationally feasible.
 - 4. Intraday nominations do not rollover and are applicable to one (1) day only.
 - 5. Intraday nominations may be used to nominate new supply or market.
- C. In order to nominate on an intraday basis, Shipper must submit to Transporter the information required in Section 22.1.
- D. Firm intraday nominations are entitled to bump scheduled interruptible service only during the Evening and Intraday 1 Nomination cycles. Transporter will provide advance notice of bumping to interruptible shippers. Such notice will be provided in the same manner in which Transporter provides notice of Operational Flow Orders. Transporter will provide notification of bumped volumes through the scheduled quantities statement. Transporter will also

electronically communicate notice directly to bumped Shippers in accordance with the grid-wide timeline for scheduled quantities.

- E. Bumping that affects transactions on multiple Transportation Service Providers should occur at grid-wide synchronization times only.
- F. The daily grid-wide synchronization times for scheduled flow are: the start of the gas Day, 2:00 p.m., 6:00 p.m., and 10:00 p.m.
- G. A transportation service provider exceeding the standard nomination timelines is not required to hold capacity for grid-wide nominations until a standard nomination cycle.
- H. Flow Day Diversion (“FDD”) means a nomination consistent with NAESB Standard 1.3.80, submitted during the NAESB standard nomination cycles or during the Final A.M. cycle that allows a Shipper to redirect scheduled quantities to other receipt points upstream of a constraint point or delivery points downstream of a constraint point for the same gas day, under the same contract, without a requirement that the quantities be rescheduled through the point of constraint.
- I. Final A.M. Nomination Cycle
 - 1. The Final A.M. Nomination Cycle 5 is an additional nomination cycle in which Shipper, Transporter, and upstream and downstream connected parties agree to balance changes in actual receipts and deliveries that occur after the standard Intraday 3 cycle with nominated and confirmed quantities prior to the end of the Gas Day. Receipt of nominations for the Final A.M. Nomination cycle are due by 8:00 a.m.; receipt of completed confirmations by Transporter from upstream and downstream connected parties are due by 8:20 a.m. Bumping is not allowed during this cycle.
 - 2. To the extent that Transporter and affected point operators agree to a change in gas flow after the NAESB standard nomination cycles, Shipper may submit a nomination during the Final A.M. Nomination cycle consistent with the provisions of Section 22.1.B. Transporter reserves the right to reject such nomination if actual receipts and deliveries are not consistent with such nomination.

22.7 Flow Control

Transporter has the right to install and/or use remote or manual flow control equipment (“Flow Control”) to preserve the operational safety and reliability of its system, and to exercise Flow Control consistent with Transporter’s service obligations under its rate

schedules. Unless otherwise mutually agreed by Transporter and point operator, Transporter's use of Flow Control with the point operator is subject to the following provisions set out in Section 22.7.

A. Flow Control Implementation

Flow limits may only be implemented at points at which Flow Control equipment has been installed, and where there exists real time metering and telemetry equipment that allows real time volume information to be communicated by Transporter to point operator through Transporter's Customer Activities Website or other agreed method of data communication.

B. Flow Control Installation

In the event remote-controlled Flow Control equipment has not been installed by Transporter at a certain point and Transporter has repeatedly issued notice of intent to use Flow Control equipment manually, Transporter may install, using reasonable judgment in a not unduly discriminatory manner, at point operator's expense, remote-controlled Flow Control equipment at such point to promote safety and reliability. Such payment requirement shall reflect Transporter's reasonable judgment. For purposes of this section, "repeatedly" shall be deemed to be three notifications of intent to use Flow Control within a twelve month period.

C. Notice to Point Operator

1. All references to Transporter providing "notice" to point operator in Section 22.7 shall be defined as requiring Transporter to provide notice using the following means:
 - (a) Phone call and
 - (b) Email
2. Notices shall at a minimum include:
 - (a) "Non-Critical Period – Flow Control Notice" or "Critical Period – Flow Control Notice" in the subject line.
 - (b) Specific time and time range that Flow Control may be enforced; and
 - (c) Reason(s) for the implementation of Flow Control.
3. If point operator manages a single interconnect and such point is subject to Flow Control limitations, Transporter shall provide notice of Flow Control pursuant to Section 22.7.C above.

4. If point operator manages multiple interconnects and such point(s) are subject to Flow Control limitations, Transporter and point operator shall communicate with each other to determine the specific interconnect(s) to be limited. Absent an election from point operator, Transporter shall implement flow limits based on Transporter's reasonable judgment. Transporter's decision shall not in any way impair existing firm rights of other point operators.

D. Flow Control during Non-Critical Periods

During Non-Critical Periods (defined as a period for which no Alert Day and OFO have been noticed), Transporter may only utilize Flow Control at points that take gas at hourly rates that exceed contractual entitlements subject to the provisions set forth below. Such utilization will allow for a minimum reasonable variation in volume deliveries. For the purposes of this section, such minimum reasonable variation in volume deliveries shall be set at four percent (4%) of the hourly volume entitlements.

1. The use of Flow Control shall be implemented only at identified Delivery Points on a specific offending point operator basis, and shall not be exercised on a lateral, area and/or segment basis.
2. If point operator has contracted for HPS, no Flow Control will be utilized.
3. If point operator has not contracted for HPS, Flow Control may be implemented with six (6) hours advanced notice if deliveries exceed the contractual hourly entitlements at the point(s) by means of notice set forth in Section 22.7.C above.
4. Flow limitations shall not be implemented during Non-Critical Periods unless Transporter has provided notice on three prior occasions within the current seasonal period that the point operator has exceeded the hourly volume limits at such points applicable for service under agreements scheduled to such points. Thereafter, Transporter may limit hourly flows in a not unduly discriminatory manner to hourly entitlements for service under agreements scheduled to such point(s). For purposes of this section, the seasonal periods shall be defined as April to October and November to March.
5. Notice to implement Flow Control to limit hourly takes must be made at least two (2) hours prior to the final NAESB intraday scheduling cycle.

6. If Transporter cannot provide HPS to a point, Flow Control shall not be utilized at such point unless otherwise agreed with the point operator.

E. Flow Control during Critical Periods

1. During Critical Periods (identified as a period for which both an Alert Day and OFO have been noticed), Transporter may utilize Flow Control at points that take gas at daily or hourly rates that exceed contractual entitlements, where such points are subject to the OFO, and subject to the provisions set forth below. Such utilization will allow for a minimum reasonable variation in volume deliveries. For the purposes of this section, such minimum reasonable variation in volume deliveries shall be set at four percent (4%) of the hourly entitlements or four percent (4%) of the daily entitlements.
2. If point operator has contracted for HPS and HPS is available, no Flow Control will be utilized.
3. If Transporter provides notice of interruption of HPS during the day of gas flow in accordance with the notice provision of GT&C Section 22.3.B, Flow Control may be implemented with three (3) hours advanced notice if deliveries exceed the contractual daily or hourly entitlements at the point(s) by means of notice set forth in Section 22.7.C above.
4. If point operator has not contracted for HPS, Flow Control may be implemented with three (3) hours advanced notice if deliveries exceed the contractual daily or hourly entitlements at the point(s) by means of notice set forth in Section 22.7.C above.
5. Transporter will localize the imposition of Flow Control to the smallest affected area and to specifically identified points within such area.

F. Flow Control during Emergency Conditions

Transporter may exercise Flow Control in the following circumstances where limited or no notice may be provided (but Transporter shall provide as much advance notice as reasonably possible).

1. In an emergency situation where safety or the integrity of the location, segment, lateral, mainline, or overall system is at immediate risk and necessitates the immediate reduction of flowing volumes or shut-in of facilities.

2. Transporter shall provide one (1) hour advanced notice in situations where overage volumes are affecting delivery pressures in surrounding areas, and may imminently affect Transporter's ability to meet obligations to deliver other firm transport quantities.
3. When immediate shut-in of non-conforming gas (i.e., gas that fails to meet the quality specifications of GT&C Section 2.1) is necessary to preserve the safety or integrity of the location, segment, lateral, mainline, or overall system.

G. Related Flow Control Provisions

1. Transporter shall not be liable in damages to Shipper for Transporter's actions or inactions relating to Transporter's use of Flow Control absent a showing that such damages were caused by Transporter's negligence. In such instance, Transporter's liability shall extend only to general damages. For purposes hereof, Transporter shall not be deemed to have been negligent unless it is shown that Transporter's actions or failure to act relating to Transporter's use of Flow Control proximately caused such damages at a time when such result was reasonably foreseeable or avoidable. Transporter's liability shall include special, continuing, exemplary, presumptive, incidental, indirect or consequential damages, including lost profits or other such elements of damage only to the extent it is shown that such damages resulting from Transporter's use of Flow Control were caused by Transporter's gross negligence, bad faith or willful misconduct.
2. Except where Transporter and point operator have mutually agreed to terms and conditions for the use of Flow Control, in addition to providing the notices to point operator, Transporter shall document in a report available on the Internet Website within thirty (30) days of the end of the event, the specific criteria and specific operational circumstances which led to Flow Control implementation.

GENERAL TERMS AND CONDITIONS

36. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to a Shipper with firm transportation service under Rate Schedules FTS-1, FTS-2, FTS-3, FTS-5 and LFT when Transporter is unable to deliver Quantities from any physical Primary Receipt Point to any physical Primary Delivery Point up to the physical Primary Delivery Point Quantity stated on Exhibit A of Shipper's Service Agreement on any Day in accordance with this Section 36. The provisions of this Section 36 shall not apply to any Limited Day under Rate Schedule LFT. No adjustment of any kind under this Section 36 shall be required if Transporter's failure to schedule or deliver gas is due to events solely related to conduct, activities or operations of Shipper and/or upstream or downstream parties (including force majeure events affecting Shipper or such parties) including, but not limited to, activities and/or events such as (i) Shipper's failure to perform in accordance with the terms of its Service Agreement and Transporter's Tariff, including, but not limited to, Alert Days, Operational Flow Orders and failure to meet all applicable gas quality specifications, or (ii) failure of supply or transportation upstream of Transporter's pipeline system, or (iii) failure of market or transportation downstream from Transporter's pipeline system.

36.1 For purposes of this Section 36, the following definitions shall apply:

"Planned Maintenance" shall mean preventative work to help equipment operate more efficiently, avoid equipment malfunctions, maintain pipeline integrity, and includes, but is not limited to, work such as inspections, calibrations, water washing, and annual compressor driver maintenance.

"Emergency Maintenance" shall mean unanticipated or unplanned maintenance on the pipeline system required to be performed to ensure that gas continues to flow.

A "Force Majeure" event shall be as set forth in Section 11.1 of the General Terms and Conditions of this Tariff.

"Tariff Months" shall mean the months of December, January, February, July and August. "Non-Tariff Months" shall mean the months of March, April, May, June, September, October and November.

All nominated and confirmed quantities and scheduled quantities shall be less Transport Fuel, where applicable, and shall be in accordance with Section 22 of the General Terms and Conditions of this Tariff (up to the aggregate MAXDTQ.)

36.2 Planned Maintenance in Tariff Months. Transporter shall attempt to plan maintenance of its facilities during the Non-Tariff Months. If due to Planned Maintenance Transporter fails to schedule the quantities of gas that have been nominated and

confirmed then the Reservation Charge shall be reduced through a Reservation Charge credit. The credit shall be calculated based upon the ratio of (i) the quantities of gas that had been nominated and confirmed, but not scheduled during the month to (ii) the total quantities of gas nominated and confirmed during the month, times (iii) the total Reservation Charge owed Transporter for that month for such nominated and confirmed quantities.

- 36.3 **Planned Maintenance in Non-Tariff Months.** If due to Planned Maintenance, Transporter fails to schedule the quantities of gas that have been nominated and confirmed then the Reservation Charge shall be reduced through a Reservation Charge credit and such credit shall be calculated as provided in Section 36.2 above; provided, however, that such reduction shall not apply provided that all of the following conditions are met: (i) the Planned Maintenance does not exceed five (5) days in any three consecutive Non-Tariff Months, (ii) Transporter has provided at least thirty (30) days advance notice of the Planned Maintenance, and (iii) scheduled quantities to Shipper do not fall below seventy-five percent (75%) of nominated and confirmed quantities for any given month.
- 36.4 **Emergency Maintenance and/or Force Majeure.** If due to Emergency Maintenance or Force Majeure, Transporter fails to schedule the quantities of gas that have been nominated and confirmed, then the Reservation Charge shall be reduced through a Reservation Charge credit and such credit shall be calculated as provided in Section 36.2 above; provided, however, that such reduction shall not apply (i) during periods of Emergency Maintenance not to exceed ten (10) days in any calendar quarter; (ii) during the occurrence of a Force Majeure event (but only to the extent of such Force Majeure); (iii) to any failure by Transporter to schedule quantities nominated and confirmed which is attributable to the fault (including Force Majeure) of Shipper or Shipper's suppliers; (iv) to the extent scheduled quantities to Shipper do not fall below ninety-five percent (95%) of nominated and confirmed quantities for any given month.
- 36.5 Any reservation charge credit payable will be included on a subsequent month invoice and will be applied first to offset any outstanding past due balances owed by Shipper. Reservation charge credits applicable to Service Agreements that are not in effect due to termination will be paid by Transporter to Shipper, net of any amounts owed to Transporter.
- 36.6 In a not unduly discriminatory manner and in connection with a discounted or negotiated rate Service Agreement, Transporter and Shipper may agree to a different reservation charge crediting methodology.

GENERAL TERMS AND CONDITIONS

38. FLOW THROUGH OF PENALTIES

38.1 This Section 38 sets forth the procedures by which Transporter will flow through to Shippers under Rate Schedules FTS-1, FTS-2, FTS-3, FTS 5, ITS-1 and ITS-2 specified excess revenues or penalties received over costs incurred during the Annual Penalty Period. The Annual Penalty Period shall be a twelve (12) month period ending each September 30; provided that the initial period subject to these provisions will commence with the first month following the effectiveness of these provisions and end the following September 30.

38.2 Penalty Account

Penalties collected pursuant to Alert Day penalties (GT&C Section 22.4.F), Unauthorized Gas (GT&C Section 37.2), and non-compliance with OFO's (GT&C Section 22.5.F) shall be recorded in a Penalty Account. Transporter shall net the penalty revenues received against the reasonable incremental out-of-pocket costs incurred for such revenues.

38.3 Transporter shall flow through the balance in the Penalty Account to Shippers by means of an invoice credit amount. Each Shipper's amount shall be shown as a billing adjustment to the billing of charges for service during the December billing month following the end of the Annual Penalty Period; provided, however, if the Shipper's Service Agreement has terminated and the final billing of charges has been paid, such Penalty amount shall be resolved by check or wire transfer of funds.

38.4 Each Shipper's amount shall be calculated by multiplying the balance in the Penalty Account at the end of the Annual Penalty Period by (1) 50% of the ratio of the sum of the actual revenues billed for services to the Shipper during the Annual Penalty Period to the sum of the actual revenues billed for such services to all Shippers during the Annual Penalty Period plus (2) 50% of the ratio of the sum of the scheduled volumes transported for the Shipper during the Annual Penalty Period to the sum of the scheduled total volumes transported for all Shippers during the Annual Penalty Period. Any Penalty amount flowed through to Shippers pursuant to this section shall include interest calculated in accordance with Section 154.501 of the Commission's regulations.

38.5 Filing Procedure

Within thirty (30) days after amounts are provided to Shippers in accordance with Section 38.3, Transporter shall file with the Commission, and shall serve in accordance with Section 154.208 of the Commission's Regulations, reconciling documentation which detail the calculations of the amounts provided under this Section 38.

MARKED VERSION

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System Map

The System Map may be displayed and downloaded at the Internet Web site below.

<http://twtransfer.energytransfer.com/ipost/TW/maps/system-map>

CURRENTLY EFFECTIVE RATES
 RATE SCHEDULES FTS-1 and LFT

	Base Rate Per Dth -----	Surcharges (1) -----	Maximum Rate Per Dth -----	Minimum Rate per Dth -----	Maximum Fuel Reimbursement (9) -----
Delivered to West of Thoreau California					
Received from East of Thoreau					
- Reservation Rate	\$ 0.5700	-	\$ 0.5700	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.5900	-	0.5900	0.0200	2.53
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.2200	-	\$ 0.2200	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.30%
- Overrun Rate (2) (3) (10)	0.2300	-	0.2300	0.0100	1.30
Received from San Juan					
- Reservation Rate	\$ 0.4000	-	\$ 0.4000	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.4150	-	0.4150	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.15%
- San Juan North of Blanco (8)	-	-	-	-	2.49
Received from Phoenix					
- Reservation Rate	\$ 0.7200	-	\$ 0.7200	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (10)	0.7650	-	0.7650	0.0450	1.55
Delivered to West of Thoreau East of California (4)					
Received from East of Thoreau					
- Reservation Rate	\$ 0.5700	-	\$ 0.5700	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.38%
- Overrun Rate (2) (10)	0.5900	-	0.5900	0.0200	2.38
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.2200	-	\$ 0.2200	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.15%
- Overrun Rate (2) (3) (10)	0.2300	-	0.2300	0.0100	1.15
Received from San Juan					
- Reservation Rate	\$ 0.4000	-	\$ 0.4000	0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.4150	-	0.4150	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.00%
- San Juan North of Blanco (8)	-	-	-	-	2.34
Received from Phoenix					
- Reservation Rate	\$ 0.7200	-	\$ 0.7200	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.40%
- Overrun Rate (2) (10)	0.7650	-	0.7650	0.0450	1.40
Delivered to San Juan except for North of Blanco					
Received from East of Thoreau					
- Reservation Rate	\$ 0.5300	-	\$ 0.5300	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.18%
- Overrun Rate (2) (10)	0.5450	-	0.5450	0.0150	2.18
Received from West of Thoreau					
- Reservation Rate	\$ 0.4000	-	\$ 0.4000	\$ 0.0000	2.15%
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.15
- Overrun Rate (2) (10)	0.4150	-	0.4150	0.0150	-
Received from Phoenix					
- Reservation Rate	\$ 0.9000	-	\$ 0.9000	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	2.25%
- Overrun Rate (2) (10)	0.9500	-	0.9500	0.0500	2.25

Delivered to San Juan except for North of Blanco					
Received from San Juan (5)					
- Reservation Rate (3)	\$ 0.1800	-	\$ 0.1800	\$ 0.0000	-
- Usage Rate (10) (3)	0.0050	-	0.0050	0.0050	-
- Overrun Rate (2) (10) (3)	0.1850	-	0.1850	0.0050	-
- San Juan Blanco (7)	-	-	-	-	0.95%
- San Juan North of Blanco (8)	-	-	-	-	1.29
Delivered to San Juan North of Blanco					
Received from San Juan North of Blanco (8)					
- Reservation Rate	\$ 0.1800	-	\$ 0.1800	\$ 0.0000	-
- Usage Rate (10)	0.0050	-	0.0050	0.0050	0.44%
- Overrun Rate (2) (10)	0.1850	-	0.1850	0.0050	0.44
Delivered to East of Thoreau (6)					
Received from East of Thoreau (5)					
- Reservation Rate (3)	\$ 0.3500	-	\$ 0.3500	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.33%
- Overrun Rate (2) (3) (10)	0.3600	-	0.3600	0.0100	1.33
Received from West of Thoreau					
- Reservation Rate	\$ 0.5700	-	\$ 0.5700	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.5900	-	0.5900	0.0200	2.53
Received from San Juan					
- Reservation Rate	\$ 0.5300	-	\$ 0.5300	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.5450	-	0.5450	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.18%
- San Juan North of Blanco (8)	-	-	-	-	2.52
Received from Phoenix					
- Reservation Rate	\$ 1.0700	-	\$ 1.0700	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.1250	-	1.1250	0.0550	2.63
Delivered to Phoenix					
Received from East of Thoreau					
- Reservation Rate	\$ 1.0700	-	\$ 1.0700	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.1250	-	1.1250	0.0550	2.63
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.7200	-	\$ 0.7200	\$ 0.0000	-
- Usage Rate (3) (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (3) (10)	0.7650	-	0.7650	0.0450	1.55
Received from San Juan					
- Reservation Rate	\$ 0.9000	-	\$ 0.9000	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	-
- Overrun Rate (2) (10)	0.9500	-	0.9500	0.0500	-
- San Juan Blanco (7)	-	-	-	-	2.25%
- San Juan North of Blanco (8)	-	-	-	-	2.59
Received from Phoenix (11)					
- Reservation Rate	\$ 0.5000	-	\$ 0.5000	\$ 0.0000	-
- Usage Rate (10)	0.0350	-	0.0350	0.0350	0.35%
- Overrun Rate (2) (10)	0.5350	-	0.5350	0.0350	0.35

Backhaul transportation is transportation on Transporter's system that is opposite to the actual physical flow from the point of receipt to the point of delivery. The backhaul rate will be the same as a forward haul rate; however, the backhaul fuel rate shall be 0.10%.

- (1) Surcharges shall not be applied to the same quantity of gas more than once.
- (2) This rate shall be the maximum firm volumetric rate applicable for capacity release.
- (3) Includes receipts from the Thoreau/San Juan Point.

-
- (4) These rates will be applicable to all delivery points West of the Thoreau/San Juan Point except for deliveries to the California border, which includes points located West of the junction of the mainline with the Topock Lateral at mile post 75.2 West of Compressor Station No. 1.
 - (5) Includes deliveries to Thoreau/San Juan Point and such deliveries shall pay 0.10% less than the fuel reimbursement stated on this tariff section and no surcharges shall be applicable to deliveries to the Thoreau/San Juan Point.
 - (6) These rates will be applicable to all delivery points East of the Thoreau/San Juan Point.
 - (7) This fuel will be applicable to all receipts in San Juan except for receipts north of the Blanco Hub.
 - (8) This fuel will be applicable to all receipts in San Juan north of the Blanco Hub.
 - (9) Transport Fuel percentages are from Receipt Point Area through to Delivery Point Area and shall be applied to receipt quantities. The minimum Transport Fuel charge will not be lower than actual fuel costs, if any.
 - (10) Excludes the ACA unit charge applicable to Shippers pursuant to Section 23 of the General Terms and Conditions.
 - (11) Includes receipts from Ashfork delivered to Phoenix or receipts from Phoenix delivered to Ashfork.

CURRENTLY EFFECTIVE RATES
 RATE SCHEDULE FTS-5

	Base Rate Per Dth -----	Surcharges (1) -----	Maximum Rate Per Dth -----	Minimum Rate per Dth -----	Maximum Fuel Reimbursement (9) -----
Delivered to West of Thoreau California					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6800	-	\$ 0.6800	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.7000	-	0.7000	0.0200	2.53
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.3300	-	\$ 0.3300	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.30%
- Overrun Rate (2) (3) (10)	0.3400	-	0.3400	0.0100	1.30
Received from San Juan					
- Reservation Rate	\$ 0.5100	-	\$ 0.5100	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.5250	-	0.5250	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.15%
- San Juan North of Blanco (8)	-	-	-	-	2.49
Received from Phoenix					
- Reservation Rate	\$ 0.8300	-	\$ 0.8300	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (10)	0.8750	-	0.8750	0.0450	1.55
Delivered to West of Thoreau East of California (4)					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6800	-	\$ 0.6800	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.38%
- Overrun Rate (2) (10)	0.7000	-	0.7000	0.0200	2.38
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.3300	-	\$ 0.3300	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.15%
- Overrun Rate (2) (3) (10)	0.3400	-	0.3400	0.0100	1.15
Received from San Juan					
- Reservation Rate	\$ 0.5100	-	\$ 0.5100	0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.5250	-	0.5250	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.00%
- San Juan North of Blanco (8)	-	-	-	-	2.34
Received from Phoenix					
- Reservation Rate	\$ 0.8300	-	\$ 0.8300	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.40%
- Overrun Rate (2) (10)	0.8750	-	0.8750	0.0450	1.40
Delivered to San Juan except for North of Blanco					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6200	-	\$ 0.6200	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.18%
- Overrun Rate (2) (10)	0.6350	-	0.6350	0.0150	2.18
Received from West of Thoreau					
- Reservation Rate	\$ 0.4900	-	\$ 0.4900	\$ 0.0000	2.15%
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.15
- Overrun Rate (2) (10)	0.5050	-	0.5050	0.0150	-
Received from Phoenix					
- Reservation Rate	\$ 0.9900	-	\$ 0.9900	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	2.25%
- Overrun Rate (2) (10)	1.0400	-	1.0400	0.0500	2.25

Delivered to San Juan except for North of Blanco					
Received from San Juan (5)					
- Reservation Rate (3)	\$ 0.2700	-	\$ 0.2700	\$ 0.0000	-
- Usage Rate (10) (3)	0.0050	-	0.0050	0.0050	-
- Overrun Rate (2) (10) (3)	0.2750	-	0.2750	0.0050	-
- San Juan Blanco (7)	-	-	-	-	0.95%
- San Juan North of Blanco (8)	-	-	-	-	1.29
Delivered to San Juan North of Blanco					
Received from San Juan North of Blanco (8)					
- Reservation Rate	\$ 0.2700	-	\$ 0.2700	\$ 0.0000	-
- Usage Rate (10)	0.0050	-	0.0050	0.0050	0.44%
- Overrun Rate (2) (10)	0.2750	-	0.2750	0.0050	0.44
Delivered to East of Thoreau (6)					
Received from East of Thoreau (5)					
- Reservation Rate (3)	\$ 0.5250	-	\$ 0.5250	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.33%
- Overrun Rate (2) (3) (10)	0.5350	-	0.5350	0.0100	1.33
Received from West of Thoreau					
- Reservation Rate	\$ 0.7450	-	\$ 0.7450	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.7650	-	0.7650	0.0200	2.53
Received from San Juan					
- Reservation Rate	\$ 0.7050	-	\$ 0.7050	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.7200	-	0.7200	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.18%
- San Juan North of Blanco (8)	-	-	-	-	2.52
Received from Phoenix					
- Reservation Rate	\$ 1.2450	-	\$ 1.2450	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.3000	-	1.3000	0.0550	2.63
Delivered to Phoenix					
Received from East of Thoreau					
- Reservation Rate	\$ 1.3200	-	\$ 1.3200	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.3750	-	1.3750	0.0550	2.63
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.9700	-	\$ 0.9700	\$ 0.0000	-
- Usage Rate (3) (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (3) (10)	1.0150	-	1.0150	0.0450	1.55
Received from San Juan					
- Reservation Rate	\$ 1.1500	-	\$ 1.1500	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	-
- Overrun Rate (2) (10)	1.2000	-	1.2000	0.0500	-
- San Juan Blanco (7)	-	-	-	-	2.25%
- San Juan North of Blanco (8)	-	-	-	-	2.59
Received from Phoenix (11)					
- Reservation Rate	\$ 0.7500	-	\$ 0.7500	\$ 0.0000	-
- Usage Rate (10)	0.0350	-	0.0350	0.0350	0.35%
- Overrun Rate (2) (10)	0.7850	-	0.7850	0.0350	0.35

Backhaul transportation is transportation on Transporter's system that is opposite to the actual physical flow from the point of receipt to the point of delivery. The backhaul rate will be the same as a forward haul rate; however, the backhaul fuel rate shall be 0.10%.

- (1) Surcharges shall not be applied to the same quantity of gas more than once.
- (2) This rate shall be the maximum firm volumetric rate applicable for capacity release.

- (3) Includes receipts from the Thoreau/San Juan Point.
- (4) These rates will be applicable to all delivery points West of the Thoreau/San Juan Point except for deliveries to the California border, which includes points located West of the junction of the mainline with the Topock Lateral at mile post 75.2 West of Compressor Station No. 1.
- (5) Includes deliveries to Thoreau/San Juan Point and such deliveries shall pay 0.10% less than the fuel reimbursement stated on this tariff section and no surcharges shall be applicable to deliveries to the Thoreau/San Juan Point.
- (6) These rates will be applicable to all delivery points East of the Thoreau/San Juan Point.
- (7) This fuel will be applicable to all receipts in San Juan except for receipts north of the Blanco Hub.
- (8) This fuel will be applicable to all receipts in San Juan north of the Blanco Hub.
- (9) Transport Fuel percentages are from Receipt Point Area through to Delivery Point Area and shall be applied to receipt quantities. The minimum Transport Fuel charge will not be lower than actual fuel costs, if any.
- (10) Excludes the ACA unit charge applicable to Shippers pursuant to Section 23 of the General Terms and Conditions.
- (11) Includes receipts from Ashfork delivered to Phoenix or receipts from Phoenix delivered to Ashfork.

CURRENTLY EFFECTIVE RATES
 RATE SCHEDULES FTS-3

	Base Rate Per Dth -----	Surcharges (1) -----	Maximum Rate Per Dth -----	Minimum Rate Per Dth -----	Maximum Fuel Reimbursement (9) -----
Delivered to West of Thoreau California					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6800	-	\$ 0.6800	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.7000	-	0.7000	0.0200	2.53
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.3300	-	\$ 0.3300	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.30%
- Overrun Rate (2) (3) (10)	0.3400	-	0.3400	0.0100	1.30
Received from San Juan					
- Reservation Rate	\$ 0.5100	-	\$ 0.5100	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.5250	-	0.5250	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.15%
- San Juan North of Blanco (8)	-	-	-	-	2.49
Received from Phoenix					
- Reservation Rate	\$ 0.8300	-	\$ 0.8300	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (10)	0.8750	-	0.8750	0.0450	1.55
Delivered to West of Thoreau East of California (4)					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6800	-	\$ 0.6800	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.38%
- Overrun Rate (2) (10)	0.7000	-	0.7000	0.0200	2.38
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.3300	-	\$ 0.3300	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.15%
- Overrun Rate (2) (3) (10)	0.3400	-	0.3400	0.0100	1.15
Received from San Juan					
- Reservation Rate	\$ 0.5100	-	\$ 0.5100	0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.5250	-	0.5250	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.00%
- San Juan North of Blanco (8)	-	-	-	-	2.34
Received from Phoenix					
- Reservation Rate	\$ 0.8300	-	\$ 0.8300	\$ 0.0000	-
- Usage Rate (10)	0.0450	-	0.0450	0.0450	1.40%
- Overrun Rate (2) (10)	0.8750	-	0.8750	0.0450	1.40
Delivered to San Juan except for North of Blanco					
Received from East of Thoreau					
- Reservation Rate	\$ 0.6200	-	\$ 0.6200	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.18%
- Overrun Rate (2) (10)	0.6350	-	0.6350	0.0150	2.18
Received from West of Thoreau					
- Reservation Rate	\$ 0.4900	-	\$ 0.4900	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	2.15%
- Overrun Rate (2) (10)	0.5050	-	0.5050	0.0150	2.15
Received from Phoenix					
- Reservation Rate	\$ 0.9900	-	\$ 0.9900	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	2.25%
- Overrun Rate (2) (10)	1.0400	-	1.0400	0.0500	2.25

Delivered to San Juan except for North of Blanco					
Received from San Juan (5)					
- Reservation Rate (3)	\$ 0.2700	-	\$ 0.2700	\$ 0.0000	-
- Usage Rate (10) (3)	0.0050	-	0.0050	0.0050	-
- Overrun Rate (2) (10) (3)	0.2750	-	0.2750	0.0050	-
- San Juan Blanco (7)	-	-	-	-	0.95%
- San Juan North of Blanco (8)	-	-	-	-	1.29
Delivered to San Juan North of Blanco					
Received from San Juan North of Blanco (8)					
- Reservation Rate	\$ 0.2700	-	\$ 0.2700	\$ 0.0000	-
- Usage Rate (10)	0.0050	-	0.0050	0.0050	0.44%
- Overrun Rate (2) (10)	0.2750	-	0.2750	0.0050	0.44
Delivered to East of Thoreau (6)					
Received from East of Thoreau (5)					
- Reservation Rate (3)	\$ 0.5250	-	\$ 0.5250	\$ 0.0000	-
- Usage Rate (3) (10)	0.0100	-	0.0100	0.0100	1.33%
- Overrun Rate (2) (3) (10)	0.5350	-	0.5350	0.0100	1.33
Received from West of Thoreau					
- Reservation Rate	\$ 0.7450	-	\$ 0.7450	\$ 0.0000	-
- Usage Rate (10)	0.0200	-	0.0200	0.0200	2.53%
- Overrun Rate (2) (10)	0.7650	-	0.7650	0.0200	2.53
Received from San Juan					
- Reservation Rate	\$ 0.7050	-	\$ 0.7050	\$ 0.0000	-
- Usage Rate (10)	0.0150	-	0.0150	0.0150	-
- Overrun Rate (2) (10)	0.7200	-	0.7200	0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.18%
- San Juan North of Blanco (8)	-	-	-	-	2.52
Received from Phoenix					
- Reservation Rate	\$ 1.2450	-	\$ 1.2450	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.3000	-	1.3000	0.0550	2.63
Delivered to Phoenix					
Received from East of Thoreau					
- Reservation Rate	\$ 1.3200	-	\$ 1.3200	\$ 0.0000	-
- Usage Rate (10)	0.0550	-	0.0550	0.0550	2.63%
- Overrun Rate (2) (10)	1.3750	-	1.3750	0.0550	2.63
Received from West of Thoreau					
- Reservation Rate (3)	\$ 0.9700	-	\$ 0.9700	\$ 0.0000	-
- Usage Rate (3) (10)	0.0450	-	0.0450	0.0450	1.55%
- Overrun Rate (2) (3) (10)	1.0150	-	1.0150	0.0450	1.55
Received from San Juan					
- Reservation Rate	\$ 1.1500	-	\$ 1.1500	\$ 0.0000	-
- Usage Rate (10)	0.0500	-	0.0500	0.0500	-
- Overrun Rate (2) (10)	1.2000	-	1.2000	0.0500	-
- San Juan Blanco (7)	-	-	-	-	2.25%
- San Juan North of Blanco (8)	-	-	-	-	2.59
Received from Phoenix (11)					
- Reservation Rate	\$ 0.7500	-	\$ 0.7500	\$ 0.0000	-
- Usage Rate (10)	0.0350	-	0.0350	0.0350	0.35%
- Overrun Rate (2) (10)	0.7850	-	0.7850	0.0350	0.35

Backhaul transportation is transportation on Transporter's system that is opposite to the actual physical flow from the point of receipt to the point of delivery. The backhaul rate will be the same as a forward haul rate; however, the backhaul fuel rate shall be 0.10%.

(1) Surcharges shall not be applied to the same quantity of gas more than once.

(2) This rate shall be the maximum firm volumetric rate applicable for capacity release.

- (3) Includes receipts from the Thoreau/San Juan Point.
- (4) These rates will be applicable to all delivery points West of the Thoreau/San Juan Point except for deliveries to the California border, which includes points located West of the junction of the mainline with the Topock Lateral at mile post 75.2 West of Compressor Station No. 1.
- (5) Includes deliveries to Thoreau/San Juan Point and such deliveries shall pay 0.10% less than the fuel reimbursement stated on this tariff section and no surcharges shall be applicable to deliveries to the Thoreau/San Juan Point.
- (6) These rates will be applicable to all delivery points East of the Thoreau/San Juan Point.
- (7) This fuel will be applicable to all receipts in San Juan except for receipts north of the Blanco Hub.
- (8) This fuel will be applicable to all receipts in San Juan north of the Blanco Hub.
- (9) Transport Fuel percentages are from Receipt Point Area through to Delivery Point Area and shall be applied to receipt quantities. The minimum Transport Fuel charge will not be lower than actual fuel costs, if any.
- (10) Excludes the ACA unit charge applicable to Shippers pursuant to Section 23 of the General Terms and Conditions.
- (11) Includes receipts from Ashfork delivered to Phoenix or receipts from Phoenix delivered to Ashfork.

CURRENTLY EFFECTIVE RATES
 RATE SCHEDULE ITS-1

	Base Rate Per Dth	Surcharges (1)	Maximum Rate Per Dth	Minimum Rate Per Dth	Maximum Fuel Reimbursement (6)
	-----	-----	-----	-----	-----
Delivered to West of Thoreau California					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.5900	-	\$ 0.5900	\$ 0.0200	2.53%
Received from West of Thoreau (2)					
- Usage Rate (9)	\$ 0.2300	-	\$ 0.2300	\$ 0.0100	1.30%
Received from San Juan					
- Usage Rate (9)	\$ 0.4150	-	\$ 0.4150	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.15%
- San Juan North of Blanco (8)	-	-	-	-	2.49
Received from Phoenix					
Usage Rate (9)	\$ 0.7650		\$ 0.7650	\$ 0.0450	1.55%
Delivered to West of Thoreau East of California (3)					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.5900	-	\$ 0.5900	\$ 0.0200	2.38%
Received from West of Thoreau (2)					
- Usage Rate (9)	\$ 0.2300	-	\$ 0.2300	\$ 0.0100	1.15%
Received from San Juan					
- Usage Rate (9)	\$ 0.4150	-	\$ 0.4150	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.00%
- San Juan North of Blanco (8)	-	-	-	-	2.34
Received from Phoenix					
Usage Rate (9)	\$ 0.7650		\$ 0.7650	\$ 0.0450	1.40%
Delivered to San Juan except to North of Blanco					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.5450	-	\$ 0.5450	\$ 0.0150	2.18%
Received from West of Thoreau					
- Usage Rate (9)	\$ 0.4150	-	\$ 0.4150	\$ 0.0150	2.15%
Received from Phoenix					
Usage Rate (9)	\$ 0.9500		\$ 0.9500	\$ 0.0500	2.25%
Delivered to San Juan except for North of Blanco					
Received from San Juan (4) (2)					
- Usage Rate (9)	\$ 0.1850	-	\$ 0.1850	\$ 0.0050	-
- San Juan Blanco (7)	-	-	-	-	0.95%
- San Juan North of Blanco (8)	-	-	-	-	1.29
Delivered to San Juan North of Blanco					
Received from San Juan North of Blanco (8)					
- Usage Rate (9)	\$ 0.1850	-	\$ 0.1850	\$ 0.0050	0.44%
Delivered to East of Thoreau (5)					
Received from East of Thoreau (2) (4)					
- Usage Rate (9)	\$ 0.3600	-	\$ 0.3600	\$ 0.0100	1.33%
Received from West of Thoreau					
- Usage Rate (9)	\$ 0.5900	-	\$ 0.5900	\$ 0.0200	2.53%
Received from San Juan					
- Usage Rate (9)	\$ 0.5450	-	\$ 0.5450	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.18%
- San Juan North of Blanco (8)	-	-	-	-	2.52
Received from Phoenix					
Usage Rate (9)	\$ 1.1250		\$ 1.1250	\$ 0.0550	2.63%

Delivered to Phoenix					
Received from East of Thoreau					
- Usage Rate (9)	\$ 1.1250	-	\$ 1.1250	\$ 0.0550	2.63%
Received from West of Thoreau					
- Usage Rate (9)	\$ 0.7650	-	\$ 0.7650	\$ 0.0450	1.55%
Received from San Juan					
- Usage Rate (9)	\$ 0.9500	-	\$ 0.9500	\$ 0.0500	-
- San Juan Blanco (7)	-	-	-	-	2.25%
- San Juan North of Blanco (8)	-	-	-	-	2.59
Received from Phoenix					
Usage Rate (9)	\$ 0.5350		\$ 0.5350	\$ 0.0350	0.35%

Backhaul transportation is transportation on Transporter's system that is opposite to the actual physical flow from the point of receipt to the point of delivery. The backhaul rate will be the same as a forward haul rate; however, the backhaul fuel rate shall be 0.10%.

- (1) Surcharges shall not be applied to the same quantity of gas more than once.
- (2) Includes receipts from the Thoreau/San Juan Point.
- (3) These rates will be applicable to all delivery points West of the Thoreau/San Juan Point except for deliveries to the California border, which includes points located West of the junction of the mainline with the Topock Lateral at mile post 75.2 West of Compressor Station No. 1.
- (4) Includes deliveries to Thoreau/San Juan Point and such deliveries shall pay 0.10% less than the fuel reimbursement stated on this tariff section and no surcharges shall be applicable to deliveries to the Thoreau/San Juan Point.
- (5) These rates will be applicable to all delivery points East of Thoreau/San Juan Point.
- (6) Transport Fuel percentages are from Receipt Point Area through to Delivery Point Area and shall be applied to receipt quantities. The minimum Transport Fuel charge will not be lower than actual fuel costs, if any.
- (7) This fuel will be applicable to all receipts in San Juan except for receipts north of the Blanco Hub.
- (8) This fuel will be applicable to all receipts in San Juan north of the Blanco Hub.
- (9) Excludes the ACA unit charge applicable to Shippers pursuant to Section 23 of the General Terms and Conditions.

CURRENTLY EFFECTIVE RATES
 RATE SCHEDULE ITS-2

	Base Rate Per Dth	Surcharges (1)	Maximum Rate Per Dth	Minimum Rate Per Dth	Maximum Fuel Reimbursement (6)
	-----	-----	-----	-----	-----
Delivered to West of Thoreau California					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.7000	-	\$ 0.7000	\$ 0.0200	2.53%
Received from West of Thoreau (2)					
- Usage Rate (9)	\$ 0.3400	-	\$ 0.3400	\$ 0.0100	1.30%
Received from San Juan					
- Usage Rate (9)	\$ 0.5250	-	\$ 0.5250	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.15%
- San Juan North of Blanco (8)	-	-	-	-	2.49
Received from Phoenix					
Usage Rate (9)	\$ 0.8750		\$ 0.8750	\$ 0.0450	1.55%
Delivered to West of Thoreau East of California (3)					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.7000	-	\$ 0.7000	\$ 0.0200	2.38%
Received from West of Thoreau (2)					
- Usage Rate (9)	\$ 0.3400	-	\$ 0.3400	\$ 0.0100	1.15%
Received from San Juan					
- Usage Rate (9)	\$ 0.5250	-	\$ 0.5250	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.00%
- San Juan North of Blanco (8)	-	-	-	-	2.34
Received from Phoenix					
Usage Rate (9)	\$ 0.8750		\$ 0.8750	\$ 0.0450	1.40%
Delivered to San Juan except for North of Blanco					
Received from East of Thoreau					
- Usage Rate (9)	\$ 0.6350	-	\$ 0.6350	\$ 0.0150	2.18%
Received from West of Thoreau					
- Usage Rate (9)	\$ 0.5050	-	\$ 0.5050	\$ 0.0150	2.15%
Received from Phoenix					
Usage Rate (9)	\$ 1.0400		\$ 1.0400	\$ 0.0500	2.25%
Delivered to San Juan except for North of Blanco					
Received from San Juan (4) (2)					
- Usage Rate (9)	\$ 0.2750	-	\$ 0.2750	\$ 0.0050	-
- San Juan Blanco (7)	-	-	-	-	0.95%
- San Juan North of Blanco (8)	-	-	-	-	1.29
Delivered to San Juan North of Blanco					
Received from San Juan North of Blanco (8)					
- Usage Rate (9)	\$ 0.2750	-	\$ 0.2750	\$ 0.0050	0.44%
Delivered to East of Thoreau (5)					
Received from East of Thoreau (2) (4)					
- Usage Rate (9)	\$ 0.5350	-	\$ 0.5350	\$ 0.0100	1.33%
Received from West of Thoreau					
- Usage Rate (9)	\$ 0.7650	-	\$ 0.7650	\$ 0.0200	2.53%
Received from San Juan					
- Usage Rate (9)	\$ 0.7200	-	\$ 0.7200	\$ 0.0150	-
- San Juan Blanco (7)	-	-	-	-	2.18%
- San Juan North of Blanco (8)	-	-	-	-	2.52
Received from Phoenix					
Usage Rate (9)	\$ 1.3000		\$ 1.3000	\$ 0.0550	2.63%

Delivered to Phoenix					
Received from East of Thoreau					
- Usage Rate (9)	\$ 1.3750	-	\$ 1.3750	\$ 0.0550	2.63%
Received from West of Thoreau					
- Usage Rate (9)	\$ 1.0150	-	\$ 1.0150	\$ 0.0450	1.55%
Received from San Juan					
- Usage Rate (9)	\$ 1.2000	-	\$ 1.2000	\$ 0.0500	-
- San Juan Blanco (7)	-	-	-	-	2.25%
- San Juan North of Blanco (8)	-	-	-	-	2.59
Received from Phoenix					
Usage Rate (9)	\$ 0.7850		\$ 0.7850	\$ 0.0350	0.35%

Backhaul transportation is transportation on Transporter's system that is opposite to the actual physical flow from the point of receipt to the point of delivery. The backhaul rate will be the same as a forward haul rate; however, the backhaul fuel rate shall be 0.10%.

- (1) Surcharges shall not be applied to the same quantity of gas more than once.
- (2) Includes receipts from the Thoreau/San Juan Point.
- (3) These rates will be applicable to all delivery points West of the Thoreau/San Juan Point except for deliveries to the California border, which includes points located West of the junction of the mainline with the Topock Lateral at mile post 75.2 West of Compressor Station No. 1.
- (4) Includes deliveries to Thoreau/San Juan Point and such deliveries shall pay 0.10% less than the fuel reimbursement stated on this tariff section and no surcharges shall be applicable to deliveries to the Thoreau/San Juan Point.
- (5) These rates will be applicable to all delivery points East of Thoreau/San Juan Point.
- (6) Transport Fuel percentages are from Receipt Point Area through to Delivery Point Area and shall be applied to receipt quantities. The minimum Transport Fuel charge will not be lower than actual fuel costs, if any.
- (7) This fuel will be applicable to all receipts in San Juan except for receipts north of the Blanco Hub.
- (8) This fuel will be applicable to all receipts in San Juan north of the Blanco Hub.
- (9) Excludes the ACA unit charge applicable to Shippers pursuant to Section 23 of the General Terms and Conditions.

~~(10) Primary Delivery Point
56698 PG&E Topock
The negotiated rate applies to all alternate delivery points.~~

~~(11) From 04/01/2019 through 03/31/2020~~

~~(12) The Fixed Negotiated Base Reservation Rate is \$0.5800/Dth of MAXDTQ.~~

~~(13) Primary Receipt Points
58649 Central Pool (6-1-19 through 10-31-19)
58646 West Texas Pool (11-1-19 through 11-30-19)
58649 Central Pool (12-1-19 through 12-31-19)
58646 West Texas Pool (1-1-20 through 3-31-20)~~

~~The negotiated rate applies to alternate receipt points in the San Juan Blanco area, San Juan North of Blanco area, Thoreau area, West of Thoreau area and East of Thoreau area existing at the date of execution of this Service Agreement.~~

~~(14) Primary Delivery Point
56698 PG&E Topock
The negotiated rate applies to alternate delivery points in the East of Thoreau area, San Juan Blanco area, San Juan North of Blanco area, Thoreau area and West of Thoreau (including the Phoenix Lateral) area existing at the date of execution of this Service Agreement.~~

~~(15) From 06/01/2019 through 03/31/2020~~

(16) The Fixed Negotiated Base Reservation Rate is \$0.3500/Dth of MAXDTQ.

(17) Primary Receipt Point
58649 Central Pool

Negotiated Alternate Receipt Points: All receipt points in the San Juan Blanco area, San Juan North of Blanco area, and East of Thoreau area existing at the date of execution of this Service Agreement.

(18) Primary Delivery Points
8042 PEPL Hansford Cactus (4-1-20 through 3-31-25)
10594 Southern Star-Canadian River (7-1-20 through 9-30-20)

Negotiated Alternate Delivery Points: All delivery points in the East of Thoreau area, San Juan Blanco area, San Juan North of Blanco area, and West of Thoreau (including the Phoenix Lateral) area existing at the date of execution of this Service Agreement.

(19) From 04/01/2020 through 03/31/2025.

Statement of Non-Conforming Agreements

The contracts listed below have been accepted by the Federal Energy Regulation Commission as non-conforming agreements.

A. Non-Conforming Agreements

- ~~(1) Unocal Keystone Gas Storage, LLC Operator Balancing Agreement dated April 29, 2003; Contract No. 100653~~
- (21) Southwest Gas Transmission Company Operator Balancing Agreement dated September 1, 2006; Contract No. 101444.
- (32) Arizona Public Service Company Operator Balancing Agreement dated January 15, 2008; Contract No. 102078.
- (43) Southwest Gas Corporation Operator Balancing Agreement dated January 15, 2008; Contract No. 102070.
- (54) UNS Gas Inc. Operator Balancing Agreement dated January 15, 2008; Contract No. 102071.
- ~~(6) Gila River Power L.P. Operator Balancing Agreement dated January 15, 2008; Contract No. 102079.~~
- (75) Salt River Project Agricultural Improvement and Power District Operator Balancing Agreement dated January 15, 2008; Contract No. 102080.
- (86) El Paso Natural Gas Company Operator Balancing Agreement dated February 20, 2009; Contract No. 102474.
- (97) Tucson Electric Power Company Firm Natural Gas Transportation Agreement dated January 14, 2014; Contract No. 103828.

B. Non-Conforming Agreements with Negotiated Rates

- (1) Southwest Gas Corporation Firm Natural Gas Transportation Agreement dated January 15, 2008; Contract No. 102444.
- (2) Arizona Public Service Company Firm Natural Gas Transportation Agreement dated January 15, 2008; Contract No. 102446.
- (3) UNS Gas Inc. Firm Natural Gas Transportation Agreement dated January 15, 2008; Contract No. 102447.
- (4) Salt River Project Agricultural Improvement and Power District Firm Natural Gas Transportation Agreement dated January 15, 2008; Contract No. 102448.

Part V
Transportation Rate Schedules

1. Rate Schedule FTS-1
2. Rate Schedule FTS-2
3. Rate Schedule FTS-3
4. ~~Rate Schedule FTS-4 - Cancelled~~ Reserved
5. Rate Schedule FTS-5
6. Rate Schedule LFT
7. Reserved
8. Rate Schedule ITS-1
9. Rate Schedule ITS-2
10. Rate Schedule PNR
11. Rate Schedule SP-1
12. Rate Schedule HPS

~~RATE SCHEDULE FTS-4 – CANCELLED~~

~~Effective May 1, 2015, Rate Schedule FTS-4 constituting Version 1.0.0, Rate Schedule FTS-4, Firm Transportation Service of the FERC NGA Gas Tariff of Transwestern Pipeline Company, LLC is cancelled.~~
Reserved

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

Except as otherwise indicated, the following terms when used herein or in any agreement incorporating these General Terms and Conditions in this Tariff are intended, used and shall be construed to have the following meaning:

"Agent" shall mean one who is authorized, in writing, to act for a Shipper or Operator, and who may do and perform any such authorized acts as may be required to be performed by a Shipper or Operator under this Tariff (including, but not limited to, nominating, scheduling, and/or confirming quantities of gas for transportation; receiving bills; and reconciling and clearing imbalances), as if the same were being performed by the Shipper or Operator itself.

"Alternate Delivery Point" for service under Rate Schedule FTS-1, LFT, FTS-2, FTS-3 or FTS-5 shall mean the point(s) of delivery points within the direction of flow of Shipper's Primary Path on Transporter's system under Shipper's FTS-1, LFT, FTS-2, FTS-3 or FTS-5 Service Agreement, other than Primary Delivery Points, where Shipper nominates quantities; provided, however, that service to such alternate point(s) shall be on an interruptible basis (i.e., may be interrupted only by a firm shipper using the point(s) as a primary point(s)) under Shipper's Service Agreement.

"Alternate Receipt Point" shall mean all eligible receipt points within the direction of flow of Shipper's Primary Path on Transporter's system and volumes in excess of Primary Receipt Point volumes, from which Shipper under Rate Schedule FTS-1, LFT, FTS-2, FTS-3 or FTS-5 may nominate volumes to be received on an interruptible basis (i.e., may be interrupted only by a firm shipper using the point(s) as a primary point(s)) under its FTS-1, LFT, FTS-2, FTS-3 or FTS-5 Service Agreement.

"Area" shall mean those receipt/delivery point areas defined in Section 28 of the General Terms and Conditions.

"British Thermal Unit" (Btu) shall mean the amount of heat required to raise the temperature of one (1) pound of water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit.

"Business day (business day)" is defined as Monday through Friday, excluding Federal Banking Holidays.

"Central Clock Time" shall mean Central Standard Time throughout the year, as adjusted for Central Daylight Time.

"Commission" or "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency.

"**Cubic foot (cubic foot)**" shall mean the volume of gas which occupies one cubic foot of space measured at 14.73 pounds per square inch absolute at a temperature of 60 degrees Fahrenheit in accordance with Section 4 hereof.

"**Customer Activities Website**" shall mean the Uniform Resource Locator (URL) of Transporter's electronic communication mechanism on the Internet at <https://transfer.energytransfer.com/customeractivities/TW>.

"**Day (day)**" shall mean ~~mean~~ 9 a.m. to 9 a.m. (Central Clock Time).

"**Dekatherm**" (dth) shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One "dekatherm of gas" shall mean the quantity of gas which contains one dekatherm of heat energy.

"**Elapsed Pro-rata Capacity**" (EPC) shall mean the portion of the capacity (under capacity release) that would have theoretically been available for use prior to the effective time of the intraday recall based on a cumulative uniform hourly use of the capacity.

"**Execution**" or "**executed**" or any other form of the root word "execute" when used with respect to any Service Agreement, amendment to Service Agreement, or any other contract shall include electronic execution pursuant to the procedures established by Transporter.

"**Hydrocarbon Dew point**" shall mean cricondenthem, the highest temperature at which the vapor-liquid equilibrium may be present. The Hydrocarbon Dew point (cricondenthem) calculations are performed using the Peng-Robinson equation of state.

"**Internet Website**" or "**Transporter's Internet Website**" shall mean the Uniform Resource Locator (URL) containing Transporter's informational postings on the Internet at <http://twtransfer.energytransfer.com>.

"**Logical Points**" shall mean points on Transporter's system which may be used by a Shipper as receipt or delivery points which are not physical points as defined in this Tariff.

"**Maximum Daily Transportation Quantity**" (MAXDTQ) shall mean the maximum quantity of natural gas provided in the Service Agreement that Shipper is entitled to receive and Transporter is obligated to deliver on any day.

"**Mcf**" shall mean 1,000 cubic feet of gas.

"**Merchantability**" refers to a gas stream which is commercially salable and fit for the market, and of a quality which will bring the then current market price without additional treatment or processing. Gas that meets the quality specifications in this Tariff shall be deemed to be Merchantable.

"Month (month)" shall mean the period beginning at nine o'clock a.m. Central Clock Time on the first day of a calendar month and ending at the same hour on the first day of the next succeeding calendar month.

"Monthly Index Price (MIP)" shall mean the index price calculated in accordance with Section 27.2 herein.

"NAESB Standards" are the business practices and electronic standards adopted by the Wholesale Gas Quadrant ("WGQ") of North American Energy Standards Board ("NAESB") and by Section 284.12 of the Commission's Regulations.

"Natural gas (natural gas)" shall mean either natural gas unmixed, or any mixture of natural and artificial gas.

"NGA" shall mean the Natural Gas Act of 1938, as amended.

"Operator" shall mean a party which physically operates facilities connected to Transporter's pipeline system for deliveries of gas into or out of Transporter's system or a third-party designated in writing by the Operator physically operating such facility to sign an Operator Balancing Agreement for the interconnect point(s). Such Operator or third-party Operator must meet on a continuing basis the creditworthiness requirement of Transporter's Tariff, must execute an Operator Balancing Agreement in place of such Operator(s), and must agree to assume all of the Operator's rights, duties and obligations under the Operator Balancing Agreement for the designated interconnect point(s).

"Operator Balancing Agreement" shall mean a contract between two parties which specifies the procedures to manage operating variances at an interconnect pursuant to GT&C Section 15 herein.

"Physical Points" shall mean points on Transporter's system at which gas is actually received into or actually delivered out of Transporter's system.

"Pooling (pooling)" shall mean: (1) the aggregation of gas from multiple Physical and/or Logical Points to a single Physical or Logical Point; and/or (2) the dis-aggregation of gas from a single Physical or Logical Point to multiple Physical and/or Logical Points.

"Pre-Arranged Shipper" shall mean the entity designated by Releasing Shipper prior to the released capacity being posted on the Customer Activities Website. The Pre-Arranged Shipper will become a Replacement Shipper upon selection of its bid as the best bid.

"Primary Delivery Point" shall mean those delivery point(s) on Transporter's system under Shipper's FTS-1, LFT, FTS-2, FTS-3 or FTS-5 Service Agreement with a specified firm volume, as may be amended upon mutual agreement from time to time, but in no event shall any moving of a primary delivery point result in a lower reservation charge.

"Primary Path" shall mean the most direct route on Transporter's system between the Primary Receipt Point(s) and Primary Delivery Point(s). The direction of flow for such path shall be from the Primary Receipt Point(s) to the Primary Delivery Point(s) as indicated in the FTS-1, LFT, FTS-3 and FTS-5 Service Agreements. A Shipper under Rate Schedules FTS-1, LFT, FTS-3 and FTS-5 may change such Primary Receipt Point(s) or Primary Delivery Point(s) or use an Alternate Receipt Point(s) or Alternate Delivery Point(s) outside its Primary Path subject to the negotiation with Transporter of such points and rates, not to exceed the maximum applicable tariff rate.

"Primary Receipt Point" shall mean those receipt points on Transporter's system under Shipper's FTS-1, LFT, FTS-2, FTS-3 or FTS-5 Service Agreement with a specified firm volume, as may be amended upon mutual agreement from time to time, but in no event shall any moving of a primary receipt point result in a lower reservation charge.

"Quantity of gas" shall mean the number of units of gas expressed in dekatherms unless otherwise specified.

"Recourse Rate" shall mean the Commission approved maximum tariff rates set forth in the Currently Effective Rates for the applicable Rate Schedule as modified from time to time.

"Releasing Shipper" shall mean a firm Shipper that releases capacity pursuant to Section 30 herein.

"Replacement Shipper" shall mean any entity that obtains capacity from a Releasing Shipper pursuant to Section 30 herein.

"Service Agreement" shall mean the written executed agreement, in the form prescribed in this Tariff, applicable to the particular Rate Schedule under which service is being provided, including a Capacity Release Service Agreement.

"Shipper" shall mean any party purchasing services from Transporter under any of the Rate Schedules in this Tariff.

"Supply Pooling Points" shall mean Logical Points established by Transporter which may be used by Shippers to aggregate supplies pursuant to the provisions of Rate Schedule SP-1.

"Tariff" shall mean Transporter's currently effective FERC NGA Gas Tariff.

"Total heating value" means:

- A. For Shippers receiving service from Transporter to the Needles and/or Topock delivery points, the number of British Thermal Units evolved by the complete combustion with air, at constant pressure, of one cubic foot of anhydrous (dry) gas under a pressure of 14.73 psia and at a temperature of 60o Fahrenheit and when the products of combustion are cooled to the initial temperature of the gas and air and all of the water formed by combustion is condensed to the liquid state in accordance with rules set forth in "Public Utilities Commission of the State of California General Order No. 58-B" or any other methods of determination as may be mutually agreed upon.
- B. For Shippers receiving service for gas delivered at any delivery point except the Needles and Topock delivery points, the number of British Thermal Units evolved by the complete combustion with air, at constant pressure, of one cubic foot of anhydrous (dry) gas under a pressure of 14.73 psia and at a temperature of 60o Fahrenheit and when the products of combustion are cooled to the initial temperature of the gas and air and all of the water formed by combustion is condensed to the liquid state, or any other methods of determination as may be mutually agreed upon.

"Transport Fuel" shall mean the fuel charge for transmission, company use gas, and lost and unaccounted for gas and recovered on an "in kind" basis, as set forth in the Currently Effective Rates for the applicable Rate Schedule of this Tariff.

"Transporter" shall mean Transwestern Pipeline Company, LLC.

"Written" or "in writing" or any other combination of words indicating a requirement that a document be in a physically written form shall include any Service Agreement, amendment to Service Agreement, or any other contract or document which has been electronically executed pursuant to the procedures established by Transporter.

GENERAL TERMS AND CONDITIONS

13. CREDITWORTHINESS

13.1 Prior to execution of a Service Agreement or as a condition for continuation of service, a Shipper or prospective shipper shall be required to establish and maintain creditworthiness on an on-going basis with Transporter. Transporter shall not be required to: (1) execute a Service Agreement providing for service on behalf of any Shipper who fails to meet Transporter's standards for creditworthiness; or (2) initiate service for a Shipper who fails to meet Transporter's standards for creditworthiness; or (3) continue service on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails to demonstrate creditworthiness pursuant to Transporter's standards in this Section 13.

13.2 A Shipper shall be deemed creditworthy when Shipper meets the creditworthiness criteria in this Section 13.2.

(a) If Shipper is rated by Standard & Poor's Financial Services LLC (S&P), a subsidiary of McGraw Hill Financial, Inc. and/or by Moody's Investors Service, Inc. (Moody's), Transporter may establish creditworthiness if:

(1) (i) In the event Shipper is rated by both S&P and Moody's, Shipper's long-term senior unsecured debt securities are rated at least BBB- by S&P and at least Baa3 by Moody's, provided, however, that if the Shipper's rating is at BBB- and/or Baa3, respectively, the long-term outlook shall be Stable or Positive; or (ii) in the event Shipper is rated by only S&P, Shipper's long-term senior unsecured debt securities are rated at least BBB-, provided, however, that if the Shipper's rating is at BBB-, the long-term outlook shall be Stable or Positive; or (iii) in the event Shipper is rated by only Moody's, Shipper's long-term senior unsecured debt securities are rated at least Baa3, provided, however, that if the Shipper's rating is at Baa3, the long-term outlook shall be Stable or Positive; and

(2) The net present value of the sum of reservation charges, usage charges and any other associated fees and charges for the contract term is less than 15% of Shipper's tangible net worth.

In the event Shipper is rated by both S&P and Moody's at levels which are not equivalent, the lower rating shall apply. For the purposes of this Section 13.2, the term "tangible net worth" shall mean for a corporation the sum of the capital stock, paid-in capital in excess of par or stated value, and other free and clear equity reserve accounts less goodwill, patents, unamortized loan costs or restructuring costs, and other intangible assets. Only actual tangible assets are included in Transporter's assessment of creditworthiness. If a Shipper has multiple

Service Agreements with Transporter, then the total contract commitment and imbalance exposure or potential exposure of all such Service Agreements shall be considered in determining creditworthiness.

- (b) If Shipper cannot demonstrate creditworthiness pursuant to Section 13.2(a) above, Transporter may establish creditworthiness based upon:
- (1) (i) In the event Shipper's parent is rated by both S&P and Moody's, the Shipper's parent having a senior unsecured debt rating of at least BBB- by S&P and Baa3 by Moody's, provided, however, that if the Shipper's parent's rating is at BBB- and/or Baa3, respectively, the long-term outlook shall be Stable or Positive; or (ii) in the event Shipper's parent is rated by only S&P, the Shipper's parent having a senior unsecured debt rating of at least BBB-, provided, however, that if the Shipper's parent's rating is at BBB-, the long-term outlook shall be Stable or Positive; or (iii) in the event Shipper's parent is rated by only Moody's, the Shipper's parent having a senior unsecured debt rating of at least Baa3, provided, however, that if the Shipper's parent's rating is at Baa3, the long-term outlook shall be Stable or Positive; and
 - (2) The net present value of the sum of reservation charges, usage charges and any other associated fees and charges for the contract term is less than 15% of Shipper's parent's tangible net worth; and
 - (3) Shipper's parent issues a guaranty acceptable to Transporter.

In the event Shipper's parent is rated by both S&P and Moody's at levels which are not equivalent, the lower rating shall apply. If a Shipper's parent has multiple Service Agreements with Transporter or multiple subsidiaries with Service Agreements with Transporter in addition to Shipper's Service Agreements, then the total contract commitment and imbalance exposure or potential exposure of all of those Service Agreements shall be considered in determining creditworthiness.

- 13.3 To permit Transporter to conduct an initial or ongoing creditworthiness review, Transporter may request and a Shipper shall provide within five (5) Business Days any or all of the following:
- (a) (i) Audited financial statements for the most current two (2) fiscal years prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America or, for non-U.S. based Shippers, prepared in accordance with equivalent standards, or (ii) if Shipper's fiscal year-end financial statements are unaudited, an attestation by its Chief Financial Officer that such statements constitute a true, correct, and fair representation of financial condition prepared in accordance with GAAP or equivalent or (iii) for non-public entities, any existing

sworn filing, which provides the most recent available interim financial statements and annual financial reports filed with any applicable regulatory authority, showing the Shipper's current financial condition;

- (b) List of corporate affiliates, parent companies, and subsidiaries, if applicable;
- (c) Publicly available information from credit reports of credit and bond rating agencies;
- (d) A bank reference and at least three (3) trade references, a check of which show along with any credit reports submitted herein that Shipper's undisputed obligations are being paid in a timely manner;
- (e) Statement of legal composition;
- (f) Statement of the length of time the business has been in operation;
- (g) For state-regulated utility local distribution companies, documentation from their respective state regulatory commission (or an equivalent authority) of an authorized gas supply cost recovery mechanism;
- (h) Confirmation by Shipper that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditor, or any informal creditors' committee agreement; and/or
- (i) Such other information as may be mutually agreed to by Shipper and Transporter.

13.4 If Shipper or Shipper's parent does not meet the criteria described in Section 13.2 above, then credit appraisal shall be based upon Transporter's evaluation of any or all of the following information and credit criteria:

- (a) Any information received pursuant to Section 13.3 above;
- (b) Consistent and nondiscriminatory financial statement analysis to determine the acceptability of Shipper's or Shipper's parent's current and future financial strength. Financial statements shall be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability;
- (c) S&P, Moody's, Dun & Bradstreet and other credit reporting agency ratings, opinions, watch alerts, and rating actions shall be considered in determining creditworthiness;

- (d) Results of credit reports and of bank and trade reference checks must demonstrate that a Shipper is paying its obligations in a timely manner;
 - (e) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws and there must not be pending any petition for involuntary bankruptcy; an exception may be made for a Shipper who is a debtor-in-possession operating under Chapter XI of the Federal Bankruptcy Act whereby adequate assurance is provided under purview of by the bankruptcy court having jurisdiction over such debtor-in - possession that the service billings will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future actually to make payment;
 - (f) Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent;
 - (g) Shipper's ongoing business relationship, if any, with Transporter with consideration being given to whether Shipper has or has had any delinquent balances outstanding for services provided by Transporter, gas imbalances, and gas loans due Transporter and whether Shipper is paying and has paid its account balances promptly according to the terms established in its Service Agreements (excluding amounts as to which there is a good faith dispute);
 - (h) Shipper's ability to recover the costs of Transporter's services through filings with regulatory agencies or otherwise to pass on such costs to its customers, as applicable; and/or
 - (i) Any other information, including any information provided by Shipper, that is reasonably relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the Service Agreement(s).
- 13.5 If a Shipper fails to establish or maintain creditworthiness or if Shipper's credit limit as determined by Transporter is insufficient to cover Shipper's total contractual obligations, Shipper may still obtain or continue service hereunder if Shipper, except to the extent otherwise agreed, provides collateral in an amount sufficient to cover three months service as determined in accordance with Section 13.5 (b)(1) plus the value of imbalance gas and loaned gas as determined in Section 13.5(b) (2) under one of the following options.
- (a) Forms of Security. Shipper may select from the following forms of security and Transporter shall not unreasonably discriminate in the forms of security it determines to accept from Shippers.

- (1) Guaranty. A Shipper may provide a guaranty of financial performance in a form satisfactory to Transporter from a corporate parent, corporate affiliate or a third party that meets the creditworthiness standards above.
 - (2) Deposit. A shipper may provide a cash deposit. If Transporter is required to draw down these funds, Transporter will notify Shipper and Shipper must replenish such funds within three (3) Business Days after receipt of such notice.
 - (3) Standby Irrevocable Letter of Credit drawn on a bank which is a U.S. bank or a U.S. branch of a foreign bank with an S&P rating of at least A or Moody's rating of at least A2 on its long-term unsecured debt securities.
 - (4) Security Interest in collateral found to be satisfactory to Transporter.
 - (5) Other security acceptable to Transporter.
- (b) Collateral Requirements. Collateral required for non-creditworthy shippers shall be an amount sufficient to cover service for three months and a value for imbalance and loaned gas as specified below.
- (1) Three months service. The amount of collateral for firm transportation Service Agreements must be sufficient to cover the highest three (3) months of reservation charges. The amount of collateral for interruptible services shall be based upon the highest three (3) months of usage during the previous twelve (12) month period for all rates and charges. If the Shipper has not contracted for or utilized interruptible transportation during the previous 12 month period, Transporter will establish the collateral requirement based upon Shipper's estimated usage for a three (3) month period as determined by Shipper and Transporter's marketing representative.
 - (2) Imbalance and Loaned Gas. In addition to the collateral requirements set forth in Section 13.5(b)(1) above, Transporter shall have the right to seek collateral to cover the value of any imbalance and/or loaned gas owed to Transporter by a non-creditworthy Shipper. Transporter may require collateral from a non-creditworthy Shipper for the value of imbalance Gas owed to Transporter under Rate Schedules FTS-1, FTS-2, FTS-3, ~~FTS-4~~, FTS-5, LFT, ITS-1 and/or ITS-2. Such collateral amount shall equal the non-creditworthy Shipper's largest monthly imbalance quantity owed to Transporter over the most recent 12 month period valued at the MIP determined in accordance with Section 27.2 of these General Terms and Conditions. For a non-creditworthy Shipper with a new Service Agreement or a Service Agreement in effect for less than 12 months, the imbalance quantity shall be the greater of (i) 10% of Shipper's estimated monthly

usage as determined by Shipper and Transporter's marketing representative or (ii) Shipper's largest monthly imbalance owed to Transporter. The imbalance quantity shall be valued at the MIP determined in accordance with Section 27.2 of these General Terms and Conditions. The collateral requirement for loaned Gas associated with Rate Schedule GPS shall equal the maximum loaned quantity specified in Shipper's Service Agreement valued at the MIP determined in accordance with Section 27.2 herein.

13.6 Security for New Lateral Facilities

In the event Transporter constructs new lateral facilities to accommodate a Shipper under Section 8.2 of these General Terms and Conditions, Transporter may (unless otherwise agreed or unless Shipper reimburses Transporter for the cost of the facilities) require from the Shipper security in an amount up to the cost of the facilities. Such security may be in any of the forms available under Section 13.5(a) of these General Terms and Conditions, at Shipper's choice. As Transporter recovers the cost of these facilities through its rates, the security required shall be reduced accordingly. Specifically, security provided by Shipper related to new facilities shall be returned to that Shipper in equal Monthly amounts over the term of its contract for service related to the new facilities or as otherwise mutually agreed by Transporter and Shipper. Where facilities are constructed to serve multiple Shippers, an individual Shipper's obligation hereunder shall be for no more than its proportionate share of the cost of the facilities. This requirement is in addition to and shall not supersede or replace any other rights that Transporter may have regarding the construction and reimbursement of facilities.

- 13.7 Transporter shall have the right to update Shipper's credit file at any time after commencement of service. Such update may be conducted by Transporter periodically and Shipper shall provide assistance and cooperation. If Transporter concludes that a Shipper is non-creditworthy or if Shipper fails to maintain adequate assurance of future performance under Section 13.5 of these General Terms and Conditions, Transporter shall provide Shipper an initial notice in writing that it has lost its creditworthiness status along with the reasons for such determination and that Shipper has five (5) Business Days after receipt of such initial notice, to provide Transporter with security consistent with Section 13.5 of these General Terms and Conditions which is adequate to cover all charges for one Month's advance service. A Shipper may challenge Transporter's determination by providing a written rebuttal to Transporter's explanation within ten (10) days after the initial notification and explanation is provided by Transporter. Transporter shall respond to such a rebuttal in writing within ten (10) days. Any reevaluation of creditworthiness by Transporter in response to such a rebuttal by the Shipper shall be based on the creditworthiness criteria set out in Section 13.4 and shall be performed as provided in Section 13.4 of these General Terms and Conditions. If Transporter determines after such reevaluation that Shipper is creditworthy, the security to cover all charges for one Month's advance service shall be released to Shipper within five (5) Business Days after such determination. In the event Transporter concludes after reevaluation that Shipper remains

non-creditworthy, Shipper shall comply with the requirement in the initial notice to provide, within thirty (30) days after the initial notice, but not less than five (5) Business Days after notice that Shipper remains non-creditworthy, the means for adequate assurance of future performance, covering the full level of security provided for under Section 13.5 of these General Terms and Conditions. If the Shipper has not satisfied either requirement in the initial notice to provide specified security within five (5) Business Days or to provide the additional specified security within thirty (30) days after the initial notice, but not less than five (5) Business Days after notice that Shipper remains non-creditworthy, Transporter may without further notice immediately suspend service to Shipper.

- 13.8 Any suspension of service hereunder shall continue until Transporter is reasonably satisfied that Shipper is creditworthy under Section 13.2 or 13.4 of these General Terms and Conditions or until Shipper has provided adequate security under Section 13.5 of these General Terms and Conditions. A Shipper shall not be obligated to pay any reservation charges for suspended service attributable to the period when that service is suspended. During the period of suspension, such Shipper may not release or recall capacity. In the event that service to a Shipper is suspended, Transporter shall have the right to remarket the capacity that is subject to the suspension on a month-to-month basis with terms not to exceed thirty-one (31) days (Interim Capacity Arrangements). Any capacity sold pursuant to this Section 13.8 shall be made available on a nondiscriminatory basis and will be assigned pursuant to the Capacity Posting and Contract Procedures provisions provided for in Section 24 of these General Terms and Conditions. Capacity sold pursuant to this Section 13.8 shall not have a right of first refusal and Transporter shall retain all proceeds associated with an Interim Capacity Arrangement. If the Shipper whose service has been suspended remedies the deficiency that gave rise to the suspension after the capacity has been remarketed to another Shipper as part of an Interim Capacity Arrangement, service to the Shipper whose service has been suspended will resume on the first Day following the expiration of the Interim Capacity Arrangement.
- (a) In the event that Transporter has suspended service to a Releasing Shipper, Transporter will not seek to remarket the Releasing Shipper's capacity pursuant to Section 13.8 without first offering the capacity to the Replacement Shipper pursuant to Section 30.8.G of these General Terms and Conditions.
- (b) Transporter may not take any action under this Section 13.8 that would violate the U.S. Bankruptcy Code or the orders of a U.S. Bankruptcy Court.
- 13.9 In addition to suspension, Transporter may terminate service if the Shipper fails to provide security consistent with Section 13.5 of these General Terms and Conditions no earlier than sixty (60) days after Transporter has provided its initial notice to Shipper pursuant to Section 13.7 herein. Any such termination requires thirty (30) days' prior notice to Shipper, Releasing Shipper, if any, and the Commission. To avoid termination, the Shipper must satisfy Section 13.5 of these General Terms and Conditions within this notice period. If the Service Agreement is terminated, Transporter shall net and/or set off, as allowed by law, all positions calculated in accordance with the provisions of the applicable Rate Schedule (i.e.,

invoiced transportation amounts, invoiced imbalance amounts, park and loans, rate refunds, etc.) against outstanding account balances due the Shipper. Transporter shall have the right to assert any liens or other interests, consistent with applicable law, against any gas remaining on its System. Transporter may not take any action under this Section 13 which conflicts with any order of the U. S. Bankruptcy Court.

- 13.10 At any time after a Shipper is determined to be non-creditworthy by Transporter, the Shipper may request a creditworthiness reevaluation by Transporter pursuant to NAESB WGQ Standard Nos. 0.3.8 and 0.3.9 as incorporated in Section 3 of these General Terms and Conditions. If Transporter determines after such reevaluation that Shipper is creditworthy without security, any security requirements under Section 13.5 of these General Terms and Conditions shall be terminated and any deposit amounts shall be released to Shipper within five (5) Business Days after such determination.

GENERAL TERMS AND CONDITIONS

22. NOMINATION AND SCHEDULING OF CAPACITY

22.1 Nominations of Receipts and Deliveries

A. Transporter supports the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17):

1) The Timely Nomination Cycle

On the day prior to gas flow:

- 1:00 p.m. Nominations leave control of the Shipper;
- 1:15 p.m. Nominations are received by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. Transporter sends the Quick Response to the Shipper;
- 4:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 5:00 p.m. Shipper and Point Operator receive scheduled quantities from Transporter

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day.

2) The Evening Nomination Cycle

On the day prior to gas flow:

- 6:00 p.m. Nominations leave control of the Shipper;
- 6:15 p.m. Nominations are received by Transporter (including from TTTSPs);
- 6:30 p.m. Transporter sends the Quick Response to the Shipper;
- 8:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 9:00 p.m. Transporter provides scheduled quantities to the affected Shipper and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day.

3) The Intraday 1 Nomination Cycle

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the Shipper;
- 10:15 a.m. Nominations are received by Transporter (including from TTTSPs);
- 10:30 a.m. Transporter sends the Quick Response to the Shipper;
- 12:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 1:00 p.m. Transporter provides scheduled quantities to the affected Shipper and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on the current Gas Day.

4) The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the Shipper;
- 2:45 p.m. Nominations are received by Transporter (including from TTTSPs);
- 3:00 p.m. Transporter sends the Quick Response to the Shipper;
- 5:00 p.m. Transporter receives completed confirmations from Confirming Parties;
- 5:30 p.m. Transporter provides scheduled quantities to the affected Shipper and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on the current Gas Day.

5) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the Shipper;
- 7:15 p.m. Nominations are received by Transporter (including from TTTSPs);
- 7:30 p.m. Transporter sends the Quick Response to the Shipper;

- 9:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 10:00 p.m. Transporter provides scheduled quantities to the affected Shipper and Point Operator.

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.

- B. Such nominations shall contain the following information:
- 1) The contract number under which service is being nominated; and
 - 2) The quantity of gas, in dekatherms, to be tendered; and
 - 3) The receipt point, the upstream contract number and/or identifier code and the associated ranking; and
 - 4) The delivery point, the downstream contract number and/or identifier code and the associated ranking; and
 - 5) All nominations should include Shipper defined begin dates and end dates. All nominations excluding intraday nominations should have roll-over options. Specifically, Shippers should have the ability to nominate for several Days, Months, or years, provided the nomination begin and end dates are within the term of Shipper's contract.
 - 6) If applicable, the affected contract number(s) and quantities of the gas nominated in Paragraph 22.1(A) above will be transported directly to another contract under Rate Schedule(s) FTS-1, LFT, FTS-2, FTS-3, FTS-5, ITS-1 or ITS-2.
 - 7) Shipper rankings.
 - 8) Overrun quantities shall be nominated as a separate transaction.
- C. For purposes of NAESB WGQ Standard No. 1.3.2 (ii), (iii), (iv), and (v), the word "provides" 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.
- D. 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 should 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 should be the new confirmed quantity.

- E. 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 should 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 intraday nomination cycle should be the new confirmed quantity.
- F. 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 should 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 should be the new confirmed quantity.
- G. 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.
- H. Nominations received after the nomination deadline shall be processed after the nominations received before the nomination deadline.
- I. The receiver of a 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.
- J. At the end of each gas day, Transporter should provide the final scheduled quantities for the just completed gas Day. With respect to the implementation of this process via the EDI/EDM, Transporter should send an end of gas Day Scheduled Quantity (NAESB WGQ Standard No. 1.4.5) and Scheduled Quantity for Operator (NAESB WGQ Standard No. 1.4.6). A receiver of either of these documents can waive Transporter's requirement to send such documents.
- K. Transporter shall use Shipper-provided rankings when making reductions during the scheduling process to the extent this methodology does not conflict with Transporter's Tariff.
- L. The sending party shall adhere to nomination, confirmation, and scheduling deadlines. The receiving party has the right to waive the deadline.

- M. Shipper shall provide to Transporter the following information: (1) the name, position and phone number of a person authorized by Shipper to submit nominations; and (2) the name and phone number of a person authorized by Shipper to perform day-to-day dispatching.
- N. If Shipper fails to comply with all the provisions of this Section 22.1, then Transporter shall not schedule the initiation of or changes to service nominated by Shipper.
- O. Transporter reserves the right to take any necessary action to verify gas is flowing as scheduled by Transporter. Upon request of Transporter, Shipper shall contact its source of supply and verify to Transporter that the source is flowing as scheduled hereunder.
- P. For in-kind fuel reimbursement methods, Transportation Service Provider should not reject a nomination for reasons of rounding differences due to fuel calculation of less than 5 Dth.
- Q. A package ID is a way to differentiate between discrete business transactions. When used, Package ID should be supported for nominating and scheduling; mutually agreed between the applicable parties for allocation and imbalance reporting; supported for invoicing (Sales and Purchase), and mutually agreed for transport invoicing. Use of the Package ID is at the discretion of the Shipper, and if sent, should be accepted and processed by the service provider.

22.2 Scheduling of Capacity

Transporter shall schedule all firm transportation quantities prior to the scheduling of interruptible transportation quantities. The transportation priority for fuel should be the same as the level of service as the transaction to which it applies.

- A. Firm service utilizing Primary Points within contract quantities shall be scheduled in the following order:
 - 1. Quantities scheduled from physical Primary Receipt Points to Primary Delivery Points on a pro rata basis, based upon nominated quantities received during the same nomination cycle.
 - 2. Quantities scheduled from logical (pool) Primary Receipt Points to Primary Delivery Points on a pro rata basis, based upon nominated quantities received during the same nomination cycle.
- B. Firm service utilizing Alternate Delivery Points or Alternate Receipt Points within contract quantities shall be scheduled in the order specified below.

1. Quantities scheduled inside the Primary Path utilizing Alternate Receipt Points or Alternate Delivery Points pro rata based upon nominated quantities received during the same nomination cycle.
 2. Quantities scheduled outside the Primary Path utilizing Alternate Receipt Points or Alternate Delivery Points pro rata based upon nominated quantities received during the same nomination cycle.
- C. Interruptible service under Rate Schedules ITS-1 and ITS-2 and overrun quantities on firm contracts shall be scheduled beginning with service charged the applicable maximum rate followed by firm service charged a rate less than the applicable maximum rate in sequence starting with the rate most proximate to the maximum rate (expressed as a percentage of the maximum rate). When Shippers share the same percentage of maximum rate, quantities shall be scheduled pro rata. Shippers paying a negotiated rate above the maximum rate shall be deemed maximum rate shippers for scheduling purposes.
- D. For purposes of allocating or curtailing service among Shippers under Rate Schedule PNR, Transporter shall give service priority based upon the highest total cost commitment by Shipper. For the purposes of allocating capacity under Rate Schedule PNR, Shippers willing to pay more than the maximum tariff rate will be considered to be paying the maximum tariff rate. Service will be allocated or curtailed on a pro-rata basis among Shippers willing to pay the same total cost commitment to Transporter for service under Rate Schedule PNR.
- E. After volumes have been scheduled, Transporter has the right to reduce receipts and/or deliveries of natural gas below the scheduled volume if the available capacity for such quantity is reduced as a result of force majeure or any operational consideration reasonably determined by Transporter. Such reduction shall be in reverse order of the scheduling procedures above.

22.3 Operational Procedure Provisions

- A. If Transporter determines, in the exercise of its reasonable judgment, that sufficient supplies are not being received by Transporter at the receipt point(s) for transportation to a Shipper, then Transporter may, at Transporter's option, unilaterally re-schedule, upon two (2) hours notice by Transporter to Shipper, on a prospective basis only, the quantities nominated by a Shipper so as to conform to the quantities being received at such point(s), or temporarily suspend deliveries to the Shipper. If scheduled quantities are not being taken at the delivery point(s), then Transporter may, at Transporter's option, unilaterally re-schedule, upon two (2) hours notice by Transporter to Shipper, on a prospective basis only, the quantities nominated by a Shipper so as to conform

to the quantities being taken at such delivery point(s), or temporarily suspend receipts of gas from the Shipper. Such two (2) hours notice shall not be applicable, and such re-scheduled volumes may be effective immediately, notwithstanding any other provision of this Section 22, in the event of operational distress, which shall be defined as including any situation which prevents Transporter from operating in a safe and efficient manner, consistent with applicable laws, rules, regulations, standard industry operating practices, and Transporter's Tariff, or from maintaining the integrity of pipeline operations; provided, however, Transporter shall not unilaterally reschedule volumes without two (2) hours notice unless such rescheduling is reasonably anticipated to reduce or eliminate said operational distress.

- B. Transporter shall not unilaterally interrupt or otherwise adjust Rate Schedule HPS service without two (2) hours notice.
- C. Upon request by Transporter, Operator shall provide estimated hourly flows to Transporter's gas control personnel.
- D. Operational purchases or sales may be utilized to manage line pack, with purchases made on those days in which Transporter determines it needs to increase line pack levels, and sales made on those days in which Transporter determines it needs to decrease line pack levels. Transporter will utilize this tool to cover non-compliance with alert days or OFOs, to compensate for the time lag inherent in utilizing tools which require advance notice, to restore in-kind quantities settled through OBA cash out at the end of the month, to maintain system pressure or as otherwise required to maintain a reasonable system balance.

22.4 Alert Day

- A. Transporter shall have the right to declare an Alert Day in the event of operational distress caused by actual or anticipated flow variances at delivery points which threaten the integrity or safe operation of the pipeline. Transporter shall use reasonable efforts to resolve the situation causing the operational distress prior to declaring an Alert Day. An Underage Alert Day shall be applied to flow variances that exacerbate system conditions caused by undertakes from Transporter at a delivery point(s). An Overage Alert Day shall be applied to flow variances that exacerbate the system conditions caused by overtakes from Transporter at a delivery point(s). Transporter will localize its imposition of an Alert Day to the smallest affected area necessary to resolve the problem and to those Operator(s) and specific delivery point(s) causing the problem where such Operator(s) and specific delivery point(s) can be identified. Transporter will determine whether it will issue an Alert Day based on the operating status of the pipeline system using the following criteria: weather forecast, system conditions-line pack, overall projected pressures at monitored

locations, facility status-horsepower utilization and availability, and overall send out projections and availability. The Alert Day will be in effect only for the gas day for which it is issued. If conditions require, new Alert Days will be issued for subsequent gas days based upon the above stated criteria. Transporter shall post a low, high or normal line pack indicator at each scheduling cycle. Such posting shall be for general informational purposes only and Shippers shall not rely on such postings as permission for actual volumes to vary from scheduled volumes.

- B. Transporter shall provide as much notice of the Alert Day declaration as is reasonably possible, but in any event such notice shall be provided, for a Next Day Alert Day, by 5:00 p.m. on the day prior to the applicable gas day. When operating conditions so require a Same Day Alert Day to be declared, notice shall be given by 9:00 a.m. of the applicable gas day and shall provide that the Alert Day will become effective upon such notice. The notice shall designate whether the Alert Day is a Next Day Alert Day or a Same Day Alert Day, the estimated duration of the Alert Day condition, whether it is an Underage Alert Day or an Overage Alert Day and whether it applies system wide, only in certain affected areas, or only to certain Operator(s) and specific delivery points. Transporter shall provide affected parties with notification of Alert Days through the affected party's choice of Internet e-mail or direct notification to the affected party's Internet URL address. Unless the affected party and Transporter have agreed to exclusive notification via EDI/EDM, the affected party should provide Transporter with at least one Internet e-mail address to be used for notification of Alert Days. The obligation of Transporter to provide notification is waived until the above requirement has been met. Transporter will support the concurrent sending of electronic notification of Alert Days to Internet e-mail addresses for each affected party. Affected parties will manage internal distribution of electronic notices.
- C. In the case of an Overage Alert Day, if Operator's actual quantities at a delivery point exceed scheduled quantities at such point (an "Overage Alert Day Variance"), Operator shall be imposed Alert Day charges as follows:
1. For a Next Day Alert Day, for that portion of any Overage Alert Day Variance for the applicable gas day that is more than 500 Dth or four percent (4%), whichever is greater, Operator shall pay Transporter an Alert Day charge equal to three (3) times the applicable Overage Daily Index Price ("Overage DIP"), pursuant to Section 22.4.C.3, per Dth of such variance. An amount equal to that portion of the Overage Alert Day Variance that is more than 500 Dth or four percent (4%), whichever is greater, times the applicable Overage DIP plus an amount equal to the highest transportation rate calculated on a 100% load factor basis which is applicable to the Delivery Point, shall be deducted from the collected Alert Day charge and retained by Transporter and shall be deemed to be

- a resolution of the operational imbalance for such portion of the Overage Alert Day Variance, and such operational imbalance quantity shall be excluded from the operational imbalances otherwise resolved pursuant to Operator's Operational Balancing Agreement. The remaining portion of the Alert Day charge not retained by Transporter shall be deemed to be Alert Day Penalty Revenues for purposes of refunds under Section 22.4.F.
2. For a Same Day Alert Day, for that portion of any Overage Alert Day Variance for the applicable gas day that is more than 500 Dth or four percent (4%), whichever is greater, Operator shall pay Transporter an Alert Day charge equal to the applicable Overage DIP per Dth, pursuant to Section 22.4.C.3, (unless Operator is subject to an Operational Balancing Agreement that includes a daily price valuation and applies to the delivery point at which the Overage Alert Day Variance occurred) plus an amount equal to the highest transportation rate calculated on a 100% load factor basis which is applicable to the Delivery Point. Alert Day charges collected by Transporter under this Section 22.4.C.2 shall be deemed to be a resolution of the operational imbalance for such portion of the Overage Alert Day Variance that is more than 500 Dth or four percent (4%), whichever is greater, and such operational imbalance quantity shall be excluded from the operational imbalances otherwise resolved pursuant to Operator's Operational Balancing Agreement. No portion of the Alert Day charges collected by Transporter under this Section 22.4.C.2 shall be deemed to be Alert Day Penalty Revenues for purposes of refunds under Section 22.4.F.
 3. The Overage DIP shall be the greater of "El Paso, South Mainline" price published in Platts Gas Daily in the table titled "Daily Price Survey", for the subject day or either of the next two days.
 4. A Same Day Alert Day followed by one or more Next Day Alert Days will be considered one declaration event if such calculation reduces the Alert Day charges that would otherwise be incurred by Operator. Successive Same Day Alert Days will be considered individual declaration events.
- D. In the case of an Underage Alert Day, if Operator's actual quantities at a delivery point are less than scheduled quantities at such point (an "Underage Alert Day Variance"), Operator shall be imposed Alert Day charges as follows:
1. For a Next Day Alert Day, for that portion of any Underage Alert Day Variance for the applicable gas day that is more than 500 Dth or four percent (4%), whichever is greater, Operator shall pay Transporter an Alert Day Charge equal to three (3) times the applicable Underage Daily

Index Price (“Underage DIP”) per Dth, pursuant to Section 22.4.D.3, of such variance.

2. For a Same Day Alert Day, for that portion of any Underage Alert Day Variance for the applicable gas day that is more than 500 Dth or four percent (4%), whichever is greater, Operator shall pay Transporter an Alert Day charge equal to \$5 per Dth.
 3. The Underage DIP shall be the lesser of the “Transwestern, San Juan” price published in Platts Gas Daily in the table titled “Daily Price Survey”, for the subject day or either of the next two days.
 4. Payment of the Alert Day charges shall not be deemed to be a resolution of the operational imbalance for any portion of an Underage Alert Day Variance, and such Underage Alert Day Variance shall continue to be resolved pursuant to the Operator’s Operational Balancing Agreement.
 5. All Alert Day charges collected pursuant to this Section 22.4.D shall be deemed to be Alert Day Penalty Revenues for purposes of refunds under Section 22.4.F.
- E. Notwithstanding the provisions of Section 22.4 C or D, Transporter shall not charge Operator an Alert Day charge if the Overage or Underage Alert Day Variance is caused by a "Force Majeure" event, as defined in Section 11.1 of the General Terms and Conditions of this Tariff, a unilateral scheduling change made by Transporter at the Intraday 3 nomination cycle, or due to error, omission or request of Transporter.
- F. All penalty revenues collected pursuant to this section will be refunded to Shippers annually in accordance with Section 38 of these General Terms and Conditions.

22.5 OFO Procedures

- A. An Operational Flow Order (OFO) is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the transportation service providers system or to maintain operations required to provide efficient and reliable firm service. Whenever a Transportation Service Provider experiences these conditions, any pertinent order should be referred to as an Operational Flow Order. OFOs may be declared on an emergency or non-emergency basis. A non-emergency OFO may only be implemented after an Alert Day has been implemented.

- B. Transporter shall have the right to declare an OFO when operating conditions require specific action from Shippers or Operators. Transporter shall use reasonable efforts to resolve the situation causing the operational distress prior to declaring an OFO. Transporter will localize its imposition of an OFO to the smallest affected area necessary to resolve the problem and to those Shippers or Operators causing the problem where such Shippers or Operators can be identified.
- C. Transporter shall provide as much notice of the OFO declaration as is reasonably possible. When operating conditions so require, three (3) hours notice, or lesser notice, if necessary to preserve system integrity and/or reliability, may be given and may provide that the OFO will become effective during the current gas day. The notice will provide the time and date of issuance of the OFO, the time and date the OFO is expected to become effective, the action required of the Shipper or Operator, the reason for issuing the OFO, the anticipated date and time that Transporter expects the OFO to end, and whether it applies system wide, only in certain affected areas, or only to certain Shippers or Operators. Transporter shall provide affected parties with notification of OFOs by e-mail or posting on Transporter's Internet Website. Unless the affected party and Transporter have agreed to exclusive notification via EDI/EDM, the affected party should provide Transporter with at least one Internet e-mail address to be used for notification of OFOs. The obligation of Transporter to provide notification is waived until the above requirement has been met. Transporter will support the concurrent sending of electronic notification of OFOs to Internet e-mail addresses for each affected party. Affected parties will manage internal distribution of electronic notices.
- D. When an OFO becomes effective, Shipper or Operator shall use its best efforts to comply with the OFO as soon as possible but in no event later than three hours, after which the penalty provided for in this Section shall apply. Compliance with an OFO and the other terms and conditions of Transporter's FERC NGA Gas Tariff is essential to Transporter's ability to provide deliveries and services under all Rate Schedules. A failure by one or more Shippers or Operators to comply with an OFO may affect Transporter's ability to provide such deliveries and services. If the Shipper or Operator subject to the OFO does not comply with the OFO, then the Shipper or Operator shall pay, for all Quantities delivered or received in non-compliance with the OFO, three (3) times the applicable Overage Daily Index Price ("Overage DIP") per Dth, pursuant to Section 22.4.C.3. Shipper or Operator shall be charged the greater of the Alert Day penalty or the OFO penalty, but not both, for a single event of non-compliance.
- E. An OFO may be issued for a specific period of time or until further notice is given. Transporter shall post notification and provide updated information concerning the need for the OFO on the Internet Website until Transporter

notifies Shipper or Operator that the order is no longer effective. Within thirty (30) days following the end of the OFO, Transporter will post on the Internet Website a report detailing the conditions that required the issuance and termination of the OFO.

- F. All penalty revenues collected pursuant to this section will be refunded to Shippers annually in accordance with Section 38 of these General Terms and Conditions.

22.6 Intraday Nominations

- A. There is no limitation as to the number of intraday nominations (line items as per NAESB WGQ Standard 1.2.1) which a Shipper may submit at any one standard nomination cycle or in total across all standard nomination cycles. Such nominations must be submitted on a currently existing Service Agreement.
- B. Shipper shall have ability to nominate on an intraday basis on Transporter's system under the following conditions:
 - 1. 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 consistent with Shipper's Service Agreement. A nomination reduction shall not result in a revised nomination which is less than the volume of gas received or delivered on behalf of such Shipper by Transporter on that gas day.
 - 2. Shipper must obtain prior confirmation from all affected upstream and downstream Operators.
 - 3. Intraday nominations will be scheduled only if operationally feasible.
 - 4. Intraday nominations do not rollover and are applicable to one (1) day only.
 - 5. Intraday nominations may be used to nominate new supply or market.
- C. In order to nominate on an intraday basis, Shipper must submit to Transporter the information required in Section 22.1.
- D. Firm intraday nominations are entitled to bump scheduled interruptible service only during the Evening and Intraday 1 Nomination cycles. Transporter will provide advance notice of bumping to interruptible shippers. Such notice will be provided in the same manner in which Transporter provides notice of Operational Flow Orders. Transporter will provide notification of bumped volumes through the scheduled quantities statement. Transporter will also

electronically communicate notice directly to bumped Shippers in accordance with the grid-wide timeline for scheduled quantities.

- E. Bumping that affects transactions on multiple Transportation Service Providers should occur at grid-wide synchronization times only.
- F. The daily grid-wide synchronization times for scheduled flow are: the start of the gas Day, 2:00 p.m., 6:00 p.m., and 10:00 p.m.
- G. A transportation service provider exceeding the standard nomination timelines is not required to hold capacity for grid-wide nominations until a standard nomination cycle.
- H. Flow Day Diversion (“FDD”) means a nomination consistent with NAESB Standard 1.3.80, submitted during the NAESB standard nomination cycles or during the Final A.M. cycle that allows a Shipper to redirect scheduled quantities to other receipt points upstream of a constraint point or delivery points downstream of a constraint point for the same gas day, under the same contract, without a requirement that the quantities be rescheduled through the point of constraint.
- I. Final A.M. Nomination Cycle
 - 1. The Final A.M. Nomination Cycle 5 is an additional nomination cycle in which Shipper, Transporter, and upstream and downstream connected parties agree to balance changes in actual receipts and deliveries that occur after the standard Intraday 3 cycle with nominated and confirmed quantities prior to the end of the Gas Day. Receipt of nominations for the Final A.M. Nomination cycle are due by 8:00 a.m.; receipt of completed confirmations by Transporter from upstream and downstream connected parties are due by 8:20 a.m. Bumping is not allowed during this cycle.
 - 2. To the extent that Transporter and affected point operators agree to a change in gas flow after the NAESB standard nomination cycles, Shipper may submit a nomination during the Final A.M. Nomination cycle consistent with the provisions of Section 22.1.B. Transporter reserves the right to reject such nomination if actual receipts and deliveries are not consistent with such nomination.

22.7 Flow Control

Transporter has the right to install and/or use remote or manual flow control equipment (“Flow Control”) to preserve the operational safety and reliability of its system, and to exercise Flow Control consistent with Transporter’s service obligations under its rate

schedules. Unless otherwise mutually agreed by Transporter and point operator, Transporter's use of Flow Control with the point operator is subject to the following provisions set out in Section 22.7.

A. Flow Control Implementation

Flow limits may only be implemented at points at which Flow Control equipment has been installed, and where there exists real time metering and telemetry equipment that allows real time volume information to be communicated by Transporter to point operator through Transporter's Customer Activities Website or other agreed method of data communication.

B. Flow Control Installation

In the event remote-controlled Flow Control equipment has not been installed by Transporter at a certain point and Transporter has repeatedly issued notice of intent to use Flow Control equipment manually, Transporter may install, using reasonable judgment in a not unduly discriminatory manner, at point operator's expense, remote-controlled Flow Control equipment at such point to promote safety and reliability. Such payment requirement shall reflect Transporter's reasonable judgment. For purposes of this section, "repeatedly" shall be deemed to be three notifications of intent to use Flow Control within a twelve month period.

C. Notice to Point Operator

1. All references to Transporter providing "notice" to point operator in Section 22.7 shall be defined as requiring Transporter to provide notice using the following means:
 - (a) Phone call and
 - (b) Email
2. Notices shall at a minimum include:
 - (a) "Non-Critical Period – Flow Control Notice" or "Critical Period – Flow Control Notice" in the subject line.
 - (b) Specific time and time range that Flow Control may be enforced; and
 - (c) Reason(s) for the implementation of Flow Control.
3. If point operator manages a single interconnect and such point is subject to Flow Control limitations, Transporter shall provide notice of Flow Control pursuant to Section 22.7.C above.

4. If point operator manages multiple interconnects and such point(s) are subject to Flow Control limitations, Transporter and point operator shall communicate with each other to determine the specific interconnect(s) to be limited. Absent an election from point operator, Transporter shall implement flow limits based on Transporter's reasonable judgment. Transporter's decision shall not in any way impair existing firm rights of other point operators.

D. Flow Control during Non-Critical Periods

During Non-Critical Periods (defined as a period for which no Alert Day and OFO have been noticed), Transporter may only utilize Flow Control at points that take gas at hourly rates that exceed contractual entitlements subject to the provisions set forth below. Such utilization will allow for a minimum reasonable variation in volume deliveries. For the purposes of this section, such minimum reasonable variation in volume deliveries shall be set at four percent (4%) of the hourly volume entitlements.

1. The use of Flow Control shall be implemented only at identified Delivery Points on a specific offending point operator basis, and shall not be exercised on a lateral, area and/or segment basis.
2. If point operator has contracted for HPS, no Flow Control will be utilized.
3. If point operator has not contracted for HPS, Flow Control may be implemented with six (6) hours advanced notice if deliveries exceed the contractual hourly entitlements at the point(s) by means of notice set forth in Section 22.7.C above.
4. Flow limitations shall not be implemented during Non-Critical Periods unless Transporter has provided notice on three prior occasions within the current seasonal period that the point operator has exceeded the hourly volume limits at such points applicable for service under agreements scheduled to such points. Thereafter, Transporter may limit hourly flows in a not unduly discriminatory manner to hourly entitlements for service under agreements scheduled to such point(s). For purposes of this section, the seasonal periods shall be defined as April to October and November to March.
5. Notice to implement Flow Control to limit hourly takes must be made at least two (2) hours prior to the final NAESB intraday scheduling cycle.

6. If Transporter cannot provide HPS to a point, Flow Control shall not be utilized at such point unless otherwise agreed with the point operator.

E. Flow Control during Critical Periods

1. During Critical Periods (identified as a period for which both an Alert Day and OFO have been noticed), Transporter may utilize Flow Control at points that take gas at daily or hourly rates that exceed contractual entitlements, where such points are subject to the OFO, and subject to the provisions set forth below. Such utilization will allow for a minimum reasonable variation in volume deliveries. For the purposes of this section, such minimum reasonable variation in volume deliveries shall be set at four percent (4%) of the hourly entitlements or four percent (4%) of the daily entitlements.
2. If point operator has contracted for HPS and HPS is available, no Flow Control will be utilized.
3. If Transporter provides notice of interruption of HPS during the day of gas flow in accordance with the notice provision of GT&C Section 22.3.B, Flow Control may be implemented with three (3) hours advanced notice if deliveries exceed the contractual daily or hourly entitlements at the point(s) by means of notice set forth in Section 22.7.C above.
4. If point operator has not contracted for HPS, Flow Control may be implemented with three (3) hours advanced notice if deliveries exceed the contractual daily or hourly entitlements at the point(s) by means of notice set forth in Section 22.7.C above.
5. Transporter will localize the imposition of Flow Control to the smallest affected area and to specifically identified points within such area.

F. Flow Control during Emergency Conditions

Transporter may exercise Flow Control in the following circumstances where limited or no notice may be provided (but Transporter shall provide as much advance notice as reasonably possible).

1. In an emergency situation where safety or the integrity of the location, segment, lateral, mainline, or overall system is at immediate risk and necessitates the immediate reduction of flowing volumes or shut-in of facilities.

2. Transporter shall provide one (1) hour advanced notice in situations where overage volumes are affecting delivery pressures in surrounding areas, and may imminently affect Transporter's ability to meet obligations to deliver other firm transport quantities.
3. When immediate shut-in of non-conforming gas (i.e., gas that fails to meet the quality specifications of GT&C Section 2.1) is necessary to preserve the safety or integrity of the location, segment, lateral, mainline, or overall system.

G. Related Flow Control Provisions

1. Transporter shall not be liable in damages to Shipper for Transporter's actions or inactions relating to Transporter's use of Flow Control absent a showing that such damages were caused by Transporter's negligence. In such instance, Transporter's liability shall extend only to general damages. For purposes hereof, Transporter shall not be deemed to have been negligent unless it is shown that Transporter's actions or failure to act relating to Transporter's use of Flow Control proximately caused such damages at a time when such result was reasonably foreseeable or avoidable. Transporter's liability shall include special, continuing, exemplary, presumptive, incidental, indirect or consequential damages, including lost profits or other such elements of damage only to the extent it is shown that such damages resulting from Transporter's use of Flow Control were caused by Transporter's gross negligence, bad faith or willful misconduct.
2. Except where Transporter and point operator have mutually agreed to terms and conditions for the use of Flow Control, in addition to providing the notices to point operator, Transporter shall document in a report available on the Internet Website within thirty (30) days of the end of the event, the specific criteria and specific operational circumstances which led to Flow Control implementation.

GENERAL TERMS AND CONDITIONS

36. RESERVATION CHARGE CREDIT

Transporter shall provide reservation charge credits to a Shipper with firm transportation service under Rate Schedules FTS-1, FTS-2, FTS-3, FTS-5 and LFT when Transporter is unable to deliver Quantities from any physical Primary Receipt Point to any physical Primary Delivery Point up to the physical Primary Delivery Point Quantity stated on Exhibit A of Shipper's Service Agreement on any Day in accordance with this Section 36. The provisions of this Section 36 shall not apply to any Limited Day under Rate Schedule LFT. No adjustment of any kind under this Section 36 shall be required if Transporter's failure to schedule or deliver gas is due to events solely related to conduct, activities or operations of Shipper and/or upstream or downstream parties (including force majeure events affecting Shipper or such parties) including, but not limited to, activities and/or events such as (i) Shipper's failure to perform in accordance with the terms of its Service Agreement and Transporter's Tariff, including, but not limited to, Alert Days, Operational Flow Orders and failure to meet all applicable gas quality specifications, or (ii) failure of supply or transportation upstream of Transporter's pipeline system, or (iii) failure of market or transportation downstream from Transporter's pipeline system.

36.1 For purposes of this Section 36, the following definitions shall apply:

"Planned Maintenance" shall mean preventative work to help equipment operate more efficiently, avoid equipment malfunctions, maintain pipeline integrity, and includes, but is not limited to, work such as inspections, calibrations, water washing, and annual compressor driver maintenance.

"Emergency Maintenance" shall mean unanticipated or unplanned maintenance on the pipeline system required to be performed to ensure that gas continues to flow.

A "Force Majeure" event shall be as set forth in Section 11.1 of the General Terms and Conditions of this Tariff.

"Tariff Months" shall mean the months of December, January, February, July and August. "Non-Tariff Months" shall mean the months of March, April, May, June, September, October and November.

All nominated and confirmed quantities and scheduled quantities shall be less Transport Fuel, where applicable, and shall be in accordance with Section 22 of the General Terms and Conditions of this Tariff (up to the aggregate MAXDTQ.)

36.2 Planned Maintenance in Tariff Months. Transporter shall attempt to plan maintenance of its facilities during the Non-Tariff Months. If due to Planned Maintenance Transporter fails to schedule the quantities of gas that have been nominated and

confirmed then the Reservation Charge shall be reduced through a Reservation Charge credit. The credit shall be calculated based upon the ratio of (i) the quantities of gas that had been nominated and confirmed, but not scheduled during the month to (ii) the total quantities of gas nominated and confirmed during the month, times (iii) the total Reservation Charge owed Transporter for that month for such nominated and confirmed quantities.

- 36.3 **Planned Maintenance in Non-Tariff Months.** If due to Planned Maintenance, Transporter fails to schedule the quantities of gas that have been nominated and confirmed then the Reservation Charge shall be reduced through a Reservation Charge credit and such credit shall be calculated as provided in Section 36.2 above; provided, however, that such reduction shall not apply provided that all of the following conditions are met: (i) the Planned Maintenance does not exceed five (5) days in any three consecutive Non-Tariff Months, (ii) Transporter has provided at least thirty (30) days advance notice of the Planned Maintenance, and (iii) scheduled quantities to Shipper do not fall below seventy-five percent (75%) of nominated and confirmed quantities for any given month.
- 36.4 **Emergency Maintenance and/or Force Majeure.** If due to Emergency Maintenance or Force Majeure, Transporter fails to schedule the quantities of gas that have been nominated and confirmed, then the Reservation Charge shall be reduced through a Reservation Charge credit and such credit shall be calculated as provided in Section 36.2 above; provided, however, that such reduction shall not apply (i) during periods of Emergency Maintenance not to exceed ten (10) days in any calendar quarter; (ii) during the occurrence of a Force Majeure event (but only to the extent of such Force Majeure); (iii) to any failure by Transporter to schedule quantities nominated and confirmed which is attributable to the fault (including Force Majeure) of Shipper or Shipper's suppliers; (iv) to the extent scheduled quantities to Shipper do not fall below ninety-five percent (95%) of nominated and confirmed quantities for any given month.
- 36.5 Any reservation charge credit payable will be included on a subsequent month invoice and will be applied first to offset any outstanding past due balances owed by Shipper. Reservation charge credits applicable to Service Agreements that are not in effect due to termination will be paid by Transporter to Shipper, net of any amounts owed to Transporter.
- 36.6 In a not unduly discriminatory manner and in connection with a discounted or negotiated rate Service Agreement, Transporter and Shipper may agree to a different reservation charge crediting methodology.

GENERAL TERMS AND CONDITIONS

38. FLOW THROUGH OF PENALTIES

38.1 This Section 38 sets forth the procedures by which Transporter will flow through to Shippers under Rate Schedules FTS-1, FTS-2, FTS-3, FTS 5, ITS-1 and ITS-2 specified excess revenues or penalties received over costs incurred during the Annual Penalty Period. The Annual Penalty Period shall be a twelve (12) month period ending each September 30; provided that the initial period subject to these provisions will commence with the first month following the effectiveness of these provisions and end the following September 30.

38.2 Penalty Account

Penalties collected pursuant to Alert Day penalties (GT&C Section 22.4.F), Unauthorized Gas (GT&C Section 37.2), and non-compliance with OFO's (GT&C Section 22.5.F) shall be recorded in a Penalty Account. Transporter shall net the penalty revenues received against the reasonable incremental out-of-pocket costs incurred for such revenues.

38.3 Transporter shall flow through the balance in the Penalty Account to Shippers by means of an invoice credit amount. Each Shipper's amount shall be shown as a billing adjustment to the billing of charges for service during the December billing month following the end of the Annual Penalty Period; provided, however, if the Shipper's Service Agreement has terminated and the final billing of charges has been paid, such Penalty amount shall be resolved by check or wire transfer of funds.

38.4 Each Shipper's amount shall be calculated by multiplying the balance in the Penalty Account at the end of the Annual Penalty Period by (1) 50% of the ratio of the sum of the actual revenues billed for services to the Shipper during the Annual Penalty Period to the sum of the actual revenues billed for such services to all Shippers during the Annual Penalty Period plus (2) 50% of the ratio of the sum of the scheduled volumes transported for the Shipper during the Annual Penalty Period to the sum of the scheduled total volumes transported for all Shippers during the Annual Penalty Period. Any Penalty amount flowed through to Shippers pursuant to this section shall include interest calculated in accordance with Section 154.501 of the Commission's regulations.

38.5 Filing Procedure

Within thirty (30) days after amounts are provided to Shippers in accordance with Section 38.3, Transporter shall file with the Commission, and shall serve in accordance with Section 154.208 of the Commission's Regulations, reconciling documentation which detail the calculations of the amounts provided under this Section 38.