

FERC GAS TARIFF
ORIGINAL VOLUME NO. 1
OF
NGO TRANSMISSION, INC.
FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff
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PRELIMINARY STATEMENT

NGO Transmission, Inc. ("NGO Transmission"), an Ohio corporation, owns and operates a natural gas pipeline system under a certificate of public convenience and necessity issued by the Federal Energy Regulatory Commission ("Commission" or "FERC"). Such pipeline system is located in the State of Ohio and consists of 171 miles of varying diameter pipe located in four counties in Central Ohio. This FERC jurisdictional pipeline system interconnects with the pipeline systems of Texas Eastern Transmission Corporation, Tennessee Gas Pipeline, and Dominion Transmission, Inc., as well with various gathering, production, and local distribution facilities. NGO Transmission is engaged in the transportation and storage of natural gas in interstate commerce. NGO Transmission also owns and operates three storage facilities in the State of Ohio which are each directly linked to its pipeline system.

The locations of NGO Transmission's transmission line, storage facilities, and the points at which it receives and delivers gas are shown on the System Map on the following page.

NOTICE OF RATES

Rate Schedule

Base Tariff Rate

Firm Transportation Service (FTS) 2/

Monthly Demand Charge	
Maximum	\$2.0091/Dth/month
Minimum	\$0.0000
Commodity Charge	\$0.0000
Retainage	1%
Authorized Overrun Charge	\$0.0660/Dth
Unauthorized Overrun Charge	\$0.1320/Dth
ACA Charges 1/	\$0.0019

Interruptible Transportation Service (ITS)

ITS Rate	
Maximum	\$0.0660/Dth
Minimum	\$0.0000/Dth
Retainage	1%
ACA Charges 1/	\$0.0019

Firm Storage Service (FSS) 2/

Daily Deliverability Reservation Rate	
Maximum	\$1.6373/Dth/month
Minimum	\$0.0000
Capacity Reservation Rate	
Maximum	\$0.0320/Dth/month
Minimum	\$0.0000
Injection Rate	\$0.0726/Dth
Withdrawal Rate	\$0.0000
Retainage	1%
Overrun Service Charge	\$0.0549
ACA Charges 1/	\$0.0019

Interruptible Storage Service (ISS)

Inventory Rate	
Maximum	\$0.0640/Dth/month
Minimum	\$0.0000
Injection Rate	\$0.0726/Dth
Withdrawal Rate	\$0.0000
Retainage	1%
ACA Charges 1/	\$0.0019

No Notice Service (NNS)

Monthly Demand Charge	
Maximum	\$4.0288/Dth/month
Minimum	\$0.0000
Commodity Charge	\$0.0000
Retainage	1%
Authorized Overrun Charge	\$0.1325/Dth
Unauthorized Overrun Charge	\$0.2650/Dth
ACA Charges 1/	\$0.0019

- 1/ An ACA surcharge is added to each commodity rate to the extent provided in Section 28 of the General Terms and Conditions in this Tariff.
- 2/ All interruptible transportation and storage revenues will be credited quarterly to firm shippers.

RATE SCHEDULE FTS
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for the transportation of natural gas on a firm basis by NGO Transmission (hereinafter called Transporter) for any Shipper that completes a valid request for service, is awarded firm transportation capacity under Section 3 hereof and executes a Firm Transportation Service Agreement ("FTS Agreement") consistent with this Rate Schedule FTS.

2. APPLICABILITY AND CHARACTER OF SERVICE

The service rendered hereunder shall be the transportation of natural gas up to the Maximum Daily Contract Quantity (MDCQ) set out in Shipper's FTS Agreement. Such service is performed under Subparts B and G of Part 284 of the Commission's Regulations and pursuant to this Tariff and Shipper's FTS Agreement. Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule except as provided in Section 5.2 of this Rate Schedule. Service shall be provided on a firm basis; provided, however, that scheduling of service is subject to, and service may be curtailed consistent with Section 9 of the General Terms and Conditions in this Tariff; and provided further that Shipper may nominate overrun volumes on an interruptible basis.

3. REQUESTS FOR CAPACITY; AWARD OF CAPACITY

3.1 Eligibility for Service: Any entity which meets the credit standards set out in the General Terms and Conditions of this Tariff may request service under this Rate Schedule FTS. A request for service must comply with Section 5 of the General Terms and Conditions of this Tariff.

3.2 Capacity: Acceptance of a request is contingent on the availability of uncommitted firm system capacity sufficient to provide the requested firm service to Shipper.

3.3 Award of Capacity: Transporter may, but is not obligated to, accept any request for service at less than the applicable maximum rate. Transporter will apply objective economic analysis in awarding capacity. If several valid requests for capacity are pending which exceed the availability of uncommitted firm system capacity, Transporter shall evaluate such requests based on the net present value of incremental revenue under the respective requests, reflecting volume, term, and the minimum rate Transporter will accept for the service. If a request is not accepted by Transporter within ten (10) days, it is deemed denied.

3.4 Applicability of Tariff: Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule, including the applicable General Terms and Conditions, if awarded capacity.

4. DELIVERIES AND RECEIPTS

4.1 Receipt Points: Primary receipt point(s) for all gas transported by Transporter under this Rate Schedule shall be at the mutually agreeable receipt point(s) set forth on Exhibit A to Shipper's FTS Agreement, consistent with Section 5.2 of the General Terms and Conditions of this Tariff. Transporter shall not be required under any circumstances to receive gas at any receipt point where: (1) the total quantity of gas scheduled for receipt on any Day is less than that required for the accurate measurement of quantities to be received; (2) Shipper has failed to make and properly implement all necessary arrangements on upstream entities; or (3) Shipper has failed to nominate such quantities consistent with Section 9 of the General Terms and Conditions of this Tariff.

4.2 Delivery Points: Primary delivery point(s) for all gas transported by Transporter under this Rate Schedule shall be at the mutually agreeable delivery points(s) set forth on Exhibit A to Shipper's FTS Agreement, consistent with Section 5.2 of the General Terms and Conditions of this Tariff. Transporter shall not be required under any circumstances to deliver gas at any delivery point where: (1) the total quantity of gas scheduled for delivery on any Day is less than that required for the accurate measurement of quantities to be delivered; (2) Shipper has failed to make and properly implement all necessary arrangements on downstream entities; or (3) Shipper has failed to nominate such quantities consistent with Section 9 of the General Terms and Conditions of this Tariff.

- 4.3 Changing Primary Receipt and Delivery Points: Subject to the availability of firm point and segment capacity and the agreement of Transporter, Shipper may change the primary receipt and/or delivery points under its FTS Agreement (including redistributing the MDCQ among points) by an amendment of Exhibit A to Shipper's FTS Agreement, as applicable. If there are other requests pending for such capacity, the award of capacity shall be consistent with Section 3 of this Rate Schedule. Shipper shall lose its priority at previously designated primary receipt and delivery points to the extent that the amendment reduces the MDQ at any such point.
- 4.4 Secondary Receipt and Delivery Points: Shipper may use as a secondary receipt or delivery point any other receipt or delivery point on Transporter's system by notifying Transporter in Shipper's nomination. A Shipper may also use a primary receipt or delivery point as a secondary point to the extent that Shipper nominates quantities at the primary point in excess of the Shipper's Maximum Daily Quantity (MDQ) for that primary point; provided that its total nominations under the FTS Agreement are less than or equal to the MDCQ under the FTS Agreement. A Shipper's rights under this Rate Schedule to use a secondary receipt or delivery point shall be superior to all interruptible shippers' nominations at that point, but inferior to the rights of all firm shippers using that point as a primary delivery or receipt point, consistent with Section 9 in the General Terms and Conditions of this Tariff. If Shipper's nominated total receipts or deliveries on any day exceed the MDCQ stated in the FTS Agreement (as adjusted for Retainage, if any), volumes in excess of Shipper's MDCQ shall be considered overrun and, if necessary, the receipt or delivery quantities for any point shall be allocated in accordance with Section 9 of the General Terms and Conditions of this Tariff.
- 4.5 Segmentation: To the extent operationally feasible, firm transportation capacity that has been reserved under an FTS Agreement may be segmented by Shipper for its own use or for the purpose of releasing that capacity to replacement shipper(s) pursuant to Section 11 of the General Terms and Conditions. Subject to available point capacity, segmentation may be used to complete separate forward and backhaul deliveries to the same point.

5. RATES AND CHARGES

5.1 Transportation Rates: Except to the extent Transporter and Shipper have agreed in writing to a discounted rate pursuant to Section 29 of the General Terms and Conditions, or to a negotiated rate pursuant to Section 26 of the General Terms and Conditions, the applicable rates for service under this Rate Schedule FTS are the applicable maximum Demand and Commodity Rates shown on the effective Notice of Rates in this Tariff. The Monthly Bill for service under an FTS Agreement shall be equal to:

- (a) Monthly Demand Charge: A monthly demand charge determined by multiplying the demand charge specified in Shipper's FTS Agreement with the MDCQ specified in Shipper's FTS Agreement;
- (b) Commodity Charge: The applicable commodity rate(s) stated in Shipper's FTS Agreement multiplied by the dekatherms of natural gas transported and delivered during the Month pursuant to this Rate Schedule; and
- (c) If applicable, any other charges pursuant to Section 5 of this Rate Schedule or the General Terms and Conditions of this Tariff.

5.2 New Facilities:

- (a) In addition to the charges pursuant to Section 5.1 of this Rate Schedule, if Transporter agrees to construct facilities for service requested by Shipper, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects or reimbursement) of facilities constructed at the Shipper's request in order to provide transportation service under this Rate Schedule. Further, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects of reimbursement) to be incurred by Transporter for appurtenant facilities and equipment, including but not limited to electronic custody transfer equipment, metering facilities, gradiometers, calorimeters, flow controllers or other Section 5.2(a) of this Rate Schedule may be recovered through an additional monthly charge over an agreed period.

- 5.3 Incidental Charges: In addition to the charges pursuant to Sections 5.1 and 5.2 of this Rate Schedule, Transporter may charge Shipper an amount to reimburse Transporter 100% for any filing or similar fees and, if applicable, sales or use tax that have not been previously paid by Shipper which Transporter incurs in establishing or rendering service. Shipper shall also pay Transporter any applicable penalties or charges specified in the General Terms and Conditions of this Tariff.
- 5.4 Retainage: Transporter shall deduct from the volume tendered by Shipper to Transporter for service under this Rate Schedule an amount of gas sufficient to compensate Transporter for compressor station fuel, line loss and/or other utility purposes, plus other unaccounted for gas used in the operation of Transporter's pipeline system in connection with such transportation. The applicable retain age percentage shall be stated in the effective Notice of Rates in this Tariff.
- 5.5 Authorized Overrun Charges: If Shipper, upon receiving the advance approval of Transporter (including approval by scheduling of a nomination), should on any day take under this Rate Schedule a quantity of natural gas in excess of that which Shipper is authorized to take under Shipper's FTS Agreement, then such quantity shall constitute an authorized overrun quantity. For all such authorized overrun volumes, Shipper shall pay Transporter a rate up to the authorized overrun rate set out in the effective Notice of Rates in this Tariff.
- 5.6 Unauthorized Overrun Charges: If Shipper, without receiving the advance approval of Transporter, should on any day take under this Rate Schedule a quantity of natural gas in excess of that which Shipper is authorized to take under Shipper's FTS Agreement, then such quantity shall constitute an unauthorized overrun quantity. For all such unauthorized overrun volumes, Shipper may be required to pay Transporter a rate up to the unauthorized overrun rate set out in the effective Notice of Rates in this Tariff; provided, however that Transporter may waive such unauthorized overrun rate on a non-discriminatory basis. The per unit difference between the Authorized Overrun Charge and any Unauthorized Overrun Charge

collected under this provision shall be credited to any non-offending firm and interruptible shippers paying service charges on the day when Unauthorized Overrun Charges were collected. Revenue credits shall be calculated pro rata based on service charges collected from non-offending shippers on the day in which Unauthorized Overrun Charges were assessed.

- 5.7 Right to File Rate Changes: Transporter shall have the unilateral right to file with the appropriate regulatory agency and make changes effective in the rates and charges or the terms and conditions of this Rate Schedule or the applicable General Terms and Conditions. Shipper may protest or contest any such filing.

6. GENERAL TERMS AND CONDITIONS

- 6.1 The General Terms and Conditions of this Tariff are incorporated by reference into this Rate Schedule.
- 6.2 In the event of a conflict between the provisions of this Rate Schedule and the General Terms and Conditions of this Tariff, the provisions of the General Terms and Conditions shall govern.

RATE SCHEDULE ITS
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for the transportation of natural gas on an interruptible basis by NGO Transmission (hereinafter called Transporter) to any Shipper that makes a valid request for interruptible service and executes an Interruptible Transportation Service Agreement ("ITS Agreement"), subject to the availability of capacity from time to time sufficient to provide such service without detriment or disadvantage to Transporter's firm customers.

2. APPLICABILITY AND CHARACTER OF SERVICE

The service rendered shall be the transportation of natural gas up to the Maximum Daily Contract Quantity (MDCQ) set out in Shipper's ITS Agreement performed under Subparts B and G of Part 284 of the Commission's Regulations. Service shall be on an interruptible basis. Interruption of service includes decreasing, suspending, or discontinuing either the receipt or delivery of gas. Interruption and availability of interruptible capacity shall be in accordance with Section 9 in the General Terms and Conditions of this Tariff. Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule, except as provided in Section 5.2 of this Rate Schedule.

3. CONTRACTING

Transporter shall enter into an ITS Agreement with any Shipper which meets the credit standards in the General Terms and Conditions of this Tariff and submits a valid request consistent with Section 5 of the General Terms and Conditions of this Tariff. Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule, including the applicable General Terms and Conditions of this Tariff.

4. DELIVERIES AND RECEIPTS

4.1 Receipt Points: All receipt points on Transporter's system shall be available as receipt points for gas transported under this Rate

Schedule. Transporter shall not be required under any circumstances to receive gas at any receipt point where: (1) the total quantity of gas scheduled for receipt on any Day is less than that required for the accurate measurement of quantities to be received; (2) Shipper has failed to make and properly implement all necessary upstream arrangements on upstream entities; or (3) Shipper has failed to nominate such quantities consistent with Section 9 of the General Terms and Conditions of this Tariff.

- 4.2 Delivery Points: All delivery points on Transporter's system shall be available as delivery points for gas transported under this Rate Schedule. Transporter shall not be required under any circumstances to deliver gas at any delivery point where: (1) the total quantity of gas scheduled for delivery on any Day is less than that required for the accurate measurement of quantities to be delivered; (2) Shipper has failed to make and properly implement all necessary downstream arrangements on downstream entities; or (3) Shipper has failed to nominate such quantities consistent with Section 9 in the General Terms and Conditions of this Tariff.

5. RATES AND CHARGES

- 5.1 Transportation Rates: Except to the extent Transporter and Shipper have agreed to a discounted rate, the transportation rate is the maximum ITS rate shown on the effective Notice of Rates in this Tariff. Shipper may request a discounted rate in a nomination submitted pursuant to Section 9 of the General Terms and Conditions of this Tariff and Transporter may agree to that discounted rate by scheduling the nomination; provided, however, that nothing shall obligate Transporter to provide service at a rate less than the applicable maximum rate.

The Monthly Bill for service shall equal:

- (a) The applicable ITS Rate multiplied by the dekatherms of natural gas transported and delivered by Transporter for Shipper in the month pursuant to this Rate Schedule; and
- (b) If applicable, any other charges pursuant to Section 5 of this Rate Schedule.

5.2 New Facilities:

- (a) In addition to the charges pursuant to Section 5.1 of this Rate Schedule, if Transporter agrees to construct facilities for service requested by Shipper, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects or reimbursement) of facilities constructed at the Shipper's request in order to provide transportation service under this Rate Schedule. Further, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects of reimbursement) to be incurred by Transporter for appurtenant facilities and equipment, including but not limited to electronic custody transfer equipment, metering facilities, gradiometers, calorimeters, flow controllers or other measurement or metering facilities. Such estimated advance payments shall be subject to true-up to actual costs incurred by Transporter for the construction of transportation and appurtenant facilities within 30 days following completion of construction of such facilities.
- (b) Alternatively, if Transporter and Shipper mutually agree, the cost of such facilities as determined under Section 5.2(a) of this Rate Schedule may be recovered through an additional monthly charge over an agreed period.

5.3 Incidental Charges: In addition to the charges pursuant to Section 5.1 and 5.2 of this Rate Schedule, Transporter shall charge Shipper an amount to reimburse Transporter 100% for any filing or similar fees and, if applicable, sales or use tax that have not been previously paid by Shipper, that Transporter incurs in establishing or rendering service. Shipper shall also pay any penalties or other applicable charges set out in the General Terms and Conditions of this Tariff.

5.4 Retainage: Transporter shall deduct from the volume tendered by Shipper to Transporter for service under this Rate Schedule, an amount of gas sufficient to compensate Transporter for compressor station fuel, line loss and/or other utility purposes, plus other unaccounted for gas used in the operation of Transporter's pipeline system in connection with such transportation. The applicable retain age percentage shall be stated in the Notice of Rates in this Tariff.

5.5 Right to File Rate Changes: Transporter shall have the unilateral right to file with the appropriate regulatory agency and make changes effective in the rates and charges or the terms and conditions of this Rate Schedule or the applicable General Terms and Conditions. Shipper may protest or contest any such filing.

6. GENERAL TERMS AND CONDITIONS

6.1 The General Terms and Conditions of this Tariff are incorporated by reference into this Rate Schedule.

6.2 In the event of a conflict between the provisions of this Rate Schedule and the General Terms and Conditions in this Tariff, the provisions of the General Terms and Conditions shall govern.

RATE SCHEDULE FSS
FIRM STORAGE SERVICE

1. AVAILABILITY

This Rate Schedule is available for the storage of natural gas on a firm basis by NGO Transmission (hereinafter called Transporter) for any Shipper that completes a valid request for service, is awarded firm storage capacity under Section 3 hereof and executes a Firm Storage Agreement ("FSS Agreement") consistent with this Rate Schedule FSS.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Firm Storage Service rendered under this Rate Schedule FSS shall be firm and consist of:

- (a) the acceptance into storage by Transporter of natural gas flowing on Transporter's system (under a firm or interruptible transportation service) up to the Maximum Daily Injection Quantity (MDIQ) stated in Exhibit A of Shipper's FSS Agreement,
- (b) the storage of same up to the Maximum Daily Contract Quantity (MDCQ) and term specified in Shipper's FSS Agreement, and
- (c) the redelivery of same, up to the Maximum Daily Withdrawal Quantity (MDWQ) stated in Exhibit A of Shipper's FSS Agreement, out of storage into Transporter's system for further transportation to the Primary delivery points set forth in Exhibit A of Shipper's FSS Agreement.

2.2 Gas stored under this Rate Schedule may be sold in place to other parties having sufficient available storage capacity. If Shipper wishes to make any such sale, it must obtain confirmation from Transporter 24 hours prior to the proposed effective date of such sale that the quantity proposed to be sold is available and shall notify Transporter in writing that such sale has occurred by the effective date of the transaction.

3. REQUESTS FOR CAPACITY; AWARD OF CAPACITY

3.1 Eligibility for Service: Any entity which meets the credit standards set out in the General Terms and Conditions of this Tariff may request service under this Rate Schedule. A request for service must comply with Section 5 of the General Terms and Conditions of this Tariff.

- 3.2 Capacity: Acceptance of a request is contingent on the availability of uncommitted system firm storage capacity sufficient to provide the requested firm service to Shipper.
- 3.3 Award of Capacity: Transporter may, but is not obligated to, accept any request for service at less than the applicable maximum rate. Transporter will apply objective economic analysis in awarding capacity. If several valid requests for capacity are pending which exceed the availability of uncommitted firm capacity, Transporter shall evaluate such requests based on the net present value of incremental revenue under the respective requests, reflecting volume, term, and the minimum rate Transporter will accept for the service. If a request is not accepted by Transporter within ten (10) days, it is deemed denied.
- 3.4 Applicability of Tariff: Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule, including the applicable General Terms and Conditions, if awarded capacity.

4. INJECTIONS AND WITHDRAWALS

- 4.1 Point of Injection: Shipper shall not be permitted to specify a Point of Injection for gas stored by Transporter under this Rate Schedule. Transporter shall be permitted to store gas under this rate schedule at any storage facility on Transporter's system. To facilitate an injection, Shipper shall nominate "storage" under the firm or interruptible transportation service designated in Section 2.1(a) of this Rate Schedule.
- 4.2 Point of Withdrawal: The Point of Withdrawal for all gas stored by Transporter under this rate schedule shall be the mutually agreeable Primary delivery point(s) set forth on Exhibit A to Shipper's FSS Agreement, consistent with Section 5.2 of the General Terms and Conditions of this Tariff. Transporter shall not be required under any circumstances to deliver gas at any delivery point where: (1) the total quantity of gas scheduled for delivery on any Day is less than that required for the accurate measurement of quantities to be received; (2) Shipper has failed to make and properly implement all necessary arrangements on downstream entities; or (3) Shipper has failed to nominate such quantities consistent with Section 9 of the General Terms and Conditions of this Tariff.

- 4.3 Changing Delivery Points: Subject to the availability of firm point and segment capacity and the agreement of Transporter, Shipper may change the primary delivery points under its FSS Agreement (including redistributing the MDCQ among points) by an amendment of Exhibit A to Shipper's FSS Agreement, as applicable. If there are other requests pending for such capacity, the award of capacity shall be consistent with Section 3 of this Rate Schedule FSS. Shipper shall lose its priority at previously designated primary receipt and delivery points to the extent that the amendment reduces the MDQ at any such point.
- 4.4 Secondary Delivery Points: Shipper may use as a secondary delivery point any other delivery point on Transporter's system by notifying Transporter in Shipper's nomination. A Shipper may also use a primary delivery point as a secondary point to the extent that Shipper nominates quantities at the primary point in excess of the Shipper's Maximum Daily Quantity (MDQ) for that primary point. A Shipper's rights under this Rate Schedule to use a secondary delivery point shall be superior to all interruptible shippers' nominations at that point, but inferior to the rights of all firm shippers using that point as a primary delivery or receipt point, consistent with Section 9 in the General Terms and Conditions of this Tariff.
- 4.5 If Shipper's nominated total injections or withdrawals on any day exceed the MDIQ or MDWQ stated in the FSS Agreement (as adjusted for Retainage, if any), volumes in excess of Shipper's MDIQ or MDWQ shall be considered overrun and, if necessary, the injection or withdrawal quantities shall be allocated in accordance with Section 9 of the General Terms and Conditions of this Tariff.

5. RATES AND CHARGES

- 5.1 Storage Rates: Except to the extent Transporter and Shipper have agreed in writing to a discounted rate pursuant to Section 29 of the General Terms and Conditions, or to a negotiated rate pursuant to Section 26 of the General Terms and Conditions, each month Shipper shall pay to Transporter the following charges:
- (a) Reservation Rate: A reservation rate determined under this Section 5.1(a) by (i) multiplying the Daily Deliverability Reservation Rate specified on the effective Notice of Rates in this Tariff by the MDWQ specified in Shipper's FSS Agreement, plus (ii) the Capacity Reservation Rate specified on the effective Notice of Rates in this Tariff, multiplied by the MDCQ stated in Shipper's FSS Agreement.

- (b) Injection Rate: An injection rate determined under this Section 5.1(b) by multiplying the injection rate specified on the effective Notice of Rates in this Tariff by the dekatherms of natural gas injected during the Month on behalf of Shipper under this Rate Schedule.
- (c) If applicable, any other charges pursuant to Section 5 of this Rate Schedule or the General Terms and Conditions of this Tariff.

5.2 New Facilities:

- (a) In addition to the charges pursuant to Section 5.1 of this Rate Schedule, if Transporter agrees to construct facilities for service requested by Shipper, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects or reimbursement) of facilities constructed at the Shipper's request in order to provide storage service under this Rate Schedule. Further, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects of reimbursement) to be incurred by Transporter for appurtenant facilities and equipment, including but not limited to electronic custody transfer equipment, metering facilities, gradiometers, calorimeters, flow controllers or other measurement or metering facilities. Such estimated advance payments shall be subject to true-up to actual costs incurred by Transporter for the construction of storage and appurtenant facilities within 30 days following completion of construction of such facilities.
- (b) Alternatively, if Transporter and Shipper mutually agree, the costs of such facilities as determined pursuant to Section 5.2(a) of this Rate Schedule may be recovered through an additional monthly charge over an agreed period.

- 5.3 Incidental Charges: In addition to the charges pursuant to Sections 5.1 and 5.2 of this Rate Schedule, Transporter may charge Shipper an amount to reimburse Transporter 100% for any filing or similar fees, and if applicable, sales or use tax that have not been previously paid by Shipper, which Transporter incurs in establishing or rendering service. Shipper shall also pay Transporter any applicable penalties or charges specified in the General Terms and Conditions of this Tariff.

- 5.4 Retainage: For all injections, Transporter shall deduct from the volume tendered to Transporter by Shipper an amount of gas sufficient to compensate Transporter for compressor station fuel, line loss and/or other utility purposes, plus other unaccounted for gas used in the operation of Transporter's pipeline system in connection with such transportation. The applicable retain age percentage shall be stated in the effective Notice of Rates in this Tariff.
- 5.5 Overrun Service Charge: If Shipper, upon receiving the advance approval of Transporter, should on any day inject or withdrawal a quantity of natural gas in excess of the MDIQ or MDWQ specified in Shipper's FSS Agreement, then such quantity shall constitute an authorized overrun quantity. For all such authorized overrun volumes, Shipper shall pay Transporter a rate up to the overrun service charge stated in the effective Notice of Rates in this Tariff.
- 5.6 Right to File Rate Changes: Transporter shall have the unilateral right to file with the appropriate regulatory agency and make changes effective in the rates and charges or the terms and conditions of this Rate Schedule or the applicable General Terms and Conditions. Shipper may protest or contest any such filing.

6. GENERAL TERMS AND CONDITIONS

- 6.1 The General Terms and Conditions of this Tariff are incorporated by reference into this Rate Schedule.
- 6.2 In the event of a conflict between the provisions of this Rate Schedule and the General Terms and Conditions of this Tariff, the provisions of the General Terms and Conditions shall govern.

RATE SCHEDULE ISS
INTERRUPTIBLE STORAGE SERVICE

1. AVAILABILITY

This Rate Schedule is available for the storage of natural gas on an interruptible basis by NGO Transmission (hereinafter called Transporter) for any Shipper that completes a valid request for service and executes an Interruptible Storage Service Agreement ("ISS Agreement") consistent with this Rate Schedule ISS.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Interruptible Storage Service rendered under this Rate Schedule ISS shall be interruptible and consist of:

- (a) the acceptance and injection into storage by Transporter of natural gas flowing on Transporter's system (under a firm or interruptible transportation service), provided that nominated injections shall be subject to the availability of capacity to accomplish the service nominated by Shipper without impairment of firm service;
- (b) the storage of same up to the Maximum Daily Contract Quantity (MDCQ) specified in Shipper's ISS Agreement, provided Shipper must be prepared to remove gas from storage within a reasonable period, as negotiated by parties, but in no event greater than 45 days after notice from Transporter to remove such quantities; the 45 day period will be extended one day for each day on which the Shipper nominates gas to be withdrawn but Transporter is unable to accept such nomination; and
- (c) the redelivery of same, to the extent that Shipper's nominated withdrawals may be accomplished without impairment of firm service, out of storage into Transporter's system for the further transportation to delivery points on Transporter's system.

2.2 Gas stored under this Rate Schedule may be sold in place to other parties having sufficient available storage capacity. If Shipper wishes to make any such sale, it must obtain confirmation from Transporter 24 hours prior to the proposed effective date of such sale that the quantity proposed to be sold is available and shall notify Transporter in writing that such sale has occurred by the effective date of the transaction.

3. CONTRACTING

Transporter shall enter into an ISS Agreement with any Shipper which meets the credit standards in the General Terms and Conditions of this Tariff and submits a valid request consistent with Section 5 of the General Terms and Conditions of this Tariff. Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule ISS, including the applicable General Terms and Conditions of this Tariff.

4. INJECTIONS AND WITHDRAWALS

4.1 Point of Injection: Shipper shall not be permitted to specify a Point of Injection for gas stored by Transporter under this Rate Schedule. Transporter shall be permitted to store gas under this rate schedule at any storage facility on Transporter's system. To facilitate an injection, Shipper shall nominate "storage" on the firm or interruptible transportation service designated in Section 2.1(a) of this Rate Schedule.

4.2 Point of Withdrawal: Shipper may designate, as the Point of Withdrawal for all gas stored by Transporter under this Rate Schedule, any delivery point on Transporter's system, provided, however, that Transporter shall not be required under any circumstances to deliver gas at any delivery point where: (1) the total quantity of gas scheduled for delivery on any Day is less than that required for the accurate measurement of quantities to be delivered; (2) Shipper has failed to make and properly implement all necessary downstream arrangements on downstream entities; or (3) Shipper has failed to nominate such quantities consistent with Section 9 in the General Terms and Conditions of this Tariff.

5. RATES AND CHARGES

5.1 Storage Rates: Except to the extent Transporter and Shipper have agreed in writing to a discounted rate pursuant to Section 29 of the General Terms and Conditions, or to a negotiated rate pursuant to Section 26 of the General Terms and Conditions, each month Shipper shall pay to Transporter the following charges:

(a) Inventory Rate: An inventory charge equal to the inventory rate specified on the effective Notice of Rates in this Tariff multiplied by the average daily balance of natural gas in storage during the month.

- (b) Injection Rate: An injection rate determined under this Section 5.1(b) by multiplying the injection rate specified on the effective Notice of Rates in this Tariff by the dekatherms of natural gas injected during the Month on behalf of Shipper under this Rate Schedule.
- (c) If applicable, any other charges pursuant to Section 5 of this Rate Schedule or the General Terms and Conditions of this Tariff.

5.2 New Facilities:

- (a) In addition to the charges pursuant to Section 5.1 of this Rate Schedule, if Transporter agrees to construct facilities for service requested by Shipper, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects or reimbursement) of facilities constructed at the Shipper's request in order to provide storage service under this Rate Schedule. Further, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects of reimbursement) to be incurred by Transporter for appurtenant facilities and equipment, including but not limited to electronic custody transfer equipment, metering facilities, gradiometers, calorimeters, flow controllers or other measurement or metering facilities. Such estimated advance payments shall be subject to true-up to actual costs incurred by Transporter for the construction of storage and appurtenant facilities within 30 days following completion of construction of such facilities.
- (b) Alternatively, if Transporter and Shipper mutually agree, the costs of such facilities as determined pursuant to Section 5.2(a) of this Rate Schedule may be recovered through an additional monthly charge over an agreed period.

- 5.3 Incidental Charges: In addition to the charges pursuant to Sections 5.1 and 5.2 of this Rate Schedule, Transporter may charge Shipper an amount to reimburse Transporter 100% for any filing or similar fees, and if applicable, sales or use tax that have not been previously paid by Shipper, which Transporter incurs in establishing or rendering service. Shipper shall also pay Transporter any applicable penalties or charges specified in the General Terms and Conditions of this Tariff.

5.4 Retainage: For all injections, Transporter shall deduct from the volume tendered to Transporter by Shipper an amount of gas sufficient to compensate Transporter for compressor station fuel, line loss and/or other utility purposes, plus other unaccounted for gas used in the operation of Transporter's pipeline system in connection with such transportation. The applicable retain age percentage shall be stated in the effective Notice of Rates in this Tariff.

5.5 Right to File Rate Changes: Transporter shall have the unilateral right to file with the appropriate regulatory agency and make changes effective in the rates and charges or the terms and conditions of this Rate Schedule or the applicable General Terms and Conditions. Shipper may protest or contest any such filing.

6. GENERAL TERMS AND CONDITIONS

6.1 The General Terms and Conditions of this Tariff are incorporated by reference into this Rate Schedule.

6.2 In the event of a conflict between the provisions of this Rate Schedule and the General Terms and Conditions of this Tariff, the provisions of the General Terms and Conditions shall govern.

RATE SCHEDULE NNS
NO NOTICE SERVICE

1. AVAILABILITY

This Rate Schedule is available for bundled firm transportation and storage no notice service by NGO Transmission (hereinafter called Transporter) for any Shipper that completes a valid request for service, is awarded capacity under Section 3 hereof and executes a No Notice Service Agreement ("NNS Agreement") consistent with this Rate Schedule NNS.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Service under this Rate Schedule NNS shall consist of the acceptance by Transporter of natural gas tendered by Shipper at the Primary receipt point(s) on Transporter's system specified in Exhibit A of Shipper's NNS Agreement, the storage of gas, the transportation of such gas through Transporter's pipeline system, and the delivery of a quantity of natural gas on a no notice basis with the thermal equivalent of the quantity received at the Primary receipt point(s) and from storage, after the appropriate reductions for fuel and loss, up to the Maximum Daily Contract Quantity (MDCQ), to Shipper or for Shipper's account at the Primary delivery point(s) on Transporter's system specified in Exhibit A of Shipper's NNS Agreement, or at any secondary points on Transporter's system.

2.2 Subject to the provisions of this Rate Schedule NNS, Transporter agrees to receive such quantities of natural gas as Shipper may cause to be tendered to Transporter at the Primary receipt point(s) designated on Exhibit A of Shipper's NNS Agreement, as revised from time to time, for transportation and storage on a firm basis; provided, however, that in no event shall Transporter be obligated to receive on any day quantities in excess of the Maximum Daily Quantity (MDQ) for each Primary receipt point(s) set forth on Exhibit A of Shipper's NNS Agreement, or quantities in excess of the MDCQ set forth in Shipper's NNS Agreement.

2.3 Transporter agrees to deliver and Shipper agrees to accept (or cause to be accepted) at the Primary delivery point(s) designated on Exhibit A of Shipper's NNS Agreement, or at any secondary points on Transporter's system, a quantity of natural gas

thermally equivalent to the quantity received by Transporter for transportation and withdraw from storage as provided in Section 2.4 hereunder less appropriate reductions for fuel and loss as provided herein; provided, however, that Transporter shall not be obligated to deliver on any day quantities in excess of the MDQ for each Primary delivery point set forth on Exhibit A of Shipper's NNS Agreement, or quantities in excess of the MDCQ set forth in Shipper's NNS Agreement.

2.4 Subject to the provisions of this Rate Schedule NNS, Transporter agrees to (1) inject and store such quantities of natural gas as Shipper may cause to be tendered to Transporter for injection into storage, less appropriate reductions for fuel and loss, and (2) withdraw such quantities of natural gas up to Shipper's gas in storage, all on a no notice basis.

2.5 Service under this Rate Schedule NNS on any day shall not exceed the MDCQ or the individual MDQ for each receipt or delivery point; provided, however, that Transporter may, at the request of Shipper and agreement of Transporter, receive, store, transport and/or deliver on any day quantities in excess of the MDCQ or MDQs stated in Shipper's NNS Agreement, to the extent operationally feasible.

3. REQUESTS FOR CAPACITY; AWARD OF CAPACITY

3.1 Eligibility for Service: Any entity which meets the credit standards set out in the General Terms and Conditions of this Tariff may request service under this Rate Schedule NNS. A request for service must comply with Section 5 of the General Terms and Conditions of this Tariff.

3.2 Capacity: Acceptance of a request is contingent on the availability of uncommitted system transportation and storage capacity sufficient to provide the requested no notice service to Shipper.

3.3 Award of Capacity: Transporter may, but is not obligated to, accept any request for service at less than the applicable maximum rate. Transporter will apply objective economic analysis in awarding capacity. If several valid requests for capacity are pending which exceed the availability of uncommitted capacity, Transporter shall evaluate such requests based on the net present value of incremental revenue under the respective requests,

reflecting volume, term, and the minimum rate Transporter will accept for the service. If a request is not accepted by Transporter within ten (10) days, it is deemed denied.

- 3.4 Applicability of Tariff: Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule, including the applicable General Terms and Conditions, if awarded capacity.

4. NOMINATION AND SCHEDULING

- 4.1 Shipper is required to nominate quantities at the receipt points, but not quantities for injection into storage, withdrawal from storage, or delivery at the delivery points. Shipper will, however, use its best efforts to determine in advance its actual daily demand at each delivery point in order to assist Transporter in determining the appropriate blend of flowing gas and storage injections or withdrawals necessary to serve that demand. Nominations for quantities to be received at a receipt point served by a Delivering Pipeline shall be issued to Transporter concurrently with the nominations issued by Shipper to the Delivering Pipeline in question. Nominations for quantities to be received into Transporter's system from receipt points not served by Delivering Pipelines shall be issued sufficiently in advance of flow to permit Transporter to make appropriate arrangements to receive and redeliver such gas, either to storage or to Shipper's Delivery Points.
- 4.2 Transporter or its designee shall notify Shipper if nominated quantities are rejected and not deemed scheduled despite receipt of such information. With notice to Shipper, Transporter may make arrangements with the Delivering Pipeline to facilitate Shipper's ability to Schedule on one or more systems without duplicative communications or confirmations.
- 4.3 Upstream Curtailment: If the Delivering Pipeline curtails or interrupts deliveries of Shipper's gas to Transporter or if the Receiving Pipeline curtails or interrupts receipts of Shipper's Gas from Transporter, service by Transporter shall likewise be curtailed or interrupted and Shipper will be responsible for arranging adjustments of transportation quantities on all upstream pipelines.

4.4 Supply Deficiencies: If Transporter experiences a supply short fall due to the under delivery of supply to Transporter's system, then (1) if the deficient source is known, Transporter will curtail the corresponding Shipper; or (2) if the deficient sources are indeterminable, then, to the extent practicable, Transporter will curtail interruptible service before curtailing service under this Rate Schedule.

5. DELIVERIES AND RECEIPTS

5.1 Receipt Points: Primary receipt point(s) for all gas transported by Transporter under this Rate Schedule shall be at the mutually agreeable receipt point(s) shown on Exhibit A to Shipper's NNS Agreement, consistent with Section 5.2 of the General Terms and Conditions of this Tariff. Transporter shall not be required under any circumstances to receive gas at any receipt point where: (1) the total quantity of gas scheduled for receipt of any Day is less than that required for the accurate measurement of quantities to be received; (2) Shipper has failed to make and properly implement all necessary arrangements on upstream entities; or (3) Shipper has failed to nominate such quantities consistent with Section 9 of the General Terms and Conditions of this Tariff.

5.2 Delivery Points: Primary delivery point(s) for all gas transported by Transporter under this Rate Schedule shall be at the mutually agreeable delivery points shown Exhibit A to Shipper's NNS Service Agreement, consistent with Section 5.2 of the General Terms and Conditions of this Tariff. Transporter shall not be required under any circumstances to deliver gas at any delivery point where Shipper has failed to make and properly implement all necessary arrangements on downstream entities.

5.3 Changing Primary Receipt and Delivery Points: Subject to the availability of point and segment capacity and the agreement of Transporter, Shipper may change the primary receipt or delivery points under its NNS Agreement (including redistributing the MDCQ among individual points) by an amendment of Exhibit A to the NNS Agreement. If there are other requests pending for such capacity, the award of capacity shall be consistent with Section 3 of this Rate Schedule. Shipper shall lose its priority at previously designated primary receipt and delivery points to the extent that the amendment reduces the MDQ at any such point.

5.4 Secondary Receipt and Delivery Points: Shipper may use as a secondary receipt or delivery point any other receipt or delivery point on Transporter's system. Shipper's nomination should

identify any secondary receipt points that are to be used. A Shipper may also use a primary receipt point as a secondary point to the extent that Shipper nominates quantities at the primary point in excess of the Shipper's MDQ for that primary point; provided that its total nominations under the NNS Agreement are less than or equal to the MDCQ under the NNS Agreement. A Shipper's rights under this Rate Schedule to use a secondary receipt or delivery point shall be superior to all interruptible shippers' nominations at that point, but inferior to the rights of all firm shippers using that point as a primary delivery or receipt point, consistent with Section 9 in the General Terms and Conditions of this Tariff. If Shipper's nominated total receipts on any day exceed the MDCQ stated in the NNS Agreement (as adjusted for any retain age), volumes in excess of Shipper's MDCQ shall be considered overrun and, if necessary, the receipt quantities for any point shall be allocated in accordance with Section 9 of the General Terms and Conditions of this Tariff.

- 5.5 Segmentation: To the extent operationally feasible, firm transportation capacity that has been reserved under an NNS Agreement may be segmented by Shipper for its own use or for the purpose of releasing that capacity to replacement shipper(s) pursuant to Section 11 of the General Terms and Conditions. Subject to available point capacity, segmentation may be used to complete separate forward and backhaul deliveries to the same point.

6. RATES AND CHARGES

- 6.1 NNS Rates: Except to the extent Transporter and Shipper have agreed in writing to a discounted rate pursuant to Section 29 of the General Terms and Conditions, or to a negotiated rate pursuant to Section 26 of the General Terms and Conditions, the applicable rates for service under this NNS Rate Schedule are the applicable maximum NNS rates shown on the effective Notice of Rates in this Tariff.

The Monthly Bill for service under an NNS Agreement shall be equal to:

- (a) Monthly Demand Charge: The monthly demand charge specified in Shipper's NNS Agreement multiplied by the MDCQ as specified in the NNS Agreement;
- (b) Commodity Charge: The applicable commodity charge(s) multiplied by the dekatherms of natural gas transported and delivered in the Month pursuant to this Rate Schedule; and
- (c) If applicable, any other charges pursuant to Section 6 of this Rate Schedule or the General Terms and Conditions of this Tariff.

6.2 New Facilities:

- (a) In addition to the charges pursuant to Section 5.1 of this Rate Schedule, if Transporter agrees to construct facilities for service requested by Shipper, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects or reimbursement) of facilities constructed at the Shipper's request in order to provide transportation and/or storage service under this Rate Schedule. Further, Transporter shall charge Shipper an advance equal in amount to 100% of the estimated costs (including a gross-up for the income tax effects of reimbursement) to be incurred by Transporter for appurtenant facilities and equipment, including but not limited to electronic custody transfer equipment, metering facilities, gradiometers, calorimeters, flow controllers or other measurement or metering facilities. Such estimated advance payments shall be subject to true-up to actual costs incurred by Transporter for the construction of transportation and/or storage and appurtenant facilities within 30 days following completion of construction of such facilities.
- (b) Alternatively, if Transporter and Shipper mutually agree, the costs of such facilities as determined pursuant to Section 6.2(a) of this Rate Schedule may be recovered through an additional monthly charge over an agreed period.

6.3 Incidental Charges: In addition to the charges pursuant to Sections 6.1 and 6.2 of this Rate Schedule, Transporter may charge Shipper an amount to reimburse Transporter 100% for any filing or similar fees, and if applicable, sales or use tax that have not been previously paid by Shipper, which Transporter incurs in establishing or rendering service. Shipper shall also pay Transporter any applicable penalties or charges specified in the General Terms and Conditions of this Tariff.

6.4 Retainage: Transporter shall deduct from the volume tendered to Transporter by Shipper, an amount of gas sufficient to compensate Transporter for compressor station fuel, line loss and/or other utility purposes, plus other unaccounted for gas used in the operation of Transporter's pipeline system in connection with such transportation. The applicable retain age percentage shall be stated in the effective Notice of Rates in this Tariff.

6.5 Unauthorized Overrun Charge: If Shipper, upon receiving the advance approval of Transporter, should on any day take under this Rate Schedule a quantity of natural gas in excess of that which Shipper is authorized to take under Shipper's NNS Agreement, then such quantity shall constitute an authorized overrun quantity. For all such authorized overrun volumes, Shipper shall pay Transporter a rate up to the authorized overrun rate set out in the effective Notice of Rates in this Tariff.

6.6 Authorized Overrun Charge: If Shipper, upon receiving the advance approval of Transporter (including approval by scheduling of a nomination), should on any day take under this Rate Schedule a quantity of natural gas in excess of that which Shipper is authorized to take under Shipper's NNS Agreement, then such quantity shall constitute an authorized overrun quantity. For all such authorized overrun volumes, Shipper shall pay Transporter a rate up to the authorized overrun rate set out in the effective Notice of Rates in this Tariff.

6.7 Right to File Rate Changes: Transporter shall have the unilateral right to file with the appropriate regulatory agency and make changes effective in the rates and charges or the terms and conditions of this Rate Schedule or the applicable General Terms and Conditions. Shipper may protest or contest any such filing.

7. GENERAL TERMS AND CONDITIONS

7.1 The General Terms and Conditions of this Tariff are incorporated by reference into this Rate Schedule.

7.2 In the event of a conflict between the provisions of this Rate Schedule and the General Terms and Conditions of this Tariff, the provisions of the General Terms and Conditions shall govern.

GENERAL TERMS AND CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this Tariff and in any transportation service agreement shall be construed to have the following meanings:

- 1.1 The term "Bidder" shall mean, depending upon the context, any person that submits a bid for released transportation capacity pursuant to the terms of Section 11 in these General Terms and Conditions, any person which submits a bid in a right of first refusal procedure under Section 7 of these General Terms and Conditions, or any person requesting interruptible service at a specified rate on any Day.
- 1.2 The term "British thermal unit" or "Btu" shall mean the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at a standard pressure of 14.73 dry psia at 60 degrees Fahrenheit (101.325 kPa and 15 degrees C, and dry). (The reporting basis for gigacalorie is 1.035646 Kg/cm and 15.6 degrees C and dry.)
- 1.3 The term "business day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S..
- 1.4 The term "Central Clock Time" and "CCT" shall mean Central Daylight Time when daylight savings time is in effect and Central Standard Time when daylight savings time is not in effect.
- 1.5 The term "Commission" or "FERC" shall mean the Federal Energy Regulatory Commission, unless stated otherwise.
- 1.6 The term "Confirmation" shall mean a communication that reflects the quantity of gas to be received or delivered on behalf of each Shipper at a receipt or delivery point.
- 1.7 The term "cubic foot" shall mean the volume of gas that occupies one cubic foot when such gas is at a temperature of 60 degrees Fahrenheit, and at a pressure of 0.33 pounds per square inch above an assumed atmospheric pressure of 14.4 pounds per square inch (14.73 points per square inch absolute [psia]) and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.
- 1.8 The term "Daily Limit" shall mean the quantity specified in an Operational Flow Order at a receipt or delivery point.

- 1.9 The term "day" and "gas day" shall mean a period of 24 consecutive hours, beginning and ending at 9:00 A.M. Central Clock Time.
- 1.10 The term "dekatherm" or "dth" shall mean the quantity of heat energy that is 1,000,000 Btu's. The standard quantity for nominations, confirmation and scheduling is dekatherm per Gas Day in the United States.
- 1.11 The term "Delivering Pipeline" shall mean any pipeline that interconnects with and delivers into Transporter.
- 1.12 The term "Discounted Rate" shall mean a rate determined under Section 29 of these General Terms and Conditions.
- 1.13 The term "Maximum Daily Contract Quantity" or "MDCQ," where used herein or in a service agreement, shall mean the maximum total quantity of natural gas that Transporter shall be obligated to (a) transport on a daily firm basis under an FTS Agreement or on a daily interruptible basis under an ITS Agreement, (b) store on a firm basis under an FSS Agreement or on an interruptible basis under an ISS Agreement, or (c) transport and/or store on a daily firm basis under an NNS Agreement.
- 1.14 The term "Maximum Daily Quantity" or "MDQ" where used herein or in a service agreement shall mean the maximum quantity of natural gas that Transporter shall be obligated (a) receive at any individual receipt point on any Day, or (b) deliver to any individual delivery point on any Day.
- 1.15 The term "Maximum Daily Injection Quantity" or "MDIQ" where used herein or in an FSS Agreement shall mean the maximum quantity of natural gas that Transporter shall be obligated to accept into storage on any day.
- 1.16 The term "Maximum Daily Withdrawal Quantity" or "MDWQ" where used herein or in an FSS Agreement shall mean the maximum quantity of natural gas that Transporter shall be obligated to deliver from storage on any day.
- 1.17 The term "Mcf" shall mean 1,000 cubic feet of gas.
- 1.18 The term "month" shall mean the period beginning at 9:00 A.M. CCT on the first day of the calendar month and ending at 9:00 A.M. CCT on the first day of the next succeeding calendar month.
- 1.19 The term "Negotiated Rate" shall mean a rate determined under Section 26 of these General Terms and Conditions.

- 1.20 The term "Operational Flow Order(s)" or "OFO" shall mean an order issued pursuant to Section 8 of these General Terms and Conditions to alleviate conditions, inter alia, which threaten or could threaten the safe operations or integrity of Transporter's system or to maintain operations required to provide efficient and reliable firm service. An OFO may cover actions required of any Shipper or Shippers in order to ensure deliveries of gas to all firm Shippers in accordance with their Scheduled Quantities or as required to maintain system integrity or when an interconnecting entity calls an OFO or takes similar action. Whenever the Transporter experiences these conditions, any pertinent order should be referred to as an Operational Flow Order.
- 1.21 The term "Receiving Pipeline" shall mean the pipeline or other entity that is interconnected with Transporter and physically receives gas delivered by Transporter either for its own account or that of others.
- 1.22 The term "Recourse Rate" shall mean the applicable maximum rate which would apply to a service but for agreement on a Negotiated or Discounted Rate.
- 1.23 The term "Release Quantity" shall mean the quantity that a Shipper releases under Section 11 of these General Terms and Conditions. The Release Quantity shall be stated in dth per day.
- 1.24 The term "Releasing Shipper" shall mean any Shipper that releases capacity pursuant to the provisions of Section 11 of these General Terms and Conditions.
- 1.25 The term "Replacement Shipper" shall mean any shipper that purchases temporarily or permanently released capacity pursuant to the provisions of Section 11 in these General Terms and Conditions.
- 1.26 The term "Retainage" shall mean the volume of gas which Transporter retains to compensate it for any system gas used, which includes fuel gas or gas lost and unaccounted for, as applicable. Transporter is to redeliver at delivery points the volume of gas it receives from Shipper less Retainage. The difference between Btus delivered to Transporter for transportation from all Shippers and Btus redelivered to all Shippers hereunder, shall be deemed Retainage. Each Shipper shall provide such Retainage to the actual Btus of gas delivered by such Shipper to Transporter during the period covered by the thermal balance.

- 1.27 The term "Scheduled Quantity" shall mean the quantity of natural gas that Shipper nominates for receipt at a receipt point or redelivery to Shipper at a delivery point, and that Transporter schedules for receipt and/or delivery.
- 1.28 The term "service agreement" shall mean an FTS, ITS, FSS, ISS or NNS Agreement, or all, depending upon the context. This term includes agreements which reflect a Negotiated or Discounted Rate, and agreements entered into with a Replacement Shipper. A service agreement which includes a Negotiated Rate shall conform to the Form of Service Agreement set out in this Tariff, except for the special elements identified in Section 26 of these General Terms and Conditions. A service agreement between Transporter and a Replacement Shipper shall conform to the Form of Service Agreement set out in this Tariff, except for the additional items required under Section 11 of these General Terms and Conditions, and provisions necessary to reflect the permissible terms and conditions of the specific release.
- 1.29 The term "Shipper" shall mean any party receiving service pursuant to any of Transporter's Rate Schedules and service agreements.
- 1.30 The term "Shipper's Facilities" shall mean all Shipper's or Shipper's gatherer's pipes, pipelines, and equipment used for physically handling, transporting, and distributing natural gas to be transported by Transporter.
- 1.31 The term "title," if not otherwise addressed in Transporter's contract or tariff, is the term used to identify the ownership of gas.
- 1.32 The term "total heating value," when applied to a cubic foot of gas, shall mean the number of Btu's produced by the complete combustion with air at constant pressure of one anhydrous (dry) cubic foot of gas under a pressure of 14.73 psia and a temperature of 60 degrees Fahrenheit and when the products of combustion are cooled to the initial temperature of the gas and air and the water formed by combustion is condensed to the liquid state.
- 1.33 The term "Transporter" shall mean NGO Transmission.
- 1.34 The term "year" shall mean a period of 365 consecutive Days beginning on the date natural gas is first delivered or is to be delivered under the gas transportation, storage, and/or other service contract, whichever is earlier, or on any anniversary thereof; provided, however, that any such year that contains a date of February 29 shall consist of 366 consecutive Days.

2. QUALITY

Shipper is obligated to deliver to Transporter gas meeting the quality specifications in the Delivering or Receiving Pipeline's tariff.

3. MEASUREMENT

3.1 Unit of Measurement: The transportation and storage unit of gas received and delivered by Transporter shall be a dekatherm, unless otherwise indicated in this tariff.

3.2 Determination of Volume and Total Heating Value: The volume and the total heating value of gas received and delivered by Transporter shall be determined as follows, provided that Transporter shall have the right, at any time, to rely on the measurements and statements for quantities and heating values of gas actually provided to Transporter by the Delivering and/or Receiving Pipeline.

(a) The unit of volume, for the purpose of measurement, shall be one (1) cubic foot of gas at a temperature of sixty (60) degrees Fahrenheit, and at a pressure of thirty-three hundredths (.33) pounds per square inch above an assumed atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch (fourteen and seventy-three hundredths (14.73) pounds per square inch absolute pressure) and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.

(b) The total heating value of the gas per cubic foot shall be as determined by the Delivering Pipeline.

(c) Dekatherms delivered shall be determined by multiplying the Mcf delivered by the ratio of the total heating value of the gas delivered to 1,000. For purposes of this determination the specific gravity and heating value shall be determined at approximately the same time.

(d) The temperature of the gas passing through the meters shall be determined by a temperature transducer, another type of electronic temperature recording device, a recording thermometer, or any other method mutually agreed upon, so installed that it may properly record the temperature of the gas flowing through the meters.

- (d) New Measurement Techniques: If, at any time, a new method or technique is developed with respect to gas measurement or the determination of the factors used in such gas measurement, such new method or technique may be substituted upon mutual agreement thereto by the parties.
- 4.2 Right to be Present: Transporter and Shipper shall each have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas under the transportation contract. The records from such measuring equipment shall remain the property of their owner, but, upon request, each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten Days after receipt thereof.
- 4.3 Care Required: Any installation of measuring equipment applying to or affecting deliveries of gas shall be made in such manner as to permit an accurate determination of the quantity of gas delivered and ready verification of the accuracy of measurement. Care shall be exercised by both parties in the installation, maintenance and operation of pressure-regulating equipment so as to prevent any inaccuracy in the determination of the quantity of gas delivered under service agreements.
- 4.4 Calibration and Testing of Meters:
- (a) The accuracy of Transporter's or Shipper's measuring equipment shall be verified at reasonable intervals and, if requested, in the presence of representatives of the other party, but neither party shall be required to verify the accuracy of such equipment more frequently than once in any thirty-day (30) period. In the event either party shall notify the other that it desires a special test of any measuring equipment, the parties shall cooperate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for, shall be borne by the requesting party if the measuring equipment tested is found to be in error not more than two percent (2%).

(b) If, upon testing, any measuring equipment is found to be in error by not more than two percent (2%), previous recordings of such equipment shall be considered accurate in computing deliveries of gas, but such equipment shall be adjusted at once to record accurately.

(c) If, upon test, any measuring equipment shall be found to be inaccurate by an amount exceeding two percent (2%), at a recording corresponding to the average hourly rate of flow for the period since the last preceding test, then any previous recordings of such equipment shall be corrected to zero error for any period that is known definitely, but in case the period is not known or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test, not exceeding a correction period of sixteen (16) days.

4.5 Correction of Metering Errors -- Failure of Meters: In the event a meter is out of service or registering inaccurately, the volume of gas delivered shall be determined:

(a) by using the registration of any check meter or meters, if installed and accurately registering; or, in the absence of (a);

(b) by correcting the error if the percentage of error is ascertainable by calibration, tests, or mathematical calculation; or, in the absence of both (a) and (b), then;

(c) by estimating the quantity of delivery by deliveries during periods under similar conditions when the meter was registering accurately.

4.6 Correction of Metering Errors -- Adjustments: A measurement data correction shall become a prior period adjustment (PPA) after the fifth (5th) business day following the delivery month. Measurement data corrections shall be processed within six (6) months from the delivery month, unless (i) Transporter and Shipper mutually agree otherwise or (ii) the correction is the result of a deliberate omission or misrepresentation by a Party or a mutual mistake of fact. In all instances where a correction is made, Shipper or Transporter, as applicable, has ninety (90) days to dispute the correction. In the case of corrections made under (i) or (ii) above, the period for resolving corrections will be tolled until the correction is settled.

4.6 Preservation of Metering Records: Transporter and Shipper shall each preserve for a period of at least one (1) year all test data, charts and other similar records.

5. QUALIFICATION FOR SERVICE

5.1 Request for Service: All Shippers requesting firm or interruptible transportation service must provide the applicable information required by this Section 5 in order to qualify for service. Requests must be provided by a means consistent with Section 16 of these General Terms and Conditions. Any material modification, in whole or in part, of an existing service shall be requested by Shipper's submission of a new request for service with a notation that the service requested is a modification of an existing service. No request for service will be processed until a completed request on a form provided by Transporter has been submitted by Shipper to Transporter consistent with this Section 5. Transporter shall not be obligated to accept a request which has been submitted more than ninety (90) days prior to the proposed effective date, but may do so on a non-discriminatory basis or where additional facilities are required.

5.2 Required Information: Any request shall include the information listed below. Shipper shall provide any additional information reasonably required by Transporter to process the request; provided that the request for additional information shall not affect the priority of Shipper's request.

(a) Gas Quantities: Shipper shall provide the appropriate quantity information applicable to the type of service requested as follows:

(i) for firm service, Shipper shall provide the MDCQ stated in dekatherms for the agreement; and

(ii) for interruptible service, Shipper shall provide the MDCQ and the estimated total quantities to be received, transported, and/or stored over the delivery period.

(b) Receipt/Delivery Points: For firm service requests, Shipper shall provide:

(i) the designated primary receipt point(s) and primary delivery point(s) and the MDQ at each such point;

- (ii) the MDQs specified at all of Shipper's primary receipt point(s) must in the aggregate equal the MDCQ stated in the service agreement;
 - (iii) the MDQ specified at all of Shipper's primary delivery point(s) must in the aggregate equal the MDCQ stated in the service agreement;
 - (iv) the name of the party delivering the gas to Transporter; and
 - (v) the name of the party to receive the gas from Transporter.
- (c) Term: The proposed commencement and termination dates of service.
- (d) Shipper Certification: Shipper shall provide a statement certifying that all necessary upstream and downstream arrangements will be in place on the date the service is to commence and that the Shipper will have title or the right to acquire title to the gas which will be delivered to Transporter.
- (e) Facilities: For any request, identification and location of any facilities to be constructed or installed by any party affected by the proposed service.
- (f) Credit Evaluation: For any request, all credit information required in Section 6 of the General Terms & Conditions in this Tariff. Shipper must satisfy the requirements of said Section 6 to be eligible for service.
- 5.3 Denial of Request: If Transporter denies a request, the denial shall indicate the reason the request is being denied. Any request which has been properly denied consistent with this Tariff shall be deemed a nullity for all present and future purposes.
- 5.4 Execution of Agreement: If Transporter accepts Shipper's request for service, Shipper and Transporter shall execute a service agreement in the form set forth in this Tariff for the service requested. The service agreement must be executed and returned by Shipper within ten (10) days after Transporter tenders the service agreement to Shipper.

6. CREDIT REQUIREMENTS

- 6.1 Required Credit Information: Unless otherwise agreed, a Shipper seeking service from Transporter under any of the Rate Schedules included in this Tariff, must provide:
- (a) Audited Financial Statements;
 - (b) Annual Reports;
 - (c) The most recently filed statements with the Securities and Exchange Commission (or an equivalent authority) or other similar publicly available information;
 - (d) For public entities, the most recent publicly available interim financial statements, with an attestation by its Chief Financial Officer, Controller, or equivalent (CFO) that such statements constitute a true, correct, and fair representation of the Shipper's financial condition prepared in accordance with Generally Accepted Accounting Principles (GAAP) or equivalent;
 - (e) For non-public entities, including those that are state-regulated utilities, the most recent available interim financial statements, with an attestation by its CFO that such statements constitute a true, correct, and fair representation of the Shipper's financial condition prepared in accordance with GAAP or equivalent;
 - (f) For non-public entities, including those that are state-regulated utilities, an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing the Shipper's current financial condition;
 - (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) List of affiliates, parent companies, and subsidiaries;
 - (i) Publicly available credit reports from credit and bond rating agencies;

- (j) Private credit ratings, if obtained by the Shipper;
- (k) Bank references;
- (l) Trade references;
- (m) Statement of legal composition;
- (n) Statement of the length of time the business has been in operation;
- (o) Any other information reasonably required so that Transporter can make its credit determination under this Section 6; and
- (p) Such other information as may be mutually agreed to by the parties.

6.2 Parent Company Information: In the event Shipper cannot provide the information in Section 6.1 above, Shipper shall, if applicable, provide that information for its parent company.

6.3 Eligibility for Service: Transporter shall not be required to perform or to continue service under any Rate Schedule on behalf of any Shipper which is or has become insolvent or which is or becomes noncreditworthy; provided, however, such Shipper may receive service under any Rate Schedule if Shipper prepays for such service or furnishes good and sufficient security, as determined by Transporter in its reasonable discretion, in an amount equal to all service fees and charges for a three (3) month period or the duration of the transportation service agreement, whichever is shorter. Any Bidder or requestor for service must satisfy these credit requirements before a bid or request is deemed valid.

6.4 Suspension or Termination of Service: For an existing Shipper, if Transporter determines that Shipper is no longer creditworthy, Transporter may suspend service on five (5) Business Days' prior notice unless Shipper provides security within that period for one month of advance service, in addition to paying for the current month's service and any outstanding amount (excluding any amount as to which there is a good faith dispute). In addition, Shipper must within thirty (30) days provide security in advance equal to all fees and charges for three (3) months of service, or

Transporter may immediately suspend service. Transporter may terminate service on thirty (30) days' prior notice (the notice may be concurrent with the suspension notice above) if Shipper fails to satisfy the credit requirements within the applicable notice period. Any notices hereunder shall also be provided simultaneously to the Commission. In addition, Transporter shall notify the Commission by the next Business Day if a suspension or termination actually occurs.

6.5 Insolvency: For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs. Insolvency may also be demonstrated by a filing made by a third party for the involuntary bankruptcy or insolvency of Shipper.

6.6 Creditworthiness: A Shipper will be deemed creditworthy if (i) its long-term unsecured debt securities are rated at least BBB- by Standard & Poor's Corporation ("S&P") and at least Baa3 by Moody's Investor Service ("Moody's") (provided, however, that if the Shipper's rating is at BBB- or Baa3 and the short-term or long-term outlook is Negative, Transporter may require further analysis as discussed below); and (ii) the sum of reservation fees, commodity fees and any other associated fees and charges for the contract term is less than fifteen percent (15%) of Shipper's tangible net worth. If a Shipper has multiple service agreements with Transporter, then the total potential fees and charges of all such service agreements shall be considered in determining creditworthiness.

If Shipper does not meet the criteria described above, then Shipper may request that Transporter evaluate its creditworthiness based upon the level of service requested relative to the Shipper's current and future ability to meet its obligations. Transporter shall apply consistent evaluation practices to all

- (g) The nature of the Shipper's business and the effect on that business of general economic conditions and economic conditions specific to it, including 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.
- (h) Any other information, including any information provided by Shipper, that is relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the contract.

7. TERMINATION OF AGREEMENTS

7.1 Termination of Long-Term Firm Service Agreements: Any Shipper with a Long Term (having a term of twelve or more months) firm service agreement at the maximum applicable tariff rate shall be eligible to exercise a right of first refusal to continue to receive service pursuant to the procedure outlined in this Section. If a Shipper desires to invoke its right of first refusal, it must notify Transporter at least ten (10) months prior to the expiration of such firm service agreement, unless Transporter and Shipper agree on a difference period, by a means provided under Section 16 of these General Terms and Conditions, or it will waive such rights. If such a notice is received by Transporter, the following procedures will apply:

- (a) Transporter shall post, or otherwise make the capacity available, for bidding at least sixty (60) days prior to the termination of the firm service agreement. The capacity will remain posted for a minimum of ten (10) days. Such posting shall contain the following information with respect to the capacity:
 - (i) daily and other applicable quantity limitations of capacity available;
 - (ii) primary receipt and delivery points;
 - (iii) maximum reservation charge as set forth in this Tariff;
 - (iv) any applicable restrictions; and
 - (v) the last day of the Bidding Period.

- (b) Bids shall be submitted to Transporter in writing, in accordance with the communication procedures set forth in Section 16 of these General Terms and Conditions. Such bids shall be binding on Bidder. Upon conclusion of the Bidding Period, Transporter shall evaluate the bids in accord with the net present value formula set forth in Section 11 for firm service for the evaluation of bids under Transporter's capacity release mechanism; provided that the term used for purposes of the formula will be the term proposed by the Bidder and provided further that Transporter shall have no obligation to accept a bid for less than the filed maximum reservation rate.
- (c) Within seven (7) Business Days of the close of the Bidding Period, Transporter shall notify Shipper of the acceptable bid, if any, having the highest present value to Transporter ("Highest Bid"). Shipper shall have five (5) Business Days after receiving notice to notify Transporter in writing as to whether it will match the Highest Bid acceptable to Transporter. Shipper's notification of its election to match the Highest Bid is contractually binding on Shipper. If the Shipper elects to match the Highest Bid, then it must execute a new firm service agreement that contains the terms of that Highest Bid, within five (5) Business Days after such agreement is tendered by Transporter; provided, however, that Shipper shall not be required to pay any rate higher than the maximum applicable rate.
- (d) If Transporter receives no acceptable bids on the capacity, then Shipper may continue to receive service at the applicable maximum rate on a month-to-month basis or at such other rate and for such term on which Transporter and Shipper mutually agree.

7.2 Posting of Capacity: If a Shipper elects to terminate its firm service agreement without invoking the right of first refusal, or if capacity is not awarded in the right of first refusal process, the availability of the capacity will be posted, or otherwise made available for contracting, by Transporter and will be awarded on a basis consistent with the applicable Rate Schedule.

8. OPERATIONAL FLOW ORDERS

8.1 Circumstances Warranting Issuance: Transporter shall have the right to issue Operational Flow Orders (OFO) as specified in this

Section that require actions by Shippers in order to: (1) alleviate conditions that threaten or could threaten the safe operations or integrity of Transporter's system; (2) maintain pipeline operations at the pressures required to provide efficient and reliable services; (3) have adequate gas supplies in the system to deliver on demand; (4) maintain service to all Shippers and for all services; (5) maintain the system in balance for the foregoing purposes or for the purpose of preventing undue imbalances with an interconnecting entity; and (6) respond at any time to requirements imposed by an entity with which Transporter interconnects.

8.2 Applicability of OFO: To the extent practicable, based on Transporter's good faith judgment concerning the situations requiring remediation, an OFO will be directed: (1) first, to Shippers causing the problem necessitating the OFO; (2) second, to Shippers transporting gas in the area of the system in which there is an operational problem; and (3) third, to those Shippers with service affected in the area of the system where action is required to correct the problem necessitating the OFO. Transporter will notify affected Shippers promptly once an OFO has been terminated.

8.3 Notice: All OFOs will be issued via telephone, facsimile, or other mutually agreeable method, to the affected Shipper(s). The OFO will set forth: (1) the time and date of issuance; (2) the actions Shipper/operator is required to take; (3) the time by which Shipper must be in compliance with the OFO; (4) the anticipated duration of the OFO; and (5) any other terms that Transporter may reasonably require to ensure the effectiveness of the OFO.

Each Shipper must designate two (2) persons, for Transporter to contact on operating matters at any time, on a 24-hour a day, 365-day a year basis. Such contact persons must have adequate authority and expertise to deal with such operating matters. If Transporter cannot contact any Shipper because that Shipper has failed to designate a contact person or Shipper's contact person is unavailable, Transporter shall not be responsible for any consequences that could have been prevented by communication. Transporter, however, will make reasonable continuing efforts to notify the affected Shipper. To the extent practicable, Transporter shall use reasonable efforts to provide an advance warning of a possible OFO.

- 8.4 Shipper Compliance: A Shipper must comply with an OFO within the time period set forth therein unless the Shipper is able to demonstrate that such compliance is prevented due to a force majeure event as defined in Article 15 of these General Terms and Conditions; provided that the Shipper shall make a good faith effort to comply with any such OFO, including seeking waivers of any contractual limits with third parties or modifications of operating conditions on third party systems. Shipper shall notify Transporter immediately if it believes that it is excused from compliance with the OFO for any of the above stated reasons, and shall provide Transporter with documentation sufficient to support its basis for non-compliance.
- 8.5 Penalties: If a Shipper fails to comply with an OFO, Transporter may assess a penalty of \$10.00 per dth for any volume of gas by which Shipper deviated from the requirements of the OFO. A Shipper shall not incur any charges or penalties if such charges or penalties would not have been incurred but for Shipper's compliance with an OFO. A Shipper shall not incur any penalties if the OFO was necessitated exclusively by Transporter's negligence or willful misconduct.
- 8.6 OFO Penalty Crediting Mechanism: Transporter shall credit any "OFO Penalty Revenues" as defined herein to "Non-Offending Shippers."
- (a) The term "OFO Penalty Revenues" shall mean penalty amounts assessed and actually collected, net of Transporter's costs, during each month pursuant to Section 8 of this Tariff.
- (b) The term "Non-Offending Shippers" shall mean Shippers that were not assessed an OFO penalty during a given month pursuant to Section 8 of this Tariff.
- (c) At the end of each month, Transporter shall calculate the amount of Penalty Revenues, if any. Transporter shall then allocate Penalty Revenues for that month to the Non-Offending Shippers based on their actual monthly throughput for that month under their respective service agreements. Transporter shall credit the bills of Non-Penalized Shippers that are the original capacity holders for such allocated amounts within sixty (60) days of the end of the month.
- 8.7 Liability of Transporter: Transporter shall not be liable for any costs incurred by any Shipper in complying with an OFO. Transporter shall not be responsible for any damages that result from any interruption in Shipper's service that is a result of a Shipper's failure to comply promptly and fully with an OFO, and the non-complying Shipper shall indemnify Transporter against any claims of responsibility.

8.8 Unilateral Action: Transporter may periodically take unilateral action, including but not limited to the curtailment of service consistent with Section 9.3 of these General Terms and Conditions and/or operational purchases or sales under Section 24 of these General Terms and Conditions, to maintain the operational integrity of Transporter's system (or any portion thereof) in the event that: (1) Shipper(s) does not respond to an OFO; (2) the actions taken thereunder are insufficient to correct the system problem for which the OFO was issued; or (3) there is insufficient time to carry out the procedures with respect to OFOs. For purposes of this Section, the operational integrity of Transporter's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of gas delivered.

8.9 Reporting: Within thirty (30) days after an OFO terminates, Transporter shall prepare a report concerning the factors causing the OFO to be imposed and to be terminated. The report will be supplied to affected Shippers upon request.

9. SCHEDULING OF RECEIPTS AND DELIVERIES

9.1 Scheduling and Allocation

(a) Scheduling on Transporter's system shall be accomplished by a Shipper following the standard nominations timeline set forth in Section 9.1(d) of these General Terms and Conditions; provided, however, (1) that Transporter will use best efforts to accommodate Shipper nominations outside the standard timeline; (2) that Transporter and Shipper may agree on an alternate nomination timeline and/or procedures; and (3) nominating and scheduling will be subject to the procedures set forth in Section 9.1(b) below.

- (b) Unless and until Transporter notifies Shipper that it has installed or otherwise commissioned the use of an interactive electronic service, all nominating and scheduling functions completed on Transporter's system shall be communicated in writing by E-mail, facsimile or other means to:

NGO Transmission, Inc.
Attn: Louis A. Houser
1500 Granville Road
P.O. Box 4970
Newark, OH 43058-4970
Telephone: (800) 255-6815 x1268
Fax: (740) 344-2054
E-mail: lhouser@theenergycoop.com

No transportation service will commence unless or until (1) Transporter has received complete customer nomination information including a specification of the volumes to flow; (2) the Delivering Pipeline and/or Receiving Pipeline agree to deliver and receive the nominated quantities and confirm such agreement to Transporter's or its designee's reasonable satisfaction, including a specification of the quantities to flow; and (3) Shipper has been advised by Transporter or its designee that quantities have been scheduled pursuant to Shipper's service agreement. In the event of a discrepancy between the quantity nominated by a Shipper and the corresponding quantity confirmed by the Delivering Pipeline and/or Receiving Pipeline, Transporter shall schedule the lesser of the two quantities. Commencement of service will occur at the beginning of the Gas Day unless otherwise mutually agreed by Shipper and

Transporter. All submissions of nominations and confirmations to Transporter shall be made according to the timeline for nominations set forth in Section 9.1(a) of these General Terms and Conditions.

(c) Scheduling Duration: Unless otherwise agreed, the scheduled service specified in the Customer Nomination Form shall be effective commencing at 9:00 A.M. CCT on the beginning day and terminating at 9:00 A.M. CCT on the ending day, as specified in the Customer Nomination Form, provided that the requested time period is wholly within the term of the applicable service agreement pursuant to which the nomination is submitted.

(d) Transporter supports the following standard nomination cycles:

(i) The Timely Nomination Cycle: 11:30 A.M. for nominations leaving control of the nominating party; 11:45 A.M. for receipt of nominations by the transporter (including from Title Transfer Tracking Service Providers ("TTTSPs")); noon to send Quick Response; 3:30 P.M. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 P.M. for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).

(ii) The Evening Nomination Cycle: 6:00 P.M. for nominations leaving control of the nominating party; 6:15 P.M. for receipt of nominations by the transporter (including from TTTSPs); 6:30 P.M. to send Quick Response; 9:00 P.M. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 P.M. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the day prior to flow).

Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 A.M. on gas day; and when

an Evening Nomination causes another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 A.M. on gas day.

(iii) The Intraday 1 Nomination Cycle: 10:00 A.M. for nominations leaving control of the nominating party; 10:15 A.M. for receipt of nominations by the transporter (including from TTTSPs); 10:30 A.M. to send Quick Response; 1:00 P.M. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 2:00 P.M. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the gas day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 pm on gas day.

(iv) The Intraday 2 Nomination Cycle: 5:00 P.M. for nominations leaving control of the nominating party; 5:15 P.M. for receipt of nominations by the transporter (including from TTTSPs); 5:30 P.M. to send Quick Response; 8:00 P.M. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 9:00 P.M. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators (central clock time on gas day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 P.M. on gas day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

(v) For purposes of (e)(ii), (iii), and (iv), above, "provide" shall mean, for transmittals pursuant to NAESB standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

(e) (i) Nominations received after nomination deadline will be scheduled after the nominations received before the nomination deadline.

standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The standard Btu is the International Btu, which is also called the Btu(IT); the standard joule is the joule specified in the SI system of units.

- (vi) Intraday nominations do not rollover (i.e., intraday nominations span one day only). Intraday nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if intraday nomination modifies existing nomination.
- (vii) An intraday nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day.
- (f) Bump Protection: Transporter shall not schedule an intraday transportation nomination change, if the result of scheduling such nomination would be to bump flowing and scheduled transportation under any firm primary or secondary service.
- (g) (i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities 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 previously scheduled quantity should be the new confirmed quantity.
- (ii) With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity should be the new confirmed quantity.

(iii) With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities 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.

(iv) With respect to (h)(i), (ii), and (iii), above, if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider should provide the Service Requester with the following information to explain why the nomination failed, as applicable: (1) the Service Requester's Transportation Service Provider did not conduct the confirmation; (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation; (3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination; (4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation; (5) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination. This information should be imparted to the Service Requester on the Scheduled Quantity document.

9.2 Scheduling Priority: Transporter shall schedule receipts and deliveries of gas which have been properly nominated and confirmed in the following sequence and/or in accordance with the supply/market rankings provided in a Shipper's nomination:

(a) First among Shippers nominating firm service (NNS, FTS, and FSS) at primary receipt and delivery points according to the quantities of gas scheduled by such Shippers;

- (b) Second pro-rata among Shippers nominating firm service (NNS, FTS, and FSS) using secondary receipt or delivery points within their contract path, to the extent that such path can be determined, according to the quantities of gas scheduled by such Shippers.
- (c) Third pro-rata among Shippers nominating firm service (NNS, FTS, and FSS) using secondary receipt and delivery points outside their contract path, to the extent that such path can be determined, according to the quantities of gas scheduled by such Shippers.
- (d) Fourth among Shippers nominating interruptible service (ITS, ISS, and authorized overrun) in the order of the unit rate bid by Shippers in their nominations or service agreement (as applicable), starting with the unit rate that represents the highest percentage of the applicable maximum rate. To the extent there are competing bids in excess of available capacity, Transporter will notify all competing bidders and provide them with a one-time opportunity to modify their nomination to include a revised bid. Capacity shall be allocated among shippers bidding the same rate, up to the applicable maximum rate, on a first-come first-served basis according to the date of service agreement execution. Capacity will be allocated pro-rata among Shippers nominating service at the same rate and on service agreements executed on the same Day.

9.3 Allocation of Limited Capacity

(a) (i) Curtailment: If, on any Day, Transporter determines that the capacity of its system, or any portion thereof including the point(s) at which gas is tendered for transportation and/or storage is insufficient to serve all Shippers that are scheduled to receive service on such Day, capacity that requires allocation shall be allocated in a manner that results in curtailment of capacity, to zero if necessary, in reverse of the order listed in Section 9.2 above. If capacity must be allocated within the services included in 9.2(a) above, customers will be curtailed pro-rata based on Scheduled Quantities. If interruptible service must be allocated, such service will be curtailed according to the price being paid, with lower-priced service being curtailed before higher priced service, provided that, for the purpose of the foregoing sentence, any shipper paying above the maximum applicable rate shall be deemed to be paying the maximum applicable rate.

- (ii) List of allocation methodology types agreed upon: Ranked, Pro-Rata, Percentage, Swing, and Operator Provided Value. The same standard allocation methodologies will be available for use at all points. The types of allocation methodologies is a list from which two parties may agree. If the two parties cannot agree upon an allocation methodology, pro-rata based upon confirmed nominations will be used as the default method. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation.
 - (iii) The timing for reporting daily operational allocations after the gas has flowed is within one Business Day after end of Gas Day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation.
 - (iv) The time limitation for disputes of allocations is six (6) months from the date of the initial month-end allocation with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.
- (b) Upstream or Downstream Curtailment: If a Delivering Pipeline curtails or interrupts deliveries of Shipper's gas to Transporter or if a Receiving Pipeline curtails or interrupts receipts of Shipper's gas from Transporter, service by Transporter shall likewise be curtailed or interrupted and Shipper will be responsible for arranging adjustments of quantities on all upstream/downstream pipelines.
- 9.4 Uniform Quantities: Shipper shall deliver and receive gas in uniform daily quantities during any Month, except for changes in service as provided in Section 9.1 of these General Terms and Conditions, and in uniform hourly quantities during any Day with no significant fluctuation to the extent practicable. Transporter shall not be obligated to deliver to Shipper in any single hour more than 4.2% of the sum of the Maximum Daily Contract Quantities stated in Shipper's service agreement(s); however, to the extent that, in Transporter's sole judgment, it can do so without

impairment to its other service obligations or incurrence of charges from Delivering and/or Receiving Pipelines, Transporter will make available hourly deliveries to Shippers without regard to the foregoing limitation. In addition to any other amounts chargeable to Shipper for unauthorized imbalances and/or overruns, Shipper shall reimburse Transporter for any charges or penalties incurred by Transporter from Delivering and/or Receiving Pipelines. Notwithstanding the foregoing, if Shipper with Transporter's consent (which consent will not be unreasonably withheld) arranges for adequate balancing services by the Delivering or Receiving Pipeline, or by another capable entity, then Shipper's quantities can fluctuate relative to scheduled quantities to the extent balancing support is actually provided by the Delivering or Receiving Pipeline or such other entity and no disruption occurs to service on behalf of other Shippers or Transporter's system integrity.

- 9.5 Supply Deficiencies: If Transporter experiences a supply short fall due to the under delivery of supply to Transporter's system, then (1) if the deficient source is known, Transporter will curtail the corresponding Shipper; or (2) if the deficient sources are indeterminable, then, to the extent practicable, Transporter will curtail interruptible services first in reverse scheduling order and then pro-rata among firm services.
- 9.6 Operational Balancing Agreements: Transporter has entered into, and will maintain in force and effect, Operational Balancing Agreements with each of the Delivering Pipelines from which gas may be tendered to Transporter for Shipper's account at a receipt point. Shipper will make Transporter whole in kind or cash for any overdeliveries attributable to Shipper for which Transporter has settled with the Delivery Pipeline under the terms of such Operational Balancing Agreement
- 9.7 Shipper Imbalances on Transporter's System
- (a) A Shipper receiving service from Transporter will use, or will cause any party receiving or delivering Shipper's gas to Transporter to use, all reasonable efforts to ensure that receipts and deliveries of gas are equal to the Scheduled Quantities.

- (b) Balancing at Contract Termination: Following termination of Shipper's service agreement, Shipper shall be required to cure any remaining excess or deficiency in receipts and deliveries, in kind or cash, unless the parties mutually agree otherwise. The time for such cure shall be determined by Transporter, but in no event shall such time be less than thirty (30) days from the date of contract termination.
- (c) Shipper Requirement to Cure Imbalances Prior to Contract Termination: Shipper shall use best efforts to maintain balance between scheduled quantities and quantities delivered to, and received from, Transporter.
- (i) Differences between (1) quantities received on to Transporter's system on behalf of Shipper and (2) quantities delivered from Transporter's system on behalf of Shipper will be recorded as imbalances and reported to Shipper on a monthly basis pursuant to the invoicing provisions stated in Section 10 of these General Terms & Conditions.
- (ii) Transporter may require Shipper to cure an imbalance in kind, or in cash to the extent that a "cash out" price can be mutually agreed upon. The time for such cure shall be determined by Transporter, but in no event shall such time be less than 30 days from the end of the Month in which the imbalance was incurred.
- (iii) Netting and Trading Imbalances: Any Shipper using multiple service agreements may cause Transporter to net opposite imbalances across those agreements. Any two Shippers may agree to trade equal quantities of opposite imbalances, provided that such Shippers give Transporter written notice of such trade within seven days after such trade has been agreed upon. An entity shall not be deemed a "marketing affiliate" solely by reason of imbalance trading.
- (iv) Notwithstanding anything else stated in this Section 9, nothing shall prevent Transporter from requiring Shipper to cure an imbalance pursuant to, and in a manner and time prescribed by, an Operational Flow Order issued under Section 8 of these General Terms and Conditions.

10. INVOICING AND PAYMENTS

- 10.1 Monthly Invoicing Date: Transporter shall prepare invoices (including imbalance statements) on or before the 9th Business Day of each Month following the month of service. Invoices may be rendered by mail, facsimile, hand-delivery or, subject to mutual agreement, electronically.
- 10.2 Right of examination: If an invoice is in dispute, Shipper shall pay the portion not in dispute and provide documentation identifying the basis for the dispute. Both Transporter and Shipper shall have the right to examine at any reasonable time the applicable books and records (or portions thereof) and charts of the other to the extent necessary to verify the accuracy of any statement made under or pursuant to the provisions of the service agreement. Upon receipt of a request, the party will either send the information relevant to the request to the other party or will provide the requestor the right to review such information in the requestor's offices.
- 10.3 Monthly Payment Date: Shipper (or other payor) shall pay Transporter, via electronic means as designated on each monthly bill, so that payment is received and Transporter has available funds within ten (10) calendar days from the date of the invoice, for the service purchased by Shipper during the preceding month and invoiced by Transporter pursuant to this Tariff or the service agreement. Shipper (or other payor) shall provide to Transporter supporting documentation with any payment as well as the appropriate invoice number on the payment(s). Transporter shall apply the payment pursuant to the supporting documentation provided. When payment is to be made by electronic funds transfer, the remittance detail is due within two (2) Business Days of the payment due date.
- 10.4 Remedies for Nonpayment: Should Shipper fail to pay all of the amount of any invoice as herein provided when such amount is due, Shipper shall pay a Charge for Late Payment. Such Charge for Late Payment shall be determined by multiplying (a) the unpaid portion of the invoice, by (b) the ratio of the number of days from the due date to the date of actual payment to 365, and by (c) the interest rate determined in accordance with 18 C.F.R. Section 154.501 of the Commission's Regulations. If such failure to pay continues beyond five (5) days after payment is due, Transporter

may suspend service on five (5) Business Days' prior notice to Shipper and to the Commission. If Transporter has provided Shipper and the Commission with at least thirty (30) days notice that service will terminate due to the non-payment, Transporter, in addition to any other remedy it may have under law or the service agreement, may terminate the service agreement unless Shipper has cured the deficiency within such thirty (30) day notice period; provided, however, that if Shipper in good faith shall dispute the amount of any such invoice or part thereof and shall pay to Transporter such amounts as it concedes to be correct in addition to providing such remittance detail and documentation identifying the basis for the dispute, and at any time within thirty (30) days after a demand made by Transporter shall furnish good and sufficient surety bond, guaranteeing payment to Transporter of the amount ultimately found due upon such invoices after a final determination, which may be reached either by agreement or judgment of the courts, as may be the case, then Transporter shall not be entitled to suspend or terminate the service agreement until default be made in the conditions of such bond. Transporter shall notify the Commission of any actual suspension or termination of service pursuant to this Section 10.4.

- 10.5 Adjustment of Underpayment, Overpayment or Error in Billing: If it shall be found within six (6) months of the date on which the invoice was rendered that a Shipper has been overcharged or undercharged in any form whatsoever under the provisions of this Tariff or the service agreement for the services covered by such invoice and Shipper shall have actually paid the invoices containing such overcharge or undercharge, then within thirty (30) days after the final determination thereof, which shall be no later than ninety (90) days from the date which the claim for adjustment was made, Transporter shall refund the amount of such overcharge and Shipper shall pay the amount of any such undercharge; provided, however, if the overcharge or undercharge is the result of a deliberate omission or misrepresentation by either party or a mutual mistake of fact, then the period for resolving adjustments is tolled until the claimed adjustment is settled. Interest calculated in accord with Section 10.4 above shall apply to any overcharge or undercharge not paid or refunded within thirty (30) days from the date of the determination of the amount of the undercharge or overcharge.

Prior period adjustment time limits will be six (6) months from the date of the initial transportation invoice and (seven) 7

months from date of initial sales invoice with a three (3) month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

11. TEMPORARY RELEASE OR PERMANENT ASSIGNMENT OF RIGHTS TO FIRM TRANSPORTATION SERVICE

- 11.1 Applicability: This Section 11 implements in principle the Commission's Regulations at 18 C.F.R. Section 284.8 and is applicable to any Shipper that holds rights to firm service capacity that elects temporarily to release or permanently to assign all or a portion of such firm capacity rights ("Releasing Shipper"). The term "release" or "released" shall apply to permanent assignments as well as temporary releases unless otherwise noted. A Releasing Shipper shall have the right to release any portion of its firm service rights and obligations but only to the extent that the rights so released are acquired by another party pursuant to the provisions of this Section 11 and such party executes a service agreement with Transporter and meets all other obligations required under this Tariff to receive service from Transporter. Such party shall be referred to herein as "Replacement Shipper". A person that desires to bid on and obtain firm service rights released under the provisions of this Section 11 shall be known as a "Bidder."
- 11.2 Notwithstanding any other provision in this Section 11, unless and until Transporter notifies Shipper that it has installed or otherwise commissioned the use of an interactive electronic service, the posting and bidding requirements and timelines specified in this Section 11 shall be accommodated in a manner agreed upon by Transporter, Releasing Shipper, and/or Replacement Shipper. Any such agreement may provide for the use of E-mail, telephone, facsimile, and/or other mutually agreeable methods.
- 11.3 Pre-Arranged Releases: Any Firm Shipper desiring to release all or part of its capacity rights may do so by pre-arrangement with a Replacement Shipper or by use of a bidding procedure. The following pre-arranged releases are exempt from the bidding procedure: (i) releases to an asset manager as defined by FERC regulations at 18 C.F.R. Section 284.8; (ii) releases to a marketer participating in a state-regulated retail access program as defined by FERC regulations at 18 C.F.R. Section 284.8; (iii) releases for more than one year at the maximum rate; and (iv) releases with terms of thirty-one (31) days or less, except

rollovers. Any other capacity release and assignment shall require advance posting and bidding. Releasing Shippers shall notify Transporter when releasing capacity to asset managers or marketers participating in state-regulated retail access programs.

11.4 Capacity Release Timeline: Unless otherwise mutually agreed upon pursuant to Section 11.2, the Capacity Release timeline stated here is applicable to all parties involved in the Capacity Release process; however, it is only applicable if 1) all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be creditworthy before the capacity release bid is tendered and 2) there are no special terms or conditions of the release.

(a) For biddable releases (less than 1 year):

- Offers should be tendered by 12:00 P.M. on a Business Day;
- open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends and award posting if no match required at 2:00 P.M.;
- match or award is communicated by 2:00 P.M.;
- match response by 2:30 P.M.;
- where match required, award posting by 3:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

(b) For biddable releases (1 year or more):

- Offers should be tendered by 12:00 P.M. four Business Days before award;

Intraday 2 Cycle

- posting of prearranged deals not subject to bid are due by 4:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

11.5 Submission of Release Documents: Parties shall submit all necessary information, release requests and bids to Transporter for its information via facsimile or electronic means acceptable to Transporter pursuant to Section 11.2 above. In the case of prearranged releases, the Releasing Shipper shall submit with its release request complete documentation consistent with this Tariff and submit it with the Replacement Shipper's signature to Transporter for review and approval. In the case of releases subject to bidding, the Releasing Shipper shall submit with its release adequate documentation consistent with this Tariff that has been completed except for the price and identity of the winning bidder, which Transporter shall complete upon award of the release. E-mail addresses and facsimile numbers shall be supplied to Transporter by the Releasing Shipper, any prearranged Replacement Shipper and all Bidders for released capacity.

11.6 Marketing of Released Capacity: Transporter shall have no obligation to market any capacity available to be released by a Releasing Shipper. Nevertheless, Transporter may agree to market capacity for a Releasing Shipper and may negotiate a fee with the Releasing Shipper for such service. Any marketing services rendered by Transporter will be provided on a non-discriminatory basis.

11.7 Further Conditions on Release of Transportation:

- (a) Persons participating in this capacity release program agree to be bound by and shall comply with the terms and conditions of this Tariff, and all applicable Commission rules, orders and regulations.

- (b) All terms and conditions in all release requests must be objectively stated, applicable to all Bidders and nondiscriminatory.
- (c) The minimum term for a release shall be one day and the maximum term shall be the remaining term of the Releasing Shipper's service agreement.
- (d) The maximum rates for any release for a term of more than one year shall be the applicable maximum demand charge and commodity charges, as well as all other applicable rates, charges, and surcharges set forth in this Tariff, notwithstanding any discount with respect to such rates, charges or surcharges then in effect for the Releasing Shipper. Alternatively, releases may be on the basis of a volumetric charge, up to the 100% load factor directive of the maximum demand and commodity charges. No other rate form will be permitted for a release. Except for volumetric rates, no release may be on a Negotiated Rate basis, even if the Releasing Shipper is paying a Negotiated Rate. No maximum rate limitation applies to the release of capacity for a period of one year or less if the release is to take effect on or before one year from the date on which Transporter is notified of the release.

Converting a daily rate to a monthly rate is accomplished by multiplying the daily rate times 365; dividing the result by 12; and taking the remainder out to 5 decimal places. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate times 12; dividing the result by 365; and taking the remainder out to 5 decimal places and rounding up or down.

- (e)
 - (i) All terms and conditions of all releases must be consistent with the terms and conditions of the Releasing Shipper's service agreement and with this Tariff, including the provisions on nominating, scheduling, and curtailment of service.
 - (ii) Bids are binding until written or electronic notice of withdrawal is received by Transporter. Bids cannot be withdrawn after the bid period ends.
 - (iii) Release offers are binding until written or electronic notice of withdrawal is received by Transporter. The Releasing Shipper has the right to withdraw its offer during the bid period, where unanticipated circumstances justify and no minimum bid has been made.

- (iv) Transporter will post, or otherwise make available, offers and bids, including prearranged deals, upon receipt. A Releasing Shipper may request a later posting time for posting of such offer, and Transporter will support such request insofar as it comports with the timeline set forth in Section 11.2 of the General Terms and Conditions of this Tariff.
 - (v) A Releasing Shipper may not specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release.
 - (vi) A Releasing Shipper may specify dollars and cents or percents of the applicable maximum tariff rate in the denomination of bids. Once the choice is made by the Releasing Shipper, the bids must comport with that choice to be valid.
 - (vii) For the evaluation of capacity release bids, only the following methodologies are supported by Transporter and provided to Releasing Shippers as choices from which they may select and, once chosen, must be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of Transporter. However, Transporter is not required to offer other choices or similar timeline treatment for other choices, nor is Transporter held to the timeline should the Releasing Shipper elect another method of evaluation.
- (f) (i) Releasing shippers may, to the extent permitted as a condition of the capacity release, recall released capacity at the Timely, Early Evening, Evening, Intraday 1 and Intraday 2 Nomination cycles by providing notice to the Transporter and the affected Replacement Shipper(s), via a mutually agreed-upon method, by the following times for each cycle on the day such Nominations are due: 8 A.M. CCT for the Timely Nomination Cycle; 3:00 P.M. CCT for the Early Evening Nomination Cycle; 5:00 P.M. CCT for the

Evening Nomination Cycle; 7 A.M. CCT for the Intraday 1 Nomination Cycle; and 2:30 P.M. CCT for the Intraday 2 Nomination Cycle. Notification to all affected Replacement Shippers provided by Transporter within one hour of receipt of recall notification. Such notification will confirm that the conditions of recall have been met and will be accompanied by the scheduling information required by Section 9.

- (ii) When Transporter sends Internet E-mail notification for recalling of capacity to each affected Replacement Shipper, the subject line of the E-mail will include the following information separated by commas in the following order: (1) "Recall", (2) the recall notification period, (3) the Effective Date in YYYYMMDD format, and (4) the name or abbreviation of Transporter (excluding commas). The body of such E-mail notification will contain at least the affected Replacement Shipper's Contract Number, the quantity of capacity being recalled, and the Offer Number or Award Number, if necessary to uniquely identify the capacity being recalled. Where supported by Transporter, for recalls that are effective at non-standard times, the appropriate recall notification period will be included in the subject line and the effective time of the recall will be in the body of the E-mail. Recall notifications by Transporter by other mechanisms in addition to Internet E-mail will include at least the same level of information.
- (iii) Replacement Shipper shall provide Transporter with no more than two (2) Internet E-mail Addresses to be used for recall notification. The obligation of Transporter to provide notification is waived until at least one (1) of the addresses has been provided.
- (iv) The recall notification provided to Transporter shall express the quantity to be recalled in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity (EPC). In the event of an intraday capacity recall, Transporter will determine the allocation of

capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the EPC. Variations to the use of EPC may be necessary to reflect the nature of Transporter's tariff, services, and/or other operational characteristics. Transporter shall not be obligated to deliver in excess of the total daily contract quantity of the release as a result of NAESB WGQ Standard No. 5.3.55. The amount of the capacity allocated to the Replacement Shipper(s) shall equal the original released capacity less the recalled capacity that is adjusted based upon the EPC or other of Transporter's tariff specific variations of the EPC in accordance with NAESB WGQ Standard No. 5.3.56.

(v) A Releasing Shipper may specify in the Release Request whether the recalled capacity is to be reput to the original Replacement Shipper and the terms of the reput. When capacity is recalled, it may not be reput for the same gas day. The terms of the reput may be either: (1) reput must be accepted by the original Replacement Shipper for the original terms of the release, or (2) reput may be accepted at the option of the original Replacement Shipper for the original terms of the release. The Releasing Shipper may effect a reput by notifying Transporter and Replacement Shipper by 8:00 A.M. Central Clock Time on the day of the nomination deadline on the day prior to the effective date of the reput of entitlements to Replacement Shipper.

(g) Notwithstanding anything herein to the contrary, Releasing Shippers shall remain responsible for payment of all demand charges for released service unless Transporter consents to a permanent release and the permanent release has been validly implemented. Transporter and Shipper may, in connection with their agreement to a Negotiated Rate under a service agreement, agree upon Releasing Shipper's payment obligations and crediting mechanisms in the event of a capacity release that varies from or are in addition to those set forth in this Section. The Releasing Shipper shall receive a demand credit equaling the demand dollars for which Transporter bills the Replacement Shipper. A demand rate for the purposes of this Section 11 consists of: (1) the base demand rate, and (2) all applicable surcharges. Any discount from said rate comes first off the surcharges

and then off the base demand rate. Therefore, a Releasing Shipper paying a Discounted Rate is only entitled to receive any revenues from the release of its capacity that exceed the amount of the applicable surcharges.

- (h) Transporter shall bill a Replacement Shipper in accordance with Section 10 of these General Terms and Conditions based upon the rates, charges, and surcharges incorporated in the service agreement between Transporter and the Replacement Shipper. The commodity charges for the Replacement Shipper will include the maximum commodity rate under the applicable rate schedule including all adjustments. If the Replacement Shipper fails to pay all or any portion of any bill by the due date specified on the bill, Transporter shall send an invoice to the Releasing Shipper for all unpaid amounts up to the amount of the Releasing Shipper's reservation charge, which the Releasing Shipper shall pay to Transporter with interest on the unpaid amount, which interest shall be calculated from the date that Transporter credited the Releasing Shipper for the applicable demand charges in accordance with (g) above. The Releasing Shipper shall submit the payment within ten (10) days after receipt of Transporter's invoice. The Releasing Shipper shall be responsible for obtaining reimbursement for any such payment from the Replacement Shipper. Failure of either the Replacement Shipper or the Releasing Shipper to pay bills shall entitle Transporter to exercise the remedies available under the applicable service agreement and this Tariff, including suspension or termination of service to the Releasing Shipper and/or the Replacement Shipper, as well as any other remedies available to Transporter.
- (i) Except in case of permanent assignment, any increase in Transporter's rates, charges, and surcharges shall remain the responsibility of the Releasing Shipper; provided, however, that the Releasing Shipper may provide in its release request for the rates, charges or surcharges for released service rights to increase in accordance with such increase in Transporter's rates, charges, and surcharges. Any refunds of any rates or charges ordered by the Commission shall be paid by Transporter to the Releasing Shipper and/or the Replacement Shipper in the manner specified in the release request and incorporated in the service agreement between Transporter and the Replacement Shipper.

- (j) Except in case of permanent assignment, Transporter shall accept nominations, schedule service, afford priority of service, and curtail service based on instructions and communications from the Releasing Shipper and the Replacement Shipper that are consistent with one another and with the terms and conditions of this Tariff and their respective service agreements. If instructions or nominations from the Releasing Shipper and Replacement Shipper are inconsistent or conflicting, and if Transporter is unable to resolve the conflict prior to the time that it must take the required action, Transporter shall comply with the instructions of the Releasing Shipper; provided, however, that such instructions must not be inconsistent with this Tariff. The Releasing Shipper will indemnify Transporter against any claim or suit by the Replacement Shipper, its successors or assigns, arising from any action taken by Transporter in reliance upon the Releasing Shipper's nominations and instructions and will hold Transporter harmless for any action taken by Transporter in reliance upon the nominations and scheduling instructions of the Replacement Shipper. The Replacement Shipper will indemnify Transporter against any claim or suit by the Releasing Shipper, its successors or assigns, arising from any action taken by Transporter in reliance upon the nominations and scheduling instructions of the Replacement Shipper and will hold Transporter harmless for any actions taken by Transporter in reliance upon the instructions of the Releasing Shipper.
- (k) To the extent available capacity exists, Replacement Shippers may designate additional primary points and use secondary points. Except in the case of a permanent assignment, Replacement Shippers may not otherwise alter the underlying service agreement without the consent of the Releasing Shipper.
- (l) All service rights released hereunder shall be scheduled and curtailed as firm service under Section 9 of these General Terms and Conditions. Interruption or curtailment of such released service shall be in accordance with interruption or curtailment of firm service under this Tariff and as prescribed by the terms of the release.

12. POSSESSION OF GAS

As between Transporter and Shipper, Shipper shall be deemed to be in exclusive control and possession of the gas and responsible therefore and shall hold Transporter harmless of and from any damage or injury caused thereby until the gas shall have been delivered to Transporter at the receipt point(s), after which Transporter shall be deemed to be in control and possession of such gas until its delivery to Shipper or for Shipper's account at the delivery point(s) and while in such possession Transporter shall be responsible therefore and hold Shipper harmless of and from any damage or injury caused thereby. The party in exclusive control and possession of the gas shall be responsible for all injury or damage caused thereby to any third party. In the absence of gross negligence or willful misconduct on the part of Transporter, Shipper waives any and all claims and demands against Transporter, its officers, employees or agents, arising out of or in any way connected with (1) the quality, use or condition of the gas after delivery from Transporter for the account of such Shipper, (2) any losses or shrinkage of gas during or resulting from service hereunder, and (3) all other claims and demands arising out of Transporter's performance of its duties hereunder.

13. WARRANTY OF TITLE TO GAS

Shipper warrants for itself, its successors and assigns, that it will have, at the time of delivery hereunder, good title to the gas it delivers and that the gas it delivers hereunder shall be free and clear of all liens, encumbrances and claims whatsoever. In the event of a breach of this warranty, Shipper shall indemnify Transporter and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of any adverse claims of any and all persons to said gas and/or to royalties, taxes, license fees or charges thereon applicable for such delivery of gas, and that Shipper will indemnify Transporter and save it harmless from all taxes or assessments that may be levied and assessed upon such delivery and which are by law payable by, and the obligation of, the party making such delivery. If Shipper's title or right to deliver gas to be transported is questioned or involved in any action, Shipper shall not qualify for or shall be ineligible to continue to receive service until such time as Shipper's title or right to deliver is free from question; provided, however, Transporter shall allow Shipper to qualify for or continue receiving service under this Tariff if Shipper furnishes a bond satisfactory to Transporter. Title to the gas received by Transporter at the receipt point(s) shall not pass to Transporter, except for title to gas delivered for Retainage, which shall pass to Transporter upon delivery at the receipt point(s).

14. PRESSURES AND AVAILABILITY OF DELIVERY POINTS

Unless otherwise agreed between Transporter and Shipper, Shipper shall deliver gas to Transporter at the pressure required from time to time to enable the gas to enter Transporter's facilities at the receipt point(s). Unless otherwise agreed between Transporter and Shipper, Transporter shall deliver gas to Shipper at Transporter's line pressure existing at the delivery point(s), subject to Transporter's protecting its operational integrity.

15. EXCUSE OF PERFORMANCE AND REMEDIES

15.1 Relief From Liability: Neither Transporter nor Shipper shall be liable in damages to the other for any act, omission or circumstances occasioned by or in consequence of an event of *force majeure*, which shall include, but not be limited to, any acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, military action, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms or storm warnings, crevasses, floods, washouts, arrests and restraints of rulers and peoples, explosions, breakage or accident to machinery or lines of pipe, the necessity for testing, rehabilitating or making repairs or alterations to machinery or lines of pipe, freezing of wells or lines of pipe, inability of either Shipper or Transporter to obtain necessary materials, supplies, equipment or permits, labor required to comply with any obligations or conditions of a service agreement, inability to obtain access to rights-of-way, the binding order of any court or governmental authority that has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, and whether caused or occasioned by or happening on account of the act or omission of one of the parties to the service agreement between Transporter and Shipper or some person or concern not a party thereto, not within the control of the party claiming suspension, and which by the exercise of due diligence such party is unable to prevent or overcome. Transporter and Shipper shall schedule routine maintenance in a manner that minimizes service interruptions and shall not schedule routine maintenance during periods of peak demand. Any routine maintenance that is scheduled during a period of peak demand shall not be considered an event of *force majeure* hereunder. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

15.2 Liabilities Not Relieved: Such causes or contingencies affecting the performance of said service agreement by either party, however, shall not relieve it of liability in the event of its contributory negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies relieve either party of its obligations to meet the quality standards set forth in these General Terms and Conditions, nor shall such causes or contingencies affecting the performance of said service agreement relieve either party from its obligations to make payments of demand charges or other amounts under the applicable transportation service agreement, nor shall such causes or contingencies relieve either party of liability unless such party shall give notice and full particulars of the same in writing or by fax to the other party as soon as possible after the occurrence relied on.

16. NOTICES AND COMMUNICATIONS

Unless and until Transporter notifies Shipper that it has installed or otherwise commissioned the use of an interactive electronic service, all notices and communications between Transporter and Shipper shall be completed using E-mail, telephone, facsimile, and/or other mutually agreeable methods. Unless otherwise agreed, Shipper shall provide Transporter with contact information for at least two (2) individuals that are authorized to represent Shipper for purposes of complying the obligations and duties specified in this Tariff. Communications and notices to Transporter should be directed to the following:

NGO Transmission, Inc.
Attn: Louis A. Houser
1500 Granville Road
P.O. Box 4970
Newark, OH 43058-4970
Telephone: (800) 255-6815 x1268
Fax: (740) 344-2054
E-mail: lhouser@theenergycoop.com

Unless otherwise provided below or elsewhere in this Tariff, any notice or communication between Transporter and Shipper shall considered as duly presented, rendered or delivered when completed pursuant to the methods stated in this Section 16 or otherwise agreed upon by Transporter and Shipper. More specifically, unless otherwise agreed by Transporter and Shipper, the method of communication shall be as follows for the items designated:

19. APPLICABLE REGULATIONS

This Tariff, including these General Terms and Conditions, and the respective obligations of the parties under transportation service agreements are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction and are subject to change from time to time by addition, amendment or substitution as provided by law.

20. CODE COMPLIANCE

It shall be the Shipper's sole responsibility to purchase, install, operate, and maintain Shipper's facilities or equipment used for odorizing, handling, manufacturing, storing, transporting or distributing natural gas delivered to or received from Transporter in compliance with all applicable local, State, and Federal codes, rules, and regulations. Transporter shall not be held responsible for any damages resulting from Shipper's noncompliance even if such is known to Transporter.

21. WEB SITE ACCESS AND COMPLAINTS

21.1 Access to Internet Web Site: Information about Transporter's system, its capacity, its services and procedures for requesting its services, including a form for requesting service and information about submitting an offer to release capacity, shall be provided on Transporter's HTML webpage, accessible via the Internet's World Wide Web, at: www.ngotransmission.com.

21.2 System and Service Information: Information on the availability, pricing, or other terms of transportation services will be made available on Transporter's Internet web site.

21.3 Service Complaints: Shippers are encouraged to resolve any disputes informally with Transporter. A formal complaint concerning any services offered by Transporter shall be directed in writing to the person specified in Section 16 of these General Terms and Conditions. Transporter will respond initially to the complaint within five (5) Business Days, and in writing within thirty (30) days.

22. CONSTRUCTION OF FACILITIES

22.1 Obligation to Construct: Transporter will have no obligation to construct any facilities but, if it elects to construct facilities on a Shipper's behalf under this Tariff, it will do so on a non-discriminatory basis, provided, however, Transporter shall not be obligated to construct facilities hereunder that will result in the expansion or diminishment of Transporter's pipeline system or that will place Transporter at risk for recovering costs of facilities built to satisfy individual Shippers. Unless Transporter agrees otherwise, Transporter will own and operate all facilities constructed.

22.2 Cost of Facilities: Shippers which request service that requires construction of facilities by Transporter shall reimburse Transporter for the costs of preparing facility cost estimates (including any engineering or related study costs) and shall also reimburse Transporter for the costs of such facilities consistent with the provisions of the applicable Rate Schedule.

23. INCORPORATION IN RATE SCHEDULES AND SERVICE AGREEMENTS

These General Terms and Conditions are incorporated in and are a part of Transporter's Rate Schedules and Form of Service Agreements. To the extent that any provision of a service agreement conflicts with any provision of the corresponding rate schedule, the provisions in the Rate Schedule shall govern. To the extent that any provision in either a service agreement or a Rate Schedule conflicts with any of these General Terms and Conditions, the General Terms and Conditions shall govern unless expressly waived.

24. OPERATIONAL PURCHASES AND SALES OF GAS

Transporter may make purchases and sales of gas from time to time incidental to Transporter's transportation and storage functions, including maintaining adequate line pack. Further, in order to alleviate conditions that threaten the integrity of its system, Transporter may periodically acquire quantities of gas that are in excess of its long-term system needs. Transporter shall have the right to make sales of such excess gas from time to time at receipt points pursuant to the terms of the blanket certificate of public convenience and necessity available for use by Transporter pursuant to the Commission's Regulations at 18 C.F.R. Section 284 and to the Commission's Order No. 636. Such sales shall be made under rates, terms and conditions mutually agreed upon between Transporter and purchasers.

25. SUCCESSORS AND ASSIGNS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Shipper or Transporter shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the service agreement; provided, however, that Transporter reserves the right to evaluate and approve the creditworthiness of the new entity in accordance with the credit evaluation provision of these General Terms and Conditions. No other assignment of a service agreement, or any of the rights or obligations thereunder shall be made by Shipper unless there first shall have been obtained the written consent thereto of Transporter. Shipper or Transporter may pledge or assign its respective right, title and interest in and to and under a service agreement to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of such trustee or trustees becoming in any respect obligated to perform the obligations of the assignor under a service agreement and, if any such trustee be a corporation, without its being required to qualify to do business in any State in which performance of the transportation service agreement may occur.

26. NEGOTIATED RATES

26.1 Preconditions to Negotiated Rates: Rates to be charged by Transporter for service to any Shipper under any Rate Schedule in this Tariff may deviate in either form or level or both from the applicable maximum and/or minimum rate levels specified in the effective Notice of Rates in this Tariff, subject to the following provisions:

- (a) Transporter and Shipper have executed a valid service agreement containing therein or in a related agreement a specific mutual understanding that Negotiated Rate(s) will apply to service for that Shipper;
- (b) At the time of execution of the service agreement (or any amendment thereto), which first provides for the applicability to Shipper of Negotiated Rates, service was available pursuant to the terms and conditions (not modified by this Section) of the applicable Rate Schedule;
- (c) Transporter may only offer or accept offers for service under this Section if and to the extent service is available at the Recourse Rate;

Formula shall be evaluated as though the Recourse Rate applied under such bid or request for the entire evaluation period. Where the Negotiated Rate results in revenue which is less than revenue at the Recourse Rate over the relevant evaluation period, the value of the bids or requests at the Negotiated Rate(s) shall be evaluated based on such lower revenue and shall be afforded a correspondingly lower priority than bids or requests at the Recourse Rate.

- (b) In evaluating bids or requests for firm service, or in allocating capacity among competing requests for firm service where one or more bid is at a Negotiated Rate, Transporter will consider, in assigning value to such bid(s) or requests, only reservation or demand charge revenue or other revenue which is guaranteed to be received by Transporter (i.e., a minimum throughput condition or minimum bill). For capacity evaluation purposes, the net present value of any such bid for firm service shall be capped by the net present value of the maximum applicable reservation rate for such service over the contract term bid.

26.3 Accounting for Costs and Revenues: The allocation of costs to, and the recording of revenues from, service at Negotiated Rate(s) will follow Transporter's normal practices associated with all of its services under this Tariff. Transporter will maintain separate records of Negotiated Rate transactions for each billing period. These records shall include the volumes transported, the billing determinants, the rates charged and the revenue received associated with such transactions. Transporter will separately identify such transactions in Statements G, I and J (or the equivalent) filed in any general rate proceeding.

26.4 Capacity Release Revenue: Transporter and Shipper may agree hereunder to a Negotiated Rate which includes payment obligations or crediting mechanisms in the event of a capacity release which vary from those set out in Section 11 of these General Terms and Conditions. Nothing in the foregoing sentence, however, shall authorize Transporter or Shipper to violate the Commission's policy with respect to the negotiation of terms and conditions of service.

27. ACQUIRED CAPACITY

27.1 Transporter may from time to time enter into transportation or storage arrangements with upstream or downstream entities, including other interstate pipelines, intrastate pipelines, or local distribution companies (Acquired Capacity). Transporter may use Acquired Capacity for its system operational needs and to render service to its customers. Except as provided in subsection 27.2 below, Transporter states that, if it transports and/or stores gas for others using Acquired Capacity, it will apply to such services the same rates and tariffs as are applicable to on-system Shippers, as such rates and tariffs may change from time to time. For purposes of any use of Acquired Capacity covered by this Section, the "shipper must hold title" requirement is waived.

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

28. ACA CHARGE

28.1 Purpose: This Section of the General Terms and Conditions is filed pursuant to 18 C.F.R. Section 154.402 and Part 382 (Subpart B) of the Commission's Regulations under the Natural Gas Act and the Natural Gas Policy Act of 1978. The intent and purpose of this Section is to establish an Annual Charges Adjustment (ACA) provision under which Transporter can recover from its customers annual charges assessed to it by the Commission pursuant to Part 382 of the Commission's Regulations (ACA Cost). All amounts assessed pursuant to Part 382 of the Commission's Regulations shall be recorded in Account 928. Transporter will not seek to recover annual charges assessed to it pursuant to Part 382 of the Commission's Regulations in an NGA Section 4 rate case. For the purpose of recovering annual charges assessed to Transporter pursuant to Part 382 of the Commission's Regulations, this Section establishes an ACA charge as set forth in the effective Notice of Rates in this Tariff.

28.2 Applicability: The ACA charge shall be applicable to all services performed by Transporter.

28.3 Basis of the ACA Charge: The rates for all transactions specified in Section 28.2 hereof shall be adjusted by a unit charge to recover ACA Cost. Such unit charge shall be that increment, adjusted to Transporter's pressure base and heating value, if required, which has been established by the Commission. The ACA unit charge shall be applied to the commodity component of rates.

28.4 Filing Procedure: The ACA charge shall be filed annually by Transporter at least thirty (30) days prior to the Effective Date of Charge. Any such filing shall become effective on the effective date of charges hereunder without suspension or refund obligation.

28.5 Effective Date of Charge: The effective date of any change to the charges filed pursuant to this Section shall be October 1.

29. DISCOUNTING POLICY

29.1 Discounts: Transporter may, from time to time, selectively adjust any or all of the rates charged to any individual shipper for service under Part 284 of the Commission's regulations for which maximum and minimum rates are stated in this FERC Gas Tariff.

29.2 Discount Portability

(a) A Shipper that has been granted a Discounted Rate at a stated receipt and/or delivery point(s) may ask Transporter to apply that discount rate at another receipt or delivery point. There is a rebuttable presumption that the requesting Shipper may receive service at the requested point(s) if Transporter grants discounts to other Shippers utilizing that point(s), and provided all other requisites for the use of the other point are satisfied. The presumption is rebuttable by a showing that the proposed service to Shipper is not similarly situated to the service afforded another Shipper receiving a discount at the requested point(s). If the requesting Shipper is granted a discount at the new point(s), Shipper shall pay for service to that point(s) the higher of its contractual rate or the discount afforded to another Shipper receiving service at the new point(s).

(b) Transporter will respond to a request to transfer an existing discount to another point within two (2) hours of the receipt of the request, however Transporter need not respond before 8:30 A.M. the next morning to a discount

request made after 4:00 P.M. CCT, and Transporter need not respond to a discount request submitted on a non-business day until 11:00 A.M. CCT on the next business day.

30. NORTH AMERICAN ENERGY STANDARDS BOARD (NAESB) STANDARDS

Pursuant to Order Nos. 587, et seq., promulgated by the FERC in Docket No. RM96-1, for NAESB Standards that do not otherwise require implementing tariff provisions, the following NARSE standards are hereby incorporated, by reference to the NAESB Standard Number and version, into Transporter's FERC Gas Tariff. NAESB Standards (Version 1.8): 0.1.1, 0.1.3, 0.2.1, 0.2.2, 0.2.3, 0.3.2, 0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10, 0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15, 0.4.1, 1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5, 1.1.7, 1.1.9, 1.1.10, 1.1.11, 1.1.12, 1.1.13, 1.1.14, 1.1.15, 1.1.16, 1.1.17, 1.1.18, 1.1.20, 1.1.21, 1.1.22, 1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19, 1.3.2(vi), 1.3.3, 1.3.4, 1.3.5, 1.3.8, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.20, 1.3.21, 1.3.26, 1.3.26, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.47, 1.3.48, 1.3.49, 1.3.50, 1.3.51, 1.3.52, 1.3.53, 1.3.54, 1.3.55, 1.3.56, 1.3.57, 1.3.58, 1.3.59, 1.3.60, 1.3.61, 1.3.62, 1.3.63, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7, 2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.1.5, 2.1.6, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.8, 2.3.10, 2.3.12, 2.3.13, 2.3.15, 2.3.19, 2.3.20, 2.3.22, 2.3.23, 2.3.25, 2.3.27, 2.3.29, 2.3.30, 2.3.32, 2.3.33, 2.3.34, 2.3.35, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.49, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.12, 2.4.13, 2.4.14, 2.4.15, 2.4.16, 2.4.17, 2.4.18, 3.1.1, 3.1.2, 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.16, 3.3.20, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.4.1, 3.4.2, 3.4.3, 3.4.4, 5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.2.1, 5.2.2, 5.2.3, 5.1.3, 5.2.1, 5.3.4, 5.3.5, 5.3.7, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.17, 5.3.16, 5.3.19, 5.3.20, 5.3.21, 5.3.23, 5.3.28, 5.3.29, 5.3.30, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.43, 5.3.44, 5.3.45, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.3.59, 5.3.60, 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.5, 5.4.6, 5.4.7, 5.4.8, 5.4.9, 5.4.10, 5.4.11, 5.4.12, 5.4.13, 5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.18, 5.4.19, 5.4.20, 5.4.21, 5.4.22, 5.4.23.

31. AFFILIATE PROVISIONS

- 31.1 Order 497 Compliance and Standards of Conduct: Unless otherwise waived by the Commission, Transporter will implement all standards of conduct set forth in 1B C.P.R. Section 161.3 in order to comply with Part 161 of the Commissions regulations.
- 31.2 Transporter will appoint an individual to the position of "Director of Operations." Such person shall be responsible for the day-to-day operation of Transporters system. The Director of Operations shall ensure that service is provided in a not unduly discriminatory manner, and in a manner that complies with this tariff and with the requirements and regulations of the Commission. To the maximum extent practicable, such person will function independently of any marketing affiliate; provided, however, that in order to fulfill his duties under this tariff, the Director of operations may hire staff and/or contract with other entities, including entities that qualify as marketing affiliates.

8. Rate Schedule FTS, as revised from time to time, controls this Agreement and is incorporated herein. The attached Exhibit A is a part of this Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF _____, AND NO STATE LAW SHALL APPLY TO REACH A DIFFERENT RESULT.

This Agreement states the entire agreement between the parties and no waiver, representation or agreement shall affect this Agreement unless it is in writing. Shipper shall provide the actual end user purchaser name(s) to Transporter if Transporter must provide them to the Commission.

Agreed to by:

TRANSPORTER

SHIPPER

/s/: _____
NAME: _____
TITLE: _____

/s/: _____
NAME: _____
TITLE: _____

8. Rate Schedule ITS, as revised from time to time, controls this Agreement and is incorporated herein. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF _____, AND NO STATE LAW SHALL APPLY TO REACH A DIFFERENT RESULT.

9. Receipt and Delivery Pressure, Assumed Atmospheric Pressure

Natural gas to be delivered to Transporter at the receipt point(s) shall be at a delivery pressure sufficient to enter Transporter's pipeline facilities at the pressure maintained from time to time, but Shipper shall not deliver gas at a pressure in excess of the Maximum Allowable Operating Pressure (MAOP) stated for each receipt point. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such receipt point(s).

Unless otherwise provided here, Transporter gas to be delivered by Transporter to Shipper, or for Shipper's account, at the delivery point(s) shall be at the pressures available in Transporter's pipeline facilities from time to time. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such delivery point(s).

10. Rates

Unless otherwise provided here or in any written agreement(s) between the parties in effect during the term hereof, including any agreement entered into pursuant to a Discounted Rate requested in a nomination pursuant to Section 9 of the General Terms and Conditions of this Tariff, Shipper shall pay Transporter the applicable maximum rate(s) and all other lawful charges as specified in Transporter's applicable rate schedule.

11. Retainage

Shipper will be assessed the applicable Retainage percentage unless Transporter and Shipper mutually agree on monetary reimbursement.

This Agreement states the entire agreement between the parties and no waiver, representation or agreement shall affect this Agreement unless it is in writing. Shipper shall provide the actual end user purchaser name(s) to Transporter if Transporter must provide them to the Commission.

Agreed to by:

TRANSPORTER

SHIPPER

/s/: _____

/s/: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

8. Rate Schedule FSS, as revised from time to time, controls this Agreement and is incorporated herein. The attached Exhibit A is a part of this Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF _____, AND NO STATE LAW SHALL APPLY TO REACH A DIFFERENT RESULT.

This Agreement states the entire agreement between the parties and no waiver, representation or agreement shall affect this Agreement unless it is in writing. Shipper shall provide the actual end user purchaser name(s) to Transporter if Transporter must provide them to the Commission.

Agreed to by:

TRANSPORTER

SHIPPER

/s/: _____
NAME: _____
TITLE: _____

/s/: _____
NAME: _____
TITLE: _____

8. Rate Schedule ISS, as revised from time to time, controls this Agreement and is incorporated herein. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF _____, AND NO STATE LAW SHALL APPLY TO REACH A DIFFERENT RESULT.

9. Delivery Pressure, Assumed Atmospheric Pressure

Unless otherwise provided here, Transporter gas to be delivered by Transporter to Shipper, or for Shipper's account, at the delivery point(s) shall be at the pressures available in Transporter's facilities from time to time. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such delivery point(s).

10. Rates

Unless otherwise provided here or in any written agreement(s) between the parties in effect during the term hereof, Shipper shall pay Transporter the applicable maximum rate(s), including authorized overrun service rate, and all other lawful charges as specified in Transporter's applicable rate schedule.

11. Retainage

Shipper will be assessed the applicable Retainage percentage unless Transporter and Shipper mutually agree on monetary reimbursement.

12. This Agreement states the entire agreement between the parties and no waiver, representation or agreement shall affect this Agreement unless it is in writing. Shipper shall provide the actual end user purchaser name(s) to Transporter if Transporter must provide them to the Commission.

Agreed to by:

TRANSPORTER

SHIPPER

/s/: _____

/s/: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

8. Rate Schedule NNS, as revised from time to time, controls this Agreement and is incorporated herein. The attached Exhibit A is a part of this Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF _____, AND NO STATE LAW SHALL APPLY TO REACH A DIFFERENT RESULT.

This Agreement states the entire agreement between the parties and no waiver, representation or agreement shall affect this Agreement unless it is in writing. Shipper shall provide the actual end user purchaser name(s) to Transporter if Transporter must provide them to the Commission.

Agreed to by:

TRANSPORTER

SHIPPER

/s/: _____
NAME: _____
TITLE: _____

/s/: _____
NAME: _____
TITLE: _____

EXHIBIT A

DATED _____

Company:

Contract No.:

Primary Receipt Point(s):

Maximum Daily Quantity (MDQ)

Primary Delivery Point(s):

Receipt and Delivery Pressure, Assumed Atmospheric Pressure

Natural gas to be delivered to Transporter at the receipt point(s) shall be at a delivery pressure sufficient to enter Transporter's pipeline facilities at the pressure maintained from time to time, but Shipper shall not deliver gas at a pressure in excess of the Maximum Allowable Operating Pressure (MAOP) stated for each receipt point. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such receipt point(s).

Unless otherwise provided here, Transporter gas to be delivered by Transporter to Shipper, or for Shipper's account, at the delivery point(s) shall be at the pressures available in Transporter's pipeline facilities from time to time. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such delivery point(s).

Rates

Unless otherwise provided here or in any written agreement(s) between the parties in effect during the term hereof, Shipper shall pay Transporter the applicable maximum rate(s), including authorized overrun service rate, and all other lawful charges as specified in Transporter's applicable rate schedule.

Retainage

Shipper will be assessed the applicable Retainage percentage unless Transporter and Shipper mutually agree on monetary reimbursement.

Sheet Nos. 163 through 169 are reserved for future use.

REFERENCE TO CUSTOMERS HAVING NEGOTIATED RATE AGREEMENTS OR NON-CONFORMING SERVICE AGREEMENTS PURSUANT TO SECTION 154.112(B) OF THE COMMISSION'S REGULATIONS:

Shipper	Rate Schedule	Rate	MDCQ (Dth)	Receipt Point(s)	Delivery Point(s)	Effective Date	Docket No.
National Gas and Oil Cooperative	NNS	1/	76,773	CNG Station Spratt Station TET Station 062 TET Station 095 TET Station 73225	Systemwide	3/	RP04-67-005
Producers Gas Sales, Inc.	ITS	2/	40,000	Systemwide	Systemwide	3/	RP04-67-005

These negotiated rate agreements do not deviate in any material respect from the form of service agreement in the Tariff.

- 1/ Shipper agrees to pay a negotiated Monthly Demand Charge of \$5.1500/Dth/Month. All other applicable rates and charges set forth in the effective Notice of Rates in this Tariff shall continue to apply.
- 2/ Shipper agrees to pay a maximum ITS Rate of \$0.0860/Dth, subject to Shipper's right to nominate ITS service at a Discounted Rate pursuant to Section 9 of the General Terms and Conditions of this Tariff. All other applicable rates and charges set forth in the effective Notice of Rates in this Tariff shall continue to apply.
- 3/ The effective date of the service agreement is November 22, 2003. The effective date of the amendment establishing the negotiated rate is January 1, 2010. The term of the amendment during which the negotiated rate shall remain in effect is January 1, 2010 through December 31, 2010.