

December 30, 2025

Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20046

Attention: Ms. Debbie-Anne A. Reese, Secretary

Re: Colorado Interstate Gas Company, L.L.C.,  
Totem Enhanced Deliverability Project  
Implementation Filing Associated with Docket No.  
CP24-124-000  
Docket No. RP26-

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Commissioners:

Colorado Interstate Gas Company, L.L.C. ("CIG") tenders for filing and acceptance by the Federal Energy Regulatory Commission ("Commission") the tariff records listed in Appendix A for inclusion in its Second Revised Volume No. 1 of its FERC Gas Tariff ("Tariff"). Proposed with an effective date of February 1, 2026, these tariff records implement the *pro forma* tariff provisions reviewed by the Commission in CIG's Docket No. CP24-124-000 proceeding with two exceptions, as further described below.

### **Reason for Filing**

On April 8, 2024, CIG filed an application in Docket No. CP24-124-000 ("Application") seeking the authorizations necessary for its "Totem Enhanced Deliverability Project" to increase the certificated maximum withdrawal rate and the base gas capacity of the Totem Storage Field to provide a new transportation balancing service under new Rate Schedule ESD-T ("Rate Schedule"). On March 20, 2025, the Commission granted the authorizations requested in the Application ("Certificate Order") with certain modifications.<sup>1</sup> Consistent with that order and as discussed in more detail below, as part of the modifications CIG is required to file actual tariff records no later than 30 days prior to their proposed effective dates reflecting: 1) the *pro forma* tariff records filed in the Application to update the Tariff to implement the new service, and 2) the recalculated applicable maximum deliverability reservation rates for the new service. CIG anticipates that the Totem Enhanced Deliverability Project facilities will be placed in service as early as February 1, 2026.<sup>2</sup> Therefore, CIG hereby submits the actual tariff records to implement service under Rate Schedule ESD-T and to reflect the required recalculation of the maximum applicable rates.

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<sup>1</sup> See *Colorado Interstate Gas Co.*, 190 FERC ¶ 61,174, at P 1 (2025).

<sup>2</sup> On April 17, 2025, CIG submitted its acceptance of the certificate authorizations and other conditions associated with the Totem Enhanced Deliverability Project.

### *Tariff Records*

As noted earlier, CIG submitted *pro forma* tariff records in the Application to update various sections of its Tariff to implement the new rate schedule. Paragraph 27 of the Certificate Order stated that the Commission had reviewed CIG's proposed tariff revisions as provided for by the *pro forma* tariff records included in the Application and found they reasonably reflect current Commission policy.<sup>3</sup> With two exceptions, the changes marked on the tariff records submitted herewith are identical to the *pro forma* provisions submitted by CIG in the Application and reviewed by the Commission in the Certificate Order.

The first exception relates to changes CIG submitted on August 5, 2025 to the Commission in response to an informal inquiry from the Office of Energy Projects.<sup>4</sup> In this response, CIG clarified that two changes were necessary in "The Totem Available Daily Withdrawal Quantity Rules Formula"<sup>5</sup> and three changes were necessary in the "Totem Available Daily Withdrawal Quantity Table",<sup>6</sup> in Section 8.3(c)(ii) of the General Terms and Conditions of the Tariff. CIG also stated that it would include these changes in any filing necessary to implement the *pro forma* records provided in the Application pursuant to any Commission order. Accordingly, these changes are included in the actual tariff records submitted herewith for the Commission's review and, therefore, are included in the clean version and shown as changes in the marked version, of the tariff records. With the exception of the "Version", "Issued by" and "Effective on" dates, CIG affirms that the revised clean *pro forma* tariff records submitted as part of CIG's August 5, 2025 response are identical to the clean *pro forma* records included in this filing.

### *Recalculation of Proposed Initial Rate*

The second exception relates to the recalculation of the maximum reservation rates for the Rate Schedule which requires a change to the rates on the *pro forma* Statement of Rates in the Tariff filed in the Application.<sup>7</sup> In Paragraph 25 of the Certificate Order, the Commission directed CIG to recalculate its proposed initial reservation rates for service based on its findings that: 1) the relevant depreciation rate approved in its last general rate proceeding should be used; 2) the accumulated depreciation and Accumulated Deferred Income Tax ("ADIT") should be based on the estimated average rate base for the period; and 3) the ADIT amount should be based on the previous 35% corporate income tax rate.<sup>8</sup>

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<sup>3</sup> *Colorado Interstate Gas Co.*, 190 FERC ¶ 61,174, at P 27 (2025).

<sup>4</sup> See "Clarification to Pro-Forma Tariff Records," Docket No. CP24-124-000 (Aug. 5, 2024).

<sup>5</sup> In the rules and formula, the changes are: (1) "or =" was inserted between ">" and "39%" to read "If the %TMAC is <60.0% and > or = to 39%"; and (2) "≤" was deleted and replaced with "<" before "39%" to read "If the %TMAC is < 39% and > 0%".

<sup>6</sup> In the table, the changes are: (1) the third %TMAC is changed to "59.9" from "60"; the fifth %TMAC is changed to "38.9" from "36"; and the fifth %TMDWQ is changed to "77" from "69".

<sup>7</sup> *Colorado Interstate Gas Co.*, 190 FERC ¶ 61,174, at PP 20-25 (2025).

<sup>8</sup> *Id.* at P 25.

The initial rates, included in the actual tariff records in the Statement of Rates of the Tariff submitted with this filing, reflect these required changes. In Appendix B, CIG provides the following information that is consistent with the information it provided in Exhibit N of the Application: a cost of service summary, a reservation rate derivation, rate base and pre tax return calculations and a deferred income tax calculation. In addition, CIG provides the corresponding information from Exhibit N for ease of reference. Specifically, page 1 of Appendix B provides the summary cost of service information and the derivation of the recalculated reservation rate. Also included on page 1 is the depreciation expense calculated using a storage plant depreciation rate of 1.95% from CIG's most recent settlement.<sup>9</sup> Page 2 shows the revised rate base using the estimated average rate base for the first year and the associated pre-tax return. Page 3 provides detail for the deferred income tax calculation using the first year average rate base and a 35% corporate income tax rate. These recalculated initial rates for 1,074 Btu are included in the tariff records submitted herewith on Part II: Stmt. of Rates, Section 1.3.<sup>10</sup>

### **Description of Filing**

CIG is submitting the following tariff records pursuant to Subpart C of Part 154<sup>11</sup> of the Commission's regulations to implement the Totem Enhanced Deliverability Project *pro forma* tariff provisions and required modifications as discussed above.

Part I: Section 1, Table of Contents updates the Statement of Rates to include Rate Schedule ESD-T.<sup>12</sup>

Part II: Section 1.3, Transportation Storage Balancing Rate Schedules updates the Statement of Rates for the recalculated maximum and minimum rates for service under Rate Schedule ESD-T based on 1,074 Btu.

Part II: Section 3, Footnotes adds references for Rate Schedule ESD-T in footnote 12 and updates the Statement of Rates for the recalculated maximum and minimum rates based on 1,000 Btu.

Part III: Rate Schedules, index page, Section 24, Rate Schedule PAL-HP and Section 25, Rate Schedule ESD-T updates the Tariff to add Rate Schedule ESD-T.

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<sup>9</sup> See "Stipulation and Agreement," paragraph 3.2, Docket No. RP22-825-000 (Apr. 18, 2022) (specifying a depreciation rate for storage plant of 1.95%). See *Colorado Interstate Gas Co.*, 179 FERC ¶ 61,211 (2022) (approving the settlement).

<sup>10</sup> The recalculated initial rates for 1,000 Btu are included in the tariff records submitted herewith in footnote 12 (in the table for Rate Schedule ESD-T) on Part II: Stmt. of Rates, Section 3.

<sup>11</sup> 18 C.F.R. §§ 154.201 – 154.210 (2025) (Subpart C).

<sup>12</sup> CIG has marked changes against the applicable currently effective tariff record version. Specifically, Part I: Table of Contents reflects changes accepted by the Commission in Docket No. RP26-58-000 (Nov. 6, 2025) (unpublished letter order).

Part IV: Section 1, Definitions adds references for Rate Schedule ESD-T.

Part IV: Section 4, Requests for Service adds references to Rate Schedule ESD-T.

Part IV: Section 6, Nomination and Scheduling Procedures adds references for Rate Schedule ESD-T.

Part IV: Section 8, Operating Provisions adds references to Rate Schedule ESD-T and includes revisions to the “The Totem Available Daily Withdrawal Quantity Rules Formula” and “Totem Available Daily Withdrawal Quantity Table”, from the *pro forma* tariff records previously submitted in the Application.

Part IV: Section 9, Capacity Release Program adds references to Rate Schedule ESD-T.

Part IV: Section 11, System Operational Parameters adds references to Rate Schedule ESD-T.

Part IV: Section 15, Revenue Sharing Mechanism includes references to Rate Schedule ESD-T.

Part IV: Section 16, Reservation Charge Credit is updated to include references to Rate Schedule ESD-T.

Part IV: Section 17, ACA Surcharge is updated to include references to Rate Schedule ESD-T.

Part IV: Section 20, Electronic Bulletin Board is updated to include references to Rate Schedule ESD-T.

Part IV: Section 28, Operational Purchases and Sales is updated to include references to Rate Schedule ESD-T.

Part IV: Section 30, Specified Delivery Points adds references to Rate Schedule ESD-T.

Part V: index page and Section 24, adds the Form of Service Agreement related to Rate Schedule ESD-T to the Tariff.

Part VI: Section 8 – Totem Daily Withdrawal Quantity updates the available daily withdrawal quantity curve associated with the Totem Enhanced Deliverability Project.

## **Procedural Matters**

In accordance with the applicable provisions of Part 154 of the Commission's regulations,<sup>13</sup> CIG is submitting an eTariff XML filing package, which includes the following:

- a. a transmittal letter;
- b. Appendix A, a list of the proposed tariff records;
- c. Appendix B, the derivation of the recalculated initial reservation rates; and
- d. clean and marked versions of the tariff sections in PDF format.

CIG respectfully requests the Commission accept the tendered tariff records for filing and permit them to become effective on February 1, 2026. With respect to any tariff record the Commission allows to go in to effect without change, CIG hereby moves to place the tendered tariff record in to effect at the end of any minimal suspension period established by the Commission.

Correspondence and communications concerning this filing should be directed to:

Ms. Shelly L. Busby  
Director, Regulatory  
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These persons have been designated for service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.203 (2025)).

The undersigned hereby certifies that she has read this filing and knows (i) the contents of such filing and attachments; (ii) that the contents as stated in the filing and in the attachments are true to the best of her knowledge and belief; and (iii) that she possesses full power and authority to sign this filing.

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<sup>13</sup> 18 C.F.R. §§ 154.1 – 154.603 (2025).

Respectfully submitted,

**COLORADO INTERSTATE GAS COMPANY,  
L.L.C.**

By: \_\_\_\_\_/s/  
Shelly L. Busby  
Director, Regulatory

Enclosures

Certificate of Service

I hereby certify that I have this day caused a copy of the foregoing document to be served upon all shippers on CIG's pipeline system and interested state regulatory commissions, in accordance with the requirements of Sections 154.208 and 385.2010 of the Commission's Regulations.

Dated at Colorado Springs, CO as of this 30<sup>th</sup> day of December 2025.

\_\_\_\_\_  
/s/  
Shelly L. Busby

Post Office Box 1087  
Colorado Springs, CO 80944-1087  
719-520-4657

COLORADO INTERSTATE GAS COMPANY, L.L.C  
 Totem Enhanced Deliverability Project Implementation Filing Associated with Docket No.  
 CP24-124-000

Docket No. RP26-\_\_\_\_\_

Second Revised Volume No. 1

Part I: Overview

Section 1	Table of Contents	Version 51.0.0
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Part II: Stmt. of Rates

Section 1.3	Transportation Storage Balancing Rate Schedules	Version 18.0.0
Section 3	Footnotes	Version 21.0.0

Part III: Rate Schedules

Index Page	Version 5.0.0	
Section 24	Rate Schedule PAL-HP	Version 4.0.0
Section 25	Rate Schedule ESD-T	Version 0.0.0

Part IV: General Terms and Conditions

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Section 4	Requests for Service	Version 9.0.0
Section 6	Nomination and Scheduling Procedures	Version 11.0.0
Section 8	Operating Provisions	Version 8.0.0
Section 9	Capacity Release Program	Version 12.0.0
Section 11	System Operational Parameters	Version 4.0.0
Section 15	Revenue Sharing Mechanism	Version 10.0.0
Section 16	Reservation Charge Credit	Version 8.0.0
Section 17	ACA Surcharge	Version 5.0.0
Section 20	Electronic Bulletin Board	Version 7.0.0
Section 28	Operational Purchases and Sales	Version 6.0.0
Section 30	Specified Delivery Points	Version 4.0.0

Part V: Service Agreement

Index Page	Version 5.0.0	
Section 24	Rate Schedule ESD-T	Version 0.0.0

Part VI: Illustrations

Section 8	Totem Daily Withdrawal Quantity	Version 4.0.0
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## **Appendix B**

Colorado Interstate Gas Company, L.L.C.  
Totem Enhanced Deliverability Project Implementation Filing Associated with Docket No. CP24-124-000  
Recalculation of Initial Rate in Docket No. CP24-124-000 Pursuant to March 20, 2025 FERC Order (Order)

Cost of Service Summary			Recalculation Pursuant to Paragraph 25 of Order	
Line No.	Particulars	As Filed Exhibit N		
		(a)	(b)	
1	Operation & Maintenance Expense		\$ 174,386	\$ 174,386
2	Other Taxes		\$ 1,582,612	\$ 1,582,612
3	Lease Payment /1		\$ 17,684,031	\$ 13,725,245
4	Total Cost of Service		\$ 19,441,029	\$ 15,482,243

Notes:

1/ Calculation of WYCO Lease Payment (see pages 2 and 3 for additional detail)

Depreciation Expense 2/ \$ 5,233,858 \$ 1,454,358

Return Component 3/ \$ 12,450,173 \$ 12,270,887

Lease Payment on New Construction \$ 17,684,031 \$ 13,725,245

2/ Recalculated using CIG's Storage Plant depreciation rate of 1.95%.

3/ Pre Tax Return equals the Pre-Tax Return in Totem's Certificate Filing Docket No. CP08-30-000.

See calculation of Pre-Tax Return on the First Year Average Rate Base on Appendix B, page 2.

Recalculated Reservation Rate Derivation					
Line No.	Particulars	As Filed Exhibit N			Recalculation Pursuant to Paragraph 25 of Order
		(a)	(b) Rates at 1,074 Btu	(c) Rates at 1,000 Btu	
<b>Cost Components of Reservation rate</b>					
5	Storage Deliverability (line 4)	\$ 19,441,032	\$ 19,441,032	\$ 15,482,243	\$ 15,482,243
<b>Billing Determinants</b>					
6	Deliverability - MDWQ (Dth per Day) 1/	53,700	50,000	53,700	50,000
<b>Monthly Reservation Rates</b>					
7	Reservation Charge - One Part Deliverability 2/	\$ 30.1692	\$ 32.4017	\$ 24.0258	\$ 25.8037
8	High Plains Transportation Rate 3/	\$ 2.1494	\$ 2.1494	\$ 2.1494	\$ 2.1494
9	Total Monthly Rate Including transportation 4/	\$ 32.3186	\$ 34.5511	\$ 26.1752	\$ 27.9531

1/ The MDWQ for Rates at 1,074 Btu is derived by multiplying the MDWQ of 50,000 Dth per Day at 1,000 BTU and the MDWQ Deliverability Conversion Factor of 1.074.

2/ The Statement of Rates for Rate Schedule ESD-T in CIG's Pro-Forma Tariff designates this component as "Storage Deliverability."

3/ The Statement of Rates for Rate Schedule ESD-T in CIG's Pro-Forma Tariff designates this component as "High Plains."

4/ The Statement of Rates for Rate Schedule ESD-T in CIG's Pro-Forma Tariff designates this as "Monthly Rates."

Colorado Interstate Gas Company, L.L.C.  
Totem Enhanced Deliverability Project Implementation Filing Associated with Docket No. CP24-124-000  
Recalculation of Initial Rate in Docket No. CP24-124-000 Pursuant to March 20, 2025 FERC Order (Order)

Rate Base and Pre Tax Return

Line No.	Particulars	Recalculation Pursuant to Paragraph 25 of Order				Year 1
		As Filed Exhibit N	Day One	End of Year 1	(d)	
	(a)	(b)	(c)		(e)	
1	Capital Expenditures incurred 1/	\$ 79,528,414	\$ 79,528,414	\$ 79,528,414	\$ 79,528,414	\$ 79,528,414
2	Less: Accumulated Depreciation 2/	\$ -	\$ -	\$ (1,454,358)		\$ (727,179)
3	Net Plant	\$ 79,528,414	\$ 79,528,414	\$ 78,074,056		\$ 78,801,235
4	Working Capital (1% of Gross Plant)	\$ 795,284	\$ 795,284	\$ 795,284		\$ 795,284
5	Less: Deferred Income Taxes 3/	\$ -	\$ -	\$ (859,008)		\$ (429,504)
6	Rate Base 4/	\$ 80,323,698	\$ 80,323,698	\$ 78,010,332		\$ 79,167,015
7	Pre Tax Return 5/		15.5%	15.5%	15.5%	15.5%
8	Pre Tax Return Allowance	\$ 12,450,173	\$ 12,450,173	\$ 12,091,601		\$ 12,270,887

Notes:

1/ Capital costs per Cash flow supporting Exhibit K filed in CP24-124-000.  
2/ The Calculation of First Year Average Rate Base uses the average accumulated depreciation shown in column (e).  
3/ See Deferred Income Tax Calculation shown on Appendix B, Page 3.  
4/ First Year Average Rate Base on line 6 column (e) is used for the pre-tax return included in the recalculated initial rate.  
5/ Pre Tax Return equals the Pre-Tax Return in Totem's Certificate Filing Docket No. CP08-30-000.

Colorado Interstate Gas Company, L.L.C.  
Totem Enhanced Deliverability Project Implementation Filing Associated with Docket No. CP24-124-000  
Recalculation of Initial Rate in Docket No. CP24-124-000 Pursuant to March 20, 2025 FERC Order (Order)

Deferred Income Tax Calculation Using a 35% Federal Income Tax Rate in the Calculation of the First Year Average Rate Base

Line No.	Particulars	As Filed Exhibit N	Recalculation Pursuant to Paragraph 25 of Order
	(a)	(b)	(c)
1	Capital Expenditures incurred	\$ 79,528,414	\$ 79,528,414
2	Non-Depreciable Plant (Land & Base Gas)	\$ 4,945,943	\$ 4,945,943
3	Total Gas Plant in Service	\$ 74,582,471	\$ 74,582,471
4	Book Depreciation Rate	7.02%	1.95%
5	Book Depreciation Expense 1/	\$ 5,233,858	\$ 1,454,358
6	15-Yr MACRS Tax Depreciation Rate	5.00%	5.00%
7	15-Yr MACRS Tax Depreciation Expense	\$ 3,729,124	\$ 3,729,124
8	Total Tax Depreciation Expense	\$ 3,729,124	\$ 3,729,124
9	Book-Tax Difference	\$ 1,504,734	\$ (2,274,765)
10	Composite Tax Rate - Revised using FIT of 35% underlying pre-tax return	24.59%	37.76%
11	Annual Deferred Income Tax	\$ 370,082	\$ (859,008)
12	Accumulated Deferred Income Tax	\$ -	\$ -
13	<b>Average Year 1 Deferred Income Tax Calculation (In 11 + In 12) / 2<sup>2/</sup></b>	\$ 185,041	<b>\$ (429,504)</b>

1/ Recalculated in column (c) using CIG's Storage Plant depreciation rate of 1.95%.

2/ Reflects First Year Average Annual Deferred Income Tax which is used in the calculation of First Year Average Rate Base.

See Appendix B, Page 2, Column (e ), Line 5.

## **Marked Tariff Section(s)**

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Section 11	Reserved
Section 12	Anadarko Energy Services Company #213006-TF1CIG
Section 13	Anadarko Energy Services Company #213526-TFHPCIG
Section 14	Reserved
Section 15	Rocky Mountain Midstream LLC #216430-TF1CIG
Section 16	Black Hills Service Company LLC #214677-TF1CIG
Section 17	Rocky Mountain Midstream LLC #214627-TFHPCIG
Section 18	Reserved
Section 19	Colorado Springs Utilities #219543-TI1CIG
Section 20	Public Service Company of Colorado #33342000-TF1CIG
Section 21	Reserved
Section 22	Colorado Springs Utilities #216641-TIHPCIG

List of Non-Conforming Agreements:

Anadarko Energy Services Company #213006-TF1CIG  
Anadarko Energy Services Company #213526-TFHPCIG  
Anadarko Energy Services Company #33666000-TFHPCIG  
Black Hills Service Company LLC #214677-TF1CIG  
Black Hills Service Company LLC #215680-TF1CIG  
Black Hills Service Company LLC #217671-TF1CIG  
Colorado Springs Utilities #216641-TIHPCIG  
Colorado Springs Utilities #219543-TI1CIG  
Public Service Company of Colorado NNT-1 Agreement #31050000-NNT1CIG  
Public Service Company of Colorado TF-1 Agreement #33319000-TF1CIG  
Public Service Company of Colorado TF-1 Agreement #33342000-TF1CIG  
Rocky Mountain Midstream LLC #214627-TFHPCIG  
Rocky Mountain Midstream LLC #216430-TF1CIG

<u>Rate Schedule</u>	Rates per Dth (Note 1)	<u>Minimum</u>	<u>Maximum</u>
TSB-Y: (Note 12)			
Reservation Rates -			
Monthly Rate (Note 6)	\$0.0000	\$4.9046	
High Plains	\$0.0000	\$2.1494	
Storage Deliverability	\$0.0000	\$1.3632	
Storage Capacity	\$0.0000	\$1.3920	
Commodity Injection Rate	\$0.0190	\$0.0190	
Commodity Delivery Rate	\$0.0192	\$0.0192	
 Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709	
 Daily Authorized Injection Overrun Rate	\$0.0380	\$0.1150	
Daily Authorized Withdrawal Overrun Rate	\$0.0190	\$0.0190	
Daily Authorized Storage Capacity Overrun Rate	\$0.0380	\$0.1150	
 Daily Unauthorized Overrun Rate -			
Greater of 100 Dth or 3% of MDQ, YMDIQ, YMDWQ or YM <sup>A</sup> C		\$0.3224	
 Greater of 2,500 Dth or 5% of MDQ, YMDIQ, YMDWQ or YM <sup>A</sup> C (Non-Critical Condition)		\$0.8062	
 Greater of 2,500 Dth or 5% of MDQ, YMDIQ, YMDWQ or YM <sup>A</sup> C (Critical Condition)		\$1.6125	

<u>Rate Schedule</u>	<u>Rates per Dth (Note 1)</u>	<u>Minimum</u>	<u>Maximum</u>
TSB-T: (Note 12)			
Reservation Rates			
Monthly Rate (Note 6)	\$0.0000	\$11.9086	
High Plains	\$0.0000	\$2.1494	
Storage Deliverability	\$0.0000	\$4.8796	
Storage Capacity	\$0.0000	\$4.8796	
Commodity Injection Rate	\$0.0369	\$0.0369	
Commodity Delivery Rate	\$0.0371	\$0.0371	
Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709	
Daily Authorized Injection/Withdrawal Overrun Rate	\$0.0369	\$0.1604	
Daily Authorized Storage Capacity Overrun Rate	\$0.0369	\$0.1394	
Daily Unauthorized Overrun Rate			
Greater of 100 Dth or 3% of MDQ, TMDIQ, TMDWQ or TMAC		\$0.7830	
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Non-Critical Condition)		\$1.9575	
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Critical Condition)		\$3.9150	

Rate Schedule	Rates per Dth (Note 1)	
	Minimum	Maximum
<u>ESD-T: (Note 12)</u>		
<u>Reservation Rates</u>		
Monthly Rate (Note 6)	\$0.0000	\$26.1752
High Plains	\$0.0000	\$2.1494
Storage Deliverability	\$0.0000	\$24.0258
Commodity Withdrawal Rate	\$0.0371	\$0.0371
Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709
Daily Authorized Withdrawal Overrun Rate	\$0.0369	\$0.1604
<u>Daily Unauthorized Overrun Rate</u>		
Greater of 100 Dth or 3% of MDQ		\$0.7830
Greater of 2,500 Dth or 5% of MDQ (Non-Critical Condition)		\$1.9575
Greater of 2,500 Dth or 5% of MDQ (Critical Condition)		\$3.9150

STATEMENT OF RATES FOR TRANSPORTATION/STORAGE OF NATURAL GAS  
FOOTNOTES

(1) Rates, surcharges, and fees are stated in Dth.

For billing purposes, these charges shall be collected as set forth in the service agreement and pursuant to the General Terms and Conditions of this Tariff.

When appropriate, the transportation rate shall be adjusted to include applicable surcharges. All surcharges and fees are listed herein on the Statement of Rates and applicable surcharges are detailed in the service agreement.

(2) The North Raton Lateral consists of two distinct zones. Zone 1 of the North Raton Lateral begins at the interconnect with the Wet Canyon Meter Station and extends 90.3 miles north. Zone 2 of the North Raton Lateral begins at the end of Zone 1 and extends 28.3 miles north to the interconnect with Line No. 212A. Shippers transporting across Zone 1 and/or Zone 2 will be charged the applicable Zone 1 and/or Zone 2 rates.

(3) All Shippers transporting on the North Raton Lateral shall be subject to the mainline Fuel Gas and L&U. However, such Shippers will be assessed mainline Fuel Gas and Lost, Unaccounted For and Other Fuel Gas only once if the service involves mainline transportation and North Raton Lateral transportation.

(4) The percentages for "Receipt Quantities for Transportation Fuel Gas" and "Lost, Unaccounted For and Other Fuel Gas" shown on the Statement of Rates shall be adjusted semi-annually and quarterly respectively, based upon the most recent experience (see definition of Fuel Reimbursement in Section 1 of the General Terms and Conditions). Such adjustments shall not subject Transporter to any obligation to justify its other costs or revenues or throughput. Transporter shall be allowed to adjust these percentages independent of and without regard to other rates.

(5) See Section 33 of the General Terms and Conditions for a description of this surcharge.

(6) For Capacity Release transactions only, Transporter has adopted the following NAESB standards. On the bidding formats, the number of decimal places for offers, bids and awards shall be equal to the number of decimal places in Transporter's stated rates (NAESB Standard 5.3.21). Converting a Daily rate to a Monthly rate is accomplished by multiplying the Daily rate times the number of Days in the rate period, dividing the result by the number of Months in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to the Transporter's specified decimal place. Converting a Monthly rate to a Daily rate is accomplished by multiplying the Monthly rate by the number of Months in the rate period, dividing the result by the number of Days in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to the Transporter's specified decimal place (NAESB Standard 5.3.22). Furthermore, for capacity release purposes, all Tariff rates shall be adjusted to reflect a standard calculation of Daily and Monthly rates, in conformance with NAESB Standard 5.3.23.

- (7) See Section 13.3 of the General Terms and Conditions for a description of No-Fuel Wheeling Areas.
- (8) See Section 17 of the General Terms and Conditions for a description of this Surcharge.
- (9) To the extent that CIG's High Plains system is fully contracted, all non-critical and hourly overrun activity will be deemed as authorized.
- (10) The use of the name "CIG" here represents all Hub locations not otherwise identified below. Ponderosa is an interconnect with Public Service Company of Colorado's (PSCo's) high pressure system. Arrowhead is an interconnect with Tallgrass Interstate Gas Transmission, L.L.C. Lodgepole is an interconnect with PSCo (Front Range). Trailblazer is an interconnect with Trailblazer Pipeline Company, LLC. WIC is an interconnect with Wyoming Interstate Company, L.L.C.
- (11) Hourly Entitlement Amount ("HEA") shall mean the quantity a Shipper cannot exceed before being subject to the Hourly Unauthorized Rate. Such quantity is described in the Unauthorized Overrun section of Rate Schedules TF-1, TF-HP, TI-1, TI-HP, NNT-1, NNT-2, SS-1, SS-HP and TF-4.
- (12) Rate(s) for Rate Schedules NNT-1, NNT-2, FS-1, and IS-1 shall be adjusted effective the first of the Month, the Month following the date when a new currently effective CIG Mainline Storage Average Thermal Content of Gas in Storage ("ATC") is posted on Transporter's electronic bulletin board and on Transporter's Web site under Informational Postings, as provided in Section 1 of the General Terms and Conditions of this Tariff. Such adjustment shall be made by multiplying the fraction [(1,000) over (new effective ATC in Btu which is currently 1,069)] times Shipper's Base Rate(s). For purposes of this note Shipper's "Base Rate(s)" shall be Shipper's rate(s) as calculated based on an ATC of 1,000 Btu per cubic foot.

Rate(s) for Rate Schedules TSB-Y, FS-Y and IS-Y shall be adjusted effective the first of the Month, the Month following the date when a new currently effective Young ATC is posted on Transporter's electronic bulletin board and on Transporter's Web site under Informational Postings, as provided in Section 1 of the General Terms and Conditions of this Tariff. Such adjustment shall be made by multiplying the fraction [(1,000) over (new effective ATC in Btu which is currently 1,101)] times Shipper's Base Rate(s). For purposes of this note Shipper's "Base Rate(s)" shall be Shipper's rate(s) as calculated based on an ATC of 1,000 Btu per cubic foot.

Transporter shall also adjust the rate and entitlements for Transportation between the Point of Withdrawal and Point of Delivery under Rate Schedules NNT-1 and NNT-2 to the extent capacity is available.

Rate(s) for Rate Schedules TSB-T, ESD-T, FS-T and IS-T shall be adjusted effective the first of the Month, the Month following the date when a new currently effective Totem ATC is posted on Transporter's electronic bulletin board and on Transporter's Web site under Informational

Postings, as provided in Section 1 of the General Terms and Conditions of this Tariff. Such adjustments shall be made by multiplying the fraction [(1,000) over (new effective ATC in Btu which is currently 1,074)] times Shipper's Base Rate(s). For purposes of this note Shipper's "Base Rate(s)" shall be Shipper's rate(s) as calculated based on an ATC of 1,000 Btu per cubic foot.

Transporter shall file revised Tariff provisions within 30 days after posting a new currently effective ATC on its electronic bulletin board. The revised Tariff provisions shall reflect the adjusted minimum and maximum rates. Transporter's minimum and maximum Base Rates are as follows:

<u>Rate Schedule</u>	Base Rates per Dth	
	<u>At 1000 Btu</u>	<u>Minimum</u>
NNT-1:		
Reservation Rates -		
Monthly Rate (Note 6)	\$0.0000	\$6.9777
Delivery	\$0.0000	\$3.6602
Storage	\$0.0000	\$1.2488
Daily Balances	\$0.0000	\$1.2488
Hourly Flow Option	\$0.0000	\$0.8199
Quantity Injection Rate	\$0.0082	\$0.0082
Quantity Delivery Rate	\$0.0240	\$0.0240
Daily Authorized Delivery Overrun Rate	\$0.0240	\$0.2537
Daily Authorized Injection/Withdrawal Overrun Rate	\$0.0082	\$0.2224
Daily Authorized Storage Capacity Overrun	\$0.0082	\$0.2224
Hourly Authorized Overrun Rate	\$0.0240	\$0.1488

<u>Rate Schedule</u>	<u>Base Rates per Dth</u> <u>At 1000 Btu</u>	<u>Minimum</u>	<u>Maximum</u>
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NNT-1:

Daily Unauthorized Overrun Rate Greater of 100 Dth or 3% of MDQ, MDIQ, MDWQ or MAC	\$0.5073
Greater of 2,500 Dth or 5% of MDQ, MDIQ, MDWQ or MAC (Non-Critical Condition).	\$0.5073
Greater of 2,500 Dth or 5% of MDQ, MDIQ, MDWQ or MAC (Critical Condition)	\$2.5367
Hourly Unauthorized Overrun Rate Greater of 1,000 Dth or 3% of HEA (Note 11)	\$0.5073
Greater of 1,000 Dth or 5% of HEA	\$1.2683
Greater of 1,000 Dth or 10% of HEA	\$2.5367

<u>Rate Schedule</u>	<u>Base Rates per Dth</u> <u>At 1000 Btu</u>	
	<u>Minimum</u>	<u>Maximum</u>
NNT-2:		
Commodity Delivery Rate	\$0.0000	\$0.4443
Daily Authorized Delivery Overrun Rate	\$0.0240	\$0.4443
Daily Authorized Injection/Withdrawal Overrun Rate	\$0.0082	\$0.4443
Daily Authorized Storage Capacity Overrun Rate	\$0.0082	\$0.4443
Hourly Authorized Overrun	\$0.0240	\$0.4443
Daily Unauthorized Overrun Rate Greater of 100 Dth or 3% of MDQ, MDIQ, MDWQ or MAC.		\$0.8886
Greater of 2,500 Dth or 5% of MDQ, MDIQ, MDWQ or MAC (Non-Critical Condition)		\$0.8886
Greater of 2,500 Dth or 5% of MDQ, MDIQ, MDWQ or MAC (Critical Condition)		\$4.4428
Hourly Unauthorized Overrun Rate Greater of 1,000 Dth or 3% of HEA (Note 11)		\$0.8886
Greater of 1,000 Dth or 5% of HEA		\$2.2214
Greater of 1,000 Dth or 10% of HEA		\$4.4428

<u>Rate Schedule</u>	Base Rates per Dth at 1000 Btu	
	<u>Minimum</u>	<u>Maximum</u>
<b>TSB-Y:</b>		
Reservation Rates -		
Monthly Rate	\$0.0000	\$5.1828
High Plains	\$0.0000	\$2.1494
Storage Deliverability	\$0.0000	\$1.5008
Storage Capacity	\$0.0000	\$1.5326
Commodity Injection Rate	\$0.0209	\$0.0209
Commodity Delivery Rate	\$0.0211	\$0.0211
Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709
Daily Authorized Injection Overrun Rate	\$0.0418	\$0.1266
Daily Authorized Withdrawal Overrun Rate	\$0.0209	\$0.0209
Daily Authorized Storage Capacity Overrun	\$0.0418	\$0.1266
Daily Unauthorized Overrun Rate (Note 7) -		
Greater of 100 Dth or 3% of MDQ, YMDIQ, YMDWQ or YM <sup>A</sup> C.		\$0.3408
Greater of 2,500 Dth or 5% of MDQ, YMDIQ, YMDWQ or YM <sup>A</sup> C (Non-Critical Condition)		\$0.8520
Greater of 2,500 Dth or 5% of MDQ, YMDIQ, YMDWQ or YM <sup>A</sup> C (Critical Condition)		\$1.7040

<u>Rate Schedule</u>	Base Rates per Dth at 1000 Btu	
	<u>Minimum</u>	<u>Maximum</u>
TSB-T:		
Reservation Rates -		
Monthly Rate	\$0.0000	\$12.6308
High Plains	\$0.0000	\$2.1494
Storage Deliverability	\$0.0000	\$5.2407
Storage Capacity	\$0.0000	\$5.2407
Commodity Injection Rate	\$0.0396	\$0.0396
Commodity Delivery Rate	\$0.0398	\$0.0398
Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709
Daily Authorized Injection/Withdrawal Overrun Rate	\$0.0396	\$0.1723
Daily Authorized Storage Capacity Overrun Rate	\$0.0396	\$0.1497
Daily Unauthorized Overrun Rate –		
Greater of 100 Dth or 3% of MDQ, TMDIQ, TMDWQ or TMAC		\$0.8305
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Non-Critical Condition)		\$2.0763
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Critical Condition)		\$4.1526

Rate Schedule	Base Rates per Dth at 1000 Btu	
	Minimum	Maximum
<u>ESD-T:</u>		
<u>Reservation Rates -</u>		
Monthly Rate	\$0.0000	\$27.9531
High Plains	\$0.0000	\$2.1494
Storage Deliverability	\$0.0000	\$25.8037
Commodity Delivery Rate	\$0.0398	\$0.0398
Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709
Daily Authorized Withdrawal Overrun Rate	\$0.0396	\$0.1723
<u>Daily Unauthorized Overrun Rate –</u>		
Greater of 100 Dth or 3% of MDQ, TMDIQ, TMDWQ or TMAC		\$0.8305
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Non-Critical Condition)		\$2.0763
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Critical Condition)		\$4.1526

<u>Rate Schedule</u>	Base Rates per Dth <u>at 1000 Btu</u>	
	<u>Minimum</u>	<u>Maximum</u>
FS-1:		
Reservation Rates -		
Storage Capacity Rate (Monthly Rate) (Note 6)	\$0.0000	\$0.1628
Reservation Rate (Monthly Rate) (Note 6)	\$0.0000	\$0.9597
Hourly Rates of Flow Option Monthly Rate (Note 6)	\$0.0000	\$0.2425
Quantity Injection Rate	\$0.0082	\$0.0082
Quantity Withdrawal Rate	\$0.0082	\$0.0082
Daily Authorized Injection/Withdrawal Overrun Rate	\$0.0082	\$0.5032
Daily Authorized Storage Capacity Overrun Rate	\$0.0082	\$0.5032
FS-Y:		
Reservation Rates -		
Storage Capacity Rate (Monthly Rate)	\$0.0000	\$0.0528
Reservation Rate (Monthly Rate)	\$0.0000	\$1.5008
Quantity Injection Rate	\$0.0209	\$0.0209
Quantity Withdrawal Rate	\$0.0209	\$0.0209
Daily Authorized Injection Overrun Rate	\$0.0418	\$0.1266
Daily Authorized Withdrawal Overrun Rate	\$0.0209	\$0.0209
Daily Authorized Storage Capacity Overrun Rate	\$0.0418	\$0.1266

<u>Rate Schedule</u>	Base Rates per Dth at <u>1000 Btu</u>	
	<u>Minimum</u>	<u>Maximum</u>
FS-T:		
Reservation Rates -		
Storage Capacity Rate (Monthly Rate)	\$0.0000	\$0.1497
Reservation Rate (Monthly Rate)	\$0.0000	\$5.2407
Quantity Injection Rate	\$0.0396	\$0.0396
Quantity Withdrawal Rate	\$0.0396	\$0.0396
Daily Authorized Injection/Withdrawal Overrun Rate	\$0.0792	\$0.3391
Daily Authorized Storage Capacity Overrun Rate	\$0.0792	\$0.3391

<u>Rate Schedule</u>	Base Rates per Dth at 1000 Btu	
	<u>Minimum</u>	<u>Maximum</u>
IS-1:		
Interruptible Storage Rate (Applied monthly to the average daily balance of Gas in storage for Shipper's account during the Month)	\$0.0000	\$0.0807
Quantity Injection Rate	\$0.0082	\$0.0082
Quantity Withdrawal Rate	\$0.0082	\$0.0082
IS-Y:		
Interruptible Storage Rate (Applied monthly to the average daily balance of Gas in storage for Shipper's account during the Month)	\$0.0000	\$0.1057
Quantity Injection Rate	\$0.0209	\$0.0209
Quantity Withdrawal Rate	\$0.0209	\$0.0209
Daily Authorized Injection Overrun Rate	\$0.0418	\$0.1266
Daily Authorized Withdrawal Overrun Rate	\$0.0209	\$0.0209
Daily Authorized Storage Capacity Overrun Rate	\$0.0418	\$0.1266
IS-T:		
Interruptible Storage Rate (Applied monthly to the average daily balance of Gas in storage for Shipper's account during the Month)	\$0.0000	\$0.2995
Quantity Injection	\$0.0396	\$0.0396
Quantity Withdrawal Rate	\$0.0396	\$0.0396
(13) Electric power costs related to Spruce Hill Air Blending Facilities shall be assessed according to the provisions of Section 31 of the General Terms and Conditions.		

## RATE SCHEDULES

Section 1	TF-1	Firm Transportation Service
Section 2	TF-4	Firm Transportation Service
Section 3	TF-HP	High Plains Firm Transportation Service
Section 4	NNT-1	No-Notice Transportation and Storage Service
Section 5	NNT-2	No-Notice Transportation and Storage Service
Section 6	TSB-Y	Young Transportation Storage Balancing Service
Section 7	TSB-T	Totem Transportation Storage Balancing Service
Section 8	FS-1	Firm Storage Service
Section 9	FS-Y	Firm Young Storage Service
Section 10-	FS-T	Firm Totem Storage Service
Section 11	TI-1	Interruptible Transportation Service
Section 12	TI-HP	High Plains Interruptible Transportation Service
Section 13	PAL-1	Parking and Lending Service
Section 14	APAL-1	Automatic Parking and Lending Service
Section 15	IS-1	Interruptible Storage Service
Section 16	IS-Y	Young Interruptible Storage Service
Section 17	IS-T	Totem Interruptible Storage Service
Section 18	SS-1	Interruptible Swing Service
Section 19	SS-HP	High Plains Interruptible Swing Service
Section 20	HSP-1	Headstation Pooling Service
Section 21	HUB-1	Cheyenne Station HUB Service
Section 22	CS-1	Cheyenne Firm Compression Service
Section 23	S-1	General Unbundled Sales Service
Section 24	PAL-HP	High Plains Parking and Lending Service – Interruptible
<u>Section 25</u>	<u>ESD-T</u>	<u>Totem Enhanced Deliverability Service</u>

**RATE SCHEDULE PAL-HP**  
**HIGH PLAINS INTERRUPTIBLE PARKING AND LENDING SERVICE**

**1. AVAILABILITY**

1.1 This Rate Schedule is available to any Party (hereinafter referred to as "Shipper") and provides for interruptible Gas Parking and Gas Lending service by Colorado Interstate Gas Company, L.L.C. (hereinafter referred to as "Transporter") at a Park and Loan Point on the High Plains System, subject to available line pack capacity at the High Plains PAL-HP points, when Shipper desires Parking and Lending service and to the provisions of Section 2.1(a)(iii)(B) of Rate Schedules TSB-Y, and TSB-T and ESD-T, and when:

- (a) Shipper has made a complete request for High Plains Parking and Lending service in accordance with Section 4 of the General Terms and Conditions.
- (b) Shipper has met the service requirements specified in Section 4 of the General Terms and Conditions, including the creditworthiness conditions specified in Section 4.14 of the General Terms and Conditions.
- (c) Shipper and Transporter have executed a High Plains Interruptible Parking and Lending service agreement ("Agreement") and related Park and Loan Service Request Order ("PAL RO") pursuant to the terms of this Rate Schedule and the Rate Schedule PAL-HP Form of Service Agreement. When executed by Transporter and Shipper, the underlying PAL RO shall evidence their agreement as to the terms of the particular transaction(s) to Park and Loan Gas pursuant to the Agreement.

**2. APPLICABILITY AND CHARACTER OF SERVICE**

2.1 This Rate Schedule PAL-HP shall apply to Parking and Lending of Gas rendered by Transporter to Shipper on an interruptible basis subject to the limitations set forth in the executed Agreement, the underlying PAL RO, this Rate Schedule PAL-HP, and the General Terms and Conditions.

- (a) Parking and Lending service is subject to interruption at any time and such interruptions may be in effect for extended periods of time.
- (b) Parking and Lending service under this Rate Schedule will be performed when in Transporter's reasonable judgment Transporter has capacity available on its existing High Plains System facilities and that it has the operational flexibility to provide such service without detriment or disadvantage to Transporter's firm obligations, system operational needs and interruptible Transportation Service.
- (c) In the event that Parked quantities remain in Transporter's system and/or Loaned quantities have not been paid back to Transporter's system after the expiration of any PAL RO executed by Shipper and Transporter, Transporter and Shipper may mutually agree to an extended time frame and/or modified terms, including the rate, of such PAL RO, to permit Shipper to pay back and/or withdraw such quantities.

2.2 Parking and Lending service hereunder is only available at Park and Loan Point(s) on Transporter's existing High Plains System. Transporter shall post any High Plains Park and Loan Point(s) not available for Park and Loan service on its electronic bulletin board.

(a) In no event shall Transporter be required to provide service under this Rate Schedule that would require Transporter to install, operate acquire or maintain additional facilities.

(b) Parking and Lending service is not available at primary locations under Transporter's Rate Schedule TSB-Y, ~~or~~-TSB-T or ESD-T services.

2.3 Parking and Lending Service available under this Rate Schedule includes:

(a) Parking Service - Parking service shall consist of the receipt of Gas by Transporter at the designated Park and Loan Point(s) on the High Plains System on the designated date(s) as set forth in the PAL RO and approved by Transporter, the holding of the Parked quantity for Shipper's account and Transporter's subsequent withdrawal of Parked quantities of Gas to Shipper on the designated date(s) of the Parked quantities at the original Park and Loan Point(s) on the High Plains System as set forth in the PAL RO;

(b) Lending Service - Lending service shall consist of Transporter's advancement of quantities of Gas Nominated by Shipper at the Park and Loan Point(s) on the High Plains System and on the designated date(s) specified in Shipper's PAL RO and approved by Transporter, and the pay back by Shipper of such Loaned quantities at the original Park and Loan Point(s) on the designated date(s) as set forth in the PAL RO.

(c) Parked quantities may be withdrawn, or Loaned quantities may be paid back to the original Park and Loan Point as set forth in the PAL RO.

2.4 Service rendered under this Rate Schedule shall be provided for a minimum of a one (1) Day term.

2.5 Shipper may Nominate Parking and Lending Service on the High Plains System under a PAL RO.

2.6 Upon notification by Transporter, Shipper may be required to submit a timely Nomination pursuant to Section 6.1 of the General Terms and Conditions in the next available nomination cycle to eliminate up to 33 percent of Shipper's outstanding Park or Loan balance or up to 5,000 Dth on any Day, whichever amount is greater, by the end of the next full Gas Day. Shipper shall not be allowed to extend the duration of its PAL RO to accommodate such withdrawal or payback. Such action is necessary to allow Transporter to fulfill higher priority commitments, or as a result of Transporter's operational requirements. Such notices shall be provided by telephone, and then by facsimile, e-mail, in writing or on Transporter's electronic bulletin board. In the event a timely and valid Nomination is submitted in response to notification by Transporter to withdraw Parked quantities and/or pay back Loaned quantities, Shipper shall be deemed to have complied with Transporter's notification for that Gas Day.

Unless otherwise agreed by Shipper and Transporter: (a) any Parked quantity not Nominated for withdrawal pursuant to Section 2.6 of this Rate Schedule or by the end of the term of a PAL RO shall become the property of Transporter at no cost to Transporter free and clear of any adverse claims; (b) any Loaned quantity not paid back pursuant to this Section 2.6 or by the end of the term of a PAL RO shall be sold to Shipper at 150% of Transporter's Cash Out System Index Price.

### 3. PARKING AND LENDING SERVICE CHARGE

3.1 Applicable Rates. The applicable minimum and maximum rates for service under Rate Schedule PAL-HP, or any superseding rate schedule, are set forth on the Statement of Rates. Shipper shall pay Transporter the sum of the following charges as described below:

- (a) An Initial Rate for each Dth of Gas tendered for Park or taken for Loan during the Month;
- (b) A Park/Loan Balance Rate for each Dth of Gas which is Parked or Loaned under this Rate Schedule PAL-HP for that Month (such charge shall be calculated on the basis of the end of the Day balances for each Day of the Month such a balance occurs); and
- (c) A Completion Rate for each Dth of Gas paid back to Transporter on completion of a Loan or withdrawal by Shipper on completion of a Park that Month.

3.1 (continued)

Notwithstanding the individual rates listed in the PAL RO, on any one Day, the sum of the Initial Rate, the Park/Loan Balance Rate and the Completion Rate shall not exceed the maximum Initial Rate as shown on the Statement of Rates. If Transporter is unable to confirm a valid Nomination under this Rate Schedule to pay back Loaned or to withdraw Parked quantities, the applicable service charge(s) shall be reduced to \$0.0000 per Dth for that Day for the quantities Transporter is unable to confirm. If the day on which Transporter is unable to confirm a valid Nomination under this Rate Schedule to pay back Loaned or to withdraw Parked quantities is the final day of the term of the PAL RO, the term shall be automatically extended for one day and the applicable service charge(s) for the additional day shall be \$0.0000 per Dth.

3.2 **Parking and Lending Rates.** Each Month Shipper shall pay an amount determined by the Parking and Lending rates as set forth on the PAL RO. The PAL RO shall be posted on Transporter's electronic bulletin board.

3.3 **Adjustment of Rates.** Subject to the terms of the Agreement, Transporter reserves the right to prescribe and/or to adjust at any time any of the rates applicable to any individual Shipper pursuant to Section 4.16 of the General Terms and Conditions without adjusting any other rates for that or another Shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum rate(s) nor shall they be less than the applicable minimum rate(s), set forth from time to time on the Statement of Rates of this Tariff. If a Shipper's Park or Loan quantity exceeds the daily quantity in the PAL RO on any Day, Shipper will pay as an authorized overrun the maximum Initial Rate as shown on the Statement of Rates for those quantities specified in the PAL RO.

**4. GENERAL TERMS AND CONDITIONS**

The General Terms and Conditions contained in this Tariff, except as modified in the Agreement and/or any PAL RO, are made a part of this Rate Schedule.

RATE SCHEDULE ESD-T  
TOTEM ENHANCED DELIVERABILITY SERVICE - FIRM

1. AVAILABILITY

1.1 This Rate Schedule is available to any Party meeting the requirements shown below and hereinafter referred to as "Shipper", for the withdrawal of natural gas from the Totem Storage Field and associated transportation of such natural gas to certain Point(s) of Delivery located on Transporter's High Plains System. Transporter's ability to provide service under this Rate Schedule is subject to available deliverability provided by the facilities constructed pursuant to the authority granted in Docket No. CP24-124-000 from Totem Storage and available transportation capacity on Transporter's High Plains System. Service under this Rate Schedule will be provided on a firm basis by Transporter, under the following conditions:

- (a) Shipper makes a complete request for Transportation - Totem Enhanced Deliverability Service in accordance with Section 4 of the General Terms and Conditions of the Tariff;
- (b) Transporter has determined that, other than necessary taps, valves, measurement equipment and other minor facilities necessary to effectuate service at any new or existing Point of Delivery (which Transporter shall provide upon written request and on a not unduly discriminatory basis at reasonable, mutually agreeable locations which will not adversely affect the existing operation of Transporter's system or significantly alter the operation of the pipeline system), Transporter has available uncommitted transmission and Totem Storage capacity to provide the service requested by Shipper as well as its other firm service commitments;
- (c) Shipper has met the service requirements specified in Section 4 of the General Terms and Conditions, including the creditworthiness conditions specified in Section 4.14 of the General Terms and Conditions;
- (d) Shipper has entered into a service agreement under Transporter's Rate Schedule TSB-T or Rate Schedule FS-T that supports the requested service under Rate Schedule ESD-T. Service under this Rate Schedule ESD-T shall be subject to, and limited by, the terms of such service agreements. The term of such service agreement(s) must equal or exceed the term of Shipper's Rate Schedule ESD-T agreement; and
- (e) Shipper and Transporter have executed a Transportation - Totem Enhanced Deliverability Service Agreement ("Agreement") pursuant to the terms of this Rate Schedule.

If Shipper has met all the requirements set forth in this Section 1, then service may commence.

## 2. APPLICABILITY AND CHARACTER OF SERVICE

### 2.1 Primary, Segmented Secondary and Secondary Capacity

#### (a) Primary Capacity

(i) Service under this Rate Schedule entails the use of Totem Storage and the Transportation of Gas by Transporter from the Point of Withdrawal from Totem Storage to specified Point(s) of Delivery on Transporter's High Plains system. Such specified Point(s) of Delivery shall be posted on Transporter's electronic bulletin board. Subject to the limitations set out in this Tariff, service under this Rate Schedule is firm up to the MDQ specified in the Agreement.

(ii) As limited by the provisions of Section 2.2 of this Rate Schedule, Transporter will make Deliveries on an "hour-notice" basis (i.e., shipper Nominations may be made up to one hour before gas is dispatched) based on Shipper's MDQ. Shipper's hour-notice Nominations shall be consistent with the requirements of Section 6 of the General Terms and Conditions.

(iii) In addition to the above, Transporter will make Deliveries to Shipper's Primary Points of Delivery on a one-hour notice basis based on receipts from Shipper's Totem Storage inventory as limited by the following:

(A) Deliveries are limited to Shipper's MDQ.

(B) Deliveries are limited to the remaining capacity on the High Plains facilities as adjusted for any other previously scheduled quantities using those facilities. At any time during the Gas Day, scheduled service under Rate Schedule PAL-HP will not interfere with service under this Rate Schedule; and

(C) Shippers may submit a Nomination pursuant to this section at or prior to the top of any hour to be effective at the top of any subsequent hour.

Such Nominations shall be subject to the following requirements and limitations:

1. Nominations will be processed after Nominations received pursuant to the provisions of Section 6.1 of the General Terms and Conditions for the same effective time.

2. Nominations will be processed on a first-come, first served basis.

(iii) (C) (continued)

3. Nominations are considered to be Intraday Nominations and are only effective for the remainder of the Gas Day.
4. Nominations received at or before the top of any Hour, if scheduled by Transporter, will become effective the later of 1) the top of the next operationally available subsequent Hour, or 2) the top of the Hour requested by the Shipper.

(iv) It shall be Shipper's responsibility using its required TSB-T or FS-T agreements to maintain an amount of Gas in Totem Storage to provide the gas for withdrawal and meet the requirements of this Rate Schedule ESD-T and Rate Schedules TSB-T and/or FS-T and Shipper's transportation agreements. Shipper's withdrawal rights will be subject to the Totem Storage Field Daily Withdrawal Quantity Curve ("Curve") displayed in Part VI: Illustrations, Section 8 and the total field inventory.

- (b) Transportation Service utilizing Flow Path Secondary Capacity shall be scheduled, subject to capacity availability, following Primary Capacity but before Secondary Capacity.
- (c) Transportation Service utilizing Secondary Capacity shall be scheduled, subject to capacity availability, following all Primary Capacity and Flow Path Secondary Capacity.

2.2 Rates of Flow. Unless otherwise agreed on a nondiscriminatory basis, at each Point of Delivery, each Party shall use reasonable efforts to Tender, or cause to be Tendered, Gas at reasonably uniform Hourly rates of flow.

2.3 Authorized Overrun Service. On any Day, upon request of Shipper, Transporter may provide on an interruptible basis Authorized Overrun service.

(a) Shipper may request Transporter to authorize Overrun Deliveries.

- (i) When approved by Transporter, daily Authorized Overrun requests are for full Day quantities and Shipper shall pay the applicable daily Authorized Overrun charges for that service.
- (ii) Shipper must follow the applicable request process for overrun delivery service as specified in Section 6 of the General Terms and Conditions of this Tariff.

2.4 The contract service entitlements specified in the Agreement are based on an Average Thermal Content of Gas in Storage of 1,000 Btu per cubic foot and shall consist of a Maximum Delivery Quantity “(MDQ”) and shall be considered firm. Service up to and including these levels is not subject to interruption or curtailment by Transporter except as provided in this Tariff.

2.5 All Shippers, or their designated agents, under this Rate Schedule may participate in Joint Monthly Operating Plan meetings discussed more fully in Section 11 of the General Terms and Conditions. Shippers shall be subject to the Joint Monthly Operating Plan and operational flow orders, as provided in Section 11 of the General Terms and Conditions. Shippers shall plan and schedule their Gas flows in accordance with the Joint Monthly Operating Plan to the maximum extent practicable.

2.7 This service shall be subject to Section 9 of the General Terms and Conditions pertaining to capacity release.

2.8 Release of Rate Schedule ESD-T.

(a) Shipper may release its Rate Schedule ESD-T capacity for service under Rate Schedule ESD-T. The Replacement Shipper will retain one hour Nomination rights as defined in Section 2.1 (a) above, at the primary points listed in the Releasing Shipper's ESD-T Agreement.

(b) The Replacement Shipper must hold a Rate Schedule TSB-T or Rate Schedule FS-T service agreement with sufficient storage capacity to support the ESD-T withdrawal rights to be released and meet all other requirements of Rate Schedule ESD-T.

(c) Shipper may separately release its Rate Schedule ESD-T storage and transportation rights.

2.9 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its hourly entitlement amount (HEA) to assist pipeline operations. Any such action will not result in daily unauthorized overrun charges or hourly unauthorized charges pursuant to this Rate Schedule and Section 11 of the General Terms and Conditions of this Tariff. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun charges or hourly unauthorized overrun charges pursuant to this Rate Schedule and Section 11 of the General Terms and Conditions of this Tariff. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable charges and/or penalties pursuant to this Tariff.

### 3. TRANSPORTATION SERVICE CHARGES

3.1 Reservation Charge. Shipper shall be charged each Month a reservation charge determined by multiplying the reservation rates set forth in the Agreement times Shipper's MDQ.

3.2 Commodity Charge. Each Month, Shipper shall pay a commodity charge consisting of:

(a) Commodity Withdrawal Charge. The Commodity Withdrawal Charge shall be the product of the Commodity Withdrawal Rate as set forth in the Agreement multiplied by the quantity Delivered to Shipper or for Shipper's account each Day during the Month (exclusive of any overrun quantity) at the Point(s) of Delivery.

3.3 Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities including any related taxes. The Parties shall agree as to whether Shipper shall (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC shall be increased by an amount to compensate for the federal and state income tax effects thereof.

3.4 Imbalance Management. Shipper shall be subject to the imbalance management provisions set forth in Section 10 of the General Terms and Conditions.

3.5 Adjustment of Rates.

(a) Subject to the terms of the Agreement, Transporter reserves the right to prescribe and/or to adjust at any time any of the rates applicable to any individual Shipper without adjusting any other rate applicable to that Shipper or applicable to any other shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum recourse rate(s) nor shall they be less than the applicable minimum recourse rate(s), set forth on the Statement of Rates. Such minimum and maximum limitation shall not apply to service provided pursuant to Section 4.17 of the General Terms and Conditions of this Tariff.

(b) A discount from the maximum rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term of rate specified in Exhibit "B" of the Agreement, the rate for Totem Enhanced Storage Deliverability Service shall revert to the maximum allowable recourse rate, including applicable surcharges, under this Rate Schedule. This condition shall not apply to service provided pursuant to Section 4.17 of the General Terms and Conditions.

#### 4. OVERRUN TRANSPORTATION

4.1 Daily Authorized Delivery Overrun. On any Day, upon request of Shipper and with Transporter's consent, Shipper may take Deliveries of quantities of Gas in excess of Shipper's MDQ limited by Shipper's TADWQ at each Point of Delivery. All such quantities shall be transported as authorized overrun Gas and shall be transported on an interruptible basis. Shipper shall pay an amount obtained by multiplying the quantity of such overrun Gas Delivered by Transporter and accepted by Shipper at each Point(s) of Delivery during the Month by the Daily Authorized Delivery Overrun Rate.

4.2 Daily Authorized Withdrawal Overrun. On any Day, upon request of Shipper and subject to the provisions of the Agreement, including but not limited to, the duty of Shipper not to exceed the Totem Reservoir Integrity Inventory Limit, Transporter may accept or Deliver, on an interruptible basis, quantities in excess of Shipper's TADWQ associated with rights under this Rate Schedule. Shipper shall pay an amount obtained by multiplying the quantity withdrawn from Totem Storage on any Day which is in excess of Shipper's TADWQ under this Rate Schedule by the Daily Authorized Withdrawal Overrun Rate. The Daily Authorized Withdrawal Overrun Rate shall be the applicable maximum rate unless otherwise agreed to by Transporter and Shipper and shall not be less than the applicable minimum rate or more than the applicable maximum rate as set forth on the Statement of Rates. The Daily Authorized Withdrawal Overrun as described herein shall not apply to quantities subject to the Daily Authorized Withdrawal Overrun rate in Rate Schedule TSB-T.

4.3 Daily Unauthorized Delivery Overrun. On any Day, Deliveries to Shipper or for Shipper's account which exceed Shipper's MDQ at any Point(s) and which have not been authorized by Transporter, are unauthorized and shall be subject to the Daily Unauthorized Overrun Rate (non-critical or critical condition as applicable). Shipper shall pay the total of the amounts obtained by multiplying the quantity of such daily unauthorized withdrawal overrun Gas for each Day during the Month by the Daily Unauthorized Overrun Rate as set forth on the Statement of Rates.

#### GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this Tariff, except as modified in the Agreement, are made a part of this Rate Schedule. In particular, but without limitation, the following provisions are made part of this Rate Schedule: scheduling provisions of Section 6, the operating provisions of Section 11, the contract procedures and crediting provisions of Section 4 and the gas quality provisions of Section 3.

## 1. DEFINITIONS

1.1 "Authorized Overrun Quantity" shall mean the following:

- (a) Segmentation: Shipper may Nominate and Tender and Transporter may confirm and receive quantities in excess of Shipper's MDQ on a Segment. Such quantities shall be considered as Authorized Overrun Quantities and transported on an interruptible basis.
- (b) Non-Segmentation: Shipper's total activity under a transportation Service Agreement, except as provided for under Segmentation of Capacity (see Section 8.1 of the General Terms and Conditions), is limited to Shipper's MDQ. In total, Shipper may Nominate and Tender and Transporter may confirm and receive quantities pursuant to Segmentation and non-Segmentation transactions which exceed Shipper's MDQ. The total of Shipper's non-Segmentation transactions plus Shipper's highest quantity of capacity usage on any Segment within Shipper's Primary Receipt-to-Delivery Flow Path which exceeds Shipper's MDQ shall be considered as Authorized Overrun Quantities and shall be Transported on an interruptible basis.

1.2 "Available Daily Injection Quantity" or ("ADIQ") shall mean the percentage of Maximum Daily Injection Quantity ("MDIQ") available for injection by Shipper on any Day and that Transporter may be required to inject into storage on a firm basis. ADIQ is a function of Shipper's percent of Maximum Available Capacity ("MAC") in storage on that Day.

- (a) ADIQ does not confer rights to Transportation capacity, and on any given Day, Transporter may require that up to 44% of the Gas being Transported to the Point of Injection be purchased downstream (south) of Transporter's Springfield Compressor Station.
- (b) Bottom Hole Pressure Surveys ("BHP Surveys") will be conducted in the spring and fall of every calendar year to support the safety and ongoing operational reliability of Transporter's storage fields. During the BHP Surveys, injections into and withdrawals from the field being tested are expected to be suspended for seven consecutive days. Should the BHP Survey of a field be interrupted (e.g., for operational reliability on the pipeline) the seven-day BHP Survey will be restarted.
- (c) To support the necessary BHP Surveys, during the spring and fall months in which the BHP Surveys are conducted, the ADIQ shall be limited to some lesser quantity to the extent required by storage operating conditions and maintenance. Prior to the scheduled survey period, Transporter shall post on its electronic bulletin board the storage field maintenance schedule and the specific impact related to reductions in Shippers' ADIQ.

1.2 "Available Daily Injection Quantity" (continued)

- (d) The Standard ADIQ is calculated using the Standard Available Daily Injection Quantity Formula in Section 1.2(h). The Standard ADIQ will be in effect unless the High ADIQ is made effective pursuant to Section 1.2(e).
- (e) The High ADIQ is calculated using the High Available Daily Injection Quantity Formula in Section 1.2(h). The High ADIQ will be available when Transporter receives approximately 150 MMcf/d at a pressure of 1000 p.s.i.a. or higher at its Watkins Compressor Station. Such high pressure gas must be available for injection into storage and be in excess of those quantities required to meet Transporter's other storage and Transportation obligations. The following procedures apply to the availability of the High ADIQ:
  - (i) In a request to Transporter to initiate the High ADIQ for a specified Gas Day, a firm storage Shipper must indicate that the required higher pressure gas supplies will be provided to Transporter.
  - (ii) Transporter shall evaluate its system operations to determine if the required support for the High ADIQ is available. Based on this evaluation, Transporter shall notify the initiating Shipper if the request for the High ADIQ is approved or disapproved.
  - (iii) If the High ADIQ is approved, Transporter shall post a Notice to Customers on its electronic bulletin board that the High ADIQ is in effect for the requested Gas Day for all firm Shippers.
- (f) Shippers must have adequate Transportation capacity to deliver Gas to storage for injection using either the Standard or High ADIQ.
- (g) The Standard and High Available Daily Injection Quantity Curves in Part VI – Illustrations and Standard and High Available Daily Injection Quantity Tables shown in this Section 1 are provided for illustrative purposes only.

1.2 "Available Daily Injection Quantity" (continued)

(h) THE HIGH AVAILABLE DAILY INJECTION QUANTITY FORMULA

Following Conditions and Rules Apply to the Injection Entitlement Curves

MDIQ = MAC Multiplied by 0.0098340

%MAC = Current Inventory/MAC

THE STANDARD AVAILABLE DAILY INJECTION QUANTITY  
FORMULA

%MDIQ =  $100 - (0.31 * \%MAC)$

THE HIGH AVAILABLE DAILY INJECTION QUANTITY FORMULA

%MDIQ =  $124.8 - (0.36 * \%MAC)$

---

ADIQ Calculation

ADIQ =  $(\%MDIQ/100 * MDIQ)$

Rounded to the nearest whole dekatherm (an integer)

---

NOTE (1): In the context of this formula, the %MAC and %MDIQ values are taken as whole numbers, and not as decimal only numbers (i.e. if the value is 40% use 40.0 not .40, or if it is 36.1234% use 36.1234 not 0.361234).

- (2): The coefficients are entered with four decimal places. The table is calculated with four decimal places, and then rounded for display purposes.
- (3): All calculations are initially performed utilizing four decimal places. The final ADIQ, however, is rounded to the nearest whole number.

1.2 "Available Daily Injection Quantity"  
 (h) (continued)

CIG STORAGE

STANDARD AVAILABLE DAILY INJECTION QUANTITY TABLE

%MAC	%MDIQ	%MAC	%MDIQ	%MAC	%MDIQ
100	69	66	80	32	90
98	70	64	80	30	91
96	70	62	81	28	91
94	71	60	81	26	92
92	72	58	82	24	93
90	72	56	83	22	93
88	73	54	83	20	94
86	73	52	84	18	94
84	74	50	85	16	95
82	75	48	85	14	96
80	75	46	86	12	96
78	76	44	86	10	97
76	76	42	87	8	98
74	77	40	88	6	98
72	78	38	88	4	99
70	78	36	89	2	99
68	79	34	89	0	100

HIGH AVAILABLE DAILY INJECTION QUANTITY TABLE

%MAC	%MDIQ	%MAC	%MDIQ	%MAC	%MDIQ
100	89	66	101	32	113
98	90	64	102	30	114
96	91	62	103	28	115
94	91	60	103	26	116
92	92	58	104	24	116
90	93	56	105	22	117
88	94	54	106	20	118
86	94	52	106	18	118
84	95	50	107	16	119
82	96	48	108	14	120
80	96	46	108	12	121
78	97	44	109	10	121
76	98	42	110	8	122
74	99	40	111	6	123
72	99	38	111	4	123
70	100	36	112	2	124.1
68	101	34	113	0	124.8

1.2 "Available Daily Injection Quantity"  
(h) (continued)

**NOTE:** %MAC means the percent of the Shipper's MAC currently in CIG storage expressed as a whole number.

1.3 "Available Daily Withdrawal Quantity or ("ADWQ") shall mean the percentage of Maximum Daily Withdrawal Quantity available to Shipper on any Day and that Transporter may be required to withdraw from storage on a firm basis and is a function of Shipper's percent of Maximum Available Capacity ("MAC") in Storage on that Day as calculated using one of two possible formulas which are dependent upon Shipper's previous actual operating conditions.

- (a) The High Available Daily Withdrawal Quantity Formula shall only be available for four (4) consecutive Days in which the Withdrawal Rate is above the Standard Formula. Following such a four-Day period, the Standard Available Daily Withdrawal Quantity Formula shall be in effect.
- (b) Subsequent to the occurrence of the conditions outlined in (a) above, the High Available Daily Withdrawal Quantity Formula may only be reinstated following an uninterrupted period of injections at a quantity equivalent to at least fifty percent (50%) of the quantity withdrawn while utilizing the High formula. Additionally, Shipper must have the Transportation capacity necessary to Deliver the injected volumes and Transporter is not required to accept volumes for reinjection which exceed a rate of 100 MDth per day.
- (c) The High Available Daily Withdrawal Quantity is calculated using the High Available Daily Withdrawal Quantity Formula found in this Section 1.3 and the Standard Available Daily Withdrawal Quantity Formula is also found in Section 1.3. The High and Standard Available Daily Withdrawal Quantity curves are found in Part VI- Illustrations. The High and Standard Daily Withdrawal tables are shown in this Section 1.3.

1.3 "Available Daily Withdrawal Quantity or ("ADWQ") (continued)

THE STANDARD AVAILABLE DAILY WITHDRAWAL QUANTITY FORMULA

Following Conditions and Rules Apply to the Standard Deliverability Entitlement Curve

$$\%MAC = \text{Current Inventory}/\text{MAC}$$

---

If the %MAC is > or = to 59.2%  
then set the %MDWQ = to 100%

---

If the %MAC is < 59.2% and > 0%  
then

$$\%MDWQ = (28.8560872) + (%MAC * 1.1126233) + (%MAC^2 * 0.0141052) - (%MAC^3 * 0.0002116)$$

---

If the %MAC is = to 0%  
then set the %MDWQ = to 0%

---

ADWQ Calculation

$$\text{ADWQ} = (%MDWQ/100) * \text{MDWQ}$$

Rounded to the nearest whole Dekatherm (an integer)

Notes:

- (1) In the context of this formula, the %MAC and %MDWQ values are taken as whole numbers, and not as decimal only numbers (i.e. if the value is 40% use 40.0 not .40, or if it is 36.1234% use 36.1234 not 0.361234).
- (2) The coefficients are entered with four decimal places. The table is calculated with four decimal places, and then rounded for display purposes.
- (3) All calculations are initially performed utilizing four decimal places. The final ADWQ however, is rounded to the nearest whole number.

1.3 "Available Daily Withdrawal Quantity or ("ADWQ") (continued)

STANDARD AVAILABLE DAILY WITHDRAWAL QUANTITY TABLE

Applies to the Standard Deliverability Entitlement Curve

%MAC	%MDWQ	%MAC	%MDWQ	%MAC	%MDWQ
100	100.0	39	81.2	17	50.8
59.2	100.0	38	79.9	16	49.4
59	100.0	37	78.6	15	48.0
58	99.6	36	77.3	14	46.6
57	98.9	35	76.0	13	45.2
56	98.2	34	74.7	12	43.9
55	97.5	33	73.3	11	42.5
54	96.7	32	72.0	10	41.2
53	95.9	31	70.6	9	39.9
52	95.1	30	69.2	8	38.6
51	94.2	29	67.8	7	37.3
50	93.3	28	66.4	6	36.0
49	92.3	27	65.0	5	34.7
48	91.4	26	63.6	4	33.5
47	90.3	25	62.2	3	32.3
46	89.3	24	60.8	2	31.1
45	88.2	23	59.3	1	30.0
44	87.1	22	57.9	0	-
43	86.0	21	56.5		
42	84.8	20	55.1		
41	83.6	19	53.6		
40	82.4	18	52.2		

1.3 "Available Daily Withdrawal Quantity or ("ADWQ") (continued)

THE HIGH AVAILABLE DAILY WITHDRAWAL QUANTITY FORMULA

Following Conditions and Rules apply to the High Deliverability Entitlement Curve

MDWQ = MAC Divided by 33.513  
%MAC = Current Inventory/MAC

---

If the %MAC is > or = to 48.5%  
then set the %MDWQ = to 100%

---

This formula only applies to the sloping portion of the curve.

If the %MAC is < 48.5% and > 0%  
then

$$\%MDWQ = (29.8632305) + (%MAC * 0.9975802) + (%MAC^2 * 0.0289027) - (%MAC^3 * 0.0004053)$$

---

If the %MAC is = to 0%  
then set the %MDWQ = to 0%

---

ADWQ Calculation

$$ADWQ = (%MDWQ/100) * MDWQ$$

Rounded to the nearest whole Dekatherm (an integer)

---

Notes:

- (1) In the context of this formula, the %MAC and %MDWQ values are taken as whole numbers, and not as decimal only numbers (i.e. if the value is 40% use 40.0 not .40, or if it is 36.1234% use 36.1234 not 0.361234).
- (2) The coefficients are entered with four decimal places. The table is calculated with four decimal places, and then rounded for display purposes.
- (3) All calculations are initially performed utilizing four decimal places. The final ADWQ, however, is rounded to the nearest whole number.

1.3 "Available Daily Withdrawal Quantity or ("ADWQ") (continued)

HIGH AVAILABLE DAILY WITHDRAWAL QUANTITY TABLE

%MAC	%ADWQ	%MAC	%ADWQ	%MAC	%ADWQ
100	100.0	33	79.7	16	51.6
48.5	100.0	32	78.1	15	50.0
48	99.5	31	76.5	14	48.4
47	98.5	30	74.9	13	46.8
46	97.5	29	73.2	12	45.3
45	96.3	28	71.6	11	43.8
44	95.2	27	69.9	10	42.3
43	94.0	26	68.2	9	40.9
42	92.7	25	66.5	8	39.5
41	91.4	24	64.9	7	38.1
40	90.1	23	63.2	6	36.8
39	88.7	22	61.5	5	35.5
38	87.3	21	59.8	4	34.3
37	85.8	20	58.1	3	33.1
36	84.3	19	56.5	2	32.0
35	82.8	18	54.8	1	30.9
34	81.3	17	53.2	0	-

1.4 "Available Hourly Withdrawal Quantity" or "AHWQ" shall mean the maximum amount of Gas available to Shipper in any hour that Transporter may be required to withdraw from storage for Shipper's account. AHWQ shall equal 1/24th of Shipper's ADWQ.

1.5 Average Thermal Content of Gas in Storage ("ATC") shall be calculated by dividing the Dekatherms by the Volume, in Mcf, in Transporter's Storage Fields, excluding base Gas, at the point in time. The ATC shall be assumed to be 1,000 Btu per cubic foot for purposes of contract entitlement and rate design.

(a) Transporter shall monitor storage injections and withdrawals and calculate the actual ATC of Gas in CIG Mainline Storage on September 30 of each year. If the actual ATC deviates from the currently effective ATC by more than plus or minus 20 Btu per cubic foot, the actual ATC shall become the new effective ATC and shall be posted on Transporter's electronic bulletin board and on Transporter's interactive web site under Informational Postings, by October 15 of each year, and a corresponding adjustment will be made, as applicable to Shipper's MDIQ, MDWQ and MAC entitlements. Transporter shall also adjust the related Transportation entitlement to Point(s) of Delivery under Rate Schedules NNT-1 and NNT-2 to the extent capacity is available. Transporter may make these annual adjustments for smaller changes in Btu per cubic foot values if in Transporter's judgment such change is required to avoid system disruption.

1.5      (b)     Average Thermal Content of Gas in Storage ("ATC") (continued)  
Upon notice of a change to the Young Storage ATC of a deviation from the currently effective Young Storage ATC by more than plus or minus 20 Btu per cubic foot, the posted Young Storage ATC shall become the new effective High Plains ATC and shall be posted on Transporter's electronic bulletin board and a corresponding adjustment will be made, as applicable, to Shippers' YMDIQ, YMDWQ and YMAG entitlements. Transporter shall also adjust the related Transportation entitlement to Point(s) of Delivery under Rate Schedule TSB-Y to the extent capacity is available. Transporter may make annual adjustments for smaller changes in Btu per cubic foot values if corresponding changes are made by Young Storage.

(c)     Average Thermal Content of Gas in Totem Storage ("Totem Storage ATC") shall be calculated by dividing the Dekatherms by the Volume, in Mcf, in Transporter's Totem Storage Fields, excluding base Gas, at the point in time. The Totem Storage ATC shall be assumed to be 1,000 Btu per cubic foot for purposes of contract entitlement and rate design. Transporter shall monitor storage injections and withdrawals and calculate the actual Totem Storage ATC of Gas in storage on October 31 of each year. If the actual Totem Storage ATC deviates from the currently effective Totem Storage ATC by more than plus or minus 20 Btu per cubic foot, the actual Totem Storage ATC shall become the new effective Totem Storage ATC and shall be posted on Transporter's electronic bulletin board and on Transporter's Web Site under Informational Postings, by November 15 of each year, and a corresponding adjustment will be made to Shipper's TMDIQ, TMDWQ and TMAC entitlements. Transporter may make these annual adjustments for smaller changes in Btu per cubic foot values if in Transporter's judgment such change is required to avoid system disruption.

(d)     Any adjustment to ATC will be posted on Transporter's electronic bulletin board as a percentage increase or decrease in entitlements and each firm storage customer's adjusted entitlements will also be posted. The adjusted entitlements will take effect upon posting. If an adjustment pursuant to this Section 1.5 causes Shipper to be in an overrun situation, Shipper will have 30 Days before being subject to overrun charges. When an adjustment to storage contract entitlement is made pursuant to this Section 1.5, a corresponding adjustment to storage rates will also be made effective the first of the Month, the Month following the date such adjustment is posted on Transporter's electronic bulletin board.

1.6     "Begin Date" shall mean the Day specified by a Shipper on which a Gas transaction is to begin. Most Gas transactions are to be effective for a full Gas Day. However, Shippers may indicate a requested beginning time when submitting Intraday Nominations.

1.7     "Bidding Shipper(s)" is any Shipper who is prequalified pursuant to Section 9 of the General Terms and Conditions to bid for capacity or who is a party to a prearranged release.

1.8 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 standard conditions, defined as a pressure of 14.73 pounds per square inch at a temperature of 60.0° F on a dry basis.

1.9 "Bumping" or "Bump" shall mean:

- (a) The reduction of a previously scheduled and confirmed interruptible transportation quantity to permit Transporter to schedule and confirm a firm Transportation Nomination which has a higher priority and which was submitted as an Intraday Nomination.
- (b) In the event that a discount is granted that affects previously scheduled quantities, "Bumping" or "Bump" shall also mean the reduction of a firm Transportation quantity previously Scheduled and Confirmed to permit Transporter to schedule and confirm a firm Transportation Intraday Nomination which has a higher priority.
- (c) In the event of an intraday recall of released capacity, "Bumping" or "Bump" shall also mean the reduction of the Replacement Shipper's previously Scheduled and confirmed firm transportation quantity.

Bumping that affects transactions on multiple Transportation Service Providers' systems should occur at grid-wide synchronization times only (NAESB Standard 1.3.39). Pursuant to NAESB Standard 1.2.12, absent an agreement to the contrary between Transporter, Shipper and any affected interconnected party, a Bump shall not result in a Scheduled Quantity that is less than the applicable elapsed pro-rated flow quantity.

1.10 "Business Day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the United States, and similar holidays for transactions occurring in Canada and Mexico. (NAESB Standard 3.2.1)

1.11 "Cash Out Index Price" shall mean the price calculated as the average of the daily average index prices for NGPL Midcontinent and CIG as published in the Natural Gas Intelligence ("NGI") Daily Gas Price Index for each day of the production month (i.e., the total of (NGPL average plus CIG average divided by two) for each day of the month divided by the number of days in the Month). Should this publication become unavailable, Transporter shall base the Cash Out Index Price on information posted in a similar publication. The Cash Out Index Price shall be calculated and posted on Transporter's electronic bulletin board no later than 5:00 p.m. CCT on the fifth Business Day of the month following the production month.

1.11A "Cash Out System Index Price" shall mean the average weekly price of a five-week period consisting of the fifth week, which ends on the sixth Business Day of the month following the production month, and the prior four weeks, each ending on the same day of the week as the fifth week. The average weekly price is calculated as the average of the daily average index prices for Cheyenne Hub and NGPL Midcontinent as published on the Natural Gas Intelligence ("NGI") Daily Gas Price Index for that week. For quantities owed Shipper, the Cash Out System Index Price shall be the lowest average weekly price occurring within the five-week period. For quantities owed Transporter, the Cash Out System Index Price shall be the highest average weekly price occurring within the five-week period. Should this publication become unavailable, Transporter shall base the Cash Out System Index Price on information posted in a similar publication. The Cash Out System Index Price shall be calculated and posted on Transporter's electronic bulletin board no later than 5:00 CCT on the sixth Business Day of the month following the production month.

1.12 "Central Clock Time" or "CCT" shall mean Central Standard Time (CST) except for that period when daylight savings is in effect. During this period, CCT shall mean Central Daylight Time (CDT). Unless otherwise stated, all times in this Tariff are Central Clock Time.

1.13 "Central System Receipt Capacity" shall mean Shipper's receipt capacity, pursuant to Section 6.2 of the General Terms and Conditions, at Points located at or east of Transporter's Watkins Compressor Station and at or north of Shipper's Springfield Compressor Station to include facilities in the states of Colorado and Kansas.

1.13A "CIG Mainline Storage" and "CIG Storage" shall mean the storage pool consisting of the storage facilities known as Ft. Morgan, Latigo, Boehm and Flank. CIG Mainline Storage/CIG Storage does not include Young or Totem Storage.

1.14 "Confirmation" shall mean the verification of the Confirmed Quantity by the Confirming Parties. A Confirmation Response is a report provided via EDM which conforms to the requirements of the Data Dictionary standards as set forth in NAESB Standard 1.4.4. The Explicit Confirmation process requires that the Confirming Party respond to a Request for Confirmation or initiate an unsolicited Confirmation Response. Absent mutual agreement to the contrary, Explicit Confirmation is the default methodology. (NAESB Standard 1.3.40)

(a) A "Confirmation Requester" is a Service Provider (including a point operator) which is seeking to confirm a quantity of Gas via the information outlined in NAESB Standard 1.4.3 with another Service Provider (the Confirming Party) with respect to a Nomination at a location. (NAESB Standard 1.2.8)

(b) A "Confirming Party" is a Service Provider (including a point operator) which provides a Confirmation for a quantity of Gas via the information outlined in NAESB Standard 1.4.4 to another Service Provider (the Confirmation Requester) with respect to a Nomination at a location. (NAESB Standard 1.2.9)

1.14 "Confirmation" (continued)

- (c) The term "Confirming Parties" refers to the Confirmation Requester and the Confirming Party. (NAESB Standard 1.2.10)
- (d) "Confirmation by Exception" ("CBE") means that the Confirming Parties agree that one Party deems that all requests at a location are Confirmed by the other Party (the CBE Party) without response communication from that Party. The CBE party can take exception to the request by so informing the other Party within a mutually agreed upon time frame. (NAESB Standard 1.2.11)

1.15 "Confirmed Quantity" shall mean the final result of the Confirmation process and is the quantity of Gas stated in MMBtu or Dth, which has been determined as authorized to flow on a specified Gas Day at a specified Point of Receipt or Delivery on behalf of a Shipper or Shippers. Transporter's Scheduled Quantity reports provided via EDM shall conform to the requirements of the Data Dictionary standards as set forth in NAESB Standard 1.4.5 and shall reflect Confirmed Quantities.

1.16 "Critical Notices" are defined, in conformance with NAESB Definition 5.2.1, as those notices which pertain to information of conditions on Transporter's system that affect scheduling or adversely affect scheduled Gas flow.

1.17 "Daily Nomination" or "Timely Nomination" shall mean a Nomination submitted by a Nominating Party in conformance with the Timely Nomination Schedule set forth in Section 6 of these General Terms and Conditions, one calendar day prior to the Begin Date of a Gas transaction.

1.18 Reserved

1.19 "Day" or "Gas Day" shall mean a period beginning at 9:00 a.m. Central Clock Time and ending at 9:00 a.m. Central Clock Time on the next calendar day.

1.20 "Dekatherm" or "Dth" shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units (MMBtu). One Dekatherm of Gas shall mean the quantity of Gas which contains one Dekatherm of heat energy, and will be reported on a dry MMBtu (or Dth) basis. Dth is the standard quantity unit for Nominations, Confirmations and Scheduled Quantities in the United States. The standard conversion factor between Dth and Canadian Gigajoules (Gj) is 1.055056 Gjs per Dth. As used in this Tariff, related service agreements, statements and invoices, MMBtu and Dth are considered synonymous.

1.21 "Deliver" or "Delivered" shall mean the Tender of a quantity of natural Gas by Transporter to Shipper, or for a Shipper's account, or to a third party for Shipper's account under an agreement.

- 1.22 "Delivery Quantity" shall mean the quantity, expressed in Dth, of Gas Delivered by Transporter at the Point(s) of Delivery for the account of Shipper.
- 1.23 "Downstream Party" shall mean the entity (name or identifying number) receiving Gas at a designated location as identified by a Shipper's Nomination.
- 1.24 "Electronic Delivery Mechanism" or "EDM" shall mean the electronic communication methodology used to transmit and receive data related to Gas transactions. Transporter shall designate an electronic "site" at which Shippers and Transporter may exchange data electronically. All data provided at such site shall be considered as being Delivered to the appropriate Party. Transporter's use and implementation of EDM shall conform to all appropriate NAESB Standards.
- 1.25 "Electronic Transmission" or "Electronic Communication" shall mean the transmission of information via Transporter's electronic bulletin board, Transporter's standardized internet web site , and Electronic Data Interchange (EDI), including information exchanged via EDM. These terms exclude facsimile.
- 1.26 "End Date" shall mean the Day specified by a Shipper on which a Gas transaction is to end. Most transactions are to be effective for a full Gas Day. However, Shipper may indicate a requested end time when submitting Intraday Nominations.
- 1.27 "Essential Human Need" shall mean the natural Gas required to protect life and health. This includes residential uses, small commercial uses using natural Gas in amounts less than 50 Dth per day on a peak Day, hospitals, schools or similar institutions, and small uses vital to the public health.
- 1.28 "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission and any other governmental body or bodies succeeding to, lawfully exercising, or superseding any powers of the Federal Energy Regulatory Commission.
- 1.29 "Flow Path Secondary" or "Flow Path Secondary Capacity" shall mean the scheduling priority or the capacity status assigned to the portion of a Transportation transaction that extends beyond the Shipper's Primary Receipt-to-Delivery Flow Path when at least some portion of the nominated Receipt-to-Delivery Flow Path passes through the Shipper's Primary Receipt-to-Delivery Flow Path in the same direction of the Shipper's Primary Capacity. Flow Path Secondary Capacity is limited by the capacity entitlement of the underlying transportation service agreement on the Primary Receipt-to-Delivery Flow Path Segment being used.
- 1.30 "Fuel Reimbursement" shall mean the compressor Fuel Gas and Lost, Unaccounted For and Other Fuel Gas as described in Section 13 of the General Terms and Conditions.
- 1.31 "Gas" shall mean combustible hydrocarbon Gas.

- 1.32 "Gas in Place" shall mean a quantity of Gas currently held in storage for the account of each Shipper.
- 1.33 "North American Energy Standards Board" or "NAESB" shall mean that accredited organization established to set standards for certain natural Gas industry business practices and procedures.
- 1.34 " NAESB or NAESB WGQ Standard or NAESB Standard" and "NAESB or NAESB WGQ Definition or NAESB Definition" shall mean the standardized business practices, procedures, criteria, and definitions of terms which have been adopted and published by the Wholesale Gas Quadrant of the North American Energy Standards Board and which have been adopted by reference by the FERC in compliance with 18 CFR, Section 284.12, as described in Section 32 of the General Terms and Conditions.
- 1.35 "Gross Heating Value" shall mean the number of Btus produced by the complete combustion, at a constant pressure, of the amount of Gas which would occupy a volume of 1 cubic foot at a temperature of 60 degrees Fahrenheit on a water-free basis and at a pressure of 14.73 p.s.i.a. with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of the Gas and air, and when the water formed by combustion has condensed to the liquid state.
- 1.35A "High Plains" or "High Plains System" shall mean that portion of Transporter's pipeline system certificated for service pursuant to Commission order in Docket No. CP07-207-000. High Plains extends from the Cheyenne Hub in Weld County, Colorado in a southeasterly direction with a western terminus at Transporter's Derby Lake Metering Station, a terminus at the Totem Storage field in Adams County, Colorado, and an eastern terminus at the Young Storage field in Morgan County, Colorado. The pipeline facilities include an interconnection with Public Service Company's ("PSCO") natural gas pipeline system at Tritown near Fort Lupton, as well as an interconnection with the PSCO system at Watkins and Beaver Creek and to the Calpine Blue Spruce and Calpine Rocky Mountain Energy Center (Hudson) power plants.
- 1.35B "High Plains Storage" shall mean the storage facilities acquired by Transporter pursuant to Commission orders in Docket Nos. CP07-207-000 and CP08-30-000 that includes Transporter's acquired capacity in Young Storage field in Morgan County, Colorado, and the Totem Storage Facilities in Adams County, Colorado.
- 1.36 "Hour" shall mean the 60-minute period beginning at the top of each hour of the Gas Day and ending at the top of the next hour (i.e. Hour 1 starts at 8:00 a.m. CCT and ends at 9:00 a.m. CCT).

1.37 "Hourly Entitlement Enhancement Nomination" or "HEEN" shall mean a request submitted for the Timely or Evening Nomination Cycles under Rate Schedule TF-1 or TF-4 by a Shipper for a prospective Transportation transaction from a Point of Receipt to a Qualified Point of Delivery. Further, the flow path for such Nomination must be forward haul through at least two of the Hourly Entitlement Enhancement Nomination Compressor Stations as listed on Transporter's Information Postings Web Site. An Hourly Entitlement Enhancement Nomination may be used to reserve capacity to support non-uniform Hourly Deliveries as specified in Shipper's Transportation Service Agreement ("TSA"). Hourly Entitlement Enhancement Nominations must meet all other criteria for a valid Nomination. However, the sum of all HEENs under an Agreement may not be in excess of the Shipper's MDQ. An Hourly Entitlement Enhancement Nomination may also be Delivered to an NNT Balancing Point. The Scheduled Quantities for an Hourly Entitlement Enhancement Nominations shall be distributed pro rata based on the Shipper's firm capacity entitlements under the TSA at the related Primary Points of Delivery.

1.38 "Injection Period" shall consist of the period commencing on May 1 of any year and continuing through October 31 of such year for CIG Mainline Storage, the period commencing on June 1 of any year and continuing through October 31 of such year for Young Storage and the period commencing on June 1 of any year and continuing through October 31 of such year for Totem Storage.

1.39 "Interconnecting Party" shall mean the Party or such Party's designee that is responsible for operations of a natural Gas system which interconnects with Transporter's pipeline-system and is responsible for verifying Nominations and scheduling Gas flow at such Points of interconnections. An Interconnecting Party is also a Confirming Party. Each Interconnecting Party is required to conform to the schedules set forth in Section 6 of these General Terms and Conditions of this Tariff, unless specifically exempted by Transporter.

1.39A Reserved.

1.40 "Intraday Nomination" shall mean a Nomination submitted by a Nominating Party after the Timely Nomination deadline set forth in Section 6 of these General Terms and Conditions. Intraday Nominations shall be accepted for the following cycles pursuant to the schedule set forth in Section 6 of these General Terms and Conditions:

- (a) Evening Cycle - the day prior to the Gas Day
- (b) Intraday 1 Cycle - during the Gas Day
- (c) Intraday 2 Cycle - during the Gas Day
- (d) Intraday 3 Cycle – during the Gas Day

- 1.41 "Loan", "Loaned", "Lend" or "Lending" shall mean Transporter's advancement of quantities of Gas to Shipper at a Park and Loan Point pursuant to the terms of the applicable Rate Schedule and related agreement. For Rate Schedule PAL-HP, Loan, Loaned, Lend or Lending shall mean Transporter's advancement of quantities of Gas to Shipper at a Park and Loan Point on the High Plains System and pay back of such quantities at the same Park and Loan on the High Plains System pursuant to the terms of Rate Schedule PAL-HP and a Rate Schedule PAL-HP agreement.
- 1.42 "Maximum Available Capacity" or "MAC" shall mean the maximum quantity of Gas (expressed in Dth) that Transporter is required to accept under Rate Schedules FS-1, NNT-1, and NNT-2 for injection into storage during the Injection Period on Shipper's behalf.
- 1.43 "Maximum Daily Injection Quantity" ("MDIQ") shall mean the maximum quantity of Gas (expressed in Dth) per Day that Transporter shall be required to inject into storage on Shipper's behalf and shall be limited to Shipper's MAC times 0.009834.
- 1.44 "Maximum Daily Withdrawal Quantity" or "MDWQ" shall mean the maximum daily quantity of Gas (expressed in Dth) that Transporter shall be required to withdraw from storage on a firm basis on Shipper's behalf. Shipper's MDWQ shall equal 0.029839 times Shipper's MAC or approximately 33.513 of Shipper's MAC.
- 1.45 "Maximum Delivery Quantity" or "MDQ" shall mean the maximum quantity of Gas, expressed in Dth per Day, which Transporter shall be obligated to Deliver under a firm transportation service agreement.
- 1.46 "Maximum Hourly Delivery Quantity" or "MHDQ" shall mean the maximum quantity of Gas, expressed in Dth per hour, which Transporter shall be obligated to Deliver under a transportation service agreement. MHDQ shall equal 1/24th of Shipper's Scheduled Quantity not to exceed 1/24th of Shipper's MDQ.
- 1.47 "Mcf" shall mean 1,000 cubic feet of Gas at a pressure of 14.73 p.s.i.a. and at a temperature of 60 degrees Fahrenheit. Pressure base conversion factors shall be stated with at least six decimals. However, the reporting basis for Gas transactions is thermal. See definition of Dth in this Section.
- 1.48 "Minimal Plant Protection Uses" shall mean the natural Gas required to protect the plant when it is shut down.

1.49 "Month" shall mean the period of time beginning at 9:00 a.m. Central Clock Time on the 1st Day of a calendar month and ending at 9:00 a.m. Central Clock Time, on the 1st Day of the next succeeding calendar month.

1.50 "NNT Balancing Point" shall mean a pseudo location provided by Transporter which permits Rate Schedule NNT-1 and NNT-2 Shippers to Nominate Transportation Deliveries which will be allocated to either the NNT Point(s) of Delivery or to Shipper's storage account as necessary.

1.51 "Nomination" or "Nominate" shall mean a request by a Shipper for a prospective Transportation, storage or Pooling transaction under an executed service agreement and submitted to Transporter.

"Valid Nomination" shall mean a data set which contains the mandatory data elements included in the NAESB Standards related to Nominations, which is consistent with the provisions of the Shipper's service agreement, and which has been Delivered to Transporter, or to Transporter via Electronic Communication or when agreed to by Transporter, by facsimile. Shipper Nominations sent by EDM shall conform to the requirements of the Data Dictionary standards set forth in NAESB Standard 1.4.1.

1.52 "Nominated Hourly Withdrawal Quantity" ("NHWQ") shall mean 1/24th of the Daily Withdrawal Nomination from Shipper's storage inventory under Rate Schedule FS-1. The MHDQ on the associated Rate Schedule TF-1 agreement shall be equivalent to the NHWQ at Qualified Delivery Points.

1.53 "Nominating Party" shall mean a Shipper or Shipper's Agent (for Rate Schedule TI-1 pursuant to Third-Party Operating Notices) authorized to submit Nominations to Transporter pursuant to Shipper's executed service agreements.

1.53A "North Raton Lateral" shall mean that portion of Transporter's pipeline system certificated for service pursuant to Commission order in Docket No. CP09-464-000. The North Raton Lateral extends from the Raton Basin in Las Animas County, Colorado to Transporter's Drennan Road facilities in El Paso County, Colorado.

1.54 "Northern System Receipt Capacity" shall mean Shipper's receipt capacity, pursuant to Section 6 of the General Terms and Conditions, at points located north of Transporter's Watkins Compressor Station to include facilities in the states of Colorado, Wyoming, Montana, and Utah.

1.55 "Operational Balancing Agreement"("OBA") shall mean an agreement entered into between Transporter and a party owning an interconnecting system. The OBA is a contract between Transporter and an Interconnected Operator which specifies the procedures to manage operating variances at an interconnect (NAESB Definition 2.2.1). The form of agreement used by Transporter follows the format of the Model Operational Balancing Agreement developed by NAESB.

1.56 "Operator" shall mean, for purposes of this Tariff, a party that controls and is responsible for the operation of a physical natural Gas facility connected to a Point of Delivery on Transporter's transmission which is (1) not serviced by "No Notice" service or an Operational Balancing Agreement and (2) subject to variances from Scheduled Quantities which are primarily the result of market-driven changes in quantities Delivered.

1.57 "Overrun Capacity" shall mean capacity other than Primary Capacity, Flow Path Secondary and/or Secondary Capacity when Shipper Nominates for Transportation service in excess of Shipper's contractual entitlements.

1.58 "p.s.i.a." shall mean pounds per square inch absolute.

1.59 "p.s.i.g." shall mean pounds per square inch gauge.

1.60 "Package Identifier" or "Package ID" shall mean a Nomination data element which is provided at the service requestor's option to differentiate between discrete business transactions. (NAESB Standard 1.2.5) When used, Package ID should be: (a) supported for Nominating and scheduling; (b) mutually agreed between the applicable Parties for allocations and imbalance reporting; (c) supported for invoicing (sales and purchases); and (d) mutually agreed for Transport invoicing. (NAESB Standard 1.3.24) Use of the Package ID is at the discretion of the service requestor, and if sent, should be accepted and processed by Transporter. (NAESB Standard 1.3.25)

1.61 "Park", "Parked" or "Parking" shall mean acceptance by Transporter of quantities of Gas Tendered by Shipper at a Park and Loan Point for Delivery pursuant to the terms of the applicable Rate Schedule and a related agreement. For Rate Schedule PAL-HP, Park, Parked or Parking shall mean acceptance by Transporter of quantities of Gas Tendered by Shipper at a Park and Loan Point on the High Plains System for Delivery from the same Park and Loan Point on the High Plains System pursuant to the terms of Rate Schedule PAL-HP and a Rate Schedule PAL-HP agreement.

1.62 "Park and Loan Point" shall mean a Nomination point determined by Transporter at which quantities may be Parked or Loaned pursuant to a Rate Schedule PAL-1, PAL-HP or APAL-1 agreement. Park and Loan Point(s) shall be designated for use with Rate Schedule PAL-HP. The availability of such points will be posted on Transporter's electronic bulletin board under the Non-Critical Notices section. A single Automatic Park and Loan Point shall be designated for use with Rate Schedule APAL-1.

1.63 "Party" or "Parties" shall mean either Shipper and/or Transporter.

1.64 Reserved for future use.

1.65 "Point of Delivery" shall mean the physical or logical Point(s) (including Pools) where Transporter Tenders Gas to Shipper or Shipper's account.

- 1.66 "Point of Delivery Quantity" shall mean the maximum quantity of Gas, expressed in Dth per Day, which Transporter shall be obligated under a transportation service agreement to Deliver to Shipper, or for Shipper's account at a Point of Delivery.
- 1.67 "Point of Injection" shall mean that point where Transporter accepts and injects Gas into Transporter's CIG Storage Fields for the account of Shipper. "Young Point of Injection" shall mean that point where Transporter accepts and injects Gas into Transporter's Young Storage for the account of Shipper. "Totem Point of Injection" shall mean that point where Transporter accepts and injects Gas into Totem Storage for the account of Shipper.
- 1.68 "Point of Receipt" shall mean the physical or logical Point(s) (including Pools) where Transporter receives Gas for the account of Shipper for Transportation.
- 1.69 "Point of Receipt Quantity" shall mean the maximum quantity of Gas, expressed in Dth per Day, which Shipper is permitted under a transportation service agreement to Tender to Transporter at a Point of Receipt.
- 1.70 "Point of Withdrawal" shall mean that point where Transporter withdraws Gas from Transporter's CIG Storage Fields for the account of Shipper. "Young Point of Withdrawal" shall mean that point where Transporter withdraws Gas from Transporter's Young Storage for the account of Shipper. "Totem Point of Withdrawal" shall mean that point where Transporter withdraws Gas from Transporter's Totem Storage for the account of Shipper.
- 1.71 "Pool" shall mean a physical or logical Point determined by Transporter at which supplies may be aggregated and disaggregated. Pool(s) are not valid Point(s) of Receipt or Delivery for determination of Primary Point(s), capacity scheduling or for capacity release.
- 1.72 "Pooler" shall mean that Party holding an executed Pooling service agreement under this Tariff and on whose behalf Gas is being aggregated at a Pool. For purpose of Nominations, the term "Pooler" is synonymous with "Shipper".
- 1.73 "Pooling" shall mean the aggregation of multiple sources of supply to a single quantity and the disaggregation of such quantity to multiple markets or market contract(s). "Headstation Pooling" shall mean the aggregation of supplies from one or more physical or logical Point(s) of Receipt to a designated Pool and the disaggregation of such aggregated quantities to one or more transportation service agreement(s).

1.74 "Pooling Area" shall mean the area implied by the designation of various Segment(s) related to a specific Pool. Transporter's Pooling Area(s) and the Point(s) of Receipt and the related Headstation Pool Points shall be posted on Transporter's electronic bulletin board.

1.75 "Primary Capacity" shall mean the transmission system capacity on any portion of the Primary Receipt-to-Delivery Flow Path reserved for a Shipper under a firm transportation service agreement. On any pipeline Segment, Primary Capacity is limited by the Primary Point(s) of Receipt Quantity upstream of such Segment and the Primary Point(s) of Delivery Quantity downstream of such Segment, whichever is less.

1.76 "Primary Point(s)" shall mean those Point(s) of Receipt and Delivery specified in the firm transportation agreement as Point(s) and where Shipper is entitled to firm service.

1.77 "Products" shall mean liquid and liquefiable hydrocarbons, inerts (including, but not limited to, helium and nitrogen), sulfur, water, and any other component of Gas removed by processing or compression, or by means of drips or separators.

1.78 "Qualified Point(s)" shall mean a valid Point of Delivery for hourly Delivery services and must meet the following criteria:

- (a) A Qualified Point must be included among the Points listed in Section 30.1, 30.2 or 30.4 of the General Terms and Conditions.
- (b) A Qualified Point may be located within or outside Shipper's Primary Receipt to Delivery Flow Path.

1.79 "Quick Response" shall mean the preliminary response record generated by Transporter and made available via EDM to the Nominating Party indicating the successful receipt of a Nomination and the fact that such Nomination is correct and able to be processed or is incorrect and rejected. Transporter's Quick Response shall conform to the requirements of the Data Dictionary standards as set forth in NAESB WGQ Standard 1.4.2.

1.80 "Rank" shall mean the relative value provided at the Nominating Party's option as a data element in a Nomination. Such value shall indicate the Nominating Party's requested scheduling priority among Nominations for the same period under the same contract. One (1) shall indicate the highest priority and nine hundred ninety-nine (999) the lowest.

1.80A "Rate Default" - For index-based capacity release transactions, Rate Default is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default.

1.80B "Rate Floor" Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Transporter's minimum reservation rate or zero cents when there is no stated minimum reservation rate.

1.81 "Receipt-to-Delivery Flow Path" shall mean the path of Gas through and from a Point of Receipt to and through a Point of Delivery. Additionally, "Primary Receipt-to-Delivery Flow Path" shall mean the path of Gas through and from a Primary Point of Receipt to and through a Primary Point of Delivery. The authorized direction of flow shall be from the Primary Point of Receipt to the Primary Point of Delivery.

1.82 "Receipt Quantities" shall mean all quantities expressed in Dth of Gas received by Transporter at the Point(s) of Receipt for the account of Shipper.

1.83 Reserved

1.84 "Releasing Shipper" is any Shipper who has a transportation service agreement under Rate Schedules TF-1, TF-HP, FS-T, FS-Y, TSB-Y, TSB-T, ESD-T, NNT-1, FS-1 or CS-1 who elects to release all or a portion of its firm capacity, subject to the capacity release program contained in Section 9 of the General Terms and Conditions.

1.85 "Render" shall mean postmarked, or electronically delivered via Electronic Communication.

1.86 "Replacement Capacity Agreement" is an agreement between Transporter and the Replacement Shipper setting forth the rate(s) and the terms and conditions of the service for using capacity rights acquired pursuant to Section 9 of these General Terms and Conditions.

1.87 "Replacement Shipper" is any Shipper who acquires capacity rights from a Releasing Shipper through Transporter's capacity release program as contained in Section 9 of the General Terms and Conditions.

1.88 "Request for Confirmation" shall mean the information provided via EDM which conforms to the Data Dictionary standards as set forth in NAESB Standard 1.4.3. A Request for Confirmation may be sent by any operator to an interconnected operator to initiate the communication of a Confirmation Response (see definition of Confirmation in this Section).

1.89 "Reservoir Integrity Inventory Limit" shall be the maximum amount of Gas in Place that Shipper shall be permitted to have in Transporter's Storage Fields at a particular time. See the Reservoir Integrity Inventory Limit in Section 6.

Transporter may, on a nondiscriminatory basis, permit a Shipper to exceed the Reservoir Integrity Inventory Limit if, in Transporter's reasonable judgment, Transporter's reservoir integrity will not be adversely affected. Transporter shall evaluate its storage reservoir each year to determine if Shippers can maintain a higher level in storage the following year based on actual storage usage the previous year. Transporter shall post a variable Reservoir Integrity Inventory Limit on or before January 21 of each year on its electronic bulletin board and Shippers shall then be subject to this variable Reservoir Integrity Inventory Limit until January 21 of the following year.

1.90 "Reticulated System" shall mean Transporter's facilities located in Colorado, Kansas, Oklahoma and Texas which are connected to Transporter's Cheyenne Compressor Station from the south and east. The Reticulated System does not include the Cheyenne Compressor Station.

1.91 "Scheduled Imbalance Quantity" or "SIQ" shall mean the difference between Scheduled Receipt Quantities less Fuel Reimbursement, and Scheduled Delivery Quantities under a Shipper's transportation agreement after the final Nominations scheduling cycle (Intraday 3 Nomination Cycle) each Day.

1.92 "Scheduled Quantity" shall mean the quantity of Gas Transporter has determined it can Transport, based on a Shipper's Nomination, from a specific Point of Receipt to a specific Point of Delivery on a designated Gas Day subject to Transporter's available transportation system capacity. Such quantities shall be determined pursuant to the provisions of Section 6 of these General Terms and Conditions and are subject to a final Confirmation.

1.93 "Secondary Capacity" shall mean capacity other than Primary Capacity or Flow Path Secondary Capacity under a firm transportation service agreement utilized when Shipper Nominates at Secondary Points which lie outside of Shipper's Primary Receipt-to-Delivery Flow Path.

1.94 "Secondary Point(s)" shall mean those Point(s) of Receipt and Delivery which are not specified in the firm transportation service agreement as Primary Points and where Shipper is entitled to Nominate quantities for receipt or Delivery. Secondary Points which lie in the Primary Receipt-to-Delivery Flow Path are automatically awarded a scheduling status of Flow Path Secondary.

1.95 "Secondary Point of Delivery" shall mean a Point of Delivery, excluding Shipper's Primary Point(s) of Delivery, which is not specified in the firm transportation service agreement as Primary Point(s) of Delivery and where Shipper is entitled to Nominate Delivery quantities.

1.96 "Secondary Point of Receipt" shall mean a Point of Receipt, which is not specified in the firm transportation service agreement as Primary Point(s) of Receipt and where Shipper is entitled to Nominate Receipt Quantities.

1.97 "Segment" shall mean a discrete portion of Transporter's pipeline system between two specific locations. Transporter shall evaluate the operating capacity of the Segment against the capacity requested for Transportation Service(s) by Shippers. In the event the requested capacity exceeds the Segment operating capacity, Transporter will follow the procedures specified in Section 6 of the General Terms and Conditions to reduce Transportation requests to the Segment operating capacity. In the context of Segmentation, a Shipper's use of capacity on a Segment is limited to that Shipper's contractual entitlement across such Segment.

1.98 "Segmentation" shall refer to the ability of a Shipper holding a contract for firm transportation capacity to subdivide such capacity into Segments and to use those Segments for different capacity transactions. A Shipper may effect Segmentation by Nominating a number of discrete Transportation combinations (Points of Receipt to Points of Delivery) with at least some portion of each nominated Receipt-to-Delivery Flow Path being within the Primary Receipt-to-Delivery Flow Path. The Shipper's activity on any Segment shall have an entitlement equal to Primary Capacity on such Segment as defined by the Shipper's firm transportation service agreement.

1.99 "Segmentation Point(s)" shall mean any non-Primary Point of Receipt or Point of Delivery identified on a Segmentation transaction. All Segmentation Points which lie within the Shipper's Primary Receipt-to-Delivery Flow Path are automatically awarded a scheduling status of Flow Path Secondary for Nominated quantities up to such Shipper's Segment entitlement. Segmentation Points of Receipt and/or Delivery which lie outside of the Primary Receipt-to-Delivery Flow Path are considered Secondary for scheduling.

1.100 "Shipper" shall mean that Party on whose behalf Gas is being Transported or stored.

1.100A "Short Notice Delivery" shall mean Delivery of defined Hourly Delivery Quantities scheduled pursuant to a Two or Four Hour Notice as specified in Section 6.4 of the General Terms and Conditions, as limited by the maximum hourly diversion quantity posted on Transporter's electronic bulletin board for the Short Notice Diversion operational area associated with the Short Notice Point of Delivery.

1.100B "Short Notice Point of Delivery" shall mean a Delivery location specified by Transporter with agreement by Operator that meets the criteria for Short Notice Deliveries.

- (a) The Point of Delivery must be listed in Sections 30.2 and 30.4 of the General Terms and Conditions as being located within one of the four Short Notice Delivery operational areas.
- (b) The Point of Delivery may receive hourly Deliveries of Gas as supported by the Short Notice Delivery Request Process specified in Section 6.4 of the General Terms and Conditions.
- (c) The Short Notice Point of Delivery must be included as a Secondary Point of Delivery on Shipper's Rate Schedule NNT-1 agreement.

1.101 "Small Customer" shall mean a customer under Rate Schedule SG-1 of Transporter's Volume No. 1 FERC Gas Tariff on May 18, 1992.

1.102 "Southern System Receipt Capacity" shall mean Shipper's receipt capacity, pursuant to Section 6 of the General Terms and Conditions, south of Transporter's Springfield Compressor Station to include facilities in the states of Colorado, Kansas, Oklahoma, and Texas.

1.103 "Spot Index Price" shall mean the price calculated as the average of the index prices for NGPL Midcontinent and CIG published on the Natural Gas Intelligence ("NGI") Bidweek Survey. Should this publication become unavailable, Transporter shall base the Spot Index Price on index prices posted in a similar publication. The Spot Index Price shall be calculated not later than the 15th Business Day of the Month. Transporter shall post the Spot Index Price on Transporter's electronic bulletin board during the Month the Spot Index Price is effective.

1.104 "Standard Quantity" as used in Nominations, Confirmations and Scheduling shall mean Dekatherms per Gas Day in the United States, gigajoules per Gas Day in Canada and Mexico, and gigacalories per Gas Day in Mexico for transactions that occurred prior to the enactment of Mexico Resolution RES/267/2006 dated September 7, 2006. (For reference 1 dekatherm = 1,000,000 Btu's; 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the 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. (NAESB Standard 1.3.14).

1.105 "Storage Fields" shall mean those Storage Fields utilized by Transporter to provide Storage Service, including service under Rate Schedules NNT-1 and NNT-2.

1.106 "Storage Period" shall mean the specific time periods during the year in which no-notice and firm storage Shippers have enhanced access to CIG Mainline Storage service. Such periods are:

- (a) "Storage Injection Period" shall mean the period May 15 to September 14.
- (b) "Storage Shoulder Period" shall mean the period September 15 to October 31.
- (c) "Storage Withdrawal Period" shall mean the period November 1 to May 14.

"Storage Period" shall mean the specific time periods during the year in which High Plains and Firm Storage Shippers have access to Totem Storage Service. Such periods are:

- (a) "Storage Injection Period" shall mean the period June 1 to October 31.
- (b) "Storage Withdrawal Period" shall mean the period November 1 to May 31.

1.107 "Storage Service" shall consist of the acceptance by Transporter of Gas Tendered by Shipper at the Point of Injection, the injection of such Gas for storage for Shipper's account, the inventorying of such Gas in Transporter's Storage Fields, and the withdrawal of such Gas for Shipper's account at the Point of Withdrawal.

1.108 "Storage Year" for CIG Mainline Storage is the term commencing on May 1 and ending on April 30 of the following year. "Storage Year" for Young Storage is the term commencing on June 1 and ending on May 31 of the following year. "Storage Year" for Totem Storage is the term commencing on June 1 and ending on May 31 of the following year.

1.109 "Tender" or "Tendered" shall mean making natural Gas available in accordance with all of the provisions of this Tariff and Shipper's transportation service agreement.

1.110 "Thermal Content" when applied to any volume of Gas shall mean the aggregate number of Btus contained in such volume. The Thermal Content shall be determined by multiplying the volume of Gas in cubic feet by the Gross Heating Value of the Gas.

1.110A "Totem" or "Totem Storage" shall mean Transporter's storage facilities located in Adams County, Colorado and initially certificated for storage service pursuant to Commission order in Docket No. CP08-30-000 and any related subsequent facilities lawfully constructed. Totem Storage will be placed in service in three phases aligned with the deliverability and working inventory limits as specified in Docket No. CP08-30-000.

- 1.111 "Transportation" shall mean storage, exchange, backhaul, displacement, or other methods of transportation. All service performed under Agreement(s) subject to this Tariff shall be performed pursuant to 18 CFR 284.221 authority, unless Shipper elects service to be performed pursuant to 18 CFR 284.101 (Section 311) authority. In that event, Transporter shall only accept, and Shipper shall only make, Nominations for service to be performed pursuant to 18 CFR 284.101 (Section 311) in accordance with the regulations governing the provisions of such service, and after Transporter has received an "on behalf of" letter acceptable to Transporter.
- 1.112 "Transportation Service" shall consist of the acceptance by Transporter of Gas Tendered by Shipper to Transporter at the Point(s) of Receipt, the Transportation of that Gas for Delivery, either directly or by displacement and the Tender for Delivery of Gas to Shipper, or for Shipper's account, at the Point(s) of Delivery.
- 1.113 "Transporter" or "Transportation Service Provider" shall mean Colorado Interstate Gas Company, L.L.C.
- 1.113A "TSB-T Balancing Point" shall mean a pseudo location provided by Transporter which permits Rate Schedule TSB-T Shippers to Nominate Transportation Deliveries which will be allocated to either the TSB-T Point(s) of Delivery or to Shipper's Rate Schedule TSB-T Storage account as applicable.
- 1.113B "TSB-Y Balancing Point" shall mean a pseudo location provided by Transporter which permits Rate Schedule TSB-Y Shippers to Nominate Transportation Deliveries which will be allocated to either the TSB-Y Point(s) of Delivery or to Shipper's Rate Schedule TSB-Y Storage account as applicable.
- 1.114 "Unauthorized Overrun" shall refer to the Transportation of quantities in excess of Shipper's hourly or daily entitlements under a transportation service agreement that have not been authorized by Transporter.
- 1.115 Reserved.
- 1.116 "Upstream Party" shall mean the entity (name or identifying number) Delivering Gas to Transporter at a designated location as identified by a Shipper's Nomination.

- 1.117 "Valley Line" shall mean that portion of Transporter's system, including all lateral lines and Delivery Points, on the pipeline beginning at Transporter's Watkins Compressor Station located in Section 31, Township 3 South, Range 65 West, in Adams County, Colorado, and then proceeding southward through Colorado Springs, Colorado, and Pueblo, Colorado, to the location on Transporter's system known as Campo Junction which is located in Section 11, Township 33 South, Range 45 West, in Baca County, Colorado. The laterals extending west from Watkins Compressor Station and the Delivery Points served from such laterals are included in the Valley Line. Not included in the Valley Line definition are the portions of Transporter's system authorized by the Commission at Docket No. CP01-45-000, et al. and referred to as the Front Range Line which extends from a point in Weld County, Colorado south to a point in El Paso, County, Colorado (Transporter Line Number 212A) and the portion of Transporter's system authorized in Docket No. CP09-464-000 known as the North Raton Lateral.
- 1.118 "Withdrawal Period" refers to the period commencing on October 1 of each year and ending on April 30 of the next year for CIG Mainline Storage; the period commencing on November 1 of each year and ending on May 31 of the next succeeding year for Young Storage; and the period commencing on November 1 of each year and ending on May 31 of the next succeeding year for Totem Storage.
- 1.119 "Withdrawal Quantity" is that quantity of Gas Delivered from storage by Transporter for Shipper's account.
- 1.120 "Wyoming System" shall mean Transporter's facilities in Colorado, Wyoming and Utah which are connected to Transporter's Cheyenne Compressor Station from the west. The Cheyenne Compressor Station is included in the Wyoming System.
- 1.121 "Young" or "Young Storage" shall mean the capacity acquired by Transporter at the storage facilities located in Morgan County, Colorado and operated by Young Gas Storage Company, Ltd.

## 4. REQUESTS FOR SERVICE

### 4.1 Requests for Service.

(a) Capacity Requests. A Shipper or Operator wishing to obtain service must first satisfy the creditworthiness requirements of this Tariff. A request for service (including requests for changes to Points of Receipt and/or Delivery and requests for Segmentation) shall be deemed valid and complete upon the following information being accurately and properly entered into Transporter's interactive website. A Shipper or Operator may either enter the information directly into Transporter's interactive website or furnish the information to Transporter and request that Transporter enter the information into Transporter's interactive website on behalf of the Shipper or Operator, in which case, the entry of such information shall be deemed to be the act of the Shipper or Operator. If the Shipper or Operator requests that Transporter enter the information into Transporter's interactive website on Shipper's or Operator's behalf, then Shipper's or Operator's request for service shall not be deemed valid and complete until such time as the information is actually entered into Transporter's interactive website.

- (i) The full legal name, business address and phone number, and state of incorporation of the Shipper requesting service and all contact information, including the name of the person(s) who should be contacted.
- (ii) A designation of whether Shipper is a local distribution company, intrastate pipeline company, interstate pipeline company, producer, end-user or marketer.
- (iii) The extent of Shipper's affiliation with Transporter.
- (iv) Shipper's Dun and Bradstreet (DUNS) number.
- (v) Type of service: Applicable Rate Schedule.
- (vi) The initial term of the service, including beginning and ending dates.
- (vii) The Maximum Delivery Quantity under the contract.
- (viii) Receipt and delivery points requested.
- (ix) Daily quantity at each receipt point(s) \_\_\_\_ Dth/Day.  
Daily quantity at each delivery point(s) \_\_\_\_ Dth/Day.

The total receipt point capacity must equal the total delivery point capacity.

#### 4.1 Requests for Service. (continued)

- (b) If Section 311, 18 C.F.R. Part 284, Subpart B Transportation Service is requested, the Shipper must provide the following information to Transporter:
  - (i) A declaration explaining how the requested service qualifies as Section 311 service;
  - (ii) The name of the local distribution company or intrastate pipeline company on whose behalf the Gas will be transported; and
  - (iii) Certification from a local distribution company or an intrastate pipeline that the service is being provided on its behalf prior to commencing Transportation Service.
- (c) Transporter shall endeavor to provide service within the time specified in the request limited as follows:
  - (i) New Service Requests. Transporter may grant requests for firm service on a not unduly discriminatory basis within the following time periods and subject to the below listed conditions:
    - (A) For service with a term of one year or longer, the service must be requested to begin no later than three months from the date the request is granted;
    - (B) For service with a term greater than three months but less than one year, the service must be requested to begin no later than one month from the date the request is granted;
    - (C) For service with a term of three months or less, the service must be requested to begin no later than ten business Days from the date the request is granted.
  - (ii) Transporter may grant, on a not unduly discriminatory basis, requests for firm service outside of the above specified time periods if the request involves any of the following conditions:
    - (A) The request is associated with an open season;
    - (B) The request involves capacity that is available due to the termination of an existing contract or the reduction of contracted volume under an existing contract; or
    - (C) The request involves the modification or construction of facilities or the issuance of any necessary certificate authorization.

4.1 Requests for Service.

(c) (continued)

- (iii) Should Transporter conduct an open season, it will post a notice of availability of the uncontracted-for capacity on its electronic bulletin board to afford all potential Shippers an opportunity to acquire the capacity. Any party wishing to purchase the capacity, and who meets Transporter's creditworthiness requirements, may participate in the open season. Transporter will award the capacity on a net present value ("NPV") basis using nondiscriminatory and objective posting and evaluation criteria specified in the notice of open season. For purposes of its NPV evaluation, Transporter will consider the aggregate NPVs of two or more bids for such capacity, provided that if the combined quantity of capacity under those bids exceeds the maximum capacity available for subscription then those bids will only be considered if the bidders have agreed to accept a prorated award of capacity. Transporter's posting shall contain minimum terms and conditions that would be acceptable for consideration and shall specify the weight to be assigned to each factor listed in the posting. When an open season is being conducted, all applicable requests for service will be treated under this open season process.
- (iv) Transporter will conduct an open season (involving either an open solicitation for bid to sell capacity or a solicitation with a pre-arranged bid) if it wishes to sell capacity where the requested start date extends one year or more into the future. The open season will comply with the requirements of Section 4.1(a)(iii) above.
- (v) If Transporter sells firm capacity pursuant to Section 4.1(a)(ii)(B), capacity will be made available to other shippers on an interim basis up to the commencement date of the prospective firm transportation service agreement. Where the requested start date of the prospective capacity extends more than one year into the future and the interim capacity would otherwise be eligible for the right of first refusal ("ROFR") if it is acquired at the maximum applicable tariff rate, Transporter will limit the ROFR rights of such interim capacity. If ROFR rights are limited, the transportation service agreement will note the limitation. Such a notation shall not be deemed non-conforming.

4.2 Capacity Reserved for Future Expansion/Extension Projects. Transporter may elect to reserve for future expansion/extension projects, any unsubscribed capacity or capacity under expiring or terminating Firm Transportation Service Agreements ("FTSAs") where such FTSAs do not have a right of first refusal ("ROFR") or Shipper does not exercise its ROFR.

- (a) Capacity may be reserved up to one year prior to the date of filing for certificate approval for construction of proposed expansion or extension facilities, and thereafter until all expansion/extension facilities related to the certificate filing are placed into service.

#### 4.2 Capacity Reserved for Future Expansion/Extension Projects (continued)

- (b) Transporter shall conduct an open season for the expansion/extension within one year prior to or following the date that Transporter posts such capacity as being reserved. Transporter will not, absent Commission approval, accept advance payments to reserve capacity under this Section 4.2.
- (c) If Transporter elects to reserve capacity, it will notify Shippers of its intent as part of its posting of capacity on its electronic bulletin board. Transporter's posting for reserved capacity for future expansion/extension projects shall include the following information: (i) a description of the project for which the capacity will be reserved; (ii) the total quantity of capacity to be reserved; (iii) the location of the proposed reserved capacity on the pipeline system; (iv) whether, and if so when, Transporter anticipates that an open season for the capacity will be held or the reserved capacity will otherwise be posted for bids; (v) the projected in-service date of the new facilities; and (vi) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a ROFR. If the expansion/extension project still requires the construction of facilities given the amount of reserved capacity, then Transporter shall post a non-binding solicitation for turnback capacity no later than 90 days after the close of the expansion project open season, specifying the minimum term for a response to the solicitation. Transporter shall make reasonable efforts to notify shippers of any material changes in the scope of the project.
- (d) Prior to reserving capacity for future expansion/extension projects, all capacity to be reserved must be posted as unsubscribed capacity or in an open season for at least five business days. Transporter shall post and award available capacity in accordance with the service request procedures of Section 4.1 of these General Terms and Conditions.
- (e) When the capacity to be reserved is offered through an open season, Transporter shall have the right to impose minimum terms and conditions for bids that would be acceptable. In the event that the subsequent expansion project open season imposes minimum terms and conditions that are materially different from the terms and conditions imposed in the previous capacity open season, Transporter shall hold another open season for the reserved capacity that uses the same minimum terms and conditions as were imposed for the expansion project open season. If the expansion project open season is held prior to or during the open season for the reserved capacity, Transporter shall use the same minimum terms and conditions as used for the expansion project open season.
- (f) Any capacity reserved under this Section 4.2 shall be made available for transportation service pursuant to these General Terms and Conditions on a limited-term basis up to the in-service date of the expansion project(s). For such limited-term FTSAs, Transporter reserves the right to limit any term extension rights provided in the FTSA and pursuant to Section 4.6 (ROFR) commensurate with the proposed in-service of the

4.2 Capacity Reserved for Future Expansion/Extension Projects (continued)

(f) (continued)

expansion project. Transporter will indicate in any posting of the reserved capacity any limitations on term extension rights that will apply to such limited-term transportation service.

date

#### **4.2 Capacity Reserved for Future Expansion/Extension Projects**

##### **(f) (continued)**

~~of the expansion project. Transporter will indicate in any posting of the reserved capacity any limitations on term extension rights that will apply to such limited-term transportation service.~~

(g) Any capacity reserved for a project that does not go forward for any reason shall be reposted as generally available capacity within 30 days of the date that the project terminates, with the exception of capacity committed to in contracts entered into on an interim limited-term basis, which shall be posted as available at the expiration of the interim contracts.

#### **4.3 Off-System Capacity.**

(a) ~~Transporter may enter into Transportation and/or storage agreements with upstream and downstream entities, including other interstate and intrastate pipelines and storage providers ("off-system capacity"). In the event Transporter acquires off-system capacity, Transporter will use such capacity for operational reasons or to render service for its Shippers on the acquired capacity, pursuant to Transporter's Tariff and subject to Transporter's currently approved rates. In the event the off-system capacity is subject to renewal limitations, as specified in the third-party pipeline's tariff and/or provided by FERC regulations, Transporter will indicate in its posting of firm unsubscribed capacity any limitation to the extension rights that will apply as a result of such limitations on the off-system capacity. For purposes of transactions entered into subject to this section, the "Shipper must hold title" requirement shall not be applicable to the acquired capacity.~~

(b) **Third Party Charges.** If Transporter acquires off-system capacity from a third party(s) pursuant to Section 4.3(a) above and provides transportation and/or storage service for the benefit of Shipper(s), Shipper(s) may, on a non-discriminatory basis, be required to pay Transporter, in addition to any applicable rates and charges assessed pursuant to this Tariff, the rates and charges Transporter is obligated to pay such third party(s) for the off-system capacity. Such charges may include, but are not limited to, daily reservation and commodity charges and applicable surcharges, fuel and power charges or retention, compression fees, balancing or storage fees, measurement fees, processing fees and/or facility charges that are assessed by the third party. Such charges shall be set forth as separate items on the monthly invoices rendered to Shipper.

4.3 Off-System Capacity (continued)

(c) Any off-system capacity acquired by Transporter from a third party and contracted for at the request of a Shipper which is not used by that Shipper or a Replacement Shipper shall be offered to other Shippers on a secondary and interruptible basis, pursuant to Transporter's FERC Gas Tariff and subject to Transporter's currently effective rates, including any applicable third party charges, as such tariff and rates may change from time to time. Transporter will indicate in its posting of any off-system capacity available for service whether any third party charges will apply to the use of such off-system capacity.

4.4 Electronic Execution of Agreements. For all agreements (including all Park and Loan agreements, Park and Loan Service Request Orders, SS-1 and SS-HP agreements and HSP agreements, and amendments to existing agreements) entered into on or after the effective date of this Tariff provision (all of which shall be referred to as agreements for purposes of this Section 4.4), Transporter and Shipper may execute such agreements electronically or by signing a traditional paper agreement. If a Shipper elects to sign a traditional paper agreement, then Shipper shall not submit Nomination(s) while the paper agreement is pending execution. For agreements requiring filing with the Commission, Transporter may submit either electronic or traditional paper agreements.

(a) The agreement shall be deemed to be executed by Shipper when the Shipper accepts the agreement electronically via Transporter's electronic bulletin board. The agreement shall be deemed to be executed by Transporter when Transporter accepts the Shipper's agreement using the electronic bulletin board. Upon acceptance by both Shipper and Transporter, the agreement will be deemed fully executed. An agreement that is executed in this manner shall be deemed to have been "signed" and to constitute an "original" when printed from electronic files or records.

(b) Notwithstanding the above, if the Shipper and Transporter electronically execute an agreement and the Shipper later requests a traditional paper agreement, the electronic agreement shall be deemed the original until the paper agreement is executed by both Parties.

(c) If the agreement contains provisions that must be reviewed by the Commission, and the agreement is not accepted by the Commission, then Transporter and Shipper shall collaborate to remedy any deficiencies.

4.5 Amendment. The agreement shall be amended only by an instrument executed by both Parties electronically using the process described in Section 4.4 or through placing signatures on a traditional paper agreement.

4.6 Right of First Refusal.

(a) Any Shipper with a firm agreement for storage or Transportation Service shall have a continuing right for the capacity underlying the Shipper's agreement provided that:

(i) Shipper either (i) has an agreement with an effective date before March 27, 2000 with a term of one year or longer, or (ii) has an agreement with an effective date on or after March 27, 2000 for service for twelve consecutive months or more at the applicable maximum rate for that service, except that a contract for more than one year, for service which is not available for 12 consecutive months, would be subject to the right of first refusal. However, if such Shipper has entered into a firm agreement utilizing off-system capacity contracted for pursuant to Section 4.3 above, it may not elect to ~~extend the term of its agreement beyond the term of Transporter's agreement for such off-system capacity.~~;

(ii) Shipper receives service for 12 consecutive Months for contracts with a term of more than one year, when service is available for 12 consecutive Months or more;

(iii) Shipper and Transporter have not negotiated away Shipper's right of first refusal;

(iv) Shipper complies with the requirements set forth herein; and

(v) Shipper does not have a negotiated rate firm transportation or storage agreement except as provided for in Section 4.9.

(vi) Right of First Refusal applicable to Rate Schedules FS-Y and TSB-Y may not extend beyond the termination date of Transporter's acquired Young Storage capacity.

(vii) Right of First Refusal applicable to Rate Schedule ESD-T may not extend beyond the termination date of Shipper's TSB-T or FS-T agreements.

(b) Subject to Section 4.6(a) above, Shipper may exercise its right to retain a portion of its firm service entitlement subject to the right of first refusal, however, the Shipper may not exercise the right of first refusal for a geographic portion of its agreement.

4.7 Shipper Notice of Intent to Renew.

- (a) For all firm transportation and storage agreements eligible for the right of first refusal, Shipper shall provide notice to Transporter in writing or by Electronic Transmission of its intent to (1) allow the firm transportation agreement to expire or (2) extend the term of the firm transportation or storage agreement. A notice to extend the term of the firm transportation or storage agreement shall include the proposed terms of extension.

**4.7 — Shipper Notice of Intent to Renew (continued)**

(b) Unless otherwise agreed, such notice is due on or before the "Notice Date" which shall be:

(i) For firm transportation or storage agreements other than those specified in Section 4.7(b)(ii), including compression agreements which, for purposes of this section, shall be considered firm transportation:

(A) three months prior to the expiration date for firm transportation or storage agreements with an initial term of three years or less; however, the Notice Date for agreements under Rate Schedules TF-4, NNT-1, NNT-2, FS-1, TF-1, TF-HP, FS-T, FS-Y, TSB-Y, ~~and~~ TSB-T and ESD-T firm transportation or storage agreements with Point of Withdrawal as a Primary Point, except for firm transportation or storage agreements with an expiration date of April 30 for CIG Mainline Storage, May 31 for Young Storage, and May 31 for Totem Storage shall be three months prior to commencing of the last Injection Period prior to expiration; or

(B) six months prior to the expiration date for agreements with an initial term greater than three years; however, the Notice Date for agreements under Rate Schedules TF-4, NNT-1, NNT-2, FS-1, TF-1, TF-HP, FS-T, FS-Y, TSB-Y, ~~and~~ TSB-T and ESD-T agreements, or storage agreements with Point of Withdrawal as a Primary Point except for firm transportation or storage agreements with an expiration date of April 30 for CIG Mainline Storage, May 31 for Young Storage, and May 31 for Totem Storage shall be six months prior to the commencing in the Injection Period prior to expiration.

(ii) For firm transportation or storage agreements where the average daily contract entitlement over the year prior to the Notice Date is greater than 50,000 Dth.

(A) One year prior to the expiration date of firm transportation or storage agreements.

**4.7 — Shipper Notice of Intent to Renew (continued)**

(c) A Shipper failing to provide notice by the Notice Date shall relinquish all rights to the capacity underlying its firm transportation or storage agreement upon termination. A Shipper, however, may still submit a bid for such capacity in accordance with Section 4.7 hereof.

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- (d) If the expiring firm transportation or storage agreement contains an "evergreen" provision, the Shipper's right to continued service shall be governed by the terms of the "evergreen" provision.

**4.7 — Shipper Notice of Intent to Renew (continued)**

- (e) If Shipper provides notice of its desire to extend the agreement for a term of five years or more and at the maximum Tariff rates (including applicable surcharges), Shipper shall be entitled to retain the capacity underlying its firm transportation or storage agreement without Transporter seeking competitive bids. In all other cases, Transporter shall solicit bids as described in this Section. Transporter is under no obligation to enter into firm transportation or storage agreements at less than the maximum Tariff rate(s) (including applicable surcharges) for the applicable Rate Schedule for which service is being extended as a result of the solicitation bids.
- (f) **Solicitation of Bids.** If Shipper has given notice of intent to extend the term of its firm transportation or storage agreement pursuant to the provisions of Section 4.7, and not at maximum Tariff rate(s) (including applicable surcharges) for a term of five years or more, then Transporter shall solicit competing bids for the subject capacity. Beginning, not later than thirty Business Days after the Notice Date, and continuing for thirty days (the "Bid Period") thereafter, Transporter shall post on its electronic bulletin board notice of the capacity which will be available as a result of the expiring agreement. Any Party qualified pursuant to Section 9 may submit a bid for all, or a portion of, the subject capacity during the Bid Period.
- (g) **Notification of Existing Shipper and Right to Match.** If Shipper has given notice of intent to extend the term as described in Section 4.7, but not at maximum Tariff rate(s) (including applicable surcharges) for a term of five years or more, then within ten Business Days after the close of the Bid Period, Transporter shall notify the existing Shipper of any offers deemed superior to Shipper's offered terms of extension. Transporter's evaluation shall be based upon the net present value of the proposed reservation charges and reservation surcharge(s) and the proposed term of firm transportation or storage agreement, discounted at Transporter's then-effective rate of return on equity. The term of any competing offer shall not be capped for comparison purposes. Within ten Business Days after such notification by Transporter, Shipper must notify Transporter of its intent to match the highest competing offer for the amount of capacity covered by the competing bid. If Shipper does not provide notice accepting the terms of a superior offer notification within the ten-day period, Transporter may enter into an agreement with the bidder submitting the highest superior offer. If a superior offer is not received, the Shipper shall be entitled to the term extension proposed by Shipper provided Shipper agrees to pay Transporter's maximum Tariff rate.

4.7 Shipper Notice of Intent to Renew (continued)

(h) If No Firm Transportation or Storage Agreement Is Executed. If the existing Shipper declines to match a superior competing offer, and an agreement is not executed for the subject capacity on or before expiration of the existing Shipper's agreement, the existing Shipper shall have the right to continue service at Transporter's maximum applicable Tariff rate (including applicable reservation surcharges) for an agreed term between the Parties. If the existing Shipper declines to continue service as of the date of contract expiration, or if the Parties are unable to reach agreement on the term of extension, then Shipper's rights to the subject capacity shall terminate as if the existing Shipper had given notice of intent to terminate its agreement.

4.8 Carryover of Rights Upon Conversion. If an existing Shipper desires to convert to firm service under a different rate schedule upon contract expiration, and if such conversion can be accomplished without impairing system integrity, the right of first refusal described above shall carry over from the expiring service to the new service, to the extent of the capacity rights embodied in the expiring agreement.

4.9 Right of First Refusal Clause in Firm Transportation or Storage Agreement. Transporter and Shipper may agree to include a right of first refusal, rollover or evergreen clause in their agreement. The contractual right of first refusal, rollover or evergreen clause would allow the Shipper to exercise a right of first refusal in situations where the regulatory right would not apply. In such case, Shipper may rely on its contractual rights in lieu of the regulatory right of first refusal. However, if a Shipper has entered into a firm agreement utilizing off-system capacity contracted for pursuant to Section 4.3 of the General Terms and Conditions, it may not elect to extend the term of its agreement beyond the term of Transporter's agreement for such off-system capacity. A contractual right of first refusal, rollover or evergreen clause in a Rate Schedules FS-Y and TSB-Y agreement is subject to, and limited by, the term of Transporter's acquired Young Storage capacity.

4.10 Capacity that is sold on an interim basis up to the commencement date of a prospective firm transportation agreement, pursuant to Section 4.1(a)(5) of the General Terms and Conditions, shall not be eligible for a right of first refusal.

(a) Capacity that is sold on an interim basis in accordance with Section 4.2 above, Capacity Reserved for Future Expansion Projects, shall not be eligible for a right-of-first-refusal unless Transporter and Shipper agree to a conditional contractual right-of-first-refusal that would take effect upon a determination that the proposed project will not go forward.

4.11 Transporter and Shipper may mutually agree to the early termination of one or more agreements in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. To the extent that Transporter and Shipper have mutually agreed to this arrangement, Shipper need not participate in an open season for the extension nor must the underlying capacity be posted on Transporter's electronic bulletin board as unsubscribed, available capacity prior to the extension.

- 4.12 Prior to the expiration of the term of an agreement, Transporter and Shipper may mutually agree to an extension of the term of the agreement with respect to all or part of the underlying capacity (the exact terms of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner). If an agreement has a regulatory right-of-first-refusal, the agreement to extend must be reached prior to the receipt of an acceptable bid submitted pursuant to Section 9 of these General Terms and Conditions.
- 4.13 When an agreement is subject to a regulatory right of first refusal, or contains a contractual right of first refusal, or a rollover clause, extension rights apply to each increment of capacity that expires in increments (i.e., on a step-down basis) during the term of the agreement.
- 4.14 Creditworthiness.
  - (a) The following creditworthiness provisions apply to Rate Schedules FS-1, FS-Y, FS-T, NNT-1, NNT-2, TF-1, TF-HP, TSB-T, ESD-T, TSB-Y, TI-1, TI-HP, PAL-1, PAL-HP, APAL-1, IS-1, IS-Y, IS-T, HUB-1 and CS-1.
    - (i) Transporter shall not be required to commence service or to continue to perform service under this Rate Schedule for any Shipper who fails to demonstrate creditworthiness as reasonably determined by Transporter. Transporter's determination of creditworthiness shall be based upon a review of Shipper's financial statements, bank references, trade references, and such other information relating to Shipper's financial status, obligation payment history, and other relevant factors as may be necessary to satisfy Transporter that Shipper is creditworthy.
    - (ii) Upon Shipper's request, Transporter shall provide a written explanation of any credit limitation applied to Shipper.

~~4.14 Creditworthiness.~~  
~~(a) (continued)~~

(iii) Transporter may require Shipper:

- (A) to provide an amount equal to Transporter's estimate of 2 Months of charges associated with providing service at the level of Shipper's MDQ and/or TMAC;
- (B) or to provide an amount equal to Transporter's estimate of 2 Months of charges associated with performing said service;
- (C) or may require other such measures as Transporter may specify;

4.14 Creditworthiness

(b) (continued)

- (iv) Transporter may require Shipper to deposit and maintain such amounts in a prepaid account, or to establish and maintain an escrow account or to furnish a letter of credit. Transporter may require Shipper to furnish within 15 Days, good and sufficient security, as determined solely by Transporter, of a continuing nature and in an amount equal to Transporter's estimate of 2 Months of charges associated with providing said service.
- (v) Transporter will also permit another entity to guarantee in writing Shipper's obligation, provided that the guarantor has sufficient credit available, as determined by Transporter in accordance with this provision. Transporter may, without waiving any rights or remedies it may have, suspend further service until such acceptable security is received by Transporter.
- (vi) Upon Shipper's establishment of an acceptable credit record or upon expiration of the agreement, Transporter shall refund Shipper's deposit with interest accrued at rates set pursuant to 18 CFR Section 154.501(d).

(b) The following creditworthiness provisions apply to Rate Schedules SS-1 and SS-HP.

- (i) Transporter shall not be required to commence service or to continue to perform service under this Rate Schedule for any Operator who fails to demonstrate creditworthiness as reasonably determined by Transporter. Transporter's determination of creditworthiness shall be based upon a review of Operator's financial statements, bank references, trade references, and such other information relating to Operator's financial status, obligation payment history, and other relevant factors as may be necessary to satisfy Transporter that Operator is creditworthy.
- (ii) Upon Operator's request, Transporter shall provide a written explanation of any credit limitation applied to Operator.

4.14 Creditworthiness  
(b) (continued)

- (iii) Transporter may require Operator:
  - (A) to provide an amount equal to Transporter's estimate of 2 Months of charges associated with performing said service;
  - (B) or may require such measures as Transporter may specify;
- (iv) Transporter may require Operator to deposit and maintain such amounts in a prepaid account, or to establish and maintain an escrow account or to furnish a letter of credit. Transporter may require Operator to furnish within 15 Days, good and sufficient security, as determined solely by Transporter, of a continuing nature and in an amount equal to Transporter's estimate of 2 Months of charges associated with providing service
- (v) Transporter will also permit another entity to guarantee in writing Operator's obligation, provided that the guarantor has sufficient credit available, as determined by Transporter in accordance with this provision. Transporter may, without waiving any rights or remedies it may have, suspend further service until such acceptable security is received by Transporter.
- (vi) Upon Operator's establishment of an acceptable credit record or upon expiration of the agreement, Transporter shall refund Operator's deposit with interest accrued at rates set pursuant to 18 CFR Section 154.501(d).

(c) For Rate Schedule CS-1, Shipper will be subject to the creditworthiness provisions contained in Section 4.14(a) of the General Terms and Conditions of this Tariff. However, notwithstanding the requirements of that section, a Shipper that requests service requiring the construction of facilities shall demonstrate creditworthiness in an amount equal to one year of reservation charges under its agreement. The one year requirement shall remain in effect until the earlier of the termination of the agreement or when Transporter has been reimbursed for the cost of the facilities.

4.15 Correlative Discounts. Transporter shall not offer a Transportation or storage discount to any Party as consideration for the purchase of Gas from any affiliate of Transporter. Further, any offer of a discount for any transmission or storage service made by Transporter will be posted on the electronic bulletin board contemporaneous with the time that the offer is contractually binding. The posting will include: the name of the Shipper involved in the discount and whether it is an affiliate or whether an affiliate is involved in the transaction, the rate offered; the maximum rate; the time period for which the discount would apply; the quantity of Gas scheduled to be moved; the Points of Delivery under the transaction; and any conditions or requirements applicable to the discount. The posting shall remain on Transporter's electronic bulletin board for at least 60 days from the date of posting.

4.16 Discounting. In the event that Transporter agrees to discount its rate to Shipper below Transporter's maximum rate under Transporter's TF, TI, NNT, FS, IS, HUB, TSB, ESD-T, PAL, ~~-PAL-HP~~ and APAL Rate Schedules, the following discount terms may be reflected on the applicable service agreements and will apply without the discount constituting a material deviation from Transporter's Form of Service Agreement; provided, however, that any such discounted rates set forth below shall be between the minimum and maximum rates applicable to the service provided under the applicable rate schedule. Such discounted rates may apply:

- (a) only to certain specified service entitlements under the agreement;
- (b) only if specified quantity levels are actually achieved under the agreement (with higher rates, charges, and fees applicable to all quantities above those levels, or to all quantities under the agreement if the specified levels are not achieved). In addition, for purposes of Rate Schedule PAL-HP, a discount may be granted only if Parked or Loaned quantities are withdrawn or paid back on the specified dates mutually agreed to by Transporter and Shipper (with higher rates, up to the maximum recourse rate as shown on the Statement of Rates, charges and fees applicable to quantities withdrawn or paid back on any other date), or if quantities are withdrawn or paid back subject to the provisions of Section 2.6 of Rate Schedule PAL-HP;
- (c) only to production reserves committed by the Shipper;
- (d) only during specified time periods;
- (e) only to specified Point(s) of Receipt, Point(s) of Delivery, mainline area segments, laterals, supply areas, Transportation routes, or defined geographical areas; or
- (f) in a specified relationship to the quantities actually Delivered (i.e., that the rates shall be adjusted in a specified relationship to quantities actually Delivered); and/or
- (g) to a formula including, but not limited to, published index prices for specific receipt and/or delivery points or other agreed-upon published pricing reference points for price determination (such discounted rate may be based upon the differential between published index prices or arrived at by formula). Such discounted rate:
  - (i) shall not change the underlying rate design;
  - (ii) shall not include any minimum bill or minimum take provision that has the effect of guaranteeing revenue;
  - (iii) shall define the rate component to be discounted.
- (h) to increasing (or decreasing) a discounted rate for service under one rate schedule to make up for a decrease (or increase) in the rate for a separate service provided under another rate schedule.

4.16 Discounting (continued)

In addition, the discount language of the agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rates so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff provisions. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

4.17 Nonconforming Negotiated Rates.

- (a) Authority and Conditions: The rate or rates to be charged for service pursuant to any rate schedule contained in this Tariff may deviate in form or level from the maximum-to-minimum ranges set forth on Statement of Rates of this Tariff, provided:
  - (i) Transporter and Shipper have executed a valid service agreement agreeing to such nonconforming negotiated rate(s) or rate formula,
  - (ii) At the time of execution of such service agreement or amendment agreeing to the nonconforming negotiated rate(s) or rate formula, Shipper had access to service pursuant to this Tariff at the rates then set forth on Statement of Rates, and
  - (iii) Prior to commencing service at such nonconforming negotiated rate(s) or rate formula, Transporter has filed a Tariff provision advising the Commission of such agreement, stating the exact legal name of Shipper and specifying the rate or rate formula included in such agreement.
- (b) Impact on Capacity Allocation: To the extent the revenue level pursuant to the nonconforming negotiated rate(s) or rate formula provided for in Section 4.17 above should exceed the maximum rate for such service stated on the Statement of Rates of this Tariff, Shipper, paying such nonconforming rate(s) shall be treated, for capacity-allocation purposes, and for purposes of evaluating bids pursuant to Section 4 of these General Terms and Conditions, as if the rate(s) paid had been equal to the maximum rate for such service stated on the Statement of Rates of this Tariff. Any Shipper, existing or new, paying the maximum Tariff rate(s) has the same right to capacity as a Shipper willing to pay a higher negotiated rate(s). If the negotiated rate(s) is higher than the corresponding maximum recourse rate(s), the negotiated rate(s) cannot be used as the price cap for release capacity pursuant to Section 9 of these General Terms and Conditions.

4.17 Nonconforming Negotiated Rates (continued)

- (c) Accounting for Costs and Revenues: The allocation of costs to, and accounting for revenues from service at nonconforming negotiated rate(s) or rate formula(s) will follow Transporter's normal practices associated with all of Transporter's services. Should Transporter institute any revenue tracker or other device to flow through currently to its Shippers the impact of interruptible or other Transportation transactions, the treatment in such tracker of revenues from nonconforming negotiated rate(s) or rate formula(s) shall be specified in such tracker provision.
- 4.18 Governmental Regulation. Any agreement executed pursuant to the Terms and Conditions of this Tariff is subject to present and future valid orders of duly constituted authorities having jurisdiction over the subject matter thereof. Upon cessation of such jurisdiction or control, all rights and obligations set forth in the agreement shall continue in effect.
- 4.19 Assignment.
  - (a) Assignable Parties. Any agreement executed pursuant to the General Terms and Conditions of this Tariff may be assigned by either of the Parties to:
    - (i) any person, firm, or corporation acquiring all, or substantially all, of the natural Gas business of said Party;
    - (ii) a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities; but it may not be otherwise assigned without the consent of the other Party to that agreement. Whenever any corporation is referred to herein, such reference shall be deemed to include the successors and assignees of such corporation.
  - (b) Assignment. Subject to the provisions of this Section, any such agreement shall be binding upon and inure to the benefit of the successors and assignees of each of the Parties hereto.
- 4.20 Each agreement subject to this Tariff shall continue in effect under the earlier of the date set forth in the agreement or the date on which Transporter receives authority to, or is required to, abandon service pursuant to its "blanket" transportation certificate of public convenience and necessity issued in FERC Docket No. CP86-589.

4.21 Agents. Shipper must provide written notice to Transporter of the name, and any other pertinent information, of another person ("Agent") that has agency authority to act for Shipper pursuant to an agreement under the firm or interruptible rate schedules of this Tariff, in connection with (1) the Joint Monthly Operating Plan as discussed in Section 11 of the General Terms and Conditions of this Tariff, (2) operation of pipelines, facilities, and wells in connection with an agreement, (3) operational flow orders as discussed in Section 11 and Imbalance Management as discussed in Section 10 of the General Terms and Conditions of this Tariff, and/or (4) other matters covered by an agreement. If the Agent has the authority in (2) and (3), above, operating notices shall be served upon the Agent alone. The Shipper remains bound by its obligations under an agreement, and commitments made by the Agent on behalf of the Shipper are binding on the Shipper as if made by the Shipper. The Shipper must provide prompt written notice of the termination of the agency.

Rate Schedule HSP-1. Pooler must provide written notice to Transporter of the name, and any other pertinent information, of another person that has agency authority to act for Pooler pursuant to an agreement under Rate Schedule HSP-1. The Pooler remains bound by its obligations under an agreement, and commitments made by the Agent on behalf of the Pooler are binding on the Pooler as if made by the Pooler. The Pooler must provide prompt written notice of the termination of the agency.

4.22 Governmental Authorization. Each Party's obligations under an agreement incorporating these General Terms and Conditions are conditioned upon each Party obtaining from governmental authorities having jurisdiction such authorization as may be necessary, in form and substance satisfactory to the Party applying therefor. Neither Transporter nor Shipper shall be required to accept any authorization which, in the opinion of the Party applying for same, contravenes, nullifies, or is contrary to any provisions hereof or of such agreement.

4.23 Regulatory Authority. All services shall be performed pursuant to 18 CFR 284.221 authority, unless Shipper elects service to be performed pursuant to 18 CFR 284.101 (Section 311) authority. In that event, Transporter shall only accept, and Shipper shall only make, Nominations for service to be performed pursuant to 18 CFR 284.101 (Section 311) in accordance with the regulations governing the provisions of such service, and after Transporter has received an "on behalf of" letter acceptable to Transporter.

4.24 Governing Law. Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

4.25 Termination Obligations. Termination of an agreement under the firm and interruptible rate schedules of this Tariff shall not relieve Transporter and Shipper of the obligation to correct any quantity imbalances, or relieve Shipper of the obligation to pay money due to Transporter. All warranties and indemnities shall survive the termination of an agreement.

## 6. NOMINATION AND SCHEDULING PROCEDURES

6.1 Nomination Procedures and Deadlines. Nominating parties will submit Nominations to Transporter in accordance with the procedures and conditions set forth in this section. Transporter will support the NAEBS WGQ Standard 1.3.2 nomination cycles, as modified for the extension of the nomination periods for an additional fifteen minutes. However, Transporter reserves the right to waive the deadlines specified herein, provided that no Shipper will be disadvantaged by such waiver.

(a) Nomination Communications.

- (i) Transporter shall accept Nominations twenty-four (24) hours a day via Electronic Communication. Transporter's electronic bulletin board (EBB) will contain after-hours and emergency contacts in the event communication is required beyond normal business hours.
- (ii) Shipper should provide to Transporter the appropriate after-hours and emergency contacts for Shipper.
- (iii) In the event that Shipper's contact data is not current, Transporter shall not be liable to Shipper for any damages or losses that may occur as a result of Transporter's inability to communicate with Shipper.
- (iv) With the exception of otherwise stated NAEBS Nominations deadlines, when a Transporter receives a Nomination document via EDI from a Shipper by the conclusion of a given quarter hour period, the Transporter will send to the Shipper's designated site via EDI, a corresponding Quick Response document by the conclusion of the subsequent quarter hour period.

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

6.1 Nomination Procedures and Deadlines (continued)

(b) Nomination Data Elements.

- (i) All Nominations should be considered original Nominations and should be replaced to be changed. When a Nomination for a date range is received, each Day within that range is considered an original Nomination. When a subsequent Nomination is received for one or more Days within that range, the previous Nomination is superseded by the subsequent Nomination only to the extent of the Days specified. The Days of the previous Nomination outside the range of the subsequent Nomination are unaffected. Nominations have a prospective effect only. (NAESB Standard 1.3.7)
- (ii) Reserved
- (iii) Nominations must specify a Begin and End Date. Such dates must be no earlier than the effective date or no later than the termination date of the service agreement. Each Day, all Nominations for the next Day which have been received by Transporter at or prior to the Nomination Deadline shall be processed pursuant to Section 6.
- (iv) All Nominations, including Intraday Nominations, should be based on a Daily quantity; thus, an Intraday Nominator need not submit an hourly Nomination. Intraday Nominations should include an effective date and time. The Interconnected Parties should agree on the hourly flows of the Intraday Nomination, if not otherwise addressed in Transporter's contract or Tariff. (NAESB Standard 1.3.9)

(c) Reserved

## 6.1 Nomination Procedures and Deadlines (continued)

### (d) The Timely Nomination Cycle

On the day prior to Gas flow:

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

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day. (NAESB Standard 1.3.2(i))

### (e) Intraday Nomination Requirements.

- (i) For services that provide for Intraday Nominations and scheduling, there is no limitation as to the number of Intraday Nominations (line items as per NAESB Standard 1.2.1) which a Shipper may submit at any one standard Nomination cycle or in total across all standard Nomination cycles. (NAESB Standard 1.3.32)
- (ii) Intraday Nominations are to be submitted in full-Day quantities.
- (iii) Firm Intraday Nominations shall be scheduled ahead of previously scheduled interruptible Nominations in the Evening, Intraday 1 and Intraday 2 Nomination Cycles. Application of this provision will result in such interruptible Nominations being Bumped.
- (iv) Flow Day Diversion. Subject to the limitations set forth in the applicable rate schedule, during any intraday nomination cycle for the Gas Day a shipper moving gas pursuant to this Tariff may use the Flow Day Diversion process to divert scheduled quantities to a new Point of Receipt or Point of Delivery as detailed in this Section 6. Such diversion is limited to the elapsed pro rata scheduled quantities, as applicable.
  - (A) Flow Day Diversion Options
    - (1) A Shipper may divert scheduled quantities to a new Point of Receipt upstream of a Segment.
    - (2) A Shipper may divert scheduled quantities to a new Point of Delivery downstream of a Segment.
    - (3) Flow Day Diversion is not available for quantities scheduled at off-system locations nominated pursuant to General Terms and Conditions Section 4.3.

6.1 Nomination Procedures and Deadlines  
(e) (iv) (continued)

(B) Conditions of Flow Day Diversion

- (1) Shipper shall divert scheduled quantities under the same Transportation Service Agreement ("TSA") as quantities scheduled for the Gas Day.
- (2) All nominations on a TSA, including prior-cycle nominations and new Intraday Nominations, shall be evaluated against quantities scheduled at a location(s) and on a Segment(s) available in the most recent intraday cycle.
- (3) At Shipper's option, the Flow Day Diversion nomination may include changes to upstream/downstream transaction information, including Package ID and Rank.
- (4) All nominations are evaluated based on the requirements of General Terms and Conditions Section 6.3.
  - (a) To the extent the sum of the nominations for a TSA do not exceed the previously scheduled capacity for that TSA at a location or on a Segment, such nominations shall be processed as previously scheduled in the intraday cycle.
  - (b) If the sum of the nominated quantities on a TSA in an intraday cycle exceed the previously scheduled capacity at a location or on a Segment, such additional quantities shall be processed as incremental nominations and scheduled pursuant to General Terms and Conditions Section 6.3.
- (v) When a previously confirmed and scheduled quantity is altered, notification of such alteration should be provided to all of the Parties below that are affected: 1) Confirmation Requester in a Confirmation Response (or unsolicited Confirmation Response as applicable) document by the Confirming Party; 2) Confirming Party in a Request for Confirmation document by the Confirmation Requester; 3) Service Requester(s) in a Scheduled Quantity document by the applicable Confirming Party or Confirmation Requester on whose system the Service Requester(s) Nomination(s) were made. (NAESB Standard 1.3.44)

6.1 Nomination Procedures and Deadlines  
(e) (v) (continued)

- (A) Applicable notification(s) of such alterations should be provided to the affected Parties reasonably proximate in time to the time during which the event causing the alteration was acted upon by the confirmation Requester or Confirming Party, respectively. With respect to the implementation of this process via the 1.4.x standards, Confirming Parties should send the applicable document(s) to the applicable Party(ies) no later than the next time they are slated to communicate Confirmations or Scheduled Quantities (as applicable). (NAESB Standard 1.3.44)
- (B) Transportation Service Provider should provide affected Parties with notification of Intraday Bumps, Operational Flow Orders and other Critical Notices through the affected Party's choice of Electronic Notice Delivery Mechanism(s). (NAESB Standard 5.3.34) "Electronic Notice Delivery" is the term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM. (NAESB Standard 5.2.2)
- (vi) Intraday Bump notices should indicate whether daily penalties will apply for the Gas Day for which quantities are reduced. (NAESB Standard 1.3.51)
- (vii) Scheduling of Intraday Nominations shall be based on the elapsed pro rata scheduled quantities. Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the Intraday Nomination being confirmed, based upon a cumulative uniform hourly quantity for each Nomination period affected. (NAESB Definition 1.2.12)
- (viii) Intraday Nominations may be submitted to increase or decrease total Gas flow and may be used to change Point(s) of Receipt and Delivery. (NAESB Standard 1.3.11) Intraday Nominations may be used to Nominate new supply or market. (NAESB Standard 1.3.33)
- (ix) 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 an Intraday Nomination modifies an existing Nomination. (NAESB Standard 1.3.13) Intraday Nominations which are not able to be Confirmed are considered to be void.
- (x) Intraday Nominations shall be considered complete upon Transporter's receipt of a valid Nomination and the corresponding up and downstream confirmations.

6.1 Nomination Procedures and Deadlines  
(e) (continued)

(xi) Transporter will re-determine scheduled quantities, pursuant to the scheduling priorities of this Section 6, at the Evening, Intraday 1, Intraday 2, and Intraday 3 Nomination Cycles when such Scheduled Quantities are affected by a discount requested by Shipper and granted by Transporter. Such re-determination may cause a discounted firm Shipper that received a discount after gas has been scheduled to be Bumped.

(f) The Evening Nomination Cycle  
On the day prior to Gas flow:

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

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

The Intraday 1 Nomination Cycle  
On the current Gas Day:

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

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

The Intraday 2 Nomination Cycle  
On the current Gas Day:

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

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

6.1 Nomination Procedures and Deadlines  
(f) (continued)

The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:15 p.m. Nominations leave control of the SR;
- 7:30 p.m. Nominations are received by the Transporter (including from TTTSPs);
- 7:30 p.m. Transporter sends the Quick Response to the SR;
- 9:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 10:00 p.m. Transporter provides scheduled quantities to the affected SR and point operator.

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle. (NAESB Standard 1.3.2(ii-v))

- (g) For purposes of Section 6.1(f) (NAESB Standard No. 1.3.2 (ii), (iii), (iv), and (v)), the word "provides" 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 (NAESB Standard 1.3.2 (vi)).
- (h) Shown in Section 10 of Part VI: Illustrations is a representation of NAESB Standard 1.3.2 in tabular format.
- (i) Nominated Imbalance Quantities. Shipper shall separately Nominate makeup and payback quantities to resolve imbalances.
- (j) Overrun Nominations. Shipper may separately Nominate quantities in excess of its MDQ. However, in the event that such excess quantities are included in other Nominations, the excess portion of such Nomination will be scheduled pursuant to Section 6.
- (k) At the end of each Gas Day, Transporter should provide the final Scheduled Quantities for the just completed Gas Day.
- (l) Transporter shall exercise reasonable efforts to accommodate changes to Shipper's Nomination for injection into, and withdrawal from, Transporter's CIG Mainline, Young and Totem Storage Fields under Rate Schedules FS-1, FS-Y, and FS-T up to 5:00 a.m., Central Clock Time (i.e. 4 hours prior to the end of the Nomination effective period), on the Day for which Nominations are effective when storage receipts and Deliveries are specified in Shipper's transportation service agreement. Transporter shall only accept such changes if they do not affect other already scheduled quantities and subject to confirmation at the Point(s) of Receipt or Point(s) of Delivery, where applicable.

## 6.1 Nomination Procedures and Deadlines (continued)

- (m) Responsibility for Nominated Quantities. When submitting Nominations, the Nominating Party/Shipper is responsible for assuring that sufficient Gas supplies are available at the Nominated Point(s) of Receipt. Pursuant to the procedures specified above, Transporter will verify Nomination information with the Interconnecting Party and will determine the Confirmed Quantity. Transporter is not responsible for assuring that the Confirmed Quantities are actually Tendered to Transporter at the Point(s) of Receipt.
- (n) Accuracy of Nominated Quantities. The Nominating Party/Shipper is responsible for the accuracy of Nomination data. Transporter shall accept all Nomination data as correct as it is provided to Transporter.
- (o) Transporter's Obligation to Deliver. For any Gas Day, Transporter shall not be obligated to Deliver any greater quantity than it has Confirmed and received. Further, Transporter is not obligated to increase or decrease quantities at any Point of Receipt or Delivery which have not been Confirmed.

## 6.2 Confirmation and Scheduling Criteria

- (a) For request to confirm and confirmation response processes, all Parties will seek to confirm by means of communicating at the applicable detail/summary level all transactions with respect to a location. (NAESB Standard 1.3.35)
- (b) In the confirmation process, where a party requesting confirmation (a Confirmation Requester) is not itself a Transportation Service Provider, the location code to be used when sending a Request for Confirmation should be the location code associated with the location where Gas will be scheduled by the Transportation Service Provider; and, where a Confirmation Requester is also a Transportation Service Provider; then, as between these confirming parties (the Confirmation Requester and the Confirming Parties), and absent their mutual agreement to the contrary, the location code to be used when sending a Request for Confirmation should be the location code used by the Transportation Service Provider sending the Request for Confirmation. (NAESB Standard 1.3.36)
- (c) The receiver of the Nomination initiates the Confirmation process. The Confirming Party that would receive a Request for Confirmation or an unsolicited Confirmation Response may waive the obligation of sender to send. (NAESB Standard 1.3.20)

## 6.2 Confirmation and Scheduling Criteria (continued)

(d) When a Confirmation Requester receives a Confirmation Response document via EDI from a Confirming Party by the conclusion of a given quarter hour period, the Confirmation Requester will send to the Confirming Party's designated site via EDI, a corresponding Confirmation Quick Response document by the conclusion of the subsequent quarter hour period.

The quarter hour periods will be defined to begin on the hour and at 15, 30, and 45 minutes past the hour. A given quarter hour will contain all transactions whose receipt time is less than the beginning of the subsequent quarter hour. (NAESB Standard 1.3.45)

(e) Reserved

(f) When Confirming Point(s) of Receipt and Point(s) of Delivery, Transporter shall use the lesser of the Confirmation Quantity and the Scheduled Quantity. Rankings provided in a Shipper's Nominations shall be used to prioritize reductions to requested quantities when such prioritization is not in conflict with other provisions of this Tariff.

(g) With respect to the timely Confirmation process for Daily Nominations, at a Point of Receipt or Delivery, 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 previous Scheduled Quantity should be the new Confirmed Quantity.

(h) With respect to the Confirmation process for Intraday Nominations, the following provisions apply:

(i) Requests for Increases. 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 previous Scheduled Quantity should be the new Confirmed Quantity.

(ii) Requests for Decreases. 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.

## 6.2 Confirmation and Scheduling Criteria (continued)

- (i) With respect to paragraphs (c) and (d) above, if there is no response to a Request for Confirmation or an unsolicited Confirmation Response, Transporter shall provide the appropriate Shippers and Confirming Parties with the following information via the Scheduled Quantity document to explain why the Nomination failed or was reduced, as applicable:
  - (i) Transporter shall inform the Shipper that Transporter did not conduct the Confirmation process.
  - (ii) Transporter shall inform Shipper that the Upstream or Downstream Confirming Party, as appropriate, responsible for the Confirmation did not conduct the Confirmation process.
  - (iii) Transporter shall inform Shipper that the Upstream or Downstream Party, as appropriate, did not have the Gas and/or submit the necessary Nomination.
- (j) Nominations are considered to be scheduled and Confirmed when Confirmed Quantities are made available to the Nominating Party and to Confirming Parties via Electronic Communication, or when agreed to by Transporter, by facsimile.

## 6.2 Confirmation and Scheduling Criteria (continued)

(k) Confirmation Balancing. During each Nomination cycle, Transporter will match the Shipper's Nomination with the related Confirmations from the upstream and downstream Interconnecting Parties. Transporter will treat the lesser of the Nomination and Confirmations at the related Points of Receipt and Points of Delivery as the Shipper's Scheduled Quantity pursuant to Section 6.2. To the extent that Confirmations are received by Transporter in time to complete the Confirmation Balancing process at or prior to the Confirmation deadline, no scheduled imbalance will be created for the Shipper's Nominated transaction. Except as noted below for off-system capacity locations, a Shipper may elect to exempt its Nominations from the confirmation balancing process by notifying Transporter prior to the deadline for the Timely Nomination Cycle for the effective day of the exemption. A Shipper's confirmation balancing election will remain in effect until changed by the Shipper. However, a Shipper's confirmation balancing exemption may be suspended when imbalance activity adversely affects Transporter's ability to provide service to others, adversely affects safe operations of Transporter's system and/or a strained operating condition or critical condition is in effect.

Shippers using off-system capacity pursuant to Section 4.3 of the General Terms and Conditions may not be exempted from the confirmation balancing requirements of this section for those Nominations using off-system capacity.

Upon the determination that exemptions from the confirmation balancing process cannot be supported due to operational reasons, Transporter shall post a notice on its EBB prior to the Evening Nomination Cycle Nomination deadline to be effective the next Gas Day. The notice will indicate the circumstances requiring the suspension, the system impact of the suspension (e.g. the locations or pipeline segments for which the suspension is effective) and an estimated duration of the suspension. Transporter shall post a related notice when the Shippers' elections to be exempted from the confirmation balancing can be reinstated.

### 6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity

(a) Scheduling of Receipts and Deliveries. Each Day, Transporter shall schedule the quantities Nominated by Shippers in the order described hereinafter. However, all Scheduled Quantities are subject to Confirmation prior to being designated as Confirmed Quantities.

(i) The first quantities scheduled shall be those quantities Nominated by Shippers under Rate Schedules TF-1, TF-HP, and TF-4 for Transportation Service utilizing Primary Capacity. Quantities under Rate Schedule CS-1 will be scheduled equivalently with the related transportation service. If Transporter has insufficient capacity to schedule all quantities Nominated as Primary Capacity, Transporter shall schedule pro rata based on contract entitlement at the point at which the capacity limitation occurs.

(ii) The next quantities scheduled shall be those Nominated by Shippers under Rate Schedules TF-1, TF-HP, TSB-Y, TSB-T, ESD-T, NNT-1 and TF-4 for Transportation Service involving Flow Path Secondary Capacity. Quantities through Flow Path Secondary Capacity will be scheduled based on the rate being paid, with highest rate being scheduled first. For purposes of determining the rate being paid, Transporter shall add the Shipper's effective reservation rates converted to a daily rate at a 100 percent load factor and the commodity rate to calculate the Shipper's Effective Daily Rate (EDR). Shippers paying the same rate shall be scheduled on a pro rata basis based on quantities Nominated through Flow Path Secondary Capacity.

(iii) The next quantities scheduled shall be those quantities Nominated by Shippers under Rate Schedule TF-1, TF-HP, TSB-Y, TSB-T, ESD-T, NNT-1 and TF-4 for Transportation Service utilizing Secondary Capacity. Secondary Capacity quantities will be scheduled based on rate being paid, with quantities at the highest EDR shall be scheduled on a pro rata basis based on quantities Nominated through Secondary Capacity.

(iv) The next quantities scheduled shall be those quantities required by Transporter for system requirements including fuel and shrinkage reimbursement for processing of third party Gas at Transporter's processing plants, and Transporter's retained storage inventory.

(v) The next quantities scheduled shall be those quantities Nominated by Shippers under Rate Schedules TI-1 and TI-HP. Under those services, a Shipper paying a higher commodity rate than another Shipper shall be scheduled first. Further, within this group, Shippers paying the same commodity rate shall be scheduled pro rata based on quantities Nominated.

6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity

(a) (continued)

(vi) The next quantities scheduled shall be those quantities Nominated by Shipper utilizing Overrun Capacity, and involving imbalance quantities, and Rate Schedules PAL-1, PAL-HP, and APAL-1 quantities. Quantities not associated with concurrent receipts or deliveries will only be scheduled when supported by Transporter's ability to deliver extra gas from the pipeline system without a concurrent supply or to receive extra gas into the pipeline system.

(A) Notwithstanding Section 6.3(a)(vi)(B) below, Nominations for withdrawal and payback quantities under Rate Schedules PAL-1, PAL-HP and APAL-1 shall be scheduled first before Nominations for Park and/or Loan quantities under Rate Schedules PAL-1 and PAL-HP.

(B) For quantities Scheduled within this Section 6.3(a)(vi), quantities will be scheduled based on the priority of the transportation agreement under which the quantity is being Nominated. Quantities Nominated under firm transportation agreements shall be scheduled first in accordance with Sections 6.3(a)(i) and (iii), as appropriate. Quantities Nominated under interruptible transportation agreements or Rate Schedule PAL-1, PAL-HP -or APAL-1 agreements shall be scheduled next with quantities associated with higher commodity rates scheduled before those associated with lower commodity rates. Interruptible and Rate Schedule PAL-1, PAL-HP or APAL-1 Nominations carrying the same commodity rate shall be scheduled pro rata based on the quantities Nominated.

(C) Authorized Overrun for Points of Delivery on the Valley Line shall be only conditionally scheduled based on the expected capacity and/or Storage Field deliverability available for this service. In the event of capacity limitations, Transporter may interrupt scheduled Authorized Overrun Quantities at Primary Points of Delivery on the Valley Line in advance or during the Gas Day. These quantities shall be interrupted before any quantities are interrupted pursuant to Section 6.3(b), below. Within the category of Valley Line Authorized Overrun Quantities, Transporter shall first interrupt service pursuant to Rate Schedule TF-1 in a pro rata manner based on Nominations. Authorized Overrun Quantities requested under Rate Schedules NNT-1 and NNT-2 from Storage Fields shall be interrupted last, in a pro rata manner based on Nominations.

(vii) The next quantities scheduled shall be those quantities Nominated by Shipper under Rate Schedule HUB-1. However, within this group, quantities shall be scheduled pro rata based on quantities Nominated.

6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity  
(continued)

(b) Where Transportation Service is interrupted due to capacity limitations, service shall be interrupted pursuant to the following order until the level of Transportation Service equals available capacity. Transporter shall provide as much notice as is practicable prior to implementing any interruption of services.

(i) All quantities Nominated under Rate Schedule HUB-1 shall be interrupted first. Further, within this group quantities shall be allocated pro rata based on quantities scheduled.

(ii) The next quantities to be interrupted shall be those quantities Nominated utilizing Overrun Capacity except for Authorized Overrun Quantities Nominated at Points of Delivery on the Valley Line. Nominated imbalance quantities and Nominated PAL-1, PAL-HP and APAL-1 quantities shall be interrupted based on the priority of the transportation agreement under which the quantity is being Nominated. Quantities Nominated under interruptible transportation agreements or Rate Schedule PAL-1, PAL-HP or APAL-1 agreements shall be interrupted first with quantities associated with lower commodity rates interrupted before those associated with higher commodity rates. Interruptible and Rate Schedule PAL-1, PAL-HP or APAL-1 Nominations carrying the same commodity rate shall be allocated pro rata based on the quantities Nominated. Quantities Nominated under firm transportation agreements shall be interrupted next on a pro rata basis based on quantities scheduled.

(iii) The next quantities to be interrupted shall be those quantities Nominated as interruptible service. The allocation of capacity will be based on the commodity rate being paid. A service at a lower rate than another service shall be interrupted first. Further within this group, Shippers that are paying the same commodity rate shall be allocated pro rata based on quantities scheduled.

(iv) The next quantities to be interrupted shall be those quantities required by Transporter for system requirements including fuel and shrinkage reimbursement for processing of third party Gas at Transporter's processing plants, and Transporter retained storage inventory.

6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity  
(b) (continued)

(v) The next quantities to be interrupted shall be those quantities under Rate Schedules TF-4, TSB-Y, TSB-T, ESD-T, NNT-1, NNT-2, TF-HP, TF-1 and CS-1 which are utilizing Primary, Flow Path Secondary and/or Secondary Capacity. All firm Transportation Services will be interrupted pro rata based on contract entitlements at the point at which the capacity limitation occurs. For purposes of this Section 6.2(a)(v), contract entitlement involving non-Primary Capacity shall be the quantity scheduled to flow before the interruption of service.

(c) Special Scheduling Considerations

- (i) The capacity allocated to Shippers who received service under Transporter's former Rate Schedules G-1, P-1, SG-1, and PS-1 shall, in the case of each Shipper, be further allocated to assign to Shipper a Northern System Receipt Capacity, Central System Receipt Capacity, Southern System Receipt Capacity, and storage Deliverability. Shipper's scheduling of quantities between Southern System Receipt Capacity, Central System Receipt Capacity, and Northern System Receipt Capacity shall, in the aggregate, be consistent with Transporter's past Gas purchase practices.
- (ii) Scheduling of Intraday Nominations. For purposes of determining the portion of any Intraday Nomination which is to be scheduled when available capacity is not sufficient to schedule all quantities requested, all Intraday Nominations shall first be cumulated with all prior confirmed daily and Intraday Nominations for that Gas Day and compared to Shipper's MDQ. For the Intraday Nomination being processed, if the cumulated Nomination quantity is in excess of MDQ, that portion of the quantity in excess of MDQ and any subsequently processed Intraday Nominations under that transportation service agreement shall be considered as using Overrun Capacity.
- (iii) Scheduling of Pool Nominations. When required by capacity constraints, Nominations related to Pooling agreement(s) shall be scheduled based on the priorities of the downstream Shipper's transportation service agreement(s). When appropriate, such capacity allocations may supersede the priority ranking provided by the Pooler.

6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity  
(continued)

(d) Special Temporary Interruption Procedure. If Transporter determines that underdeliveries or overdeliveries of Nominated quantities of Gas to Transporter's system or unauthorized overruns of Deliveries from Transporter's system render Transporter unable to meet its total Transportation Service obligations, Transportation Services shall be interrupted as necessary to preserve the operating integrity of the Transporter's transmission system within the area of the system requiring interruption. Such interruption shall continue until Transporter is able to identify the source(s) of such underdeliveries, overdeliveries, or overruns. Transporter shall use reasonable diligence to determine and remedy the cause of the underdeliveries, overdeliveries, or the unauthorized overruns.

Upon identification of the source(s) Transporter shall appropriately adjust quantities attributable to the Party(ies) responsible for such underdeliveries, overdeliveries, or unauthorized overruns and shall reduce or discontinue the interruption of service to other Parties. Transporter shall continue this process until the source(s) and responsible Party(ies) are identified and service is restored to all other Parties.

If Transporter determines to reduce or interrupt service to any Party, Transporter shall provide as much notice as is reasonably possible.

(e) Special Relief.

(i) Gas supply adequacy is solely the responsibility of the Shipper. Gas will not be diverted from one Shipper's account to another Shipper's account to resolve shortage situations in the normal course of business (e.g., through the use of operational flow orders).

(ii) However, Essential Human Needs and Minimum Plant Protection Uses should be protected from physical interruption of supply to forestall injury to life or property. If any Shipper of Transporter experiences or anticipates a supply emergency which could cause such injury, such Shipper shall utilize to the fullest extent possible all of Shipper's existing Gas supply arrangements, including storage inventories and available self-help measures to alleviate such emergency prior to requesting assistance from Transporter and other Shippers pursuant to this section.

(iii) Any such assistance to resolve such emergencies will be based, to the maximum extent possible, on voluntary, market-based arrangements involving a sale of Gas by a willing seller to the Shipper experiencing the emergency shortage, at a rate negotiated by the Parties to the sale. Such

6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity  
(e) (iii) (continued)

transactions could involve the pre-arrangement of portfolios of divertible supply, or short-term arrangements through the use of Transporter's electronic bulletin board, or any other arrangement acceptable to the parties to the sale.

(iv) Transporter's role will be to facilitate these voluntary arrangements by posting notices on its electronic bulletin board (a) from the Shipper experiencing or expecting a supply emergency, in which such Shipper solicits offers to sell it the needed Gas supplies and (b) from suppliers willing to sell Gas to the Shipper that faces the emergency situation. Further, Transporter will facilitate to the maximum extent practicable the physical Delivery of such emergency supplies where needed, so long as this can be accomplished without affecting other Shippers' rights to capacity. Transporter shall not, however, buy or sell Gas supplies downstream of the point of unbundling to facilitate voluntary arrangements for the resolution of an individual customer emergency. Transporter's authority to buy and sell Gas to preserve system integrity shall be used only when it is reasonable to conclude that an emergency threatens service for major areas of the system.

(f) Liability for Interruption. If service under this Tariff is interrupted consistent with this Section, Transporter shall not be liable for damages resulting from the implementation of the procedures described herein, except to the extent that such interruptions of service are shown to be the result of negligence or willful misconduct by Transporter. If a court makes such finding, then Transporter shall only be liable for its proportionate amount of negligence.

6.4 Storage Service - Scheduling of Receipts and Deliveries, and Allocation of Capacity. CIG Mainline Storage, Young Storage, and Totem Storage will be treated separately for purposes of this section.

- (a) Storage Withdrawal Delivery Point. If a Shipper Nominates quantities from storage and such quantities have been injected utilizing third party transportation service, Transporter shall have the right to bill for quantities Tendered at the Point of Delivery.
- (b) Scheduling of Storage Service. The following provisions relate exclusively to the scheduling and allocation of capacity where available storage capacity is insufficient to provide service to all customers desiring service at the level of service requested. Where Storage Service is interrupted or restricted due to capacity limitations, such interruption shall be consistent with the following provisions.

6.4 Storage Service - Scheduling of Receipts and Deliveries, and Allocation of Capacity.  
(continued)

(c) Scheduling of Injections and Withdrawals. On any Day when Nominations exceed capacity, Transporter shall schedule the quantities Nominated by Shippers for injection into or withdrawal from storage in the order described hereinafter:

- (i) The first quantities scheduled shall be those quantities required to meet Transporter's system management.
- (ii) The next quantities scheduled shall be those quantities required to meet Transporter's firm storage Shippers' Nominated quantities. If capacity is not available to serve all such firm Nominations, the available capacity shall be allocated pro rata based upon Shipper's MDIQ/YMDIQ/TMDIQ or ADWQ/YADWQ/TADWQ, as appropriate.
- (iii) The next quantities scheduled shall be those quantities required to meet Transporter's interruptible storage Shippers' Nominated quantities.

(A) Injections shall be scheduled as follows: Quantities to which higher rates are applicable shall be scheduled before quantities to which lower rates are applicable. Nominations of quantities to which a higher rate is applicable shall be fully satisfied before any Nominated quantities to which a lower rate is applicable are scheduled. Where the rate is the same and capacity is not available, service shall be pro rata based on quantities Nominated.

(B) Withdrawals shall be scheduled on a pro rata <sup>1/</sup> basis, provided however, that no Shipper shall receive capacity in excess of that Shipper's Nomination. If any Shipper's pro rata share exceeds the quantity Nominated on any Day by that Shipper, the difference between the pro rata share and the Nominated quantity shall be shared pro rata <sup>1/</sup> among Shippers Nominating quantities in excess of their pro rata shares. A Shipper who does not Nominate quantities equal to its pro rata share on any Day may Nominate quantities equal to its pro rata share on any subsequent Day of the Month, and Transporter shall schedule such quantities.

<sup>1/</sup> For purposes of scheduling of withdrawals from storage only, a Shipper's pro rata share shall equal that Shipper's total quantity of Gas in Place (G.P.) divided by the total G.P. under Rate Schedule IS-1, Rate Schedule IS-T or Rate Schedule IS-Y as of the most current Day allocated.

(iv) The next quantities scheduled for injection or withdrawal shall be authorized firm storage overrun quantities.

6.4 Storage Service - Scheduling of Receipts and Deliveries, and Allocation of Capacity.  
(continued)

(d) Allocation of Injection and Withdrawal Capacity. If the capacity expected to be available for either injection or withdrawal from storage on any Day is less than the scheduled quantities for any reason, then Transporter shall inject into and withdraw Gas from storage consistent with the following priorities:

- (i) The first quantities to be injected or withdrawn shall be those quantities required to meet Transporter's system management.
- (ii) The next quantities to be injected or withdrawn shall be those firm storage service quantities. Within this group, injection and withdrawal capacity shall be shared pro rata on the basis of Shipper's MDIQ/YMDIQ/TMDIQ or ADWQ/YADWQ/TADWQ, as appropriate.
- (iii) The next quantities to be injected or withdrawn shall be Interruptible Storage Service quantities.
  - (A) Injection shall be performed as follows: Quantities to which higher rates are applicable shall be scheduled before quantities to which lower rates are applicable. Nominations of quantities to which a higher rate is applicable shall be fully satisfied before any Nominated quantities to which a lower rate is applicable are scheduled. Where the rate is the same and capacity is not available, service shall be pro rata based on quantities Nominated.
  - (B) Withdrawals shall be scheduled on a pro rata <sup>2/</sup> basis, provided however, that no Shipper shall receive capacity in excess of that Shipper's Nomination. If any Shipper's pro rata share exceeds the quantities Nominated on any Day by that Shipper, the difference between the pro rata share and the Nominated quantity shall be shared pro rata <sup>2/</sup> among Shippers Nominating quantities in excess of their pro rata shares. A Shipper who does not Nominate quantities equal to its pro rata share on any Day may Nominate quantities equal to its pro rata share on any subsequent Day of the Month, and Transporter shall schedule such quantities.

<sup>2/</sup> For purposes of scheduling of withdrawals from storage only, a Shipper's pro rata share shall equal that Shipper's total quantity of Gas in Place (G.P.) divided by the total G.P. under Rate Schedules IS-1, IS-T or IS-Y as of the most current Day allocated.

- (iv) The last quantities to be injected or withdrawn shall be authorized firm storage overrun quantities.

6.4 Storage Service - Scheduling of Receipts and Deliveries, and Allocation of Capacity.  
(continued)

(e) Liability for Interruption. If service under this Tariff is interrupted consistent with this Section 6, Transporter shall not be liable for damages resulting from the implementation of the procedures described herein, except to the extent that such interruptions of service are shown to be the result of negligence or willful misconduct by Transporter. If a court makes such a finding, then Transporter shall only be liable for its proportionate amount of negligence.

6.5 Requests for Intraday Variable Deliveries

(a) Variable Delivery Request Communication

(i) Transporter shall accept Variable Delivery Requests twenty-four (24) hours a Day via Transporter's electronic bulletin board (EBB). Transporter's interactive website will also contain after hours and emergency contacts in the event normal EBB communication is unavailable.

(ii) Except as provided for in Rate Schedules TSB-Y, ~~and~~ TSB-T ~~and~~ ESD-T, variable delivery requests received by Transporter at or prior to the top of each hour shall be considered valid for the two- and four-hour requirements for notification for the Delivery hours two and four hours following the notice. Requests received after the top of the hour will be effective with the next notice period.

(iii) Shippers should provide to Transporter the appropriate after hours and emergency contacts for Intraday services in the event of normal EBB communication is unavailable.

(iv) In the event that Shipper's contact data is not current, Transporter shall not be liable to Shipper for any damages or losses that may occur as a result of Transporter's inability to communicate with Shipper.

(b) Intraday Variable Delivery Support Information

(i) Based on Shipper's flowing and Hourly Entitlement Enhancement Nominations at a Point of Delivery, the following information will be available via Transporter's EBB:

- (A) Total Nominations (i.e. the physical Daily Delivery quantity)
- (B) Total Hourly Entitlement Enhancement Nomination
- (C) Maximum Hourly Delivery Quantity

6.5 Requests for Intraday Variable Deliveries  
(b) (continued)

(ii) Based on the Storage Period, a No-Notice and/or Firm Storage Shipper will have access to the following information via Transporter's EBB:

- (A) Maximum Daily Injection and Withdrawal Quantities
- (B) Available Injection and Withdrawal Quantities
- (C) Intraday Hourly Delivery Enhancements on a No-Notice, two-hour notice and four-hour notice basis availability
  - 1. Peak Hour Deliverability
  - 2. Three Hour Peak
  - 3. Remaining Average Hourly Deliverability (based on the next full Hour after the notice period)

(c) Intraday Request for Enhanced Hourly Deliveries via Transporter's EBB

(i) Hourly Entitlement Flexibility

- (A) Deliveries up to the combination of Hourly Enhanced and flowing Nominations are automatically available during any Hour.
- (B) At each location, Shippers are limited to the Nominated flowing Gas quantity for the full Day.
- (C) At the Shipper's option, an hourly profile may be submitted electronically which may improve service performance and will provide a reliability check that the proposed hourly Deliveries can be supported by the existing flowing and Hourly Enhanced Nominations.
- (D) At locations supported by a swing contract and at the swing contract holder's option, an hourly profile may be submitted electronically that includes all the flowing and entitlement enhancement Nominations which may improve service performance and will provide a reliability check that the proposed hourly Deliveries can be supported at the location level.

(ii) Firm Storage and No-Notice Transportation Requests for Enhanced Hourly Deliveries via Transporter's EBB.

- (A) For each notice level, an Enhanced Delivery Request may be submitted for the full hourly peak, three-hour peak and remaining average hourly Delivery quantities.
- (B) At the Shipper's option, an hourly profile may be submitted electronically which may improve service performance and will provide a reliable check that the proposed hourly Deliveries can be supported by hourly storage available.

6.5 Requests for Intraday Variable Deliveries (continued)

(d) NNT requests for Overrun Delivery Service via Transporter's EBB.

- (i) NNT Shippers may request Overrun Delivery Service at any time through the first 20 Hours of the Day.
- (ii) If the NNT Authorized Overrun request(s) are approved by Transporter's Gas Control, such Authorized Overrun quantity will provide a 1-for-1 increase in the NNT Shipper's Hourly entitlements beginning at the fourth full hour following the NNT Authorized Overrun request. Such hourly increases shall be based on 1/24th of the Authorized Overrun Quantity.
- (iii) At the Shipper's option, an hourly profile may be submitted electronically which may improve service performance and will provide a reliable check that the proposed hourly Deliveries can be supported by the existing flowing and Hourly Enhanced Nominations and the NNT Authorized Overrun request.

(e) Rate Schedule NNT-1 Short Notice Delivery Request Process

- (i) Short Notice Diversions are limited to the lesser of the hourly quantities described in Paragraphs (ii) and (iii) below or the maximum hourly diversion quantity posted on Transporter's EBB for the Short Notice Diversion operational area associated with the Short Notice Point of Delivery selected by Shipper.
- (ii) Two Hour Notification
  - (A) Shipper may provide a request to Transporter via Transporter's EBB for Hourly Diversions of the quantities specified in Section 2.3(b)(i) of Rate Schedule NNT-1.
  - (B) Short Notice Diversions are limited to Shipper's designated Short Notice Points of Delivery.
  - (C) In any hour, Short Notice Diversions may not exceed 1/24 of the quantity scheduled at Shipper's NNT Balancing Point pursuant to Section 2.1(d) of Rate Schedule NNT-1.
  - (D) Short Notice Diversions shall result in an equal and opposite adjustment to the NNT Balancing Point Scheduled Quantity available for allocation to Shipper's Primary Points of Delivery and/or for Storage Service injection.

6.5 Requests for Intraday Variable Deliveries  
(e) (continued)

(iii) Four Hour Notification

- (A) Shipper may provide a request to Transporter via Transporter's EBB for Hourly Deliveries from Shipper's NNT-1 available storage inventory.
- (B) Short Notice Diversions are limited to Shipper's designated Short Notice Points of Delivery.
- (C) Short Notice Diversions may not exceed the current limits of Shipper's NNT storage availability as specified in Section 2.2(b) of Rate Schedule NNT-1 in any Hour.
- (D) Short Notice Diversions shall result in an equal and opposite adjustment to Shipper's NNT Storage withdrawal capacity available for allocation to Shipper's Primary Points of Delivery.

6.6 Rate Schedules PAL-1, PAL-HP and APAL-1 Nominations and Confirmations - All Nominations and Confirmations related to Rate Schedules PAL-1, PAL-HP and APAL-1 services are subject to the procedures set forth in Section 6.1.

6.7 Pooling Nominations. Except when noted below, all Nominations related to Pools are subject to the Nomination procedures set forth in Section 6.1.

- (a) With respect to Nomination Data Elements, Section 6.1(b) is applicable except that all Pooling Nominations will identify the Pool as the Point of Delivery.
- (b) With respect to Daily and Intraday Nomination and Confirmation schedules, the Pooler is responsible for submission of appropriate Pooling Nominations to support Confirmation of the Pool.
- (c) With respect to Nominated Imbalance Quantities, Poolers may not Nominate out of balance except to resolve verified, pre-existing imbalances.

6.8 HUB Nominations. All Nominations related to HUB services are subject to the procedures set forth in Section 6.1

- (a) With respect to Nominated imbalance quantities, Shippers may not Nominate out of balance, except to resolve existing imbalances.

6.9 Title Transfer Tracking Service

- (a) At a minimum, Transporter should be responsible for accommodating Title Transfer Tracking ("TTT") services at all points identified by Transporter as pooling points, where TTT services are requested. In absence of existing pooling points or in addition to existing pooling points where access to TTT activity is not reasonably accessible for supply receipt locations covered by an OBA, Transporter should be responsible for accommodating TTT at no less than one location. (NAESB Standard 1.3.64)
- (b) The Title Transfer Tracking services should be supported by means of the Nominations, Quick Responses and Scheduled Quantities processes. At Transporter's election, the Confirmation process may also be utilized with Title Transfer Tracking Service Providers within the Transporter's system. (NAESB Standard 1.3.65)
- (c) Transporter shall provide service as a Title Transfer Tracking Provider ("TTTSP") at its designated pooling points. Parties wishing to transfer title to other parties using Transporter's TTT services must hold a pooling account with Transporter. Third Party Account Administrators ("3PADS") must hold a pooling account with Transporter and must follow the procedures and requirements for Nominations, Quick Responses and Scheduled Quantities.
- (d) Transporter may facilitate TTT services at individual locations where such services are requested.

6.10 Planning Information. Transporter may request other planning information by agreement, as needed from time to time and Shipper shall comply with all reasonable requests.

- (i) Planning Information timely requested by Transporter for Transporter's Gas Control operations shall be provided prior to the start of the Gas Day as necessary and as often throughout the Day as advisable.
- (ii) Planning Information concerning Shipper's NNT Balancing allocation preferences should be provided prior to Cycle 1. Such allocation preferences will remain in place until changed by Shipper.

## 8. Operating Provisions

### 8.1 Firm Transportation Service

- (a) Estimates. For planning purposes, Transporter may, from time to time, request estimates of Shipper's annual quantity, average daily quantity, or peak Day quantities for each agreement. In the event that such a request is made, Shipper shall reply in writing within 45 days of the request.
- (b) Segmentation of Capacity
  - (i) Applicability. Any Shipper receiving firm Transportation Service under Rate Schedules TF-1 and NNT-1 may Segment its capacity pursuant to the provisions and restrictions of this Section. Segmentation may be accomplished on a self-implementing basis, by Nomination or capacity release, at any Point on Transporter's system.
  - (ii) General Prerequisites for Segmentation on Transporter's Transmission System. To maintain the integrity and reliability of Transporter's operationally complex transmission system, the following prerequisites for Segmentation have been established to ensure that Segmentation is supported to the greatest extent possible without detriment to, or degradation of, any Shipper's service.
    - (A) At a minimum, at least a portion of the Receipt-to-Delivery Flow Path on each nominated Segment lies within Shipper's Primary Receipt-to-Delivery Flow Path.
    - (B) Segmentation capacity may not exceed Shipper's Primary Capacity.
    - (C) Segmentation is permitted in any direction of flow; however, Segmentation requests for flow which are opposite to the Primary Receipt-to-Delivery Flow Path are incremental to any other Segmentation activity on the same pipeline Segment when considering the Primary Capacity limitation.
    - (D) Segmentation is subject to the availability of capacity and existing contractual obligations at and between the new Points of Receipt and/or Delivery established as a result of Segmentation.
    - (E) The Thermal Content of Gas being received at segmented points must be no less than the Thermal Content of Gas received at the original Point(s) of Receipt under the Shipper's transportation service agreement.

8.1 Firm Transportation Service

(b) (continued)

(iii) In addition to the prerequisites of Section 8.1(b)(ii) the following will also apply for the Reticulated System:

- (A) the impact of the requested Segmentation on the overall Thermal Content of the Gas on Transporter's Reticulated System,
- (B) the impact of the requested Segmentation on the direction of Gas flow across the various operational Segments of the Reticulated System,
- (C) the availability of capacity at new Receipt or Delivery Points that a Shipper uses as a result of Segmentation,
- (D) the impact of the requested Segmentation on displacement capacity, and
- (E) the impact to Transporter's storage field operations.

(iv) Implementation of Segmentation. Transporter's Nomination and capacity release systems have been modified to accommodate Segmented transactions in keeping with the prerequisites enumerated in Section 8.1(b)(ii).

- (A) Shippers Nominating outside the Receipt-to-Delivery Flow path shall be subject to the "one foot in bounds" rule. Segmentation rights shall not be affected as long as some portion of the nominated Receipt-to-Delivery Flow Path is within the Primary Receipt-to-Delivery Flow Path.
- (B) Transactions that are opposite to the Primary Receipt-to-Delivery Flow Path are distinguished from the Shipper's Primary Capacity and shall be scheduled as Secondary Capacity up to the Shipper's MDQ.
- (C) Segmentation transactions outside the Primary Receipt-to-Delivery Flow Path are to be scheduled as Secondary for invoicing. The highest usage of the agreement on any Segment utilizing Primary or Flow Path Secondary Capacity will be considered as a base. If this base utilization plus any utilization completely outside of the Primary Receipt-to-Delivery Flow Path is in excess of the agreement MDQ, such excess will be invoiced as Authorized Overrun.

8.1 Firm Transportation Service  
(b) (iv) (continued)

- (D) Both Releasing and Replacement Shippers may utilize Secondary Capacity. However, the combined Nominations of such Shippers on any Segment are limited to the original contractual MDQ and to the provisions of Section 8.1(b)(iii) above. Based on their capacity release contract MDQs, Secondary Capacity on a Segment shall be allocated on a pro rata basis between the Releasing and Replacement Shippers up to the original contractual MDQ. Capacity remaining above the Secondary Capacity allocation shall be allocated and invoiced as Authorized Overrun.
- (E) A firm Shipper (or a Releasing Shipper and a Replacement Shipper participating in a capacity release) may segment its capacity by simultaneously transporting its full MDQ in a forward haul and its full MDQ in a backhaul (opposite to the Primary Receipt-to-Delivery Flow Path) to the same delivery point.
- (F) Control of Segmentation. In addition to the prerequisites established in Section 8.1(b)(ii), Transporter reserves the right at any time to control or restrict Segmentation when, in Transporter's sole discretion, such Segmentation would result in a degradation of service or pose a threat to the sound operation of Transporter's system. Such control or restriction may be necessary to ensure that critically sourced Gas is available when and where it is needed during times of normal, as well as critical operations. Such control will be effected through the issuance of strained operating conditions, critical conditions or operational flow orders.

- (c) Segmentation and Secondary Points for Rate Schedule TF-1 Shippers
  - (i) Segmentation. Shipper may Nominate Segmented transactions at any time.
    - (A) Shipper utilizing Transporter's mainline system Segmentation Point(s) shall pay the maximum reservation and commodity rates under Rate Schedule TF-1 for the portion of Shipper's quantities utilizing Segmentation, unless otherwise agreed by Transporter. Shipper utilizing North Raton Lateral Segmentation Point(s) shall pay the maximum reservation and commodity rates under Rate Schedule TF-1 for the portion of Shipper's quantities utilizing Transporter's mainline system Segmentation and the additional applicable North Raton Lateral reservation and commodity rate(s) for utilizing North Raton Lateral Segmentation Point(s) unless otherwise agreed by

8.1 Firm Transportation Service

(c) (i) (A) (continued)

Transporter. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions). In no event shall Shipper be entitled to more Transportation Service than is provided for under the agreement. Shipper's entitlements at the existing Primary Points of Receipt and/or Delivery are not affected by Segmentation.

(B) Shipper utilizing High Plains System Segmentation Point(s) shall pay the maximum reservation and commodity rates under Rate Schedule TF-1 for the portion of Shipper's quantities utilizing ~~Tran~~nsporter's mainline system Segmentation and an additional Rate Schedule TF-HP maximum reservation and Commodity rate for utilizing High Plains Segmentation Points unless otherwise agreed by Transporter. Additionally, Shipper shall furnish High Plains System Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas in addition to the appropriate mainline fuel. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

(ii) Shipper may Nominate for Transportation Service at Secondary Point(s) outside the Primary Receipt- to-Delivery Flow Path.

(A) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on Transporter's mainline system or North Raton Lateral. Shipper utilizing Secondary Point(s) shall pay the maximum reservation and commodity rates under Rate Schedule TF-1 for the portion of Shipper's quantities utilizing Secondary Points, unless otherwise agreed by Transporter. Shipper utilizing Secondary Point(s) on the North Raton Lateral will pay the applicable North Raton Lateral maximum reservation and commodity rate(s) for Transportation Service unless otherwise agreed by Transporter. In no event shall Shipper be entitled to more Transportation Service than is provided for under the agreement.

(B) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on the High Plains System. Shipper utilizing Secondary Point(s) on the High Plains system are not eligible for one hour Nomination service and will pay an additional Rate Schedule TF-HP maximum reservation and commodity rate for Transportation unless otherwise agreed by Transporter. Additionally, Shipper shall furnish High Plains System Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas in addition to the appropriate mainline fuel charges.

8.1 Firm Transportation Service (continued)

(d) Segmentation and Secondary Points for Rate Schedule TF-4 Shippers

(i) A Shipper may Nominate for Transportation Service at any Secondary Point(s) of Receipt and/or Delivery provided such Point(s) of Delivery are to Shipper's system and are for the same service area being served by Deliveries at the Primary Point(s) of Delivery. Shipper's Nominations for Transportation Service at Secondary Point(s) of Receipt and/or Delivery shall be limited such that in no event, except overrun, shall Shipper be afforded more capacity on any Receipt-to-Delivery Flow Path than Shipper's reserved capacity on such Receipt-to-Delivery Flow Path. Shipper utilizing Secondary Point(s) will pay the maximum rate under this Rate Schedule for the portion of Shipper's quantities utilizing Secondary Points, unless otherwise agreed by Transporter.

Transportation service at or involving Secondary Point(s) of Receipt and Delivery shall be scheduled subject to capacity availability, following all firm Transportation service between Primary Point(s) of Receipt and Delivery and ahead of any interruptible Transportation Service.

(ii) Any use of Secondary Point(s) shall be subject to the Joint Monthly Operating Plan and operational flow orders.

(e) Segmentation and Secondary Points for Rate Schedule TF-HP Shippers

(i) Segmentation. Shipper may Nominate Segmented transactions at any time.

(A) Shipper utilizing High Plains System Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing Segmentation, unless otherwise agreed by Transporter. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

(B) Shipper utilizing Transporter's mainline system Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing High Plains Segmentation and an additional Rate Schedule TF-1 maximum reservation and commodity rate for utilizing Transporter's mainline Segmentation. Shipper utilizing North Raton Lateral Segmentation Point(s) shall pay the additional applicable North Raton Lateral maximum reservation and commodity rate(s) for the portion of Shipper's quantities utilizing North Raton Lateral Segmentation Point(s) unless otherwise agreed by Transporter. Additionally, Shipper shall furnish Transporter's Mainline Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas, unless otherwise agreed by Transporter (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

8.1 Firm Transportation Service)

(e) (continued)

- (ii) Shipper may Nominate for Transportation Service at Secondary Point(s) outside the Primary Receipt-to-Delivery Flow Path.
  - (A) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on the High Plains System. Shipper utilizing Secondary Point(s) on the High Plains System shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing Secondary Points, unless otherwise agreed by Transporter.
  - (B) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on Transporter's mainline system or North Raton Lateral. Shipper utilizing Secondary Point(s) on Transporter's mainline system will no longer be eligible for one hour Nomination service and will pay an additional Rate Schedule TF-1 maximum reservation and commodity rate for Transportation. Shipper utilizing North Raton Lateral Segmentation Point(s) shall pay additional applicable North Raton Lateral maximum reservation and commodity rate(s) for the portion of Shipper's quantities utilizing North Raton Lateral Segmentation Point(s) unless otherwise agreed by Transporter. Shipper utilizing Secondary Point(s) off the High Plains System will no longer be eligible for one hour Nomination service. Additionally, Shipper shall furnish Transporter's Mainline Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas.

(f) Segmentation and Secondary Points for Rate Schedule NNT-1 Shippers

- (i) Segmentation. Shipper may Nominate Segmented transactions at and between the Primary Points of Receipt and Delivery on Transporter's Wyoming System at any time. Further, pursuant to the provisions of Section 4 of the General Terms and Conditions, Shipper may request that Points of Receipt and Delivery be authorized for Segmentation on the Reticulated System between the Primary Points of Receipt and Delivery. Once approved, such Points of Receipt and Delivery on the Reticulated System may be Nominated as Segmentation transactions at any time. Shipper utilizing Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing Segmentation unless otherwise agreed by Transporter (see Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions). In no event shall Shipper be entitled to more Transportation Service than is provided for under the agreement. Shipper's entitlements at the existing Primary Points of Receipt and/or Delivery are not affected by Segmentation.

8.1 Firm Transportation Service

(f) (continued)

(ii) Shipper may Nominate at Secondary Point(s) of Delivery under this Rate Schedule outside the Primary Receipt-to-Delivery Flow Path. Shipper utilizing such Secondary Point(s) shall pay the maximum reservation rate and maximum commodity rate under this Rate Schedule for the portion of Shipper's quantities utilizing Secondary Point(s) of Delivery, unless otherwise agreed by Transporter. Shipper may also Nominate at Secondary Point(s) of Receipt. When Nominating at Secondary Point(s) of Receipt, service shall be considered as equivalent to Service under Rate Schedule TF-1. For such service, Shipper shall pay the maximum Rate Schedule NNT-1 reservation rate and maximum commodity rate under Rate Schedule TF-1 for the portion of Shipper's quantities utilizing secondary receipt capacity, unless otherwise agreed by Transporter. In no event shall Shipper be entitled to more service than is provided for under the agreement.

(g) Segmentation and Secondary Points for Rate Schedule TSB-Y Shippers

(i) Segmentation. Shipper may Nominate Segmented transactions at any time.

(A) Shipper utilizing High Plains System Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing High Plains System Segmentation, unless otherwise agreed by Transporter. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

(B) Shipper utilizing Transporter's mainline system Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing High Plains System Segmentation and an additional Rate Schedule TF-1 maximum reservation and commodity rate for utilizing Transporter's mainline system Segmentation, unless otherwise agreed by Transporter. Shipper utilizing North Raton Lateral Segmentation Point(s) shall pay the additional applicable North Raton Lateral maximum reservation and commodity rate(s) for the portion of Shipper's quantities utilizing North Raton Lateral Segmentation Point(s) unless otherwise agreed by Transporter. Shipper utilizing System Segmentation Point(s) on Transporter's mainline system will no longer be eligible for one hour Nomination service. Additionally, Shipper shall furnish appropriate CIG mainline fuel in addition to High Plains System Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

8.1 Firm Transportation Service  
(g) (continued)

- (ii) Shipper may Nominate for Transportation Service at Secondary Point(s) outside the Primary Receipt-to-Delivery Flow Path.
  - (A) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on the High Plains System. Shipper utilizing Secondary Point(s) on the High Plains System shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing Secondary Points, unless otherwise agreed by Transporter.
  - (B) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on Transporter's mainline system or North Raton Lateral. Shipper utilizing Secondary Point(s) off the High Plains System will pay an additional Rate Schedule TF-1 maximum reservation and commodity rate for Transportation. Shipper utilizing Secondary Point(s) on the North Raton Lateral will pay the additional applicable North Raton Lateral maximum reservation and commodity rate(s) for Transportation Service unless otherwise agreed by Transporter. Shipper utilizing Secondary Point(s) off the High Plains System will no longer be eligible for one hour Nomination service. Additionally, Shipper shall furnish Transporter's mainline Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas.

| (h) Segmentation and Secondary Points for Rate Schedule TSB-T and ESD-T Shippers  
(i) Segmentation. Shipper may Nominate Segmented transactions at any time.

- (A) Shipper utilizing High Plains System Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing High Plains System Segmentation, unless otherwise agreed by Transporter. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).
- (B) Shipper utilizing Transporter's mainline system Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing High Plains System Segmentation and an additional Rate Schedule TF-1 maximum reservation and commodity rate for utilizing Transporter's mainline system Segmentation, unless otherwise agreed by Transporter. Shipper utilizing North Raton Lateral Segmentation Point(s) shall pay the additional applicable North Raton Lateral maximum reservation and commodity rate(s) for the portion of Shipper's quantities utilizing North Raton Lateral Segmentation Point(s) unless otherwise agreed by Transporter. Shipper utilizing system Segmentation Point(s) on Transporter's mainline system will no longer be eligible for one hour Nomination service. Additionally, Shipper shall furnish appropriate Transporter's Mainline Fuel in addition to

8.1 Firm Transportation Service

(h) (i) (B) (continued)

High Plains System Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas and Totem Storage Fuel and Unaccounted-For Gas. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

- (ii) Shipper may Nominate for Transportation Service at Secondary Point(s) outside the Primary Receipt-to-Delivery Flow Path.
  - (A) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on the High Plains System. Shipper utilizing Secondary Point(s) on the High Plains System shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing Secondary Points, unless otherwise agreed by Transporter.
  - (B) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on Transporter's mainline system or North Raton Lateral. Shipper utilizing Secondary Point(s) off the High Plains System will pay an additional Rate Schedule TF-1 maximum reservation and commodity rate for Transportation. Shipper utilizing Secondary Point(s) on the North Raton Lateral will pay the additional applicable North Raton Lateral maximum reservation and commodity rate(s) for Transportation Service unless otherwise agreed by Transporter. Shipper utilizing Secondary Point(s) off the High Plains System will no longer be eligible for one hour Nomination service. Additionally, Shipper shall furnish Transporter's Mainline Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas.
- (i) Revisions to Primary Points applicable to Rate Schedule TF-1, TF-HP, TSB-Y, ~~and~~ TSB-T and ESD-T Shippers
  - (i) Pursuant to the provisions of Section 8 of the General Terms and Conditions, Shipper may request changes in Primary Point(s) of Receipt and/or Delivery.
    - (A) Requests for such changes shall be made in writing no less than 20 Days prior to the Day on which Shipper desires such change to be effective. Transporter shall use reasonable efforts to accommodate Shipper if a request for change is made less than 20 Days before the desired effective date.
    - (B) Transporter shall grant such changes if the direction of the Gas flow is unchanged, capacity is available, and the change can be made without adversely affecting system operations or other firm obligations at the new or existing Primary Point.

8.1 Firm Transportation Service

(i) (i) (continued)

(C) Any changes in Point(s) of Receipt and/or Delivery shall result in a corresponding one-for-one reduction in entitlement at the existing Point(s) of Receipt and/or Delivery.

- (ii) Contract quantity at the new Primary Point(s) shall be subject to the maximum applicable reservation rate for the remaining term of the agreement, unless otherwise agreed by Transporter.
- (iii) Shippers who request Primary Point revisions on Transporter's mainline or on the North Raton Lateral to Points of Receipt and Points of Delivery on the High Plains System will be required to execute a TF-HP transportation service agreement for the portion of service not on the Transporter's mainline system or North Raton Lateral.
- (iv) Shippers who request Primary Point revisions from the High Plains System to Points of Receipt or Points of Delivery on Transporter's mainline system will be required to execute a TF-1 transportation service agreement for the portion of service not on the High Plains System.

(j) Revisions to Primary Points applicable to Rate Schedule TF-4 Shippers.

- (i) All provisions of Section 8.1(i)(i) shall apply to TF-4 Shippers.

(k)- Revisions to Primary Points applicable to Rate Schedule TF-4, TF-HP, NNT-1, NNT-2, TSB-Y, TSB-T and ESD-T Shippers.

- (i) Transporter shall grant such change requests to the Primary Points(s) of Receipt and/or Delivery if the changes do not affect Transporter's rights or Shipper's obligations with respect to operational flow orders discussed in Section 11 of the General Terms and Conditions.

(l) Revisions to Primary Points applicable to Rate Schedule NNT-1 Shippers.

- (i) Shipper may request changes in Primary Point(s) of Delivery.
- (ii) The provisions of Section 8.1 (i) (i) (ii) and (iii) shall apply to NNT-1 Shippers.

(m) Revisions to Primary Points applicable to Rate Schedule NNT-2 Shippers.

- (i) Shipper may request changes in Primary Point(s) of Delivery.
- (ii) The provisions of Section 8.1 (i)(i) shall apply to NNT-2 Shippers.

## 8.1 Firm Transportation Service (continued)

- (n) Revisions to Primary Points applicable to Rate Schedule TSB-Y, ~~and~~ TSB-T ~~and~~ ESD-T Shippers.
  - (i) Shippers who request Primary Point revisions from the High Plains System on to Transporter's mainline system will no longer be eligible for one hour Nomination service.
- (o) Revisions to Primary Points applicable to Rate Schedule TSB-T ~~and~~ ESD-T Shippers.
  - (i) All provisions of Section 8.1 (m) (i)(ii)~~(iii)~~ will apply to Rate Schedule TSB-T Shippers. Revisions to Primary Points applicable to Rate Schedule ESD-T will be limited to the eligible delivery points posted on Transporter's electronic bulletin board.
  - (ii) -Transporter shall grant such changes if the direction of the Gas flow is unchanged.
- (p) Unauthorized Overrun Penalties. Transporter, at its option, will impose daily and hourly penalties for Unauthorized Overrun Quantities as set forth in the applicable rate schedule. Daily and hourly Unauthorized Overrun penalties are divided by critical and non-critical periods. A critical period is established under the provisions of Section 11.2(b) of this Tariff. In cases where Hourly Entitlement Enhancement Nominations have been scheduled, the calculation for daily Unauthorized Overrun Penalties will include the presumption that the Hourly Entitlement Enhancement Nominations have been Delivered. Hourly Unauthorized Overrun Penalties are based on multiples of Transporter's 100% Load Factor Transportation rate throughout the year as adjusted for the size of the hourly Overrun. However, should Transporter elect not to impose penalties for a certain period, such election shall not preclude application of penalties during other periods. Further, Unauthorized Overruns resulting from a Bump of a Scheduled Quantity during non-critical periods shall only be subject to maximum Authorized Overrun Rates as stated on the Statement of Rates for the applicable rate schedule.

## 8.2 Interruptible Transportation

- (a) Estimates. For planning purposes, Transporter may, from time to time, request estimates of Shipper's annual quantity, average daily quantity, or peak Day quantities for each agreement. In the event that such a request is made, Shipper shall reply in writing within 45 days of the request.

### 8.3 Storage Service

- (a) CIG Mainline Pool Storage Usage. Based upon the existing capacity and configuration of Transporter's storage system, Transporter may retain up to 3.8 Bcf as storage inventory and up to 100,000 Mcf per day deliverability for system management. In addition, Transporter reserves the right to use Gas in storage, as well as capacity, to the extent necessary to support Transportation service(s) provided by Transporter and to maintain system integrity, efficient operation, and reliability of Transporter's transmission system. Transporter shall not make use of storage capacity or Gas in Place to gain advantage for an affiliate, nor shall Transporter make unduly discriminatory or preferential use of storage capacity or of Shipper Gas in storage in such a way that an unfair advantage is intentionally conferred on any Party. If Transporter's use of storage capacity impairs the rights of Shippers with storage capacity under Rate Schedules NNT-1, NNT-2, or FS-1, then Transporter shall make Shipper whole by replacement operating arrangements.
- (b) High Plains. High Plains Storage service is subject to and limited by Transporter's acquired capacity in Young Storage.
  - (i) "Young Available Daily Injection Quantity" or ("YADIQ") shall mean the percentage of Young Maximum Daily Injection Quantity ("YMDIQ") available for injection by Shipper on any Day and that Transporter may be required to inject into Young Storage on a firm basis. YADIQ is a function of Shipper's percent of Young Maximum Available Capacity ("YMAC") in Young Storage on that Day. The YADIQ is calculated using the Young Available Daily Injection Quantity Formula. The Young Available Daily Injection Quantity Curve and Young Available Daily Injection Quantity Table are provided in Part VI for illustrative purposes only. However, if Young Storage requires a reduced YMDIQ during the month of November, the YADIQ calculation shall be suspended and the YADIQ shall equal the reduced YMDIQ.

8.3 Storage Service  
(b) (i) (continued)

YOUNG AVAILABLE DAILY INJECTION QUANTITY

$\%YMAC = \text{Current Inventory}/YMAC$

-----  
%YMDIQ Calculation

If the %YMAC is < 100% and > 0%  
then use the FORMULA to find the %YMDIQ (1)

FORMULA (2,3):

$$\%YMDIQ = 100.0 - (\%YMAC * 1.0111774) + (\%YMAC^2 * 0.0051126)$$

-----  
YADIQ Calculation (4)

$$YADIQ = (\%YMDIQ/100) * YMDIQ$$

Round to the nearest whole Dekatherm (an integer)

Notes:

- (1) The formula applies only when inventory is < than YMAC and > 0. If inventory is > or = to YMAC, then set YADIQ = 0. If inventory is < or = 0, set YADIQ = YMDIQ.
- (2) In the context of this formula, the %YMAC and %YMDIQ values are taken as whole numbers, and not as decimal only numbers (i.e. if the value is 40% use 40.0 not .40, or if it is 36.1234% use 36.1234 not 0.361234).
- (3) The coefficients are entered with seven decimal places. The table is calculated with seven decimal places, and then rounded for display purposes.
- (4) All calculations are initially performed utilizing seven decimal places. The final YADIQ, however, is rounded to the nearest whole number.

YOUNG ADIQ CURVE CHART  
INCLUDED IN PART VI - ILLUSTRATIONS

8.3 Storage Service  
(b) (i) (continued)

HIGH PLAINS STORAGE

YOUNG AVAILABLE DAILY INJECTION QUANTITY TABLE

%YMAC	%YMDIQ	%YMAC	%YMDIQ	%YMAC	%YMDIQ
100	50.0	66	55.5	32	72.9
98	50.0	64	56.2	30	74.3
96	50.0	62	57.0	28	75.7
94	50.1	60	57.7	26	77.2
92	50.2	58	58.6	24	78.7
90	50.4	56	59.4	22	80.2
88	50.6	54	60.3	20	81.8
86	50.9	52	61.2	18	83.5
84	51.1	50	62.2	16	85.1
82	51.5	48	63.2	14	86.8
80	51.8	46	64.3	12	88.6
78	52.2	44	65.4	10	90.4
76	52.7	42	66.5	8	92.2
74	53.2	40	67.7	6	94.1
72	53.7	38	69.0	4	96.0
70	54.3	36	70.2	2	98.0
68	54.9	34	71.5	0	100.0

(ii) "Young Available Daily Withdrawal Quantity" or ("YADWQ") shall mean the percentage of Young Maximum Daily Withdrawal Quantity available to Shipper on any Day and that Transporter may be required to withdraw from Young Storage on a firm basis and is a function of Shipper's percent of Young Maximum Available Capacity ("YMAC") in Young Storage on that Day as calculated using the Young Available Daily Withdrawal Quantity Formula. The Young Available Daily Withdrawal Quantity Curve and Young Available Daily Withdrawal Quantity Table are provided in Part VI for illustrative purposes only.

YOUNG ADWQ CURVE CHART  
INCLUDED IN PART VI – ILLUSTRATIONS

8.3 Storage Service  
(b) (ii) (continued)

THE YOUNG AVAILABLE DAILY WITHDRAWAL QUANTITY FORMULA

$$\%YMAC = \text{Current Inventory}/YMAC$$

-----  
%YMDWQ Calculation (1,2,3)

If the %YMAC is > or = to 60.12%  
then set the %YMDWQ = to 100%

If the %YMAC is < 60.12% and > or = to 15%  
then

$$\%YMDWQ = (-15.3150) + (%YMAC * 2.6838) - \\ \%YMAC^2 * 0.0786) + (%YMAC^3 * 0.0011)$$

If the %YMAC is < 15% and > 0%  
then set %YMDWQ = to 11%

If the %YMAC is < or = to 0%  
then set the %YMDWQ = to 0%

-----  
YADWQ Calculation

$$YADWQ = (\%YMDWQ/100) * YMDWQ$$

Rounded to the nearest whole Dekatherm (an integer)

NOTE: In the context of this formula, the %YMAC and %YMDWQ values are taken as whole numbers, and not as decimal only numbers (i.e., use 40.0 not 0.40 or use 36.1234 not 0.361234).

NOTE: The coefficients are entered with four decimal places, and the table is calculated with four decimal places, and then rounded for display purposes.

NOTE: All calculations are initially performed utilizing four decimal places. The final YADWQ, however, is rounded to the nearest whole number.

8.3 Storage Service  
(b) (ii) (continued)

YOUNG AVAILABLE DAILY WITHDRAWAL QUANTITY TABLE

%YMAC	%YMDWQ	%YMAC	%YMDWQ	%YMAC	%YMDWQ
-------	--------	-------	--------	-------	--------

100	100.0	34	28.3	24	19.0
60.12	100.0	33	27.2	23	18.2
50.95	62.9	32	26.1	22	17.4
50	59.9	31	25.1	21	16.5
40	36.7	30	24.2	20	15.7
39	35.1	29	23.2	19	14.8
38	33.5	28	22.4	18	13.9
37	32.1	27	21.5	17	13.0
36	30.8	26	20.7	16	12.0
35	29.5	25	19.8	15	11.0

- (iii) "Young Maximum Available Capacity" or "YMAC" shall mean the maximum quantity of Gas (expressed in Dth) that Transporter is required to accept under Rate Schedule TSB-Y for injection into Young Storage during the Injection Period on Shipper's behalf.
- (iv) "Young Maximum Daily Injection Quantity" or "YMDIQ" shall mean the maximum quantity of Gas (expressed in Dth) per Day that Transporter shall be required to inject into Young Storage on Shipper's behalf and shall be limited to 1/58 of Shipper's YMAC; provided however, during the Month of November the YMDIQ shall be limited to some lesser quantity when and to the extent required by Young Storage for operational conditions and maintenance.
- (v) "Young Maximum Daily Withdrawal Quantity" or "YMDWQ" shall mean the maximum daily quantity of Gas (expressed in Dth) that Transporter shall be required to withdraw from Young storage on a firm basis on Shipper's behalf. Shipper's YMDWQ shall equal to 1/29 of Shipper's YMAC.
- (vi) "Young Reservoir Integrity Inventory Limit" shall be the maximum amount of Gas in Place that Shipper shall be permitted to have in High Plains Storage at a particular time. The Young Reservoir Integrity Limit is as shown on the graph in Part VI. Transporter may, on a nondiscriminatory basis, permit Shippers to exceed the Young Reservoir Integrity Inventory Limit if, in Transporter's reasonable judgment, Transporter's Young Storage reservoir integrity and service to other firm High Plains Shippers will not be adversely affected. On such occasions, Transporter will post a notice on its electronic bulletin board notifying Shippers that the Young Reservoir Integrity Inventory Limit may be exceeded.

YOUNG RESERVOIR INTEGRITY INVENTORY LIMIT CHART  
INCLUDED IN PART VI – ILLUSTRATIONS

8.3 Storage Service (continued)  
(c) Totem Storage

(i) "Totem Available Daily Injection Quantity" or ("TADIQ") shall mean the percentage of Totem Maximum Daily Injection Quantity ("TMDIQ") available for injection by Shipper on any Day and that Transporter may be required to inject into Totem Storage on a firm basis. TADIQ is a function of Shipper's percent of Totem Maximum Available Capacity ("TMAC") in Totem Storage on that Day.

The TADIQ available during the injection periods prior to full development of the field will be determined by field flow test and operating data gathered prior to each Injection Period. As the field is developed and operating experience gained, it is possible that these parameters will require modification.

The TADIQ is calculated using the Totem Available Daily Injection Quantity Formula. The Totem Available Daily Injection Quantity Curve and Totem Available Daily Injection Quantity Table are provided in Part VI for illustrative purposes only. However, if Totem Storage requires a reduced TMDIQ during the month of November, the TADIQ calculation shall be suspended and the TADIQ shall equal the reduced TMDIQ.

Shippers must have adequate Transportation capacity to deliver gas to storage for injection using the TADIQ.

8.3 Storage Service (continued)  
(c) (i) (continued)

THE TOTEM AVAILABLE DAILY INJECTION QUANTITY RULES AND FORMULA

$$\% \text{TMAC} = \text{Current Inventory}/\text{TMAC}$$

---

If the %TMAC is < or = to 71.40%  
then set the %TMDIQ = 100%

---

If the %TMAC is > 71.40% and < 89.30 then  
$$\% \text{TMDIQ} = (233.33) - (\% \text{TMAC} * 1.8667)$$

---

If the %TMAC is > 89.30% and < 100% then  
$$\% \text{TMDIQ} = (524.23) - (\% \text{TMAC} * 5.1209)$$

---

If the %TMAC is = to 100%  
then set the %TMDIQ = to 0%

---

TADIQ Calculation

$$\text{TADIQ} = (\% \text{TMDIQ}/100) * \text{TMDIQ}$$

Round to the nearest whole Dekatherm (an integer)

---

Notes:

- (1) In the context of this formula, the %TMAC and %TMDIQ values are taken as whole numbers, and not as decimal only numbers (i.e. if the value is 40% use 40.0 not .40, or if it is 36.1234% use 36.1234 not 0.361234).
- (2) The coefficients are entered with four decimal places. The table is calculated with four decimal places, and then rounded for display purposes.
- (3) All calculations are initially performed utilizing four decimal places. The final TADIQ, however, is rounded to the nearest whole number.

TOTEM ADIQ CURVE CHART  
INCLUDED IN PART VI – ILLUSTRATIONS

8.3 Storage Service (continued)  
(c) (i) (continued)

**TOTEM AVAILABLE DAILY INJECTION QUANTITY TABLE**

%TMAC	%TMDIQ	%TMAC	%TMDIQ	%TMAC	%TMDIQ
100.0	0.00	67.8	100.0	24.9	100.0
98.7	18.8	60.7	100.0	17.7	100.0
97.0	27.5	53.5	100.0	14.2	100.0
94.6	39.8	46.4	100.0	10.6	100.0
92.3	51.6	42.8	100.0	7.0	100.0
89.3	66.6	39.2	100.0	3.4	100.0
78.5	86.8	32.1	100.0	0.0	100.0
71.4	100.0	28.5	100.0		

(ii) "Totem Available Daily Withdrawal Quantity" or ("TADWQ") shall mean the percentage of Totem Maximum Daily Withdrawal Quantity available to Shipper on any Day and that Transporter may be required to withdraw from Totem Storage on a firm basis and is a function of Shipper's percent of Totem Maximum Available Capacity ("TMAC") in Totem Storage on that Day as calculated using the Totem Available Daily Withdrawal Quantity Formula, as conditioned.

The TADWQ available during withdrawal periods prior to full development of the field will be determined by field flow test and operating data gathered prior to each Withdrawal Period. As the field is developed and operating experience gained, it is possible that these parameters will require modification.

The Totem Available Daily Withdrawal Quantity Curve shown in Part VI: Illustrations and Totem Available Daily Withdrawal Quantity Table shown in this Section 8.3 are provided for illustrative purposes only.

**TOTEM ADWQ CURVE CHART  
INCLUDED IN PART VI – ILLUSTRATIONS**

8.3 Storage Service (continued)  
(c) (ii) (continued)

THE TOTEM AVAILABLE DAILY WITHDRAWAL QUANTITY RULES AND FORMULA

$$\% \text{TMAC} = \text{Current Inventory} / \text{TMAC}$$

-----  
If the %TMAC is > or = to 6039.0%  
then set the %TMDWQ = to 100%

-----  
If the %TMAC is < 6039.0% and > or = to 390%  
then set the %TMDWQ = to 80%

$$\% \text{TMDWQ} = (12.9741) + (% \text{TMAC} * 1.1726) + (% \text{TMAC}^2 * 0.0267)$$

-----  
If the %TMAC is < 39% and > 0%  
then %TMDWQ = (9.3) + (%TMAC \* .977) + (%TMAC^2 \* .0196)

-----  
If the %TMAC is < or = to 0%  
then set the %TMDWQ = to 0%

-----  
TADWQ Calculation

$$\text{TADWQ} = (% \text{TMDWQ} / 100) * \text{TMDWQ}$$

Rounded to the nearest whole Dekatherm (an integer)

Notes:

- (1) In the context of this formula, the %TMAC and %TMDWQ values are taken as whole numbers, and not as decimal only numbers (i.e., use 40.0 not 0.40 or use 36.1234 not 0.361234).
- (2) The coefficients are entered with four decimal places, and the table is calculated with four decimal places, and then rounded for display purposes.
- (3) All calculations are initially performed utilizing four decimal places. The final TADWQ, however, is rounded to the nearest whole number.

8.3 Storage Service (continued)  
(c) (ii) (continued)

TOTEM AVAILABLE DAILY WITHDRAWAL QUANTITY TABLE

%TMAC	%TMDWQ	%TMAC	%TMDWQ	%TMAC	%TMDWQ
100.0	100.0	37.1	93.2	9.0	25.7
6097.1	100.0	34.2	84.3	7.9	23.9
59.994.3	80100.0	31.4	76.1	6.8	22.2
3988.6	80100.0	28.5	68.1	5.9	20.8
38.9	82.8	77100.0	25.6	60.5	5.0
2977.1	53100.0	23.0	54.1	4.1	18.2
721	4.4	39100.0	20.6	48.5	3.3
14.65.7	27100.0	18.4	43.6	2.6	16.2
760.0	17100.0	16.5	39.6	1.9	15.3
054.2	0100.0	14.7	36.0	1.2	14.4
48.5	100.0	13.1	32.9	0.6	13.7
42.8	100.0	11.6	30.2	0.0	0.0
39.9	100.0	10.3	27.9		

(iii) "Totem Maximum Available Capacity" or "TMAC" shall mean the maximum quantity of Gas (expressed in Dth) that Transporter is required to accept under Rate Schedule TSB-T for injection into Totem Storage during the Injection Period on Shipper's behalf.

(iv) "Totem Maximum Daily Injection Quantity" or "TMDIQ" shall mean the maximum quantity of Gas (expressed in Dth) per Day that Transporter shall be required to inject into Totem Storage on Shipper's behalf and shall be limited to 1/46.6667 of Shipper's TMAC at full development of the field; provided however, during the Month of November the TMDIQ shall be limited to some lesser quantity when and to the extent required by Totem Storage for operational conditions and maintenance. The TMDIQ available during injection periods prior to full development of the field will be determined by field flow test and operating data gathered prior to each Injection Period. As the field is developed and operating experience gained, it is possible that these parameters will require modification.

(v) "Totem Maximum Daily Withdrawal Quantity" or "TMDWQ" shall mean the maximum daily quantity of Gas (expressed in Dth) that Transporter shall be required to withdraw from Totem storage on a firm basis on Shipper's behalf. Shipper's TMDWQ shall equal to 1/2835 of Shipper's TMAC at full development of the field. The TMDWQ available during withdrawal periods prior to full development of the field will be determined by field flow test and operating data gathered prior to each Withdrawal Period. As the field is developed and operating experience gained, it is possible that these parameters will require modification.

8.3 Storage Service (continued)  
(c) (continued)

(vi) "Totem Reservoir Integrity Inventory Limit" shall be the maximum amount of Gas in Place that Shipper shall be permitted to have in Totem Storage at a particular time. The Totem Reservoir Integrity Limit is as shown on the graph in Part VI. Transporter may, on a nondiscriminatory basis, permit Shippers to exceed the Totem Reservoir Integrity Inventory Limit if, in Transporter's reasonable judgment, Transporter's Totem Storage reservoir integrity and service to other firm High Plains Shippers will not be adversely affected. On such occasions, Transporter will post a notice on its electronic bulletin board notifying Shippers that the Totem Reservoir Integrity Inventory Limit may be exceeded.

**TOTEM RESERVOIR INTEGRITY INVENTORY LIMIT CHART  
INCLUDED IN PART VI – ILLUSTRATIONS**

## 9. CAPACITY RELEASE PROGRAM

9.1 Purpose. This Section 9 sets forth the specific terms and conditions applicable to Transporter's capacity release program. Unless otherwise stated in this Section 9, all times are Central Clock Time (CCT) pursuant to NAESB WGQ Standard 0.3.17.

9.2 (a) Applicability. This Section 9 is applicable to any Releasing Shipper(s) or any Replacement Shipper(s) who elects to release all or a portion of its firm capacity under Rate Schedules TF-1, TF-HP, FS-T, FS-Y, TSB-Y, TSB-T, ESD-T, NNT-1, FS-1 or CS-1. Releasing Shipper(s) as defined in Section 1 of these General Terms and Conditions shall have the right to release, on a permanent or temporary basis, any portion of its firm capacity rights held under an agreement with Transporter, but only to the extent that the capacity so released is acquired by another Shipper pursuant to this Section 9. Replacement Capacity Agreements based on a volumetric reservation rate are not subject to further release.

Capacity under Rate Schedule NNT-1 may be released separately or in proportion to the storage and Transportation components held by the releasing shipper as separate services under Rate Schedules TF-1 and FS-1, with Hourly Rates of Flow option where applicable, or as service under Rate Schedule NNT-1. When capacity is released for service under Rate Schedule NNT-1, any such release shall have a minimum notice period of two Business Days. Additionally, any recall or reput of Rate Schedule NNT-1 services shall have minimum notice period of two Business Days.

9.3 Availability of Released Capacity. Released capacity shall be made available on a nondiscriminatory basis and shall be assigned on the basis of an open season or prearrangement in accordance with the procedures of this Section 9 and where appropriate, the applicable NAESB Standards.

9.4 Qualification for participation in the Capacity Release Program. Any party, whether seeking to acquire capacity under bid or a prearranged release, must be prequalified by Transporter prior to submitting a bid for released capacity. To be prequalified, a Shipper must satisfy the creditworthiness requirements of the appropriate rate schedule underlying the capacity on which Shipper seeks to bid. Any bid for services in excess of a Shipper's qualified level of creditworthiness shall not be accepted, unless supplemented by a letter of credit, prepayment, or other guarantee of creditworthiness. Notwithstanding such qualification to participate in the capacity release program, Transporter does not guarantee the payment of any outstanding amounts by a Replacement Shipper.

9.5 Capacity Release Requests. Requests under the Capacity Release Program shall be made in accordance with Section 9 of the General Terms and Conditions of this Tariff.

(a) Requests shall be considered acceptable only if the information specified below is provided in writing. Requests must be addressed to:

Colorado Interstate Gas Company, L.L.C.  
Post Office Box 1087  
Colorado Springs, CO 80944  
Attention: Vice President of Business Management  
Facsimile No.: (719) 520-4878  
Facsimile Verification: (719) 520-4371

or

Colorado Interstate Gas Company, L.L.C.  
2 North Nevada  
Colorado Springs, CO 80903  
Attention: Vice President of Business Management

- (i) If a Shipper elects to prepay reservation charges pursuant to Section 12 of these General Terms and Conditions, the prepaid reservation charges will be applied against reservation charges due Transporter once service commences. If service does not commence, the prepaid reservation charge will be refunded with interest accrued at rates set pursuant to 18 CFR 154.501(d).
- (ii) Such requests, if complete and accompanied by the appropriate fee, shall be considered effective on the date received by Transporter.
- (iii) Upon execution of an agreement with Transporter, Shipper shall provide to Transporter such information as may be required in order for Transporter to comply with any FERC reporting requirements.
- (iv) Transporter shall keep confidential information furnished by Shipper.
- (v) If Transporter has provided an agreement for execution to Shipper and Shipper fails to execute and return the agreement within 30 days thereafter, then Shipper's request shall be null and void.

9.6 (a) Releases Assigned On the Basis of An Open Season. A Shipper electing to release capacity on the basis of an open season must post notice of release on Transporter's electronic bulletin board pursuant to Section 9.8 hereof. Such notice shall be posted upon receipt unless Releasing Shipper requests otherwise.

(b) The following capacity release timeline (NAESB WGQ Timeline) applies to all parties involved in the capacity release process provided that: 1) all information provided by the parties to the transaction is valid and the acquiring Shipper has been determined to be creditworthy before the capacity release bid is tendered, 2) for index-based capacity release transactions, the Releasing Shipper has provided the Transportation Service Provider with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and 3) there are no special terms or conditions of the release. Further, the Transportation Service Provider may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by the Transportation Service Provider). (NAESB Standard 5.3.1) Furthermore, the release must comply with NAESB Standard 5.3.2 timeline for Releases and comply with NAESB Standard Bid Evaluation Methods as described in Section 9.12(d)(i) through (iii) hereof. (Note 1):

For biddable releases (one (1) year or less):

- (i) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- (ii) Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
- (iii) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
- (iv) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
- (v) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m. Noon.
- (vi) The contract is issued within one hour of the award posting (with a new contract number, when applicable).
- (vii) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

9.6 (b) (continued)

For biddable releases (more than one (1) year):

- (viii) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- (ix) Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
- (x) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
- (xi) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
- (xii) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m. Noon.
- (xiii) The contract is issued within one hour of the award posting (with a new contract number, when applicable).
- (xiv) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For non-biddable releases:

- (xv) The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2. The posting deadlines are:
  - (A) Timely Cycle 12:00 Noon
  - (B) Evening Cycle 5:00 p.m.
  - (C) Intraday 1 Cycle 9:00 a.m.
  - (D) Intraday 2 Cycle 1:30 p.m.
  - (E) Intraday 3 Cycle 6:00 p.m.
- (xvi) The contract is issued within one hour of the Award posting (with a new contract number, when applicable).
- (xvii) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

NOTES: (1) Posting of Notice of Release (either under an open season or a prearranged release) is subject to review by Transporter for accuracy, completeness, and validity before being posted.

9.7 Prearranged Releases. A Shipper electing to release capacity on the basis of a prearranged release must post notice on Transporter's electronic bulletin board pursuant to Section 9.9 herein.

(a) No open season is required for a prearranged release which meets all of the terms of the release and is: (1) a release for more than one year at the maximum reservation rate(s) under the applicable Tariff rate schedule; (2) a release for any period of thirty-one Days or less; (3) a release to an asset manager as defined by FERC regulations at 18 C.F.R. 284.8; or (4) a release to a marketer participating in a state-regulated retail access program as defined by FERC regulations at 18 C.F.R. 284.8. All other prearranged releases shall be subject to an open season requirement contained in Section 9.6 hereof.

(b) A Releasing Shipper may not rerelease capacity that is a rollover or extension of a release of thirty-one Days or less to the same Replacement Shipper until twenty-eight (28) Days after the first release period has ended. The 28-Day hiatus does not apply to any re-release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding in this Section 9.7.

(c) A Shipper electing to release capacity on prearranged basis not subject to an open season must post its notice of the release on Transporter's electronic bulletin board pursuant to the timeline for non-biddable releases in Section 9.6(b).

9.8 Notice by Shipper Electing to Release Capacity On An Open Season Basis. Any Shipper holding capacity rights subject to this Section 9 who desires to release such firm capacity on an open season basis shall deliver notice via Transporter's electronic bulletin board which shall contain the following:

(a) Releasing Shipper's legal name, contract number, and the name of the individual responsible for authorizing the release of capacity;

(b) the rate schedule under which capacity is being released (Rate Schedules TF-1, TF-HP, FS-1, FS-T, FS-Y, TSB-Y, TSB-T, ESD-T, CS-1 or NNT-1);

(c) Pursuant to NAESB Standard 5.3.29, the basis for released quantity should be per Day for Transportation, storage injection, storage withdrawal, and a per-release quantity for storage capacity and total release period quantity. Accordingly, the Releasing Shipper's notice must include the maximum and minimum quantity of firm Daily capacity which the Releasing Shipper desires to release, stated in Dth per Day (for releases under Rate Schedules FS-1, FS-T, FS-Y, TSB-Y, TSB-T, or NNT-1, notice should include MDWQ, YMDWQ, TMDWQ, MDIQ, YMDIQ, TMDIQ, MAC, YMAG and TMAC where appropriate and as defined in this Tariff and for releases under Rate Schedules NNT-1, TSB-Y, ~~and~~ TSB-T and ESD-T also include MDQ);

9.8 Notice by Shipper Electing to Release Capacity On An Open Season Basis (continued)

- (d) the Primary Point(s) of Receipt and Delivery at which the Releasing Shipper will release capacity, the firm capacity to be released at each such point, and whether the Releasing Shipper requires reimbursement for any additional charges which may be incurred at Secondary Point(s);
- (e) whether capacity will be released on a recallable or a recallable and reputtable (returned to the Replacement Shipper) basis. Recall and reput terms must be objectively stated, nondiscriminatory, and applicable to all bidders. The Transportation Service Provider should support the ability for the Releasing Shipper to specify, as a condition of a release, whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day (NAESB WGQ Standard 5.3.51).
- (f) the requested effective date and the term of the release (minimum term of release is one Day);
- (g) whether the Releasing Shipper is willing to consider release for a shorter time period than that specified in (f) above, and, if so, the minimum acceptable period of release;
- (h) in conformance with NAESB Standard 5.3.26, Releasing Shipper has a choice to specify dollars and cents or percent of maximum Tariff rate in the denomination of bids or as an index-based formula (under one of the methods listed below) and Transporter shall support this choice. Once the choice is made by the Releasing Shipper, the bids should comport with the choice.
  - (i) a percentage of the formula,
  - (ii) a dollars and cents differential from the formula, or
  - (iii) a dollars and cents differential from the Rate Floor;
- (i) whether the Releasing Shipper desires to release capacity on a volumetric reservation rate basis or an index-based formula. If utilizing an index-based formula, the Releasing Shipper should specify, the minimum acceptable rate and, if applicable, any minimum volumetric load factor commitment. (Capacity releases made on a volumetric rate basis cannot be rereleased by the Replacement Shipper);
- (j) the applicable maximum reservation rate(s) for capacity being released as shown on Transporter's Statement of Rates or as an index-based formula (for Rate Schedules FS-1, FS-Y, FS-T, TSB-Y and TSB-T and ESD-T, reservation rates will include both the reservation rate and capacity rate and if applicable, the Hourly Rates of Flow Rate);
- (k) if Releasing Shipper is willing to consider releasing capacity at less than maximum reservation rates stated in (j) above, and if so, the minimum reservation rate(s) Releasing Shipper is willing to accept;

9.8 Notice by Shipper Electing to Release Capacity On An Open Season Basis (continued)

- (l) Reserved
- (m) whether the Releasing Shipper wants Transporter to market the capacity in accordance with Section 9.18 hereof;
- (n) for releases posted to comply with the NAESB Timeline as shown in Section 9.6(b) hereof, the Releasing Shipper shall select one of the following bid evaluation methods which are described more fully in Section 9.12(d):
  - (i) Present Value
  - (ii) Highest Rate
  - (iii) Net Revenue
- (o) in lieu of the methods described in Section 9.8(n) above, the Releasing Shipper may provide its own nondiscriminatory bid evaluation criteria; except that Transporter will not accept first bidder meeting minimum acceptable terms of the release as a valid bid evaluation method.
- (p) the time and date the notice is to be posted on Transporter's electronic bulletin board. Release notice will be posted upon receipt unless otherwise requested by Releasing Shipper (open season dates will be posted by Transporter based on the requirements of Section 9.6 of this Tariff or by the Releasing Shipper, if Releasing Shipper requests a longer open season or an earlier posting than is required in Section 9.6). After the open season has commenced, a Releasing Shipper cannot specify the extension of an open season bid period without posting a new release;
- (q) whether the Releasing Shipper is willing to accept contingent bids;
- (r) Releasing Shipper shall elect one of the following:
  - (i) establish minimum terms of the release and display them on the electronic bulletin board; or
  - (ii) establish minimum terms of the release and keep such terms confidential (i.e., not post them on the electronic bulletin board) but Bidding Shippers will be informed on the electronic bulletin board that minimums have been established;
  - (iii) establish no minimum terms; Releasing Shipper will accept highest bid received for the release.
- (s) any other applicable conditions of the release

9.9 Notice by Shipper Electing to Release Capacity on Prearranged Release Basis, and Confirmation of Bid by Prearranged Shipper. Releasing Shipper shall deliver a notice of a prearranged release via Transporter's electronic bulletin board. Likewise, the prearranged Shipper must confirm its bid electronically on the electronic bulletin board. The electronic bulletin board notice shall set forth the following information:

- (a) all the items contained in Section 9.8 hereof required to define a prearranged release;
- (b) prearranged Shipper's legal name and the name and telephone number of the individual responsible for authorizing the bid for the prearranged release;
- (c) the term of the proposed acquisition of capacity by pre-arranged Shipper (minimum term of any release is one Day);
- (d) the reservation rate(s), expressed as a daily rate (dollars and cents) or percentage of the maximum reservation rate or as an index-based formula (as specified by Releasing Shipper), the prearranged Shipper has agreed to pay for the released capacity and any minimum volumetric load factor, if applicable. If capacity is released on a volumetric rate basis, it cannot be rereleased by the Replacement Shipper. The volumetric reservation rate(s) may be stated as a percentage of Transporter's maximum applicable daily reservation rate(s) or a stated dollars and cents amount per Dth or as an index-based formula;
- (e) Pursuant to NAESB Standard 5.3.29, the basis for released quantity should be per Day for Transportation, storage injection, storage withdrawal, and a per-release quantity for storage capacity and total release period quantity. Accordingly, the Releasing Shipper's notice must include the capacity which the prearranged Shipper has agreed to acquire stated in Dth (MDQ, MAC, MDIQ, MDWQ, as applicable);
- (f) whether or not the prearranged Shipper is an affiliate of the Releasing Shipper or an affiliate of Transporter;
- (g) whether or not the prearranged Shipper is an asset manager or a marketer participating in a state-regulated retail access program, as defined by FERC regulations at 18 C.F.R. 284.8 and, if part of an asset management arrangement, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which the obligation is in effect;

9.9 Notice by Shipper Electing to Release Capacity on Prearranged Release Basis, and Confirmation of Bid by Prearranged Shipper (continued)

(h) the time and date the notice is to be posted on Transporter's electronic bulletin board. Release notice will be posted upon receipt unless otherwise requested by Releasing Shipper (open season dates will be posted by Transporter based on the requirements of Section 9.6 of this Tariff, if applicable, or by Releasing Shipper, if Releasing Shipper requests a longer open season than the minimum required in Section 9.6 herein). Releasing Shipper cannot allow extension of time provided for the prearranged Shipper to match a higher bid (matching period as described in the timeline in Section 9.6 hereof) without posting a new release;

(i) any other applicable conditions of the prearranged release.

9.10 Term of Released Capacity. The term of any release of firm capacity shall not exceed the term of the transportation service agreement or Replacement Capacity Agreement under which the release occurs, nor shall it be less than one Day.

9.11 Bids for Released Capacity Subject to Open Season. A bid may be submitted to Transporter by a Bidding Shipper at any time during the open season via Transporter's electronic bulletin board. The Bidding Shipper (or Party subject to a prearranged release) must have met the creditworthiness provisions of Transporter's Tariff pursuant to Section 9.4 hereof.

(a) Each bid for released capacity must include the following:

(i) Bidding Shipper's legal name and the name and telephone number of the individual responsible for authorizing the bid;

(ii) the term of the proposed acquisition;

(iii) the maximum reservation rate(s), expressed as a daily rate (dollars and cents) or percentage of the maximum reservation rate, as specified by the Releasing Shipper, or maximum volumetric rate (either dollars and cents or percent, as appropriate), or the maximum dollars and cents differential or percentage of an index-based formula Bidding Shipper is willing to pay for the released capacity;

9.11 Bids for Released Capacity Subject to Open Season

(a) (continued)

- (iv) the capacity desired at Primary Points of Receipt and Primary Points of Delivery;
- (v) whether or not the Bidding Shipper is an affiliate of the Releasing Shipper or an affiliate of Transporter;
- (vi) whether or not the Bidding Shipper is an asset manager or a marketer participating in a state-regulated retail access program, as defined by FERC regulations at 18 C.F.R. 284.8 and, if part of an asset management arrangement, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which the obligation is in effect;
- (vii) any other information requested in the notice of release posted on Transporter's electronic bulletin board and;
- (viii) the time and date the bid was submitted to Transporter for posting on Transporter's electronic bulletin board.

(b) All valid and complete bid(s) received by Transporter during the open season as detailed in Section 9.6 hereof shall be posted on Transporter's electronic bulletin board. The identity of the Bidding Shipper(s) will not be posted, but all other terms of the bid(s) will be posted on Transporter's electronic bulletin board.

(c) Except as stated in this Section 9.11(c), a Bidding Shipper may not bid a reservation rate less than the minimum reservation rate(s) nor more than the maximum reservation rate(s) applicable to the appropriate rate schedule, nor may the capacity or the term of the release of such bid exceed the maximum quantity or term specified by the Releasing Shipper. No maximum rate limitation applies to a release of capacity including an index-based release, 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.

9.11 Bids for Released Capacity Subject to Open Season (continued)

- (d) A Bidding Shipper may withdraw its bid any time prior to the expiration of the open season but may not resubmit a bid for the same release at an equal or lower rate. Bids may be withdrawn via the electronic bulletin board.
- (e) A Bidding Shipper may only have one bid pending for a capacity release transaction at any one time.
- (f) All bids pending at the expiration of the open season shall be binding upon the Bidding Shipper(s). Further, the Bidding Shipper(s) agrees that its bid will constitute a binding agreement if the Bidding Shipper is awarded the released capacity pursuant to this Section 9.
- (g) Bids shall be binding until notice of withdrawal is received by Transporter on its Customer Activities Web site (NAESB Standard 5.3.13).

9.12 Awarding of Released Capacity. Released capacity shall be awarded in accordance with this Section 9.12.

- (a) If a Bidding Shipper's bid satisfies all terms and conditions specified in the Releasing Shipper's notice, including the posted reservation rates and all conditions for service stated in the applicable rate schedules, then the capacity shall be awarded to such Bidding Shipper, and the Releasing Shipper shall not be permitted to reject such bid. If such bid was submitted in an open season relating to a prearranged release, capacity shall be awarded as described in Section 9.12(h) hereof.
- (b) Offers shall be binding until notice of withdrawal is received by Transporter on its Customer Activities Web site (NAESB Standard 5.3.14). Releasing Shipper(s) may withdraw their offer of release any time prior to the start of the open season or during the open season if conditions have changed up to the time a valid bid is received. The Releasing Shipper may not withdraw its offer of release if bids have been received that meet the minimum terms of the release. The Releasing Shipper may withdraw its offer to release capacity via the electronic bulletin board. In summary, 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 (NAESB Standard 5.3.16).
- (c) If more than one bid is received that is equal to or exceeds all the minimum terms and conditions specified in the Releasing Shipper's notice, then the Replacement Shipper(s) shall be the Bidding Shipper(s) who offer(s) the highest bid, based on the bid evaluation methods as posted by the Releasing Shipper in its notice of release.

9.12 Awarding of Released Capacity  
(c) (continued)

Transporter shall evaluate and rank all bids submitted during the open season. If Bidding Shipper has made a bid based on a contingency and such contingency has not been removed by the date and time specified by Releasing Shipper or pursuant to the timeline parameters specified in Section 9.6 hereof, such bid shall be deemed withdrawn. If bids from two or more Bidding Shippers results in bids of equal value, then the capacity shall be awarded pursuant to Section 9.12(g) hereof.

(d) Bid Evaluation Methods. All bids received will be evaluated pursuant to one of the following methods:

(i) Present Valuation Calculation. Releasing Shipper may elect to have all bids evaluated and ranked pursuant to a Present Value Calculation, as follows:

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

where:

i = interest rate per Month using one-twelfth (1/12) of the current FERC annual interest rate defined in Section 154.501(d) of FERC's Regulations

n = term of the release

R = the reservation rate(s) bid (and the storage capacity rate bid for releases under Rate Schedules FS-1, TSB-Y, TSB-T, FS-Y and FS-T.

V = Quantity stated in Dth

(ii) Highest Rate. Releasing Shipper may elect to have bids evaluated on the basis of the highest reservation rate(s) bid;

(iii) Net Revenue. Releasing Shipper may elect to have bids evaluated on the basis of the total reservation rate-based revenues received over the term of the release;

(iv) Other Method. Releasing Shipper may at the time of posting of the notice of release specify how bids are to be evaluated to determine which offer is the best. The criteria must be objectively stated, applicable to all potential bidders, and nondiscriminatory. It can contain provisions that allow for weighting of factors such as quantity, term, and rate; however Transporter will not accept first bidder meeting minimum acceptable terms of the release as a valid bid evaluation methodology. If bid evaluation criteria are provided by the Releasing Shipper, the evaluation period specified in Section 9.6(b) shall be extended by one Business Day.

9.12 Awarding of Released Capacity

(d) (continued)

(v) For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology. If the Releasing Shipper specifies an index-based formula in its capacity release offer, the Bid Rate (R) used in the bid evaluation options of this Section 9.12 will be based on: 1) the dollars and cents differential or percentage of the Rate Default or (2) the dollars and cents differential of the Rate Floor, as applicable.

(e) If bid evaluation criteria are provided by the Releasing Shipper, Transporter shall, for each bid received, calculate the total value of each bid received at the end of the open season based on the nondiscriminatory criteria provided by the Releasing Shipper. The results of this calculation shall determine each bid's total value. The bids will then be ranked by Transporter in order from the highest to the lowest total value.

(f) For bids evaluated using any of the first three methods (9.12(d)(i) through (iii), above), Transporter shall notify the Releasing Shipper and successful bidder no later than 5:00 p.m. CCT on the Business Day before Nominations are due (as specified in Section 9.6, hereof) and the capacity shall be awarded to the successful Bidding Shipper(s) (i.e., the Replacement Shipper(s)).

(g) If bids from two or more Bidding Shippers result in bids of the highest equal value, the first bid received of highest equal value will be awarded the capacity.

When Transporter makes awards of capacity for which there have been multiple bids meeting minimum conditions, Transporter shall award the bids, best bid first, until all offered capacity is awarded (NAESB Standard 5.3.4).

(h) With respect to a prearranged release, if no better offer (as determined above) is received during an open season or the prearranged offer is for the applicable maximum reservation rate(s) under the applicable rate schedule for a term of more than one year and meets all the other terms of the release, then the prearranged Shipper shall become the Replacement Shipper for the released capacity. If a better offer is received during the open season, the prearranged Shipper shall have the time specified in Section 9.6 hereof to match that offer. If the prearranged Shipper fails to match the better offer, then the Bidding Shipper who presented the better offer, as determined above, shall become the Replacement Shipper.

(i) A Releasing Shipper shall retain all of the capacity under the executed transportation service agreement or Replacement Capacity Agreement that is not acquired by a Replacement Shipper as the result of an open season or a prearranged release.

(j) If no bids are received which meet or exceed all of the minimum conditions specified by the Releasing Shipper, no capacity shall be awarded.

9.13      Recalls and Reputs of Capacity. If capacity is released subject to recall pursuant to Section 9.8(e), in addition to such other terms not inconsistent with this section as are agreed to by the Releasing Shipper and the Replacement Shipper, recall of such capacity shall be subject to the following terms and conditions:

- (a)      All Transportation Service Providers ("TSPs") should support the following recall notification periods for all released capacity subject to recall rights: (NAESB WGQ Standard 5.3.44)
  - (i)      Timely Recall Notification:
    - (A)      A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
    - (B)      The TSP should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due;
  - (ii)      Early Evening Recall Notification:
    - (A)      A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
    - (B)      The TSP should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due;
  - (iii)      Evening Recall Notification:
    - (A)      A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;
    - (B)      The TSP should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due;
  - (iv)      Intraday 1 Recall Notification:
    - (A)      A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
    - (B)      The TSP should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due (Central Clock Time); and

9.13    Recalls and Reputs of Capacity  
      (a) (continued)

      (v) Intraday 2 Recall Notification:

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

      (vi) Intraday 3 Recall Notification:

- (A) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
- (B) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due.

(b) For recall notification provided to the Transportation Service Provider ("TSP") prior to the recall notification deadline specified in NAESB WGQ Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., the TSP should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification.

For recall notification provided to the TSP after 5:00 p.m. and prior to 7:00 a.m., the TSP should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (NAESB WGQ Standard 5.3.45)

- (c) Releasing Shipper's notice of recall and reput must be submitted using Transporter's on-line capacity release system.
- (d) The recall notice must detail Point(s) of Receipt and Delivery and quantities being recalled. This notification shall also state the length of the recall period and state the conditions of any reput rights of the Releasing Shipper and reput obligations of the Replacement Shipper as may have been negotiated at the time of the release (see Section 9.8(e), hereof). Unless otherwise agreed to by the Releasing Shipper and the Replacement Shipper, and Transporter is so advised, the Replacement Shipper will regain the capacity at the end of the recall period.

9.13     Recalls and Reputs of Capacity (continued)

- (e) In the event of an intraday capacity recall, the Transportation Service Provider ("TSP") should determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity ("EPC"). Variations to the use of EPC may be necessary to reflect the nature of the TSP's tariff, services, and/or operational characteristics. (NAESB WGQ Standard 5.3.56)
- (f) Unless otherwise agreed to by the Releasing Shipper, Replacement Shipper, and Transporter, the Releasing Shipper must notify Transporter and Replacement Shipper of its intent to reput the capacity back to the Replacement Shipper. The deadline for notifying the Transportation Service Provider of a reput is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day (NAESB WGQ Standard 5.3.54).
- (g) In the event of a reput after a recall period, the Releasing Shipper may not reput Primary Point(s) other than those originally released. When capacity is recalled, it may not be reput for the same Gas Day (NAESB WGQ Standard 5.3.53). Unless otherwise agreed to in the terms of the release and Transporter is advised of such condition, the Releasing Shipper may permanently retain capacity at certain Primary Points originally released.

9.14     Execution of Agreements or Amendments.

- (a) The successful bidder (or successful prearranged Shipper) for capacity shall become the Replacement Shipper and its bid for capacity, or the posting of prearranged release pursuant to Sections 9.9 and 9.11 hereof, shall be binding. The bid submitted by the Replacement Shipper as supplemented by the posting of the notice of capacity release on Transporter's electronic bulletin board shall constitute the Replacement Capacity Agreement.

For all releases, the Replacement Shipper(s) will gain rights to Nominate capacity consistent with the Primary Receipt and Delivery Point(s), capacity, and for the term as agreed to by the Releasing Shipper and subject to all other terms of the underlying Agreement and Sections 9.8 and 9.9 herein. The Releasing Shipper(s) will lose its rights to Nominate consistent with the same terms. Replacement Shipper(s) are not permitted to change Primary Point(s) of Receipt or Delivery under the Releasing Shipper's agreement unless the release is permanent and at maximum rates.

Replacement Shippers will be allowed to make Nominations at Secondary Points. Use of Secondary Point(s) will be subject to the express provisions of the release with respect to whether the Releasing Shipper requires reimbursement from the Replacement Shipper of any additional charges applicable at Secondary Points(s) (as more fully set forth in Section 9.24 of this Section, "Charges for use of Segmentation Point(s) or Secondary Point(s)".

9.14 Execution of Agreements or Amendments (continued)

(b) Where capacity has been released for the entire remaining term of the Releasing Shipper's transportation service agreement, the Releasing Shipper may request Transporter to amend its transportation service agreement to reflect the release of capacity. The Releasing Shipper shall remain bound by and liable for payment of the reservation charges under the transportation service agreement unless the Replacement Shipper is paying the maximum reservation rate(s) for the entire contract term.

9.15 Notice of Completed Transactions. Within two Business Days after capacity has been released pursuant to Section 9.12, Transporter shall post a notice of completed transaction on its electronic bulletin board for a minimum period of five Business Days. The notice shall include the following information regarding each transaction:

(a) the name(s) of the Releasing Shipper and the Replacement Shipper (or prearranged Shipper);

(b) term of release;

(c) reservation rate(s) as bid;

(d) Primary Delivery Point(s);

(e) Primary Receipt Point(s);

(f) capacity (MDQ, MDWQ, YMDWQ, TMDWQ, MDIQ, YMDIQ, TMDIQ, MAC, YMAC and TMAC) in Dth, as appropriate;

(g) net present value of winning bid(s), if such method for bid evaluation was utilized;

(h) whether the capacity is recallable and reputtable and, if so, recall and reput terms;

(i) whether or not the Replacement Shipper is an asset manager or a marketer participating in a state-regulated retail access program, as defined by FERC regulations at 18 C.F.R. 284.8 and if part of an asset management arrangement, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which the obligation is in effect; and

(j) whether or not the Replacement Shipper is an affiliate of the Releasing Shipper or an affiliate of Transporter.

Service may begin on the initial date of the term of the release if Nominations are made timely to Transporter and are in accordance with this Tariff.

(k) Releasing Shipper shall include the Tariff reservation rate and all reservation surcharges as a total.

9.16 Effective Date of Release and Acquisition. The effective date of the release by a Releasing Shipper and acquisition by a Replacement Shipper shall be on the date so designated in the Replacement Capacity Agreement (posted term effective date) or transportation service agreement referenced above.

9.17 Rates.

- (a) The reservation rate(s) for any released firm capacity under Rate Schedules TSB-Y, TSB-T, ESD-T, NNT-1, TF-1, CS-1 and TF-HP shall be the reservation rate(s) bid by the Replacement Shipper. The reservation rate(s) for any released firm capacity under Rate Schedules FS-1, FS-Y and FS-T shall be the reservation rate(s), reservation surcharge(s), and the storage capacity rate, and if applicable, the Hourly Rates of Flow Rate, bid by the Replacement Shipper. Such reservation rate(s) and reservation surcharge(s) shall not be less than Transporter's minimum or more than Transporter's maximum reservation rate(s) and reservation surcharge(s) under the applicable rate schedule as in effect from time to time, except as noted in Section 9.11(c) of the GT&C.
- (b) Replacement Shipper shall pay Transporter the applicable maximum commodity rate(s) in addition to all other applicable charges and surcharge(s) for the service rendered unless otherwise agreed by Transporter.
- (c) For releases based on a volumetric reservation rate, the minimum and maximum rates shall be computed as follows:
  - (i) For Rate Schedules TF-1, CS-1, TF-HP, TSB-Y, TSB-T, ESD-T and NNT-1 and where applicable the Hourly Rates of Flow option under Rate Schedule FS-1 the reservation rates will be computed by converting the reservation rates to a daily rate by multiplying the maximum and minimum reservation rates by 12 months and dividing that product by 365 days or 366 days, as appropriate.
  - (ii) For Rate Schedules FS-1, FS-T and FS-Y, excluding the Hourly Rates of Flow option when applicable, the maximum and minimum reservation rates will be equal to the authorized overrun rates for Rate Schedules FS-1, FS-T and FS-Y as shown on the Statement of Rates. When the Hourly Rates of Flow option is released it shall be computed pursuant to (i) above and added to the Authorized Overrun Rate.
- (d) The reservation charge(s) and reservation surcharge(s) for any index-based capacity release shall be determined according to NAESB Standard 5.3.67.

- 9.18 Marketing Fee. A Releasing Shipper may request that Transporter actively market the capacity to be released. In such event, the Releasing Shipper and Transporter shall negotiate the terms of the marketing service to be provided by Transporter and the marketing fee to be charged therefor.
- 9.19 Billing. Transporter shall bill the Replacement Shipper the rate(s) specified in the Replacement Capacity Agreement and any other applicable charges and surcharges, and the Replacement Shipper shall pay the billed amounts directly to Transporter. The Releasing Shipper shall be billed the reservation charge(s) associated with the entire amount of released capacity pursuant to its contract rate. The Releasing Shipper shall also be billed a marketing fee, if applicable, pursuant to the provisions of Section 9.18 above. A Replacement Shipper who rereleases acquired capacity shall also pay to Transporter a marketing fee, if applicable. Transporter will credit reservation charges and reservation surcharge(s) based on the reservation rate for Primary Point(s) of Receipt and Delivery collected from a Replacement Shipper on the Releasing Shipper's invoice. Transporter will notify the Releasing Shipper if the Replacement Shipper fails to pay amounts due pursuant to the terms of the Replacement Shipper's Agreement. If a Replacement Shipper does not make payment to Transporter of any portion of the reservation charge(s) due Transporter for service under the applicable Replacement Capacity Agreement when such amount is due, the Releasing Shipper may terminate the release and the released capacity will revert to the Releasing Shipper. The Releasing Shipper shall remain liable for any unpaid (1) reservation charge(s), (2) surcharges to the reservation charge(s), (3) other reservation-type charge(s), and (4) interest charges and late fees associated with such amounts.
- 9.20 Compliance by Replacement Shipper. By acquiring released capacity, a Replacement Shipper agrees that it will comply with the terms and conditions of Transporter's certificate of public convenience and necessity authorizing this capacity release program and all applicable Commission orders and regulations, including 18 CFR Part 284. Such Replacement Shipper also agrees to be responsible to Transporter for compliance with all terms and conditions of Transporter's Tariff, as well as the terms and conditions of the Replacement Capacity Agreement.
- 9.21 Obligations of Releasing Shipper. The Releasing Shipper shall continue to be liable and responsible for all reservation charge(s) associated with the released capacity derived from the reservation rate specified in the Releasing Shipper's transportation service agreement or Replacement Capacity Agreement. Rereleases by a Replacement Shipper shall not relieve the original or any subsequent Releasing Shipper of its obligations under this section.
- 9.22 Refunds. In the event that the Commission orders refunds of any rate(s) charged by Transporter, Transporter shall flow-through refunds to any Replacement Shipper to the extent such Shipper has paid a rate in excess of Transporter's applicable maximum rate(s). For releases that become effective on or after July 30, 2008, the rate paid by a Replacement Shipper in any capacity release transaction with a term of one year or less which is not subject to the maximum rate limitation will be deemed to be a final rate and is not subject to refund.

9.23 Administrative Costs. Transporter shall retain a portion of the revenues received from the Replacement Shipper as reimbursement for any incremental cost of administering a capacity release prior to crediting revenues to the Releasing Shipper, subject to the following conditions:

- (a) The release transaction involves ten or more Replacement Shippers.
- (b) Revenues may only be retained if Transporter demonstrates to the Releasing Shipper that the costs are incremental (such as the employment of an outside contractor to administer the release).
- (c) Transporter will notify the Releasing Shipper upon awarding the capacity to the Replacement Shipper as to whether Transporter intends to claim such administrative costs.
- (d) Money received by Transporter from the Replacement Shipper(s) will be placed in escrow to the extent of Transporter's claim pending the Releasing Shipper's agreement as to the validity of the claim. If agreement cannot be reached within 30 days of Transporter's claim, binding arbitration will be used to resolve the issue.
- (e) If Transporter notifies the Releasing Shipper under paragraph (b) hereof, the Releasing Shipper may, within two Business Days, notify Transporter that the Releasing Shipper will administer the release transaction. In such event, Transporter shall only accept from or direct to Releasing Shipper Nominations and other such communications including notices and invoices.

9.24 Charges for use of Segmentation Point(s) or Secondary Point(s). When Replacement Shipper Nominates Segmentation or Secondary Point(s), Transporter shall bill the Releasing Shipper for all (1) reservation charge(s), (2) surcharges to the reservation charge(s), (3) other reservation-type charge(s) applicable to service at such Segmentation or Secondary Point(s) including any applicable charges associated with the North Raton Lateral, additional charges related to High Plains System Segmentation and Secondary Points on Rate Schedule TF-HP and Transporter's mainline system Segmentation and Secondary Points on Rate Schedule TF-1. Based upon the contractual rights of the Releasing Shipper with respect to service at such Segmentation or Secondary Point(s) the charges applicable to service at such Segmentation or Secondary Point(s) may be greater than the charges applicable at the Primary Point(s).

9.24 Charges for use of Segmentation Point(s) or Secondary Point(s) (continued)

Transporter will bill Replacement Shipper only the amount specified in its winning electronic bulletin board bid unless the Releasing Shipper requires reimbursement of any additional charges applicable at Segmentation or Secondary Point(s) as a posted condition of the release. Transporter shall bill Replacement Shipper for all amounts due for use of Segmentation or Secondary Point(s), and shall credit the Releasing Shipper in accordance with this Section 9. When the rate charged for use of Segmentation or Secondary Point(s) is different from the rate charged for use of Primary Point(s), Transporter shall prorate the charges to Releasing and/or Replacement Shipper(s), as appropriate, based on the quantity of Gas Nominated at the Segmentation or Secondary Point(s) and the number of Days the Releasing Shipper utilized the Segmentation or Secondary Point(s) during the Month.

9.25 Advertisements. Any person may advertise for the purchase of capacity on Transporter's system on its EBB by submitting the desired advertisement (up to one page) to Transporter. Transporter shall post such advertisement on the Informational Postings portion of its EBB no later than the Business Day following receipt thereof if so requested, so long as the advertisement is not unlawful or inconsistent with Transporter's Tariff. The posted period requested may be for a period of time not to exceed one month. There will be no posting fee for such advertisements seeking to purchase capacity on Transporter's system. A response in and of itself to an advertisement seeking to purchase capacity never constitutes a capacity release. To release capacity, the Shipper holding the capacity rights must utilize the release procedures set forth in Section 9 of these General Terms and Conditions.

## 11. SYSTEM OPERATIONAL PARAMETERS

### 11.1 Monthly Operating Plan.

- (a) Joint Monthly Operating Plan Meeting. Joint Monthly Operating Plan Meetings may be held to coordinate the requirements and system operations for the forthcoming Month. All firm Shippers, or their designated Agents, may attend the meeting. Such meetings are to assure system integrity and efficient operation of Transporter's transmission system. Because the operating plan developed for the forthcoming Month will affect all firm Shippers, attendance and active participation are strongly encouraged. The Joint Monthly Operating Plan established at the monthly meetings will be the basis for Transporter's operations during such Month. All affected Parties, whether or not they participate in the Monthly Operating Plan Meeting, will be required to conform their transportation and storage services to the Operating Plan, including responding to any Operational Flow Orders ("OFO") issued by Transporter.
- (b) Scheduling. The Joint Monthly Operating Plan Meeting will be scheduled only if Transporter or any eligible Shipper or their designated agent makes a request for that month's meeting to be held. Notice of requested Joint Monthly Operating Plan Meeting shall be posted on Transporter's electronic bulletin board at least two weeks prior to such meeting.

### 11.2 Critical Operating Procedures

- (a) Strained Operating Condition may be issued using the notification procedures of Section 6.1(e)(v)(B) of this Tariff in situations where in Transporter's judgment general system flexibility, normally available Day to Day, cannot be afforded to Shippers to accommodate minor variations in receipt and Delivery quantities from Nominated levels. Examples of such operating conditions include (1) situations when the maximum storage withdrawal capacity is being utilized and allocated Receipt Quantities are less than Delivery Quantities; (2) when the maximum storage injection capacity is being utilized and allocated Receipt Quantities are greater than Delivery Quantities; and (3) when actual Receipt and Delivery Quantities on a segment of the transmission system vary from Nominations such that Transporter's capability to receive and Deliver Gas for its Shippers is adversely affected. The issuance of a strained operating condition requests Shippers voluntary support in correcting their situations and does not cause the Unauthorized Overrun Rates to increase.
- (b) If the Strained Operating Condition does not improve, a Critical Condition may be imposed after the Strained Operating Condition has been in effect for at least two Intraday scheduling cycles. The Critical Condition will be issued using the notification procedures of Section 6.1(e)(v)(B) of this Tariff. The Critical Condition will be limited to the smallest area of the system possible so that the fewest number of Shippers are affected. The higher Unauthorized Overrun charges provided for in the applicable Statement of Rates will be in effect during the Critical Condition.

11.2 Critical Operating Procedures

(c) Transporter's Operational Flow Orders, critical periods and critical notices, when issued, shall specify the conditions underlying such issuance and shall describe the specific responses required from the affected Parties (NAESB Standard 1.3.26).

11.3 Operational Flow Orders

(a) Operational Flow Order Applicability

(i) An Operational Flow Order is an order issued by Transporter to alleviate conditions, *inter alia*, which threaten or could threaten the safe operations or system integrity of Transporter's system or to maintain operations required to provide efficient and reliable firm service (NAESB WGQ Definition 1.2.6).

(ii) Transporter shall have the right to issue Operational Flow Orders ("OFO"). OFOs may be issued to any Shipper under Rate Schedules TF-4, TSB-Y, TSB-T, ESD-T, NNT-1, NNT-2, TF-HP, TF-1 and CS-1.

(iii) Transporter's Operational Flow Orders, critical periods and critical notices, when issued, shall specify the conditions underlying such issuance and shall describe the specific responses required from the affected Parties (NAESB WGQ Standard 1.3.26).

(b) An OFO may be issued by Transporter to any Shipper under the appropriate Rate Schedule in order for Transporter to maintain system integrity and reliability (including, but not limited to): (1) blending Gas supplies to meet minimum Gas quality specifications at Point(s) of Delivery, (2) adjusting line pack to meet minimum pressure obligations at Point(s) of Delivery, (3) adjusting storage inventory to comply with Transporter's Reservoir Integrity Inventory Limit, (4) adjusting Point(s) of Receipt and/or Point(s) of Delivery quantities to realize compressor and processing plant minimums, or any other comparable purpose. Upon issuance of an OFO, a Shipper may be required to increase or decrease quantities Tendered at Primary Point(s) of Receipt or change the mix of storage Gas supplies and/or flowing Gas supplies. An OFO can also require a Shipper to take other actions that are not listed above, if necessary, for system integrity and reliability, in which case Transporter shall post via Electronic Transmission and send to the Commission an explanation and justification of the OFO.

(c) An OFO shall not specify sellers of Gas from which Shippers must purchase Gas. Additionally, an OFO shall not require a Shipper to exceed its MDQ under its Service Agreement. To the extent feasible, Transporter will endeavor to limit the scope of OFOs to Shippers causing the problem that necessitates the OFO and Shippers causing Gas to be transported in the area of Transporter's system in which there is a problem and will only extend the applicability of OFOs to other Shippers in order to

### 11.3 Operational Flow Orders

#### (c) (continued)

preserve system integrity and reliability. Thereafter, an OFO shall be issued in the following hierarchy and not on an unduly discriminatory basis: first, Rate Schedule TF-4, NNT-1 and NNT-2 Agreements where Shipper is utilizing Points(s) of Delivery on the Valley Line; and second, TF-1 Agreements where Shipper is not utilizing Point(s) of Delivery on the Valley Line.

(d) **Timing.** To the extent practical, Transporter will first request affected Shipper(s) to adjust Nominations to accommodate necessary operational changes. Such request will be made by Transporter as soon as practicable when operating conditions dictate a change is required. The time allowed to fully comply with any such requests before Transporter issues an OFO will depend on the particular circumstances and Transporter's ability to meet its service obligations. Normally, adjustments must be reflected in the next Nominating period. To the degree required by prudent operation of the system following a request to adjust Nominations (if any), Transporter may issue an OFO. Compliance with an OFO shall be required within a reasonable time as specified in the OFO, or if no time is specified, compliance with an OFO issued before 10:00 a.m., Mountain Time, is expected on or before 4:00 p.m., local time, at the location the OFO will have its effect, on the calendar day the OFO is issued. For OFOs issued after 10:00 a.m., Mountain Time, compliance is expected on or before 12:00 noon, local time, at the location where the OFO will have its effect, the following calendar day. An OFO shall remain in effect until Transporter contacts Shippers.

(e) **Notification.** Transporter will notify Shipper through Shipper's choice of Electronic Notice Delivery Mechanism(s) pursuant to Section 6.1(e)(v)(B) of the General Terms and Conditions upon issuance of an OFO. The notice shall specify (i) the time and date of issuance of the notice, (ii) the actions that affected Shippers are required to take, (iii) the nature of the problem sought to be addressed, (iv) the time by which affected Shippers must comply with the OFO, (v) the anticipated duration of the OFO (unless otherwise indicated in the notice, the OFO remains in effect until Transporter contacts Shippers, and (vi) any other conditions. Shipper must notify Transporter of the name and telephone number of a person who will be available on a 24-hour basis to receive notice of the issuance of an OFO.

(f) **Failure to Comply.** Shipper's response to an OFO shall not be needlessly constrained by restrictions related to the submission and processing of Intraday Nominations. Shipper will be excused from complying with OFOs to the extent they are unable to comply due force majeure as defined herein. Otherwise, failure to comply in a timely manner (as specified in the OFO or this Section 11) with an OFO may result in an immediate reduction in Deliveries for the account of the noncomplying Shipper(s). In the event Shipper does not promptly or adequately respond to an OFO, Transporter shall have the right, but not the obligation, to take such remedial or corrective actions as Transporter deems prudent (including buying or selling Gas). Transporter shall be

11.3 Operational Flow Orders

(f) (continued)

made whole by the noncomplying Shipper(s) for all remedial or corrective costs that Transporter incurs.

(g) Liability. Transporter shall not be liable for any costs incurred by any Shipper in complying with an OFO (including, but not limited to, increased Gas supply costs), in the absence of negligence or undue discrimination by Transporter evaluated in light of the emergency conditions under which the OFO was issued. Transporter shall not be responsible for any damages (direct or consequential) that result from any reduction in Deliveries that are occasioned by any Shipper's failure to comply promptly and fully with an OFO. The failure of any Shipper to comply in a timely manner with an OFO may, but will not necessarily, subject such Shipper to liability for other Shippers whose service may be adversely affected.

Notwithstanding the above, a Shipper who fails to comply in a timely fashion with an OFO shall hold Transporter harmless and shall indemnify Transporter for any liability which may result from or arise out of damages sustained by any other Party or person due to the failure to comply.

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.

11.4 Corrective Action by Transporter. Transporter may require Shippers to take affirmative action such as increasing, decreasing, or suspending receipts or Deliveries where necessary to reasonably restore balance at any time. In normal circumstances, Transporter will allow Shipper at least 24 hours within which to make the required adjustments. Nonetheless, Transporter shall have the right to require necessary adjustments to be made following at least 4 hours notice. Notwithstanding foregoing, Transporter reserves the right where necessary to reasonably restore balance at any time to adjust or suspend receipts or Deliveries in order to reduce any out-of-balance conditions or to eliminate variances between scheduled quantities and actual flows. Transporter shall give at least 4 hours' notice prior to adjustment or suspension of service under this provision.

11.5 Force Majeure. In the event (1) that either Transporter or Shipper is rendered unable wholly or in part to carry out its obligations under the Agreement, (2) that such inability is caused by an event of force majeure as defined herein, and (3) that the Party whose ability to perform is affected communicates to the other Party (as soon as practicable after the occurrence of such event of force majeure and communicated in writing, by facsimile, or by Electronic Transmission), giving notice and full particulars of such event of force majeure, then the obligations of the Parties to the Agreement shall be suspended to the extent of, and for the duration of, the event of force majeure. However, the obligation of Shipper to make payment under the Agreement shall not be affected, except as provided in Section 11.5 herein. Both Parties shall exercise due diligence to remedy the cause of such event of force majeure, with all reasonable dispatch.

## 11.5 Force Majeure (continued)

The term "force majeure" as used in this Tariff shall include, but shall not be limited to, acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy or terrorists, wars, blockades, insurrections, riots, epidemics, landslides, lightning, volcanoes, hurricanes, tornadoes, earthquakes, fires, storms, floods, washouts, arrest and restraint of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of pipeline, partial or entire failure of wells, failure to obtain materials and supplies due to governmental regulations, and causes of like or similar kind, whether herein enumerated or not, and not within the control of the Party claiming suspension, and which by the exercise of due diligence such Party is unable to overcome; provided that the exercise of due diligence shall not require settlement of labor disputes against the better judgment of the Party having the dispute.

The term "force majeure" as employed herein shall also include, but shall not be limited to, inability to obtain or acquire at reasonable cost, grants, servitudes, rights-of-way, permits, licenses, or any other authorizations from 3rd Parties or agencies (private or governmental) or inability to obtain or acquire at reasonable cost necessary materials or supplies to construct, maintain, and operate any facilities required for the performance of any obligations under the Agreement, when any such inability directly or indirectly contributes to or results in either Party's inability to perform its obligations. In events of force majeure, Transporter's responsibility will be limited to taking reasonable and prudent actions to eliminate or remedy such circumstances, and Transporter shall have no liability for any losses occasioned by events of force majeure.

When Transporter interrupts service (causing interruption during the Day of scheduled firm quantities or can not schedule firm quantities between Primary Point(s)) and gives notice that such interruption is due to force majeure, as defined hereinabove, effective at the time capacity is first interrupted any affected Shipper that had scheduled firm Nominations reduced or Nominations not scheduled between Primary Point(s) under any of Transporter's firm rate schedules shall receive a credit. The credit shall be equal to twenty-five percent (25%) of the daily reservation rate (and/or storage capacity rate, when applicable) under such Shipper's affected Agreement, times the quantity of capacity interrupted as reduced by such quantities scheduled and flowing to Secondary Point(s) for each Day of interruption. If the event of force majeure continues for fourteen (14) Days or more, the crediting shall be discontinued as of the beginning of the fifteenth Day, leaving the Shipper liable for the applicable full reservation rate and/or storage capacity rate, when applicable, pursuant to the affected Agreement from that Day forward. If the event of force majeure continues for forty-five (45) Days or more, the crediting shall resume as of the beginning of the forty-sixth Day, and shall continue indefinitely until the force majeure is remedied.

11.6 Alterations and Repairs. In addition to Transporter's right to issue an Operational Flow Order as discussed in Section 11.3 herein, Transporter shall also have the right to interrupt the Transportation or injection or withdrawal from storage any Gas for Shipper when necessary to test, alter, modify, enlarge, repair, or maintain any facility or property comprising a part of, or appurtenant to, its system, or otherwise related to the operation thereof. Transporter shall endeavor to cause a minimum of inconvenience to Shipper. Except in cases of emergency, Transporter shall give advance notice to Shipper of its intention to so interrupt such Transportation, injection, or withdrawal, stating the anticipated timing and magnitude of each such interruption. Except as set forth above, Transporter shall have no other responsibilities to Shipper for any alterations or repairs and no liability for any losses occasioned by such alterations or repairs except to the extent that Transporter has acted in an unreasonable or imprudent manner.

## 15. REVENUE SHARING MECHANISM

- 15.1 Firm Unauthorized Overrun Revenue Crediting. The actual Unauthorized Overrun revenues, that are in excess of Transporter's costs associated with an Unauthorized Overrun event, received by Transporter in any fiscal year (from October 1 through September 30) under a firm Transportation Rate Schedule shall be credited to all firm transportation Shippers by invoice credit. Such credit shall be in proportion to Transportation reservation charge revenues received from each firm transportation Shipper during the subject fiscal year, and shall be made not later than the January statement sent subsequent to the fiscal year end by Transporter pursuant to Section 12.4 of this Tariff.
- 15.2 Interruptible Unauthorized Overrun Revenue Crediting. The actual interruptible Unauthorized Overrun revenues that are in excess of Transporter's costs associated with any interruptible Unauthorized Overrun event, received by Transporter in any fiscal year (from October 1 through September 30) under a Rate Schedule TI-1 Agreement, shall be credited to all Rate Schedule TI-1 Shippers by invoice credit. Such credit shall be on a pro rata basis in accordance with revenues received from each Rate Schedule TI-1 Shipper during the subject fiscal year, and shall be made not later than the January statement sent subsequent to the fiscal year end by Transporter pursuant to Section 12.4 of this Tariff.
- 15.3 In the event gas is confiscated under Rate Schedules TSB-Y, TSB-T, ESD-T, NNT-1, NNT-2, PAL-1, PAL-HP, APAL-1, FS-1, FS-T, FS-Y, SS-1, IS-1, IS-T or HUB-1, Transporter will credit the value of such gas to Shippers as a part of CIG's quarterly Lost, Unaccounted For, and Other Fuel Gas tracker filings.
- 15.4 Rate Schedule IS-T Revenue Crediting. The actual Rate Schedule IS-T revenues, that are in excess of Transporter's variable costs and surcharges associated with Rate Schedule IS-T transportation, received by Transporter in any fiscal year (from October 1 through September 30) shall be credited to all Rate Schedule FS-T Shippers by invoice credit. Such credit shall be in proportion to Totem Storage reservation charge revenues received from each firm Totem Storage Shipper during the subject fiscal year. If Transporter files an intervening rate case before the end of the fiscal year, the rate case will address any remaining crediting months. The revenues to be credited, if any, shall be credited to Rate Schedule FS-T Shippers by invoice credit not later than April 15 of each year, or if a credit cannot be applied, a cash refund shall be distributed.

## 16. NON-FORCE MAJEURE RESERVATION CHARGE CREDITS

The provisions of Sections 16.1, 16.2, 16.3 and 16.4 apply to Rate Schedules TF-1, TF-HP, TSB-Y, TSB-T, ESD-T, NNT-1, NNT-2, FS-1, FS-Y and FS-T.

- 16.1 Transporter will provide reservation charge credits under certain conditions as described in this Section 16 during non force majeure situations when nominated primary firm quantities are not scheduled. Should Shipper be due a reservation charge credit, Transporter will provide a 100% reservation charge credit during non-force majeure events. This Section 16 shall not apply if Transporter has declared a force majeure condition pursuant to Section 11.5 of the General Terms and Conditions.
- 16.2 No credits of any kind under this Section shall be required if Transporter's failure to schedule, accept or deliver Gas is due to Shipper's failure to perform in accordance with the terms of the Agreement and the Tariff, including, but not limited to, Operational Flow Orders, failure to meet all applicable Gas quality specifications and failure of supply, transportation and/or market upstream of or downstream from Transporter's pipeline system.
- 16.3 Unless otherwise mutually agreed between Transporter and Shipper, no reservation charge credit shall be made with respect to any service nominated at Secondary or Flow Path Secondary Points of Receipt or Delivery. However, reservation charge credits shall be applicable to quantities scheduled to Points of Delivery or at Points of Receipt not listed as Primary Points of Delivery or Receipt on Shipper's agreement, to the extent that Transporter is unable to schedule Shipper's nominated and confirmed quantities due to a constraint occurring on the portion of the Primary Receipt-to-Delivery Flow Path utilized by that Shipper for that Gas Day.
- 16.4 Any reservation charge credit due Shipper pursuant to this Section 16 shall be credited against transportation charges for a future Month, offset against other amounts owed, or refunded if the Agreement has terminated. Such crediting shall be Shipper's sole and exclusive remedy for Transporter's failure as described herein unless damages incurred by Shipper are shown to be the result of negligence or willful misconduct by Transporter. If a court makes such a finding, then Transporter shall only be liable for its proportionate amount of negligence. Any corrections to credited amounts shall be resolved using the dispute procedures described in Section 12 of the General Terms and Conditions.

16.5 Rate Schedules TF-1, TF-HP, TSB-Y, ~~and~~ TSB-T and ESD-T.

Subject to Sections 16.1, 16.2, 16.3 and 16.4, if Transporter fails to schedule Shipper's properly nominated and confirmed primary firm quantities, Shipper shall receive a full reservation charge credit unless such failure to schedule results from application of the scheduling priorities described in Section 6 of the General Terms and Conditions.

(a) Crediting Procedures:

- (i) Reservation charge credits shall be based on the quantity Transporter fails to schedule up to Shipper's MDQ by the close of the Evening Nomination Cycle (i.e., Cycle 2), provided that Shipper's properly nominated confirmed and scheduled quantities at the close of Intraday 3 Nomination Cycle (i.e., Cycle 5) have not increased above Cycle 2 scheduled quantity levels. Should Shipper's nominated and confirmed quantities at the end of Cycle 5 increase above Shipper's Cycle 2 nominated, confirmed and scheduled quantities, reservation charge credits will be based on Shipper's nominated, confirmed and scheduled quantities at the end of Cycle 5.
- (ii) In the event Shipper's nominated and confirmed quantities are curtailed by Transporter in the Timely Nomination Cycle (i.e., Cycle 1) and Shipper nominates the "un-scheduled" gas on a third-party pipeline, Shipper shall not be required to re-submit a nomination to Transporter in Cycle 2 to receive such reservation charge credit. Should Shipper's "un-scheduled" quantities be transported by Transporter in a subsequent intraday cycle, such Shipper's reservation charge credit will appropriately be reduced.
- (iii) Shipper shall provide a representation to Transporter that its nominated, confirmed and scheduled quantities on a third-party pipeline are the result of Transporter's inability to provide primary firm service.
- (iv) To the extent that Shipper does not nominate or provide the representation as required in Section 16.5(a)(iii), Transporter shall use an average of the immediately previous 7 Days daily quantities Delivered under Shipper's firm transportation contract(s) using Primary Capacity to derive the reservation charge quantity.

(b) Calculation of payment:

- (i) Subject to Sections 16.1, 16.2, 16.3, and 16.4, the reservation charge specified in the Agreement will be reduced by an amount equal to the product of (1) the credit quantity as determined pursuant to the procedures contained in Section 16.5(a) up to the Shipper's MDQ and (2) the rate per Dth equal to the quotient of the reservation rate in the Agreement divided by the number of applicable Days, rounded to the nearest tenth of a cent.
- (ii) Subject to Sections 16.1, 16.2, 16.3, and 16.4, if Transporter fails to withdraw gas from Young or Totem storage and tender for Delivery daily quantities then, the reservation charge specified in the Agreement for the Month in which such Day occurs will be reduced by an amount equal to the product of (a) the quantity of Gas Transporter failed to Deliver (such quantity not to exceed Shipper's MDQ limited by Shipper's YADWQ or TADWQ, as applicable) times (b) the rate per Dth equal to the quotient of the applicable reservation rate divided by the number of days in such Month, rounded to the nearest tenth of a cent.

16.6 Rate Schedule NNT-1

- (a) Subject to Sections 16.1, 16.2, 16.3, and 16.4, if Transporter fails to Deliver quantities then the reservation charge specified in the Agreement for the Month in which failure occurs will be reduced by an amount equal to the product of (a) the quantity of Gas Transporter failed to Deliver (such quantity not to exceed Shipper's MDQ limited by Shipper's ADWQ) times (b) the rate per Dth equal to the quotient of the applicable reservation rate divided by the number of days in such Month, rounded to the nearest tenth of a cent. The quantity of Gas Transporter fails to Deliver shall be defined as the average of the immediately previous 7 Days quantities allocated to Shipper's NNT agreement(s).

### 16.7 Rate Schedules FS-1, FS-Y and FS-T

- (a) Subject to Sections 16.1, 16.2, 16.3 and 16.4, if Transporter, on any Day fails to withdraw from storage and Tender for Transportation the quantity requested to be withdrawn by Shipper from storage up to Shipper's ADWQ then the reservation charge specified in the Agreement for the Month in which such Day occurs will be reduced by an amount equal to the product of Gas that Transporter failed to withdraw and Tender on any such Day (up to Shipper's MDWQ) times the reservation charge as set forth in the Agreement (converted to a daily amount by being divided by 30.4) rounded to the nearest tenth of a cent.
- (b) Subject to Sections 16.1, 16.2, 16.3 and 16.4, if Transporter, on any day, fails to accept from Shipper quantities of Gas Tendered by Shipper for injection into storage, up to Shipper's MAC, Transporter shall provide a credit to Shipper. Such credit shall be in an amount equal to the difference between Shipper's MAC and the amount actually in storage for Shipper's account on the last Day of the Injection Period multiplied by the Storage Capacity Rate as set forth in the Agreement.

## 17. ANNUAL CHARGE ADJUSTMENT SURCHARGE

17.1 Purpose. For the purpose of funding of the FERC's costs incurred in any fiscal year, this Section 17 establishes an Annual Charge Adjustment ("ACA") as calculated by the Commission which shall be applicable to Transporter's transportation Rate Schedules TF-4, TSB-Y, TSB-T, ESD-T, NNT-1, NNT-2, TF-HP, TF-1, TI-1, TI-HP and HUB-1 and sales Rate Schedule S-1. All amounts assessed pursuant to this section shall be recorded in FERC Account No. 928. Transporter shall not seek to recover these annual charges in a NGA Section 4 rate case.

17.2 Basis of the Annual Charge Adjustment. The Rate Schedules referred to in Section 17.1 shall be subject to the ACA Surcharge to be charged at the Point of Delivery. For Transportation Service associated with Storage Service, Transporter shall charge Shipper after withdrawal from storage at the final Point of Delivery. Such ACA Surcharge shall be the unit charge shown on the Commission's website, as revised and posted annually. Such surcharge is incorporated by reference into Transporter's currently effective FERC Gas Tariff.

17.3 The proposed effective date of surcharges pursuant to this section shall be October 1.

## 20. ELECTRONIC BULLETIN BOARD

### 20.1 General

- (a) **Definition.** Electronic bulletin board or "EBB" shall mean the electronic system(s) established by Transporter to effectuate the exchange of both public and proprietary information between Transporter and Shippers and/or electronic bulletin board users. The distinction between Transporter's public and proprietary information systems, with regards to specific references to the EBB or electronic bulletin board in this Tariff, are governed by the contextual usage of the terms. The EBB system will include Transporter's proprietary interactive website, which is utilized for the exchange of a Shipper's contract-specific information. In addition, the EBB system will present publicly available information as required by the regulatory mandate of various commission orders, especially the Order No. 636 series of orders. The details of the EBB system meeting these regulatory requirements are described in the remainder of this Section 20.
- (b) Transporter supports via Electronic Communication, the exchange of certain business information utilizing the EDI data sets (Data Dictionaries) included in the NAESB Standards.

### 20.2 Electronic Bulletin Board System Characteristics and Information.

- (a) **Regulatory Requirements.** Transporter will maintain an electronic bulletin board in compliance with the FERC's Order No. 636, et al., which will provide bulletin board users with information on transportation capacity available from the Transporter or through the capacity release provision of Section 9 hereof. Transporter also complies with the regulatory requirements of the FERC as they relate to the provision of specific business information via EDI, in the manner described above.
- (b) **Accessibility.**
  - (i) The EBB will be generally accessible to anyone having executed the appropriate access agreements and forms and an internet connection. EDI information will be available to any Party having executed an EDI Trading Partner Agreement with Transporter. The EBB will be accessible seven Days a week.

20.2 Electronic Bulletin Board System Characteristics and Information (continued)

(c) User-Friendliness and Interactive Features. The EBB will be menu-driven, with file search, download and on-line help capabilities. Information posted on the EBB will be chronologically sequenced with the most recent information presented first. Transporter will periodically purge the EBB to remove completed transactions.

Transporter's EBB will provide for interactive communication between Transporter and the Shippers and potential Shippers on Transporter's system. This interactive communication will include the ability to electronically submit offers to release capacity, to receive bids in response to such offers, to validate and evaluate the bids, and to execute contracts formalizing such releases and acquisitions of capacity.

(d) Retention and Availability of EBB Information. Transporter will conduct a daily backup of the EBB information. This information will be archived for three years on electronic media. Transporter shall make Capacity Release historical data available on a consistent basis, which will provide for retrieval of open and closed offers during the three year FERC archival period (NAESB Standard 5.3.20). Shippers or other parties desiring specific historical data may request, either electronically or in writing, a search of the archived information. Transporter will provide, at Party's discretion, hardcopy or electronic media versions of the requested data and will charge a fee to recover the costs of the time and materials associated with the data search and recovery. Notwithstanding this Section 20.2(d), Transporter shall retain its affiliate waiver log for five years from the date of posting.

20.3 Posting of Available Capacity. Transporter will post on the EBB, and will make available via EDI utilizing the NAESB Standard data sets, separately stated information relating to the firm and interruptible transportation capacity available on its transmission system detailed as to:

- (a) Receipt and Delivery Point(s), as the data at those points relates to main line segments and Transportation routes.
- (b) by pipeline Segments.
- (c) CIG Mainline Storage Fields, including the relationship of NNT and FS-1 storage inventories to the Reservoir Integrity Inventory Limit.
- (d) Young Storage, including the relationship of TSB-Y and FS-Y storage inventories to the Young Storage Reservoir Integrity Inventory Limit.
- (e) Totem Storage, including the relationship of TSB-T, ESD-T and FS-T storage inventories to the Totem Storage Reservoir Integrity Inventory Limit.

20.3 Posting of Available Capacity (continued)

(f) Whether capacity is available from Transporter or through the capacity releasing provisions of this Tariff. This information will be reviewed and updated daily, weekly, or monthly, as appropriate.

20.4 Posting of Notice of Interest to Acquire Capacity. In the event a Party is interested in acquiring ("interested Party") capacity on Transporter's system, Transporter shall post a Notice of Interest to Acquire Capacity ("Notice") on its electronic bulletin board within one (1) Business Day of receipt of such Notice. The Notice shall remain posted for no longer than 30 Days. To be qualified to post Notice, the interested Party must be prequalified pursuant to Section 9.4 of the General Terms and Conditions of this Tariff for the level of capacity it seeks to acquire. The interested Party may furnish all data for posting which it deems appropriate, but at a minimum, such data shall include the following:

- (a) interested Party's legal name, address, and person to contact for additional information;
- (b) the term of the proposed acquisition;
- (c) the maximum Reservation Rate(s) (including Reservation Surcharge(s)) the interested Party is willing to pay for the capacity;
- (d) the Primary Point(s) of Delivery;
- (e) the Primary Point(s) of Receipt; and
- (f) the capacity desired at each Primary Point(s) of Receipt and Primary Point(s) of Delivery.

20.5 Posting of Imbalance Information. At Shipper's request, Transporter will publicly post Shipper's current imbalance status on the EBB. The information to be posted and timing of the posting, is detailed in Section 10.2, of these General Terms and Conditions. This information may be used to arrange "swaps", as detailed in Section 10.2(a), with another Shipper to reduce or eliminate imbalances under both Shippers' transportation agreements.

- 20.6 Buy/Sell and Capacity Brokering Arrangements. Transporter has no buy/sell or capacity brokering arrangements. Therefore, no data relating to these types of arrangements will appear on Transporter's EBB.
- 20.7 Expiring Firm Contracts. Posting of terms and conditions for contracts nearing expiration, and the bidding for the capacity of the non-renewed contracts will be accomplished on the EBB pursuant to Section 4 of these General Terms and Conditions.
- 20.8 Miscellaneous Postings and Order No. 717 Compliance Requirements. Operational bulletins and advisories will be posted on the EBB and made available via EDI utilizing the NAESB Standard data sets, notifying Shippers and other parties of areas of constrained capacity on Transporter's system and locations of facility outages, planned or otherwise. In addition, Transporter will utilize the EBB to post general interest informational bulletins related to topics other than Transporter's system operation, such as Shipper's declaration of an Essential Human Needs Emergency and request for voluntary diversions as detailed in Section 6.3(e) of these General Terms and Conditions. System wide notices provided via EDI will be categorized, pursuant to the NAESB Standard 5.3.18, to indicate those notices of a non-critical nature.  
  
Compliance reporting for affiliate transactions and standards of conduct information, required by the Commission's Order No. 717, will be provided on Transporter's EBB.
- 20.9 Transporter will post on the EBB the total inventory level in each of Transporter's storage fields.

## 28. OPERATIONAL PURCHASES AND SALES

- 28.1 Transporter may buy and/or sell gas to the extent necessary: (i) to maintain system pressure and line pack; (ii) to manage system storage; (iii) to balance fuel quantities; (iv) to implement the cash out of imbalances procedures contained in Section 10.5 of the General Terms and Conditions of the Tariff; (v) to implement the gas retention requirements of Rate Schedules TSB-Y, TSB-T, ESD-T, FS-T, FS-Y, IS-T, IS-Y, NNT-1, NNT-2, FS-1, PAL-1, PAL-HP, IS-1, HUB-1, SS-1, SS-HP and APAL-1 contained in the Tariff; (vi) to maintain system balance due to plant shrinkage from liquids extraction; and (vii) to perform other operational functions of Transporter in connection with transportation, storage and other similar services.
- 28.2 Transporter will make operational sales by either posting notice of such operational gas sales on its electronic bulletin board (in accordance with the applicable bidding provisions contained in Section 9 of the General Terms and Conditions of this Tariff); or by posting for bid operational gas quantities on the IntercontinentalExchange or another independent trading platform, exchange, or clearing house.
- 28.3 Transporter will file a report indicating the source of the operational gas purchased/sold, the date of such purchases/sales, volumes, the purchase/sale price, the costs and revenues from such purchases/sales and the disposition of the associated costs and revenues for all types of operational purchases and sales. Such report shall also include an explanation of the purpose of any operational purchases/sales as well as a reconciliation and accounting of operational purchases/sales that are associated with Section 1.30 (Fuel), Sections 10.5 (Cash Out) and 14.1 (Scheduled Imbalance Penalty), Section 15.4 (Revenue Sharing), and as applicable, system balancing and service flexibility. Transporter will file such report in conjunction with its annual Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas True-Up filing pursuant to Section 13 of the General Terms and Conditions.

## 30. SPECIFIED DELIVERY POINTS

For purposes of this section, Specified Delivery Points will be identified on Transporter's EBB under Informational Postings and may vary from time to time. Upon Shipper's request, Transporter shall consider adding new points to the listed Specified Points on the EBB.

- 30.1 Unless otherwise agreed in a nondiscriminatory manner, Primary Points of Delivery for Transportation Service under Rate Schedules NNT-1, NNT-2, Hourly Entitlement Enhancement Nominations, and the Hourly Rates of Flow option (pursuant to Rate Schedule FS-1) are restricted to the physical Points of Delivery listed as Section 30.1 locations on Transporter's EBB. Additionally, the Hourly Entitlement Enhancement Nomination option is available to serve variable hourly requirements at those Points of Delivery.
- 30.2 Unless otherwise agreed in a nondiscriminatory manner, Points of Delivery where Hourly Entitlement Enhancement Nominations are available also include those Points of Delivery listed as Section 30.2 locations on Transporter's EBB. Such points may only be designated for secondary service under Rate Schedule NNT-1. Pursuant to Section 2.3 of Rate Schedule NNT-1, Short Notice Diversions may be made to those Points of Delivery on Transporter's EBB except as noted. The Points of Delivery included in this group are identified as being positioned in one of four operational areas, or in the system at large, to more effectively describe the operational capabilities available to the Short Notice Diversion service. Points of Delivery noted by an asterisk are served by Transporter's high-pressure system. As such, they do not have direct access to NNT services and, therefore, are not eligible for Short Notice Diversions. Further, locations shown in the operational area designated as "Other" lie outside the traditional NNT delivery point service area and, therefore, they are not eligible for Short Notice Diversions.
- 30.3 Unless otherwise agreed in a nondiscriminatory manner, Points of Delivery where Rate Schedule NNT-1 Shippers may utilize their NNT Agreement for daily balancing (pursuant to Section 2.5 of Rate Schedule NNT-1) are listed as Section 30.3 locations on Transporter's EBB. However, because of the position of these facilities or because of high pressure delivery requirements, Hourly Entitlement Enhancement Nomination (General Terms and Conditions Section 1.37), Hourly Delivery Transfers (Section 2.9 of Rate Schedule NNT-1) and Short Notice Diversions (Section 2.3 of Rate Schedule NNT-1) are not available at these Points of Delivery.

30.4 Unless otherwise agreed in a nondiscriminatory manner, Points of Delivery where Rate Schedule NNT-1 Shippers may utilize their NNT Agreement for secondary deliveries subject to available contract entitlements (i.e., when point entitlement quantities are not being used for primary point deliveries) are listed as Section 30.4 locations on Transporter's EBB. Except as noted below, ~~-~~daily balancing (pursuant to Section 2.5 of Rate Schedule NNT-1), Hourly Entitlement Enhancement Nominations and Hourly Delivery Transfers (pursuant to Section 2.9 of Rate Schedule NNT-1) are also available at those Points of Delivery. Additionally, Short Notice Diversion (Section 2.3 of Rate Schedule NNT-1) is available to these locations. As in Section 30.2, above, the Points of Delivery included in this group are identified as being positioned in one of four operational areas, or in the system at large, to more effectively describe the operational capabilities available to the Short Notice Diversion service. Points of Delivery noted by an asterisk are served by Transporter's high pressure system. As such, these points are not eligible for Short Notice Diversions.

(a) To the extent an NNT-1 Shipper has scheduled HEEN on a high pressure system Transportation Service Agreement to a high pressure Point of Delivery ~~in~~dentified in this Section, NNT hourly and balancing services on the high pressure system are available, subject to the provisions of the Shipper's NNT Agreement.

30.5 Unless otherwise agreed in a nondiscriminatory manner, Points of Receipt and Points of Delivery for Transportation Service under Rate Schedules TF-HP and TSB-Y are listed as High Plains Locations on Transporter's EBB.

30.6 Unless otherwise agreed in a nondiscriminatory manner, Points of Receipt and Points of Delivery for Transportation Service under Rate Schedule TSB-T and Rate Schedule ESD-T are listed as Totem Storage Locations on Transporter's EBB.

## FORMS OF SERVICE AGREEMENTS

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Section 2	Rate Schedule TF-4
Section 3	Rate Schedule TF-HP
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Section 5	Rate Schedule NNT-2
Section 6	Rate Schedule TSB-Y
Section 7	Rate Schedule TSB-T
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Section 17	Rate Schedule IS-T
Section 18	Rate Schedule SS-1
Section 19	Rate Schedule SS-HP
Section 20	Rate Schedule HSP-1
Section 21	Rate Schedule HUB-1
Section 22	Rate Schedule CS-1
Section 23	Rate Schedule PAL-HP
<u>Section 24</u>	<u>Rate Schedule ESD-T</u>

### Preliminary Statement

Pursuant to Transporter's "Tariff Re-Organization" filing in Docket No. RP10-689; and subsequent filing pursuant to the electronic tariff requirements of Docket No. RM01-5, the pro forma service agreements contained in this Tariff are modified to reflect revised GT&C section references. (See below for the new section references.) As such, the currently Executed TSAs shall remain in effect and shall not be rendered non-conforming due to these modified references.

<u>Former Section Reference</u>	<u>Current GT&amp;C Section Reference</u>
Article 40	Section 4.16
Article 8	Section 5.4
Article 39	Section 5.5
Article 41	Section 4.3
Article 20	Section 17.4
Article 19	Section 17.2
Article 6	Section 20
Article 32	Section 30

**FORM OF ENHANCED DELIVERABILITY SERVICE AGREEMENT**  
**APPLICABLE TO RATE SCHEDULE ESD-T**

Agreement No. \_\_\_\_\_

**FIRM TOTEM ENHANCED DELIVERABILITY SERVICE AGREEMENT**

**RATE SCHEDULE ESD-T**

between

COLORADO INTERSTATE GAS COMPANY, L.L.C.

and

\_\_\_\_\_  
(Shipper)

DATED: \_\_\_\_\_

(Placement of text on page, number of pages, numbering of paragraphs, sections and footnotes, format, capitalization, headings and font may vary from Pro Forma to Service Agreement)

**FORM OF TOTEM ENHANCED DELIVERABILITY SERVICE AGREEMENT**  
**APPLICABLE TO RATE SCHEDULE ESD-T**

Agreement No. \_\_\_\_\_

Enhanced Deliverability Service Agreement  
Rate Schedule ESD-T  
Dated: \_\_\_\_\_

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: COLORADO INTERSTATE GAS COMPANY, L.L.C.
2. Shipper: \_\_\_\_\_
3. Applicable Tariff and Incorporation by Reference: Transporter's FERC Gas Tariff, Second Revised Volume No. 1, as the same may be amended or superseded from time to time ("Tariff"). This Agreement in all respects shall be subject to and shall incorporate as if set forth herein the provisions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time. Capitalized terms used and not otherwise defined in this Agreement have the meanings given to them in the Tariff.
4. Changes in Rates and Terms: Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.
5. Firm Enhanced Deliverability Service: Service at and between Point of Withdrawal and Primary Point(s) of Delivery shall be on a firm basis. Delivery of quantities at Secondary Point(s) shall be in accordance with the Tariff.
6. Delivery: Transporter agrees to transport and deliver Delivery Quantities to Shipper (or for Shipper's account) at the Point(s) of Delivery identified in the attached Exhibit A. Minimum and maximum delivery pressures, as applicable, are listed on Exhibit A.
7. Rates and Surcharges: As set forth in Exhibit B. Transporter and Shipper may also agree to a discount using one of the discount types described in Section 4.16 of the General Terms and Conditions of the Tariff.
8. For the period \_\_\_\_\_ through \_\_\_\_\_.  
Totem Maximum Delivery Quantity ("MDQ"): \_\_\_\_\_ Dth per Day.  
Totem Maximum Daily Withdrawal Quantity ("TMDWQ"): \_\_\_\_\_ Dth per Day.

(Insert again if Quantities change during the term of service)

All storage entitlements as stated herein ("TMDWQ") are based on an Average Thermal Content of Gas in Storage of 1,000 Btu per cubic foot. The Totem Available Daily Withdrawal Quantity ("TADWQ") and storage entitlements shall be subject to the General Terms and Conditions of the Tariff and stated on Transporter's electronic bulletin board.

9. Negotiated Rate: Yes        No       

10. Term of Firm Enhanced Deliverability Service: \_\_\_\_\_

[Insert term of service including any (i) construction contingencies, (ii) extension rights such as an evergreen or rollover provision, (iii) contractual rights of first refusal, (iv) interim capacity limitations and/or (v) related termination provisions, as applicable.]

11. Notices, Statements, and Bills:

To Shipper: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Invoices: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All Notices: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Transporter: \_\_\_\_\_

See "Points of Contact" in the Tariff.

12. Effect on Prior Agreement(s): \_\_\_\_\_.

13. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

IN WITNESS WHEREOF, the Parties have executed this Agreement. This Agreement may be executed by electronic means and an electronic signature shall be treated in all respects as having the same effect as a handwritten signature.

## TRANSPORTER:

**SHIPPER:**

**COLORADO INTERSTATE  
GAS COMPANY, L.L.C.**

Accepted and agreed to this

Accepted and agreed to this

EXHIBIT A

to

FIRM ENHANCED DELIVERABILITY SERVICE AGREEMENT  
RATE SCHEDULE ESD-T

between

COLORADO INTERSTATE GAS COMPANY, L.L.C.

and

\_\_\_\_\_  
(Shipper)

DATED: \_\_\_\_\_

The following data elements shall be described on this Exhibit A, as applicable:

1. Shipper's Maximum Delivery Quantity ("MDQ"): (See ¶ )

2. Shipper's Totem Maximum Daily Withdrawal Quantity ("TMDWQ"): (See ¶ )

The following data elements shall be described on this Exhibit A, as applicable:

Primary Point(s) of Delivery

Effective Dates (See ¶ )

Primary Point(s) of Delivery Quantity (Dth per Day) (1)

Minimum Delivery Pressure p.s.i.g. (2)

Maximum Delivery Pressure p.s.i.g.(2)

Notes: [Insert as applicable]

(1) The sum of the Delivery Quantities at Point(s) of Delivery shall be equal to or less than Shipper's MDQ.

(2) Pressure conditions shall be in accordance with Section 5.4 of the General Terms and Conditions of the Tariff.

EXHIBIT B

to

FIRM ENHANCED DELIVERABILITY SERVICE AGREEMENT  
RATE SCHEDULE ESD-T

between

COLORADO INTERSTATE GAS COMPANY, L.L.C.

and

(Shipper)

DATED: \_\_\_\_\_

The following data elements shall be described on this Exhibit B, as applicable:

Reservation Rates (1)(3)  
Primary Point(s) of Delivery  
Commodity Withdrawal Rate (1)(3)  
Effective Dates (See ¶)  
Surcharges (2)  
Authorized Overrun Rate(s) (4)  
Daily Authorized Delivery Overrun Rate  
Daily Authorized Withdrawal Overrun Rate

Notes: [Insert as applicable]

(1) Unless otherwise agreed by the Parties in writing, the rates for service shall be Transporter's maximum rates for service under Rate Schedule ESD-T or other superseding Rate Schedule, as such rates may be changed from time to time. All entitlement or quantities scheduled by Transporter on the CIG mainline or North Raton Lateral facilities shall be subject, as applicable, to the appropriate mainline and/or North Raton Lateral incremental reservation and commodity rates. Reservation rate(s) shall be payable regardless of quantities transported.

\_\_\_\_\_  
\_\_\_\_\_  
-and/or -

[Insert for discount rate(s), as necessary (e.g., (1a), (1b), etc.)]

As provided in Section 4.16 of the General Terms and Conditions of Transporter's Tariff, the Parties agree to the following discount rate(s) \_\_\_\_\_ (insert if applicable) which shall be payable regardless of quantities transported. The rate(s) charged under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in Transporter's Tariff.

-and/or -

[Insert for negotiated rate(s), as necessary (e.g., (1a), (1b), etc.)]

As provided in Section 4.17 of the General Terms and Conditions of Transporter's Tariff, the Parties agree to the following negotiated rate(s) \_\_\_\_\_ (insert if applicable) which shall be payable regardless of quantities transported.

(2) Applicable Surcharges:

All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated in Part II: Statement of Rates in the Tariff; as such surcharges may be changed from time to time.

High Plains Gas Quality Control Surcharge:

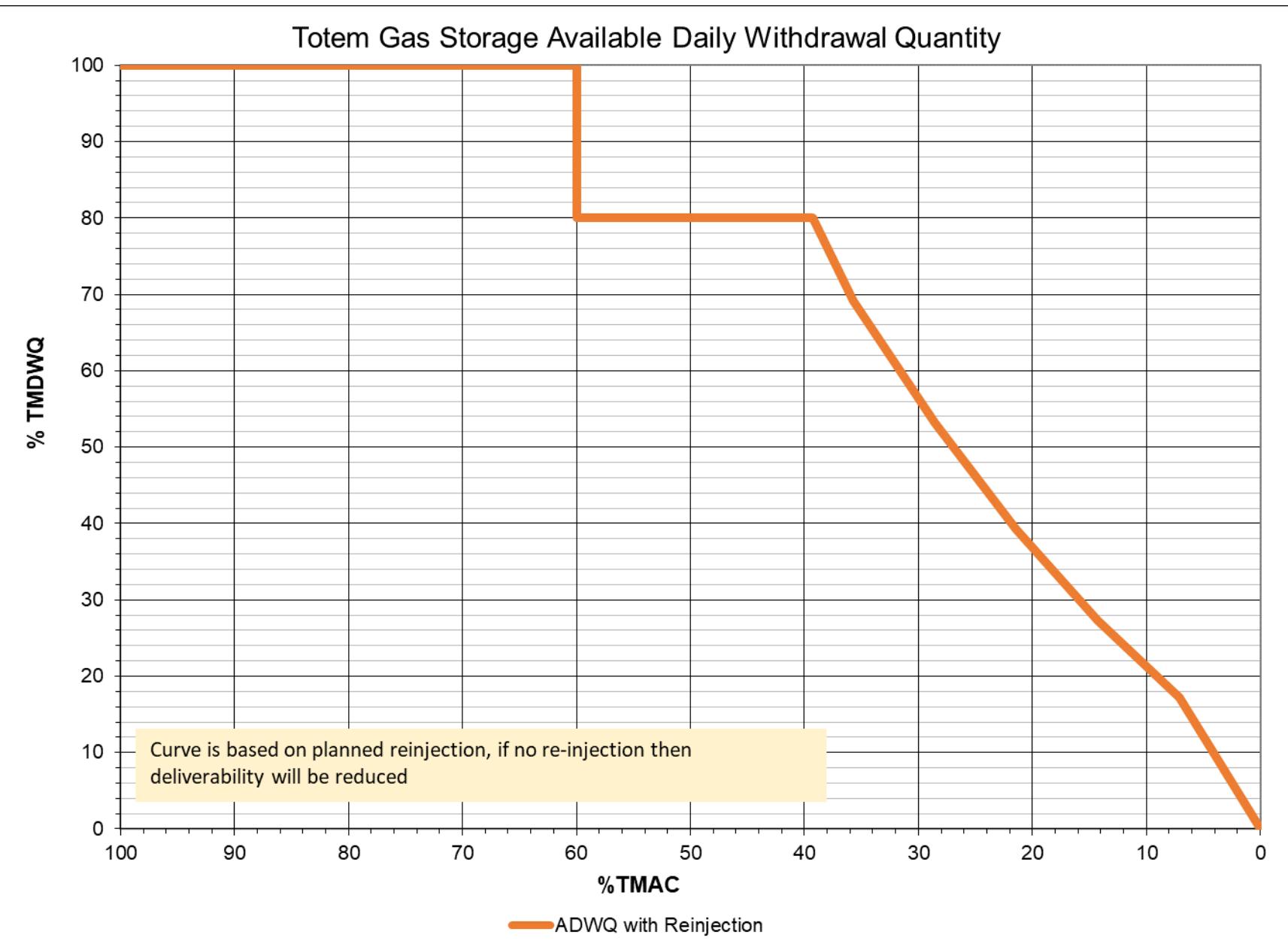
The Gas Quality Control reservation rate and commodity rate shall be assessed pursuant to Section 33.1 of the General Terms and Conditions of the Tariff. Reservation rate(s) shall be payable regardless of quantities transported.

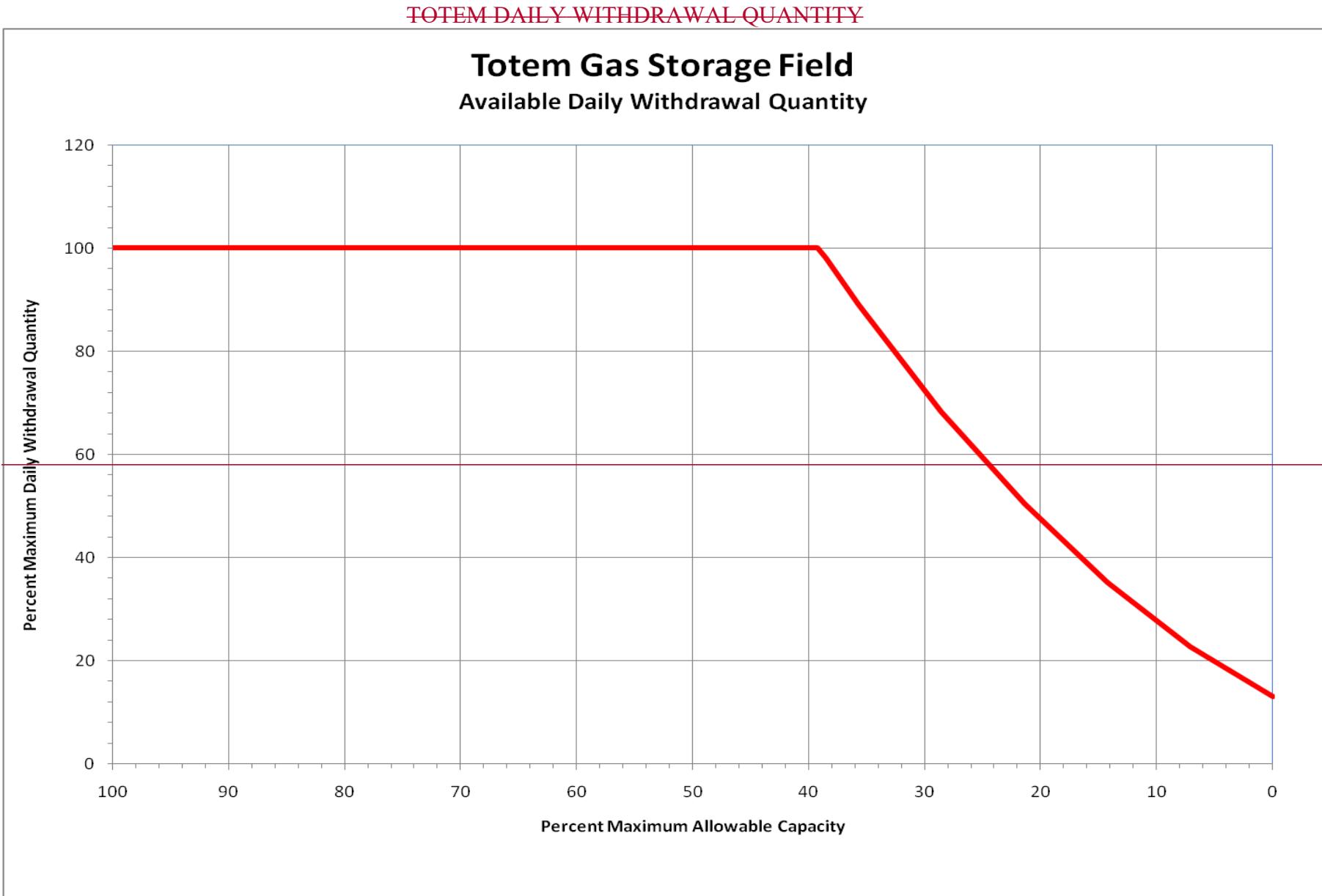
ACA:

The ACA surcharge shall be assessed pursuant to Section 17.2 of the General Terms and Conditions of the Tariff.

(3) Quantities scheduled by Transporter from/to Primary, Secondary, and/or Segmented Point(s) on any off-system capacity held by Transporter shall be subject to Transporter's Third Party Charges as described on Transporter's electronic bulletin board and/or pursuant to Section 4.3 of the General Terms and Conditions of the Tariff.

(4) Subject to Transporter's authorized maximum and minimum rates in effect from time to time, a rate of \$ \_\_\_\_\_ per Dth shall apply to daily Authorized Overrun of up to \_\_\_\_\_ Dth per Day.





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List of Non-Conforming Agreements:

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Anadarko Energy Services Company #213526-TFHPCIG  
Anadarko Energy Services Company #33666000-TFHPCIG  
Black Hills Service Company LLC #214677-TF1CIG  
Black Hills Service Company LLC #215680-TF1CIG  
Black Hills Service Company LLC #217671-TF1CIG  
Colorado Springs Utilities #216641-TIHPCIG  
Colorado Springs Utilities #219543-TI1CIG  
Public Service Company of Colorado NNT-1 Agreement #31050000-NNT1CIG  
Public Service Company of Colorado TF-1 Agreement #33319000-TF1CIG  
Public Service Company of Colorado TF-1 Agreement #33342000-TF1CIG  
Rocky Mountain Midstream LLC #214627-TFHPCIG  
Rocky Mountain Midstream LLC #216430-TF1CIG

<u>Rate Schedule</u>	Rates per Dth (Note 1)	<u>Minimum</u>	<u>Maximum</u>
TSB-Y: (Note 12)			
Reservation Rates -			
Monthly Rate (Note 6)	\$0.0000	\$4.9046	
High Plains	\$0.0000	\$2.1494	
Storage Deliverability	\$0.0000	\$1.3632	
Storage Capacity	\$0.0000	\$1.3920	
Commodity Injection Rate	\$0.0190	\$0.0190	
Commodity Delivery Rate	\$0.0192	\$0.0192	
 Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709	
 Daily Authorized Injection Overrun Rate	\$0.0380	\$0.1150	
Daily Authorized Withdrawal Overrun Rate	\$0.0190	\$0.0190	
Daily Authorized Storage Capacity Overrun Rate	\$0.0380	\$0.1150	
 Daily Unauthorized Overrun Rate -			
Greater of 100 Dth or 3% of MDQ, YMDIQ, YMDWQ or YM <sup>A</sup> C		\$0.3224	
 Greater of 2,500 Dth or 5% of MDQ, YMDIQ, YMDWQ or YM <sup>A</sup> C (Non-Critical Condition)		\$0.8062	
 Greater of 2,500 Dth or 5% of MDQ, YMDIQ, YMDWQ or YM <sup>A</sup> C (Critical Condition)		\$1.6125	

<u>Rate Schedule</u>	Rates per Dth (Note 1)	
	<u>Minimum</u>	<u>Maximum</u>
TSB-T: (Note 12)		
Reservation Rates		
Monthly Rate (Note 6)	\$0.0000	\$11.9086
High Plains	\$0.0000	\$2.1494
Storage Deliverability	\$0.0000	\$4.8796
Storage Capacity	\$0.0000	\$4.8796
Commodity Injection Rate	\$0.0369	\$0.0369
Commodity Delivery Rate	\$0.0371	\$0.0371
Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709
Daily Authorized Injection/Withdrawal Overrun Rate	\$0.0369	\$0.1604
Daily Authorized Storage Capacity Overrun Rate	\$0.0369	\$0.1394
Daily Unauthorized Overrun Rate		
Greater of 100 Dth or 3% of MDQ, TMDIQ, TMDWQ or TMAC		\$0.7830
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Non-Critical Condition)		\$1.9575
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Critical Condition)		\$3.9150

<u>Rate Schedule</u>	<u>Rates per Dth (Note 1)</u>	<u>Minimum</u>	<u>Maximum</u>
ESD-T: (Note 12)			
Reservation Rates			
Monthly Rate (Note 6)	\$0.0000	\$26.1752	
High Plains	\$0.0000	\$2.1494	
Storage Deliverability	\$0.0000	\$24.0258	
Commodity Withdrawal Rate	\$0.0371	\$0.0371	
Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709	
Daily Authorized Withdrawal Overrun Rate	\$0.0369	\$0.1604	
Daily Unauthorized Overrun Rate			
Greater of 100 Dth or 3% of MDQ		\$0.7830	
Greater of 2,500 Dth or 5% of MDQ (Non-Critical Condition)			\$1.9575
Greater of 2,500 Dth or 5% of MDQ (Critical Condition)			\$3.9150

STATEMENT OF RATES FOR TRANSPORTATION/STORAGE OF NATURAL GAS  
FOOTNOTES

(1) Rates, surcharges, and fees are stated in Dth.

For billing purposes, these charges shall be collected as set forth in the service agreement and pursuant to the General Terms and Conditions of this Tariff.

When appropriate, the transportation rate shall be adjusted to include applicable surcharges. All surcharges and fees are listed herein on the Statement of Rates and applicable surcharges are detailed in the service agreement.

(2) The North Raton Lateral consists of two distinct zones. Zone 1 of the North Raton Lateral begins at the interconnect with the Wet Canyon Meter Station and extends 90.3 miles north. Zone 2 of the North Raton Lateral begins at the end of Zone 1 and extends 28.3 miles north to the interconnect with Line No. 212A. Shippers transporting across Zone 1 and/or Zone 2 will be charged the applicable Zone 1 and/or Zone 2 rates.

(3) All Shippers transporting on the North Raton Lateral shall be subject to the mainline Fuel Gas and L&U. However, such Shippers will be assessed mainline Fuel Gas and Lost, Unaccounted For and Other Fuel Gas only once if the service involves mainline transportation and North Raton Lateral transportation.

(4) The percentages for "Receipt Quantities for Transportation Fuel Gas" and "Lost, Unaccounted For and Other Fuel Gas" shown on the Statement of Rates shall be adjusted semi-annually and quarterly respectively, based upon the most recent experience (see definition of Fuel Reimbursement in Section 1 of the General Terms and Conditions). Such adjustments shall not subject Transporter to any obligation to justify its other costs or revenues or throughput. Transporter shall be allowed to adjust these percentages independent of and without regard to other rates.

(5) See Section 33 of the General Terms and Conditions for a description of this surcharge.

(6) For Capacity Release transactions only, Transporter has adopted the following NAESB standards. On the bidding formats, the number of decimal places for offers, bids and awards shall be equal to the number of decimal places in Transporter's stated rates (NAESB Standard 5.3.21). Converting a Daily rate to a Monthly rate is accomplished by multiplying the Daily rate times the number of Days in the rate period, dividing the result by the number of Months in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to the Transporter's specified decimal place. Converting a Monthly rate to a Daily rate is accomplished by multiplying the Monthly rate by the number of Months in the rate period, dividing the result by the number of Days in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to the Transporter's specified decimal place (NAESB Standard 5.3.22). Furthermore, for capacity release purposes, all Tariff rates shall be adjusted to reflect a standard calculation of Daily and Monthly rates, in conformance with NAESB Standard 5.3.23.

- (7) See Section 13.3 of the General Terms and Conditions for a description of No-Fuel Wheeling Areas.
- (8) See Section 17 of the General Terms and Conditions for a description of this Surcharge.
- (9) To the extent that CIG's High Plains system is fully contracted, all non-critical and hourly overrun activity will be deemed as authorized.
- (10) The use of the name "CIG" here represents all Hub locations not otherwise identified below. Ponderosa is an interconnect with Public Service Company of Colorado's (PSCo's) high pressure system. Arrowhead is an interconnect with Tallgrass Interstate Gas Transmission, L.L.C. Lodgepole is an interconnect with PSCo (Front Range). Trailblazer is an interconnect with Trailblazer Pipeline Company, LLC. WIC is an interconnect with Wyoming Interstate Company, L.L.C.
- (11) Hourly Entitlement Amount ("HEA") shall mean the quantity a Shipper cannot exceed before being subject to the Hourly Unauthorized Rate. Such quantity is described in the Unauthorized Overrun section of Rate Schedules TF-1, TF-HP, TI-1, TI-HP, NNT-1, NNT-2, SS-1, SS-HP and TF-4.
- (12) Rate(s) for Rate Schedules NNT-1, NNT-2, FS-1, and IS-1 shall be adjusted effective the first of the Month, the Month following the date when a new currently effective CIG Mainline Storage Average Thermal Content of Gas in Storage ("ATC") is posted on Transporter's electronic bulletin board and on Transporter's Web site under Informational Postings, as provided in Section 1 of the General Terms and Conditions of this Tariff. Such adjustment shall be made by multiplying the fraction [(1,000) over (new effective ATC in Btu which is currently 1,069)] times Shipper's Base Rate(s). For purposes of this note Shipper's "Base Rate(s)" shall be Shipper's rate(s) as calculated based on an ATC of 1,000 Btu per cubic foot.

Rate(s) for Rate Schedules TSB-Y, FS-Y and IS-Y shall be adjusted effective the first of the Month, the Month following the date when a new currently effective Young ATC is posted on Transporter's electronic bulletin board and on Transporter's Web site under Informational Postings, as provided in Section 1 of the General Terms and Conditions of this Tariff. Such adjustment shall be made by multiplying the fraction [(1,000) over (new effective ATC in Btu which is currently 1,101)] times Shipper's Base Rate(s). For purposes of this note Shipper's "Base Rate(s)" shall be Shipper's rate(s) as calculated based on an ATC of 1,000 Btu per cubic foot.

Transporter shall also adjust the rate and entitlements for Transportation between the Point of Withdrawal and Point of Delivery under Rate Schedules NNT-1 and NNT-2 to the extent capacity is available.

Rate(s) for Rate Schedules TSB-T, ESD-T, FS-T and IS-T shall be adjusted effective the first of the Month, the Month following the date when a new currently effective Totem ATC is posted on Transporter's electronic bulletin board and on Transporter's Web site under Informational

Postings, as provided in Section 1 of the General Terms and Conditions of this Tariff. Such adjustments shall be made by multiplying the fraction [(1,000) over (new effective ATC in Btu which is currently 1,074)] times Shipper's Base Rate(s). For purposes of this note Shipper's "Base Rate(s)" shall be Shipper's rate(s) as calculated based on an ATC of 1,000 Btu per cubic foot.

Transporter shall file revised Tariff provisions within 30 days after posting a new currently effective ATC on its electronic bulletin board. The revised Tariff provisions shall reflect the adjusted minimum and maximum rates. Transporter's minimum and maximum Base Rates are as follows:

<u>Rate Schedule</u>	Base Rates per Dth	
	<u>At 1000 Btu</u>	<u>Minimum</u>
NNT-1:		
Reservation Rates -		
Monthly Rate (Note 6)	\$0.0000	\$6.9777
Delivery	\$0.0000	\$3.6602
Storage	\$0.0000	\$1.2488
Daily Balances	\$0.0000	\$1.2488
Hourly Flow Option	\$0.0000	\$0.8199
Quantity Injection Rate	\$0.0082	\$0.0082
Quantity Delivery Rate	\$0.0240	\$0.0240
Daily Authorized Delivery Overrun Rate	\$0.0240	\$0.2537
Daily Authorized Injection/Withdrawal Overrun Rate	\$0.0082	\$0.2224
Daily Authorized Storage Capacity Overrun	\$0.0082	\$0.2224
Hourly Authorized Overrun Rate	\$0.0240	\$0.1488

<u>Rate Schedule</u>	<u>Base Rates per Dth</u> <u>At 1000 Btu</u>	<u>Minimum</u>	<u>Maximum</u>
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NNT-1:

Daily Unauthorized Overrun Rate Greater of 100 Dth or 3% of MDQ, MDIQ, MDWQ or MAC	\$0.5073
Greater of 2,500 Dth or 5% of MDQ, MDIQ, MDWQ or MAC (Non-Critical Condition).	\$0.5073
Greater of 2,500 Dth or 5% of MDQ, MDIQ, MDWQ or MAC (Critical Condition)	\$2.5367
Hourly Unauthorized Overrun Rate Greater of 1,000 Dth or 3% of HEA (Note 11)	\$0.5073
Greater of 1,000 Dth or 5% of HEA	\$1.2683
Greater of 1,000 Dth or 10% of HEA	\$2.5367

<u>Rate Schedule</u>	<u>Base Rates per Dth</u> <u>At 1000 Btu</u>	
	<u>Minimum</u>	<u>Maximum</u>
NNT-2:		
Commodity Delivery Rate	\$0.0000	\$0.4443
Daily Authorized Delivery Overrun Rate	\$0.0240	\$0.4443
Daily Authorized Injection/Withdrawal Overrun Rate	\$0.0082	\$0.4443
Daily Authorized Storage Capacity Overrun Rate	\$0.0082	\$0.4443
Hourly Authorized Overrun	\$0.0240	\$0.4443
Daily Unauthorized Overrun Rate Greater of 100 Dth or 3% of MDQ, MDIQ, MDWQ or MAC.		\$0.8886
Greater of 2,500 Dth or 5% of MDQ, MDIQ, MDWQ or MAC (Non-Critical Condition)		\$0.8886
Greater of 2,500 Dth or 5% of MDQ, MDIQ, MDWQ or MAC (Critical Condition)		\$4.4428
Hourly Unauthorized Overrun Rate Greater of 1,000 Dth or 3% of HEA (Note 11)		\$0.8886
Greater of 1,000 Dth or 5% of HEA		\$2.2214
Greater of 1,000 Dth or 10% of HEA		\$4.4428

<u>Rate Schedule</u>	Base Rates per Dth at 1000 Btu	
	<u>Minimum</u>	<u>Maximum</u>
<b>TSB-Y:</b>		
Reservation Rates -		
Monthly Rate	\$0.0000	\$5.1828
High Plains	\$0.0000	\$2.1494
Storage Deliverability	\$0.0000	\$1.5008
Storage Capacity	\$0.0000	\$1.5326
Commodity Injection Rate	\$0.0209	\$0.0209
Commodity Delivery Rate	\$0.0211	\$0.0211
Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709
Daily Authorized Injection Overrun Rate	\$0.0418	\$0.1266
Daily Authorized Withdrawal Overrun Rate	\$0.0209	\$0.0209
Daily Authorized Storage Capacity Overrun	\$0.0418	\$0.1266
Daily Unauthorized Overrun Rate (Note 7) -		
Greater of 100 Dth or 3% of MDQ, YMDIQ, YMDWQ or YM <sub>A</sub> C.		\$0.3408
Greater of 2,500 Dth or 5% of MDQ, YMDIQ, YMDWQ or YM <sub>A</sub> C (Non-Critical Condition)		\$0.8520
Greater of 2,500 Dth or 5% of MDQ, YMDIQ, YMDWQ or YM <sub>A</sub> C (Critical Condition)		\$1.7040

<u>Rate Schedule</u>	Base Rates per Dth at 1000 Btu	
	<u>Minimum</u>	<u>Maximum</u>
TSB-T:		
Reservation Rates -		
Monthly Rate	\$0.0000	\$12.6308
High Plains	\$0.0000	\$2.1494
Storage Deliverability	\$0.0000	\$5.2407
Storage Capacity	\$0.0000	\$5.2407
Commodity Injection Rate	\$0.0396	\$0.0396
Commodity Delivery Rate	\$0.0398	\$0.0398
Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709
Daily Authorized Injection/Withdrawal Overrun Rate	\$0.0396	\$0.1723
Daily Authorized Storage Capacity Overrun Rate	\$0.0396	\$0.1497
Daily Unauthorized Overrun Rate –		
Greater of 100 Dth or 3% of MDQ, TMDIQ, TMDWQ or TMAC		\$0.8305
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Non-Critical Condition)		\$2.0763
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Critical Condition)		\$4.1526

<u>Rate Schedule</u>	Base Rates per Dth at 1000 Btu	
	<u>Minimum</u>	<u>Maximum</u>
ESD-T:		
Reservation Rates -		
Monthly Rate	\$0.0000	\$27.9531
High Plains	\$0.0000	\$2.1494
Storage Deliverability	\$0.0000	\$25.8037
Commodity Delivery Rate	\$0.0398	\$0.0398
Daily Authorized Delivery Overrun Rate	\$0.0002	\$0.0709
Daily Authorized Withdrawal Overrun Rate	\$0.0396	\$0.1723
Daily Unauthorized Overrun Rate –		
Greater of 100 Dth or 3% of MDQ, TMDIQ, TMDWQ or TMAC		\$0.8305
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Non-Critical Condition)		\$2.0763
Greater of 2,500 Dth or 5% of MDQ, TMDIQ, TMDWQ or TMAC (Critical Condition)		\$4.1526

<u>Rate Schedule</u>	Base Rates per Dth <u>at 1000 Btu</u>	
	<u>Minimum</u>	<u>Maximum</u>
FS-1:		
Reservation Rates -		
Storage Capacity Rate (Monthly Rate) (Note 6)	\$0.0000	\$0.1628
Reservation Rate (Monthly Rate) (Note 6)	\$0.0000	\$0.9597
Hourly Rates of Flow Option Monthly Rate (Note 6)	\$0.0000	\$0.2425
Quantity Injection Rate	\$0.0082	\$0.0082
Quantity Withdrawal Rate	\$0.0082	\$0.0082
Daily Authorized Injection/Withdrawal Overrun Rate	\$0.0082	\$0.5032
Daily Authorized Storage Capacity Overrun Rate	\$0.0082	\$0.5032
FS-Y:		
Reservation Rates -		
Storage Capacity Rate (Monthly Rate)	\$0.0000	\$0.0528
Reservation Rate (Monthly Rate)	\$0.0000	\$1.5008
Quantity Injection Rate	\$0.0209	\$0.0209
Quantity Withdrawal Rate	\$0.0209	\$0.0209
Daily Authorized Injection Overrun Rate	\$0.0418	\$0.1266
Daily Authorized Withdrawal Overrun Rate	\$0.0209	\$0.0209
Daily Authorized Storage Capacity Overrun Rate	\$0.0418	\$0.1266

<u>Rate Schedule</u>	Base Rates per Dth at <u>1000 Btu</u>	
	<u>Minimum</u>	<u>Maximum</u>
FS-T:		
Reservation Rates -		
Storage Capacity Rate (Monthly Rate)	\$0.0000	\$0.1497
Reservation Rate (Monthly Rate)	\$0.0000	\$5.2407
Quantity Injection Rate	\$0.0396	\$0.0396
Quantity Withdrawal Rate	\$0.0396	\$0.0396
Daily Authorized Injection/Withdrawal		
Overrun Rate	\$0.0792	\$0.3391
Daily Authorized Storage Capacity Overrun Rate	\$0.0792	\$0.3391

<u>Rate Schedule</u>	Base Rates per Dth at 1000 Btu	
	<u>Minimum</u>	<u>Maximum</u>
IS-1:		
Interruptible Storage Rate (Applied monthly to the average daily balance of Gas in storage for Shipper's account during the Month)	\$0.0000	\$0.0807
Quantity Injection Rate	\$0.0082	\$0.0082
Quantity Withdrawal Rate	\$0.0082	\$0.0082
IS-Y:		
Interruptible Storage Rate (Applied monthly to the average daily balance of Gas in storage for Shipper's account during the Month)	\$0.0000	\$0.1057
Quantity Injection Rate	\$0.0209	\$0.0209
Quantity Withdrawal Rate	\$0.0209	\$0.0209
Daily Authorized Injection Overrun Rate	\$0.0418	\$0.1266
Daily Authorized Withdrawal Overrun Rate	\$0.0209	\$0.0209
Daily Authorized Storage Capacity Overrun Rate	\$0.0418	\$0.1266
IS-T:		
Interruptible Storage Rate (Applied monthly To the average daily balance of Gas in storage for Shipper's account during the Month)	\$0.0000	\$0.2995
Quantity Injection	\$0.0396	\$0.0396
Quantity Withdrawal Rate	\$0.0396	\$0.0396
(13) Electric power costs related to Spruce Hill Air Blending Facilities shall be assessed according to the provisions of Section 31 of the General Terms and Conditions.		

## RATE SCHEDULES

Section 1	TF-1	Firm Transportation Service
Section 2	TF-4	Firm Transportation Service
Section 3	TF-HP	High Plains Firm Transportation Service
Section 4	NNT-1	No-Notice Transportation and Storage Service
Section 5	NNT-2	No-Notice Transportation and Storage Service
Section 6	TSB-Y	Young Transportation Storage Balancing Service
Section 7	TSB-T	Totem Transportation Storage Balancing Service
Section 8	FS-1	Firm Storage Service
Section 9	FS-Y	Firm Young Storage Service
Section 10-	FS-T	Firm Totem Storage Service
Section 11	TI-1	Interruptible Transportation Service
Section 12	TI-HP	High Plains Interruptible Transportation Service
Section 13	PAL-1	Parking and Lending Service
Section 14	APAL-1	Automatic Parking and Lending Service
Section 15	IS-1	Interruptible Storage Service
Section 16	IS-Y	Young Interruptible Storage Service
Section 17	IS-T	Totem Interruptible Storage Service
Section 18	SS-1	Interruptible Swing Service
Section 19	SS-HP	High Plains Interruptible Swing Service
Section 20	HSP-1	Headstation Pooling Service
Section 21	HUB-1	Cheyenne Station HUB Service
Section 22	CS-1	Cheyenne Firm Compression Service
Section 23	S-1	General Unbundled Sales Service
Section 24	PAL-HP	High Plains Parking and Lending Service – Interruptible
Section 25	ESD-T	Totem Enhanced Deliverability Service

**RATE SCHEDULE PAL-HP  
HIGH PLAINS INTERRUPTIBLE PARKING AND LENDING SERVICE**

**1. AVAILABILITY**

1.1 This Rate Schedule is available to any Party (hereinafter referred to as "Shipper") and provides for interruptible Gas Parking and Gas Lending service by Colorado Interstate Gas Company, L.L.C. (hereinafter referred to as "Transporter") at a Park and Loan Point on the High Plains System, subject to available line pack capacity at the High Plains PAL-HP points, when Shipper desires Parking and Lending service and to the provisions of Section 2.1(a)(iii)(B) of Rate Schedules TSB-Y, TSB-T and ESD-T, and when:

- (a) Shipper has made a complete request for High Plains Parking and Lending service in accordance with Section 4 of the General Terms and Conditions.
- (b) Shipper has met the service requirements specified in Section 4 of the General Terms and Conditions, including the creditworthiness conditions specified in Section 4.14 of the General Terms and Conditions.
- (c) Shipper and Transporter have executed a High Plains Interruptible Parking and Lending service agreement ("Agreement") and related Park and Loan Service Request Order ("PAL RO") pursuant to the terms of this Rate Schedule and the Rate Schedule PAL-HP Form of Service Agreement. When executed by Transporter and Shipper, the underlying PAL RO shall evidence their agreement as to the terms of the particular transaction(s) to Park and Loan Gas pursuant to the Agreement.

**2. APPLICABILITY AND CHARACTER OF SERVICE**

2.1 This Rate Schedule PAL-HP shall apply to Parking and Lending of Gas rendered by Transporter to Shipper on an interruptible basis subject to the limitations set forth in the executed Agreement, the underlying PAL RO, this Rate Schedule PAL-HP, and the General Terms and Conditions.

- (a) Parking and Lending service is subject to interruption at any time and such interruptions may be in effect for extended periods of time.
- (b) Parking and Lending service under this Rate Schedule will be performed when in Transporter's reasonable judgment Transporter has capacity available on its existing High Plains System facilities and that it has the operational flexibility to provide such service without detriment or disadvantage to Transporter's firm obligations, system operational needs and interruptible Transportation Service.
- (c) In the event that Parked quantities remain in Transporter's system and/or Loaned quantities have not been paid back to Transporter's system after the expiration of any PAL RO executed by Shipper and Transporter, Transporter and Shipper may mutually agree to an extended time frame and/or modified terms, including the rate, of such PAL RO, to permit Shipper to pay back and/or withdraw such quantities.

2.2 Parking and Lending service hereunder is only available at Park and Loan Point(s) on Transporter's existing High Plains System. Transporter shall post any High Plains Park and Loan Point(s) not available for Park and Loan service on its electronic bulletin board.

(a) In no event shall Transporter be required to provide service under this Rate Schedule that would require Transporter to install, operate acquire or maintain additional facilities.

(b) Parking and Lending service is not available at primary locations under Transporter's Rate Schedule TSB-Y, TSB-T or ESD-T services.

2.3 Parking and Lending Service available under this Rate Schedule includes:

(a) Parking Service - Parking service shall consist of the receipt of Gas by Transporter at the designated Park and Loan Point(s) on the High Plains System on the designated date(s) as set forth in the PAL RO and approved by Transporter, the holding of the Parked quantity for Shipper's account and Transporter's subsequent withdrawal of Parked quantities of Gas to Shipper on the designated date(s) of the Parked quantities at the original Park and Loan Point(s) on the High Plains System as set forth in the PAL RO;

(b) Lending Service - Lending service shall consist of Transporter's advancement of quantities of Gas Nominated by Shipper at the Park and Loan Point(s) on the High Plains System and on the designated date(s) specified in Shipper's PAL RO and approved by Transporter, and the pay back by Shipper of such Loaned quantities at the original Park and Loan Point(s) on the designated date(s) as set forth in the PAL RO.

(c) Parked quantities may be withdrawn, or Loaned quantities may be paid back to the original Park and Loan Point as set forth in the PAL RO.

2.4 Service rendered under this Rate Schedule shall be provided for a minimum of a one (1) Day term.

2.5 Shipper may Nominate Parking and Lending Service on the High Plains System under a PAL RO.

2.6 Upon notification by Transporter, Shipper may be required to submit a timely Nomination pursuant to Section 6.1 of the General Terms and Conditions in the next available nomination cycle to eliminate up to 33 percent of Shipper's outstanding Park or Loan balance or up to 5,000 Dth on any Day, whichever amount is greater, by the end of the next full Gas Day. Shipper shall not be allowed to extend the duration of its PAL RO to accommodate such withdrawal or payback. Such action is necessary to allow Transporter to fulfill higher priority commitments, or as a result of Transporter's operational requirements. Such notices shall be provided by telephone, and then by facsimile, e-mail, in writing or on Transporter's electronic bulletin board. In the event a timely and valid Nomination is submitted in response to notification by Transporter to withdraw Parked quantities and/or pay back Loaned quantities, Shipper shall be deemed to have complied with Transporter's notification for that Gas Day.

Unless otherwise agreed by Shipper and Transporter: (a) any Parked quantity not Nominated for withdrawal pursuant to Section 2.6 of this Rate Schedule or by the end of the term of a PAL RO shall become the property of Transporter at no cost to Transporter free and clear of any adverse claims; (b) any Loaned quantity not paid back pursuant to this Section 2.6 or by the end of the term of a PAL RO shall be sold to Shipper at 150% of Transporter's Cash Out System Index Price.

### 3. PARKING AND LENDING SERVICE CHARGE

3.1 Applicable Rates. The applicable minimum and maximum rates for service under Rate Schedule PAL-HP, or any superseding rate schedule, are set forth on the Statement of Rates. Shipper shall pay Transporter the sum of the following charges as described below:

- (a) An Initial Rate for each Dth of Gas tendered for Park or taken for Loan during the Month;
- (b) A Park/Loan Balance Rate for each Dth of Gas which is Parked or Loaned under this Rate Schedule PAL-HP for that Month (such charge shall be calculated on the basis of the end of the Day balances for each Day of the Month such a balance occurs); and
- (c) A Completion Rate for each Dth of Gas paid back to Transporter on completion of a Loan or withdrawal by Shipper on completion of a Park that Month.

3.1 (continued)

Notwithstanding the individual rates listed in the PAL RO, on any one Day, the sum of the Initial Rate, the Park/Loan Balance Rate and the Completion Rate shall not exceed the maximum Initial Rate as shown on the Statement of Rates. If Transporter is unable to confirm a valid Nomination under this Rate Schedule to pay back Loaned or to withdraw Parked quantities, the applicable service charge(s) shall be reduced to \$0.0000 per Dth for that Day for the quantities Transporter is unable to confirm. If the day on which Transporter is unable to confirm a valid Nomination under this Rate Schedule to pay back Loaned or to withdraw Parked quantities is the final day of the term of the PAL RO, the term shall be automatically extended for one day and the applicable service charge(s) for the additional day shall be \$0.0000 per Dth.

3.2 **Parking and Lending Rates.** Each Month Shipper shall pay an amount determined by the Parking and Lending rates as set forth on the PAL RO. The PAL RO shall be posted on Transporter's electronic bulletin board.

3.3 **Adjustment of Rates.** Subject to the terms of the Agreement, Transporter reserves the right to prescribe and/or to adjust at any time any of the rates applicable to any individual Shipper pursuant to Section 4.16 of the General Terms and Conditions without adjusting any other rates for that or another Shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum rate(s) nor shall they be less than the applicable minimum rate(s), set forth from time to time on the Statement of Rates of this Tariff. If a Shipper's Park or Loan quantity exceeds the daily quantity in the PAL RO on any Day, Shipper will pay as an authorized overrun the maximum Initial Rate as shown on the Statement of Rates for those quantities specified in the PAL RO.

**4. GENERAL TERMS AND CONDITIONS**

The General Terms and Conditions contained in this Tariff, except as modified in the Agreement and/or any PAL RO, are made a part of this Rate Schedule.

**RATE SCHEDULE ESD-T  
TOTEM ENHANCED DELIVERABILITY SERVICE - FIRM**

**1. AVAILABILITY**

1.1 This Rate Schedule is available to any Party meeting the requirements shown below and hereinafter referred to as "Shipper", for the withdrawal of natural gas from the Totem Storage Field and associated transportation of such natural gas to certain Point(s) of Delivery located on Transporter's High Plains System. Transporter's ability to provide service under this Rate Schedule is subject to available deliverability provided by the facilities constructed pursuant to the authority granted in Docket No. CP24-124-000 from Totem Storage and available transportation capacity on Transporter's High Plains System. Service under this Rate Schedule will be provided on a firm basis by Transporter, under the following conditions:

- (a) Shipper makes a complete request for Transportation - Totem Enhanced Deliverability Service in accordance with Section 4 of the General Terms and Conditions of the Tariff;
- (b) Transporter has determined that, other than necessary taps, valves, measurement equipment and other minor facilities necessary to effectuate service at any new or existing Point of Delivery (which Transporter shall provide upon written request and on a not unduly discriminatory basis at reasonable, mutually agreeable locations which will not adversely affect the existing operation of Transporter's system or significantly alter the operation of the pipeline system), Transporter has available uncommitted transmission and Totem Storage capacity to provide the service requested by Shipper as well as its other firm service commitments;
- (c) Shipper has met the service requirements specified in Section 4 of the General Terms and Conditions, including the creditworthiness conditions specified in Section 4.14 of the General Terms and Conditions;
- (d) Shipper has entered into a service agreement under Transporter's Rate Schedule TSB-T or Rate Schedule FS-T that supports the requested service under Rate Schedule ESD-T. Service under this Rate Schedule ESD-T shall be subject to, and limited by, the terms of such service agreements. The term of such service agreement(s) must equal or exceed the term of Shipper's Rate Schedule ESD-T agreement; and
- (e) Shipper and Transporter have executed a Transportation - Totem Enhanced Deliverability Service Agreement ("Agreement") pursuant to the terms of this Rate Schedule.

If Shipper has met all the requirements set forth in this Section 1, then service may commence.

## 2. APPLICABILITY AND CHARACTER OF SERVICE

### 2.1 Primary, Segmented Secondary and Secondary Capacity

#### (a) Primary Capacity

- (i) Service under this Rate Schedule entails the use of Totem Storage and the Transportation of Gas by Transporter from the Point of Withdrawal from Totem Storage to specified Point(s) of Delivery on Transporter's High Plains system. Such specified Point(s) of Delivery shall be posted on Transporter's electronic bulletin board. Subject to the limitations set out in this Tariff, service under this Rate Schedule is firm up to the MDQ specified in the Agreement.
- (ii) As limited by the provisions of Section 2.2 of this Rate Schedule, Transporter will make Deliveries on an "hour-notice" basis (i.e., shipper Nominations may be made up to one hour before gas is dispatched) based on Shipper's MDQ. Shipper's hour-notice Nominations shall be consistent with the requirements of Section 6 of the General Terms and Conditions.
- (iii) In addition to the above, Transporter will make Deliveries to Shipper's Primary Points of Delivery on a one-hour notice basis based on receipts from Shipper's Totem Storage inventory as limited by the following:
  - (A) Deliveries are limited to Shipper's MDQ.
  - (B) Deliveries are limited to the remaining capacity on the High Plains facilities as adjusted for any other previously scheduled quantities using those facilities. At any time during the Gas Day, scheduled service under Rate Schedule PAL-HP will not interfere with service under this Rate Schedule; and
  - (C) Shippers may submit a Nomination pursuant to this section at or prior to the top of any hour to be effective at the top of any subsequent hour.

Such Nominations shall be subject to the following requirements and limitations:

1. Nominations will be processed after Nominations received pursuant to the provisions of Section 6.1 of the General Terms and Conditions for the same effective time.
2. Nominations will be processed on a first-come, first served basis.

(iii) (C) (continued)

3. Nominations are considered to be Intraday Nominations and are only effective for the remainder of the Gas Day.
4. Nominations received at or before the top of any Hour, if scheduled by Transporter, will become effective the later of 1) the top of the next operationally available subsequent Hour, or 2) the top of the Hour requested by the Shipper.

(iv) It shall be Shipper's responsibility using its required TSB-T or FS-T agreements to maintain an amount of Gas in Totem Storage to provide the gas for withdrawal and meet the requirements of this Rate Schedule ESD-T and Rate Schedules TSB-T and/or FS-T and Shipper's transportation agreements. Shipper's withdrawal rights will be subject to the Totem Storage Field Daily Withdrawal Quantity Curve ("Curve") displayed in Part VI: Illustrations, Section 8 and the total field inventory.

(b) Transportation Service utilizing Flow Path Secondary Capacity shall be scheduled, subject to capacity availability, following Primary Capacity but before Secondary Capacity.

(c) Transportation Service utilizing Secondary Capacity shall be scheduled, subject to capacity availability, following all Primary Capacity and Flow Path Secondary Capacity.

2.2 Rates of Flow. Unless otherwise agreed on a nondiscriminatory basis, at each Point of Delivery, each Party shall use reasonable efforts to Tender, or cause to be Tendered, Gas at reasonably uniform Hourly rates of flow.

2.3 Authorized Overrun Service. On any Day, upon request of Shipper, Transporter may provide on an interruptible basis Authorized Overrun service.

(a) Shipper may request Transporter to authorize Overrun Deliveries.

(i) When approved by Transporter, daily Authorized Overrun Delivery requests are for full Day quantities and Shipper shall pay the applicable daily Authorized Overrun charges for that service.

(ii) Shipper must follow the applicable request process for overrun delivery service as specified in Section 6 of the General Terms and Conditions of this Tariff.

- 2.4 The contract service entitlements specified in the Agreement are based on an Average Thermal Content of Gas in Storage of 1,000 Btu per cubic foot and shall consist of a Maximum Delivery Quantity “(MDQ”) and shall be considered firm. Service up to and including these levels is not subject to interruption or curtailment by Transporter except as provided in this Tariff.
- 2.5 All Shippers, or their designated agents, under this Rate Schedule may participate in Joint Monthly Operating Plan meetings discussed more fully in Section 11 of the General Terms and Conditions. Shippers shall be subject to the Joint Monthly Operating Plan and operational flow orders, as provided in Section 11 of the General Terms and Conditions. Shippers shall plan and schedule their Gas flows in accordance with the Joint Monthly Operating Plan to the maximum extent practicable.
- 2.7 This service shall be subject to Section 9 of the General Terms and Conditions pertaining to capacity release.
- 2.8 Release of Rate Schedule ESD-T.
  - (a) Shipper may release its Rate Schedule ESD-T capacity for service under Rate Schedule ESD-T. The Replacement Shipper will retain one hour Nomination rights as defined in Section 2.1 (a) above, at the primary points listed in the Releasing Shipper's ESD-T Agreement.
  - (b) The Replacement Shipper must hold a Rate Schedule TSB-T or Rate Schedule FS-T service agreement with sufficient storage capacity to support the ESD-T withdrawal rights to be released and meet all other requirements of Rate Schedule ESD-T.
  - (c) Shipper may separately release its Rate Schedule ESD-T storage and transportation rights.
- 2.9 From time to time, Transporter may request Shipper, upon mutual consent, to go out-of-daily balance and/or to take hourly gas quantities in a manner different from its hourly entitlement amount (HEA) to assist pipeline operations. Any such action will not result in daily unauthorized overrun charges or hourly unauthorized charges pursuant to this Rate Schedule and Section 11 of the General Terms and Conditions of this Tariff. Furthermore, Shipper may offer in writing to assist Transporter in system loading needs. Transporter will process such offers in a reasonable and orderly fashion as time permits. Transporter may accept or reject such offer in writing using its best operational judgment. If Transporter accepts such offer, Shipper's actions in helping system loading needs will not result in daily unauthorized overrun charges or hourly unauthorized overrun charges pursuant to this Rate Schedule and Section 11 of the General Terms and Conditions of this Tariff. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable charges and/or penalties pursuant to this Tariff.

### 3. TRANSPORTATION SERVICE CHARGES

- 3.1 Reservation Charge. Shipper shall be charged each Month a reservation charge determined by multiplying the reservation rates set forth in the Agreement times Shipper's MDQ.
- 3.2 Commodity Charge. Each Month, Shipper shall pay a commodity charge consisting of:
  - (a) Commodity Withdrawal Charge. The Commodity Withdrawal Charge shall be the product of the Commodity Withdrawal Rate as set forth in the Agreement multiplied by the quantity Delivered to Shipper or for Shipper's account each Day during the Month (exclusive of any overrun quantity) at the Point(s) of Delivery.
- 3.3 Incremental Facility Charge. When the construction of new minor facilities is required in order to provide service to Shipper, Shipper shall pay Transporter for such facilities including any related taxes. The Parties shall agree as to whether Shipper shall (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities through installment payments over a period of time. If the Parties agree that Shipper shall pay Transporter for the facilities via installments, the facility charge shall include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties. If a contribution in aid of construction ("CIAC") is paid by the Shipper in accordance with a construction of facilities agreement and such transaction is determined to be taxable, the CIAC shall be increased by an amount to compensate for the federal and state income tax effects thereof.
- 3.4 Imbalance Management. Shipper shall be subject to the imbalance management provisions set forth in Section 10 of the General Terms and Conditions.
- 3.5 Adjustment of Rates.
  - (a) Subject to the terms of the Agreement, Transporter reserves the right to prescribe and/or to adjust at any time any of the rates applicable to any individual Shipper without adjusting any other rate applicable to that Shipper or applicable to any other shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum recourse rate(s) nor shall they be less than the applicable minimum recourse rate(s), set forth on the Statement of Rates. Such minimum and maximum limitation shall not apply to service provided pursuant to Section 4.17 of the General Terms and Conditions of this Tariff.
  - (b) A discount from the maximum rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term of rate specified in Exhibit "B" of the Agreement, the rate for Totem Enhanced Storage Deliverability Service shall revert to the maximum allowable recourse rate, including applicable surcharges, under this Rate Schedule. This condition shall not apply to service provided pursuant to Section 4.17 of the General Terms and Conditions.

#### 4. OVERRUN TRANSPORTATION

- 4.1 Daily Authorized Delivery Overrun. On any Day, upon request of Shipper and with Transporter's consent, Shipper may take Deliveries of quantities of Gas in excess of Shipper's MDQ limited by Shipper's TADWQ at each Point of Delivery. All such quantities shall be transported as authorized overrun Gas and shall be transported on an interruptible basis. Shipper shall pay an amount obtained by multiplying the quantity of such overrun Gas Delivered by Transporter and accepted by Shipper at each Point(s) of Delivery during the Month by the Daily Authorized Delivery Overrun Rate.
- 4.2 Daily Authorized Withdrawal Overrun. On any Day, upon request of Shipper and subject to the provisions of the Agreement, including but not limited to, the duty of Shipper not to exceed the Totem Reservoir Integrity Inventory Limit, Transporter may accept or Deliver, on an interruptible basis, quantities in excess of Shipper's TADWQ associated with rights under this Rate Schedule. Shipper shall pay an amount obtained by multiplying the quantity withdrawn from Totem Storage on any Day which is in excess of Shipper's TADWQ under this Rate Schedule by the Daily Authorized Withdrawal Overrun Rate. The Daily Authorized Withdrawal Overrun Rate shall be the applicable maximum rate unless otherwise agreed to by Transporter and Shipper and shall not be less than the applicable minimum rate or more than the applicable maximum rate as set forth on the Statement of Rates. The Daily Authorized Withdrawal Overrun as described herein shall not apply to quantities subject to the Daily Authorized Withdrawal Overrun rate in Rate Schedule TSB-T.
- 4.3 Daily Unauthorized Delivery Overrun. On any Day, Deliveries to Shipper or for Shipper's account which exceed Shipper's MDQ at any Point(s) and which have not been authorized by Transporter, are unauthorized and shall be subject to the Daily Unauthorized Overrun Rate (non-critical or critical condition as applicable). Shipper shall pay the total of the amounts obtained by multiplying the quantity of such daily unauthorized withdrawal overrun Gas for each Day during the Month by the Daily Unauthorized Overrun Rate as set forth on the Statement of Rates.

#### GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this Tariff, except as modified in the Agreement, are made a part of this Rate Schedule. In particular, but without limitation, the following provisions are made part of this Rate Schedule: scheduling provisions of Section 6, the operating provisions of Section 11, the contract procedures and crediting provisions of Section 4 and the gas quality provisions of Section 3.

## 1. DEFINITIONS

1.1 "Authorized Overrun Quantity" shall mean the following:

- (a) Segmentation: Shipper may Nominate and Tender and Transporter may confirm and receive quantities in excess of Shipper's MDQ on a Segment. Such quantities shall be considered as Authorized Overrun Quantities and transported on an interruptible basis.
- (b) Non-Segmentation: Shipper's total activity under a transportation Service Agreement, except as provided for under Segmentation of Capacity (see Section 8.1 of the General Terms and Conditions), is limited to Shipper's MDQ. In total, Shipper may Nominate and Tender and Transporter may confirm and receive quantities pursuant to Segmentation and non-Segmentation transactions which exceed Shipper's MDQ. The total of Shipper's non-Segmentation transactions plus Shipper's highest quantity of capacity usage on any Segment within Shipper's Primary Receipt-to-Delivery Flow Path which exceeds Shipper's MDQ shall be considered as Authorized Overrun Quantities and shall be Transported on an interruptible basis.

1.2 "Available Daily Injection Quantity" or ("ADIQ") shall mean the percentage of Maximum Daily Injection Quantity ("MDIQ") available for injection by Shipper on any Day and that Transporter may be required to inject into storage on a firm basis. ADIQ is a function of Shipper's percent of Maximum Available Capacity ("MAC") in storage on that Day.

- (a) ADIQ does not confer rights to Transportation capacity, and on any given Day, Transporter may require that up to 44% of the Gas being Transported to the Point of Injection be purchased downstream (south) of Transporter's Springfield Compressor Station.
- (b) Bottom Hole Pressure Surveys ("BHP Surveys") will be conducted in the spring and fall of every calendar year to support the safety and ongoing operational reliability of Transporter's storage fields. During the BHP Surveys, injections into and withdrawals from the field being tested are expected to be suspended for seven consecutive days. Should the BHP Survey of a field be interrupted (e.g., for operational reliability on the pipeline) the seven-day BHP Survey will be restarted.
- (c) To support the necessary BHP Surveys, during the spring and fall months in which the BHP Surveys are conducted, the ADIQ shall be limited to some lesser quantity to the extent required by storage operating conditions and maintenance. Prior to the scheduled survey period, Transporter shall post on its electronic bulletin board the storage field maintenance schedule and the specific impact related to reductions in Shippers' ADIQ.

1.2 "Available Daily Injection Quantity" (continued)

- (d) The Standard ADIQ is calculated using the Standard Available Daily Injection Quantity Formula in Section 1.2(h). The Standard ADIQ will be in effect unless the High ADIQ is made effective pursuant to Section 1.2(e).
- (e) The High ADIQ is calculated using the High Available Daily Injection Quantity Formula in Section 1.2(h). The High ADIQ will be available when Transporter receives approximately 150 MMcf/d at a pressure of 1000 p.s.i.a. or higher at its Watkins Compressor Station. Such high pressure gas must be available for injection into storage and be in excess of those quantities required to meet Transporter's other storage and Transportation obligations. The following procedures apply to the availability of the High ADIQ:
  - (i) In a request to Transporter to initiate the High ADIQ for a specified Gas Day, a firm storage Shipper must indicate that the required higher pressure gas supplies will be provided to Transporter.
  - (ii) Transporter shall evaluate its system operations to determine if the required support for the High ADIQ is available. Based on this evaluation, Transporter shall notify the initiating Shipper if the request for the High ADIQ is approved or disapproved.
  - (iii) If the High ADIQ is approved, Transporter shall post a Notice to Customers on its electronic bulletin board that the High ADIQ is in effect for the requested Gas Day for all firm Shippers.
- (f) Shippers must have adequate Transportation capacity to deliver Gas to storage for injection using either the Standard or High ADIQ.
- (g) The Standard and High Available Daily Injection Quantity Curves in Part VI – Illustrations and Standard and High Available Daily Injection Quantity Tables shown in this Section 1 are provided for illustrative purposes only.

1.2 "Available Daily Injection Quantity" (continued)

(h) THE HIGH AVAILABLE DAILY INJECTION QUANTITY FORMULA

Following Conditions and Rules Apply to the Injection Entitlement Curves

MDIQ = MAC Multiplied by 0.0098340

%MAC = Current Inventory/MAC

THE STANDARD AVAILABLE DAILY INJECTION QUANTITY  
FORMULA

%MDIQ =  $100 - (0.31 * \%MAC)$

THE HIGH AVAILABLE DAILY INJECTION QUANTITY FORMULA

%MDIQ =  $124.8 - (0.36 * \%MAC)$

---

ADIQ Calculation

ADIQ =  $(\%MDIQ/100 * MDIQ)$

Rounded to the nearest whole dekatherm (an integer)

---

NOTE (1): In the context of this formula, the %MAC and %MDIQ values are taken as whole numbers, and not as decimal only numbers (i.e. if the value is 40% use 40.0 not .40, or if it is 36.1234% use 36.1234 not 0.361234).

- (2): The coefficients are entered with four decimal places. The table is calculated with four decimal places, and then rounded for display purposes.
- (3): All calculations are initially performed utilizing four decimal places. The final ADIQ, however, is rounded to the nearest whole number.

1.2 "Available Daily Injection Quantity"  
 (h) (continued)

CIG STORAGE

STANDARD AVAILABLE DAILY INJECTION QUANTITY TABLE

%MAC	%MDIQ	%MAC	%MDIQ	%MAC	%MDIQ
100	69	66	80	32	90
98	70	64	80	30	91
96	70	62	81	28	91
94	71	60	81	26	92
92	72	58	82	24	93
90	72	56	83	22	93
88	73	54	83	20	94
86	73	52	84	18	94
84	74	50	85	16	95
82	75	48	85	14	96
80	75	46	86	12	96
78	76	44	86	10	97
76	76	42	87	8	98
74	77	40	88	6	98
72	78	38	88	4	99
70	78	36	89	2	99
68	79	34	89	0	100

HIGH AVAILABLE DAILY INJECTION QUANTITY TABLE

%MAC	%MDIQ	%MAC	%MDIQ	%MAC	%MDIQ
100	89	66	101	32	113
98	90	64	102	30	114
96	91	62	103	28	115
94	91	60	103	26	116
92	92	58	104	24	116
90	93	56	105	22	117
88	94	54	106	20	118
86	94	52	106	18	118
84	95	50	107	16	119
82	96	48	108	14	120
80	96	46	108	12	121
78	97	44	109	10	121
76	98	42	110	8	122
74	99	40	111	6	123
72	99	38	111	4	123
70	100	36	112	2	124.1
68	101	34	113	0	124.8

1.2 "Available Daily Injection Quantity"  
(h) (continued)

**NOTE:** %MAC means the percent of the Shipper's MAC currently in CIG storage expressed as a whole number.

1.3 "Available Daily Withdrawal Quantity or ("ADWQ") shall mean the percentage of Maximum Daily Withdrawal Quantity available to Shipper on any Day and that Transporter may be required to withdraw from storage on a firm basis and is a function of Shipper's percent of Maximum Available Capacity ("MAC") in Storage on that Day as calculated using one of two possible formulas which are dependent upon Shipper's previous actual operating conditions.

- (a) The High Available Daily Withdrawal Quantity Formula shall only be available for four (4) consecutive Days in which the Withdrawal Rate is above the Standard Formula. Following such a four-Day period, the Standard Available Daily Withdrawal Quantity Formula shall be in effect.
- (b) Subsequent to the occurrence of the conditions outlined in (a) above, the High Available Daily Withdrawal Quantity Formula may only be reinstated following an uninterrupted period of injections at a quantity equivalent to at least fifty percent (50%) of the quantity withdrawn while utilizing the High formula. Additionally, Shipper must have the Transportation capacity necessary to Deliver the injected volumes and Transporter is not required to accept volumes for reinjection which exceed a rate of 100 MDth per day.
- (c) The High Available Daily Withdrawal Quantity is calculated using the High Available Daily Withdrawal Quantity Formula found in this Section 1.3 and the Standard Available Daily Withdrawal Quantity Formula is also found in Section 1.3. The High and Standard Available Daily Withdrawal Quantity curves are found in Part VI- Illustrations. The High and Standard Daily Withdrawal tables are shown in this Section 1.3.

1.3 "Available Daily Withdrawal Quantity or ("ADWQ") (continued)

THE STANDARD AVAILABLE DAILY WITHDRAWAL QUANTITY FORMULA

Following Conditions and Rules Apply to the Standard Deliverability Entitlement Curve

$$\%MAC = \text{Current Inventory}/\text{MAC}$$

---

If the %MAC is > or = to 59.2%  
then set the %MDWQ = to 100%

---

If the %MAC is < 59.2% and > 0%  
then

$$\%MDWQ = (28.8560872) + (%MAC * 1.1126233) + (%MAC^2 * 0.0141052) - (%MAC^3 * 0.0002116)$$

---

If the %MAC is = to 0%  
then set the %MDWQ = to 0%

---

ADWQ Calculation

$$\text{ADWQ} = (%MDWQ/100) * \text{MDWQ}$$

Rounded to the nearest whole Dekatherm (an integer)

Notes:

- (1) In the context of this formula, the %MAC and %MDWQ values are taken as whole numbers, and not as decimal only numbers (i.e. if the value is 40% use 40.0 not .40, or if it is 36.1234% use 36.1234 not 0.361234).
- (2) The coefficients are entered with four decimal places. The table is calculated with four decimal places, and then rounded for display purposes.
- (3) All calculations are initially performed utilizing four decimal places. The final ADWQ however, is rounded to the nearest whole number.

1.3 "Available Daily Withdrawal Quantity or ("ADWQ") (continued)

STANDARD AVAILABLE DAILY WITHDRAWAL QUANTITY TABLE

Applies to the Standard Deliverability Entitlement Curve

%MAC	%MDWQ	%MAC	%MDWQ	%MAC	%MDWQ
100	100.0	39	81.2	17	50.8
59.2	100.0	38	79.9	16	49.4
59	100.0	37	78.6	15	48.0
58	99.6	36	77.3	14	46.6
57	98.9	35	76.0	13	45.2
56	98.2	34	74.7	12	43.9
55	97.5	33	73.3	11	42.5
54	96.7	32	72.0	10	41.2
53	95.9	31	70.6	9	39.9
52	95.1	30	69.2	8	38.6
51	94.2	29	67.8	7	37.3
50	93.3	28	66.4	6	36.0
49	92.3	27	65.0	5	34.7
48	91.4	26	63.6	4	33.5
47	90.3	25	62.2	3	32.3
46	89.3	24	60.8	2	31.1
45	88.2	23	59.3	1	30.0
44	87.1	22	57.9	0	-
43	86.0	21	56.5		
42	84.8	20	55.1		
41	83.6	19	53.6		
40	82.4	18	52.2		

1.3 "Available Daily Withdrawal Quantity or ("ADWQ") (continued)

THE HIGH AVAILABLE DAILY WITHDRAWAL QUANTITY FORMULA

Following Conditions and Rules apply to the High Deliverability Entitlement Curve

MDWQ = MAC Divided by 33.513  
%MAC = Current Inventory/MAC

---

If the %MAC is > or = to 48.5%  
then set the %MDWQ = to 100%

---

This formula only applies to the sloping portion of the curve.

If the %MAC is < 48.5% and > 0%  
then

$$\%MDWQ = (29.8632305) + (%MAC * 0.9975802) + (%MAC^2 * 0.0289027) - (%MAC^3 * 0.0004053)$$

---

If the %MAC is = to 0%  
then set the %MDWQ = to 0%

---

ADWQ Calculation

$$ADWQ = (%MDWQ/100) * MDWQ$$

Rounded to the nearest whole Dekatherm (an integer)

---

Notes:

- (1) In the context of this formula, the %MAC and %MDWQ values are taken as whole numbers, and not as decimal only numbers (i.e. if the value is 40% use 40.0 not .40, or if it is 36.1234% use 36.1234 not 0.361234).
- (2) The coefficients are entered with four decimal places. The table is calculated with four decimal places, and then rounded for display purposes.
- (3) All calculations are initially performed utilizing four decimal places. The final ADWQ, however, is rounded to the nearest whole number.

1.3 "Available Daily Withdrawal Quantity or ("ADWQ") (continued)

HIGH AVAILABLE DAILY WITHDRAWAL QUANTITY TABLE

%MAC	%ADWQ	%MAC	%ADWQ	%MAC	%ADWQ
100	100.0	33	79.7	16	51.6
48.5	100.0	32	78.1	15	50.0
48	99.5	31	76.5	14	48.4
47	98.5	30	74.9	13	46.8
46	97.5	29	73.2	12	45.3
45	96.3	28	71.6	11	43.8
44	95.2	27	69.9	10	42.3
43	94.0	26	68.2	9	40.9
42	92.7	25	66.5	8	39.5
41	91.4	24	64.9	7	38.1
40	90.1	23	63.2	6	36.8
39	88.7	22	61.5	5	35.5
38	87.3	21	59.8	4	34.3
37	85.8	20	58.1	3	33.1
36	84.3	19	56.5	2	32.0
35	82.8	18	54.8	1	30.9
34	81.3	17	53.2	0	-

1.4 "Available Hourly Withdrawal Quantity" or "AHWQ" shall mean the maximum amount of Gas available to Shipper in any hour that Transporter may be required to withdraw from storage for Shipper's account. AHWQ shall equal 1/24th of Shipper's ADWQ.

1.5 Average Thermal Content of Gas in Storage ("ATC") shall be calculated by dividing the Dekatherms by the Volume, in Mcf, in Transporter's Storage Fields, excluding base Gas, at the point in time. The ATC shall be assumed to be 1,000 Btu per cubic foot for purposes of contract entitlement and rate design.

(a) Transporter shall monitor storage injections and withdrawals and calculate the actual ATC of Gas in CIG Mainline Storage on September 30 of each year. If the actual ATC deviates from the currently effective ATC by more than plus or minus 20 Btu per cubic foot, the actual ATC shall become the new effective ATC and shall be posted on Transporter's electronic bulletin board and on Transporter's interactive web site under Informational Postings, by October 15 of each year, and a corresponding adjustment will be made, as applicable to Shipper's MDIQ, MDWQ and MAC entitlements. Transporter shall also adjust the related Transportation entitlement to Point(s) of Delivery under Rate Schedules NNT-1 and NNT-2 to the extent capacity is available. Transporter may make these annual adjustments for smaller changes in Btu per cubic foot values if in Transporter's judgment such change is required to avoid system disruption.

1.5      (b)     Average Thermal Content of Gas in Storage ("ATC") (continued)  
              Upon notice of a change to the Young Storage ATC of a deviation from the currently effective Young Storage ATC by more than plus or minus 20 Btu per cubic foot, the posted Young Storage ATC shall become the new effective High Plains ATC and shall be posted on Transporter's electronic bulletin board and a corresponding adjustment will be made, as applicable, to Shippers' YMDIQ, YMDWQ and YMAG entitlements. Transporter shall also adjust the related Transportation entitlement to Point(s) of Delivery under Rate Schedule TSB-Y to the extent capacity is available. Transporter may make annual adjustments for smaller changes in Btu per cubic foot values if corresponding changes are made by Young Storage.

              (c)    Average Thermal Content of Gas in Totem Storage ("Totem Storage ATC") shall be calculated by dividing the Dekatherms by the Volume, in Mcf, in Transporter's Totem Storage Fields, excluding base Gas, at the point in time. The Totem Storage ATC shall be assumed to be 1,000 Btu per cubic foot for purposes of contract entitlement and rate design. Transporter shall monitor storage injections and withdrawals and calculate the actual Totem Storage ATC of Gas in storage on October 31 of each year. If the actual Totem Storage ATC deviates from the currently effective Totem Storage ATC by more than plus or minus 20 Btu per cubic foot, the actual Totem Storage ATC shall become the new effective Totem Storage ATC and shall be posted on Transporter's electronic bulletin board and on Transporter's Web Site under Informational Postings, by November 15 of each year, and a corresponding adjustment will be made to Shipper's TMDIQ, TMDWQ and TMAC entitlements. Transporter may make these annual adjustments for smaller changes in Btu per cubic foot values if in Transporter's judgment such change is required to avoid system disruption.

              (d)    Any adjustment to ATC will be posted on Transporter's electronic bulletin board as a percentage increase or decrease in entitlements and each firm storage customer's adjusted entitlements will also be posted. The adjusted entitlements will take effect upon posting. If an adjustment pursuant to this Section 1.5 causes Shipper to be in an overrun situation, Shipper will have 30 Days before being subject to overrun charges. When an adjustment to storage contract entitlement is made pursuant to this Section 1.5, a corresponding adjustment to storage rates will also be made effective the first of the Month, the Month following the date such adjustment is posted on Transporter's electronic bulletin board.

1.6      "Begin Date" shall mean the Day specified by a Shipper on which a Gas transaction is to begin. Most Gas transactions are to be effective for a full Gas Day. However, Shippers may indicate a requested beginning time when submitting Intraday Nominations.

1.7      "Bidding Shipper(s)" is any Shipper who is prequalified pursuant to Section 9 of the General Terms and Conditions to bid for capacity or who is a party to a prearranged release.

1.8 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 standard conditions, defined as a pressure of 14.73 pounds per square inch at a temperature of 60.0° F on a dry basis.

1.9 "Bumping" or "Bump" shall mean:

- (a) The reduction of a previously scheduled and confirmed interruptible transportation quantity to permit Transporter to schedule and confirm a firm Transportation Nomination which has a higher priority and which was submitted as an Intraday Nomination.
- (b) In the event that a discount is granted that affects previously scheduled quantities, "Bumping" or "Bump" shall also mean the reduction of a firm Transportation quantity previously Scheduled and Confirmed to permit Transporter to schedule and confirm a firm Transportation Intraday Nomination which has a higher priority.
- (c) In the event of an intraday recall of released capacity, "Bumping" or "Bump" shall also mean the reduction of the Replacement Shipper's previously Scheduled and confirmed firm transportation quantity.

Bumping that affects transactions on multiple Transportation Service Providers' systems should occur at grid-wide synchronization times only (NAESB Standard 1.3.39). Pursuant to NAESB Standard 1.2.12, absent an agreement to the contrary between Transporter, Shipper and any affected interconnected party, a Bump shall not result in a Scheduled Quantity that is less than the applicable elapsed pro-rated flow quantity.

1.10 "Business Day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the United States, and similar holidays for transactions occurring in Canada and Mexico. (NAESB Standard 3.2.1)

1.11 "Cash Out Index Price" shall mean the price calculated as the average of the daily average index prices for NGPL Midcontinent and CIG as published in the Natural Gas Intelligence ("NGI") Daily Gas Price Index for each day of the production month (i.e., the total of (NGPL average plus CIG average divided by two) for each day of the month divided by the number of days in the Month). Should this publication become unavailable, Transporter shall base the Cash Out Index Price on information posted in a similar publication. The Cash Out Index Price shall be calculated and posted on Transporter's electronic bulletin board no later than 5:00 p.m. CCT on the fifth Business Day of the month following the production month.

1.11A "Cash Out System Index Price" shall mean the average weekly price of a five-week period consisting of the fifth week, which ends on the sixth Business Day of the month following the production month, and the prior four weeks, each ending on the same day of the week as the fifth week. The average weekly price is calculated as the average of the daily average index prices for Cheyenne Hub and NGPL Midcontinent as published on the Natural Gas Intelligence ("NGI") Daily Gas Price Index for that week. For quantities owed Shipper, the Cash Out System Index Price shall be the lowest average weekly price occurring within the five-week period. For quantities owed Transporter, the Cash Out System Index Price shall be the highest average weekly price occurring within the five-week period. Should this publication become unavailable, Transporter shall base the Cash Out System Index Price on information posted in a similar publication. The Cash Out System Index Price shall be calculated and posted on Transporter's electronic bulletin board no later than 5:00 CCT on the sixth Business Day of the month following the production month.

1.12 "Central Clock Time" or "CCT" shall mean Central Standard Time (CST) except for that period when daylight savings is in effect. During this period, CCT shall mean Central Daylight Time (CDT). Unless otherwise stated, all times in this Tariff are Central Clock Time.

1.13 "Central System Receipt Capacity" shall mean Shipper's receipt capacity, pursuant to Section 6.2 of the General Terms and Conditions, at Points located at or east of Transporter's Watkins Compressor Station and at or north of Shipper's Springfield Compressor Station to include facilities in the states of Colorado and Kansas.

1.13A "CIG Mainline Storage" and "CIG Storage" shall mean the storage pool consisting of the storage facilities known as Ft. Morgan, Latigo, Boehm and Flank. CIG Mainline Storage/CIG Storage does not include Young or Totem Storage.

1.14 "Confirmation" shall mean the verification of the Confirmed Quantity by the Confirming Parties. A Confirmation Response is a report provided via EDM which conforms to the requirements of the Data Dictionary standards as set forth in NAESB Standard 1.4.4. The Explicit Confirmation process requires that the Confirming Party respond to a Request for Confirmation or initiate an unsolicited Confirmation Response. Absent mutual agreement to the contrary, Explicit Confirmation is the default methodology. (NAESB Standard 1.3.40)

(a) A "Confirmation Requester" is a Service Provider (including a point operator) which is seeking to confirm a quantity of Gas via the information outlined in NAESB Standard 1.4.3 with another Service Provider (the Confirming Party) with respect to a Nomination at a location. (NAESB Standard 1.2.8)

(b) A "Confirming Party" is a Service Provider (including a point operator) which provides a Confirmation for a quantity of Gas via the information outlined in NAESB Standard 1.4.4 to another Service Provider (the Confirmation Requester) with respect to a Nomination at a location. (NAESB Standard 1.2.9)

1.14 "Confirmation" (continued)

- (c) The term "Confirming Parties" refers to the Confirmation Requester and the Confirming Party. (NAESB Standard 1.2.10)
- (d) "Confirmation by Exception" ("CBE") means that the Confirming Parties agree that one Party deems that all requests at a location are Confirmed by the other Party (the CBE Party) without response communication from that Party. The CBE party can take exception to the request by so informing the other Party within a mutually agreed upon time frame. (NAESB Standard 1.2.11)

1.15 "Confirmed Quantity" shall mean the final result of the Confirmation process and is the quantity of Gas stated in MMBtu or Dth, which has been determined as authorized to flow on a specified Gas Day at a specified Point of Receipt or Delivery on behalf of a Shipper or Shippers. Transporter's Scheduled Quantity reports provided via EDM shall conform to the requirements of the Data Dictionary standards as set forth in NAESB Standard 1.4.5 and shall reflect Confirmed Quantities.

1.16 "Critical Notices" are defined, in conformance with NAESB Definition 5.2.1, as those notices which pertain to information of conditions on Transporter's system that affect scheduling or adversely affect scheduled Gas flow.

1.17 "Daily Nomination" or "Timely Nomination" shall mean a Nomination submitted by a Nominating Party in conformance with the Timely Nomination Schedule set forth in Section 6 of these General Terms and Conditions, one calendar day prior to the Begin Date of a Gas transaction.

1.18 Reserved

1.19 "Day" or "Gas Day" shall mean a period beginning at 9:00 a.m. Central Clock Time and ending at 9:00 a.m. Central Clock Time on the next calendar day.

1.20 "Dekatherm" or "Dth" shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units (MMBtu). One Dekatherm of Gas shall mean the quantity of Gas which contains one Dekatherm of heat energy, and will be reported on a dry MMBtu (or Dth) basis. Dth is the standard quantity unit for Nominations, Confirmations and Scheduled Quantities in the United States. The standard conversion factor between Dth and Canadian Gigajoules (Gj) is 1.055056 Gjs per Dth. As used in this Tariff, related service agreements, statements and invoices, MMBtu and Dth are considered synonymous.

1.21 "Deliver" or "Delivered" shall mean the Tender of a quantity of natural Gas by Transporter to Shipper, or for a Shipper's account, or to a third party for Shipper's account under an agreement.

- 1.22 "Delivery Quantity" shall mean the quantity, expressed in Dth, of Gas Delivered by Transporter at the Point(s) of Delivery for the account of Shipper.
- 1.23 "Downstream Party" shall mean the entity (name or identifying number) receiving Gas at a designated location as identified by a Shipper's Nomination.
- 1.24 "Electronic Delivery Mechanism" or "EDM" shall mean the electronic communication methodology used to transmit and receive data related to Gas transactions. Transporter shall designate an electronic "site" at which Shippers and Transporter may exchange data electronically. All data provided at such site shall be considered as being Delivered to the appropriate Party. Transporter's use and implementation of EDM shall conform to all appropriate NAESB Standards.
- 1.25 "Electronic Transmission" or "Electronic Communication" shall mean the transmission of information via Transporter's electronic bulletin board, Transporter's standardized internet web site , and Electronic Data Interchange (EDI), including information exchanged via EDM. These terms exclude facsimile.
- 1.26 "End Date" shall mean the Day specified by a Shipper on which a Gas transaction is to end. Most transactions are to be effective for a full Gas Day. However, Shipper may indicate a requested end time when submitting Intraday Nominations.
- 1.27 "Essential Human Need" shall mean the natural Gas required to protect life and health. This includes residential uses, small commercial uses using natural Gas in amounts less than 50 Dth per day on a peak Day, hospitals, schools or similar institutions, and small uses vital to the public health.
- 1.28 "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission and any other governmental body or bodies succeeding to, lawfully exercising, or superseding any powers of the Federal Energy Regulatory Commission.
- 1.29 "Flow Path Secondary" or "Flow Path Secondary Capacity" shall mean the scheduling priority or the capacity status assigned to the portion of a Transportation transaction that extends beyond the Shipper's Primary Receipt-to-Delivery Flow Path when at least some portion of the nominated Receipt-to-Delivery Flow Path passes through the Shipper's Primary Receipt-to-Delivery Flow Path in the same direction of the Shipper's Primary Capacity. Flow Path Secondary Capacity is limited by the capacity entitlement of the underlying transportation service agreement on the Primary Receipt-to-Delivery Flow Path Segment being used.
- 1.30 "Fuel Reimbursement" shall mean the compressor Fuel Gas and Lost, Unaccounted For and Other Fuel Gas as described in Section 13 of the General Terms and Conditions.
- 1.31 "Gas" shall mean combustible hydrocarbon Gas.

- 1.32 "Gas in Place" shall mean a quantity of Gas currently held in storage for the account of each Shipper.
- 1.33 "North American Energy Standards Board" or "NAESB" shall mean that accredited organization established to set standards for certain natural Gas industry business practices and procedures.
- 1.34 " NAESB or NAESB WGQ Standard or NAESB Standard" and "NAESB or NAESB WGQ Definition or NAESB Definition" shall mean the standardized business practices, procedures, criteria, and definitions of terms which have been adopted and published by the Wholesale Gas Quadrant of the North American Energy Standards Board and which have been adopted by reference by the FERC in compliance with 18 CFR, Section 284.12, as described in Section 32 of the General Terms and Conditions.
- 1.35 "Gross Heating Value" shall mean the number of Btus produced by the complete combustion, at a constant pressure, of the amount of Gas which would occupy a volume of 1 cubic foot at a temperature of 60 degrees Fahrenheit on a water-free basis and at a pressure of 14.73 p.s.i.a. with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of the Gas and air, and when the water formed by combustion has condensed to the liquid state.
- 1.35A "High Plains" or "High Plains System" shall mean that portion of Transporter's pipeline system certificated for service pursuant to Commission order in Docket No. CP07-207-000. High Plains extends from the Cheyenne Hub in Weld County, Colorado in a southeasterly direction with a western terminus at Transporter's Derby Lake Metering Station, a terminus at the Totem Storage field in Adams County, Colorado, and an eastern terminus at the Young Storage field in Morgan County, Colorado. The pipeline facilities include an interconnection with Public Service Company's ("PSCO") natural gas pipeline system at Tritown near Fort Lupton, as well as an interconnection with the PSCO system at Watkins and Beaver Creek and to the Calpine Blue Spruce and Calpine Rocky Mountain Energy Center (Hudson) power plants.
- 1.35B "High Plains Storage" shall mean the storage facilities acquired by Transporter pursuant to Commission orders in Docket Nos. CP07-207-000 and CP08-30-000 that includes Transporter's acquired capacity in Young Storage field in Morgan County, Colorado, and the Totem Storage Facilities in Adams County, Colorado.
- 1.36 "Hour" shall mean the 60-minute period beginning at the top of each hour of the Gas Day and ending at the top of the next hour (i.e. Hour 1 starts at 8:00 a.m. CCT and ends at 9:00 a.m. CCT).

1.37 "Hourly Entitlement Enhancement Nomination" or "HEEN" shall mean a request submitted for the Timely or Evening Nomination Cycles under Rate Schedule TF-1 or TF-4 by a Shipper for a prospective Transportation transaction from a Point of Receipt to a Qualified Point of Delivery. Further, the flow path for such Nomination must be forward haul through at least two of the Hourly Entitlement Enhancement Nomination Compressor Stations as listed on Transporter's Information Postings Web Site. An Hourly Entitlement Enhancement Nomination may be used to reserve capacity to support non-uniform Hourly Deliveries as specified in Shipper's Transportation Service Agreement ("TSA"). Hourly Entitlement Enhancement Nominations must meet all other criteria for a valid Nomination. However, the sum of all HEENs under an Agreement may not be in excess of the Shipper's MDQ. An Hourly Entitlement Enhancement Nomination may also be Delivered to an NNT Balancing Point. The Scheduled Quantities for an Hourly Entitlement Enhancement Nominations shall be distributed pro rata based on the Shipper's firm capacity entitlements under the TSA at the related Primary Points of Delivery.

1.38 "Injection Period" shall consist of the period commencing on May 1 of any year and continuing through October 31 of such year for CIG Mainline Storage, the period commencing on June 1 of any year and continuing through October 31 of such year for Young Storage and the period commencing on June 1 of any year and continuing through October 31 of such year for Totem Storage.

1.39 "Interconnecting Party" shall mean the Party or such Party's designee that is responsible for operations of a natural Gas system which interconnects with Transporter's pipeline-system and is responsible for verifying Nominations and scheduling Gas flow at such Points of interconnections. An Interconnecting Party is also a Confirming Party. Each Interconnecting Party is required to conform to the schedules set forth in Section 6 of these General Terms and Conditions of this Tariff, unless specifically exempted by Transporter.

1.39A Reserved.

1.40 "Intraday Nomination" shall mean a Nomination submitted by a Nominating Party after the Timely Nomination deadline set forth in Section 6 of these General Terms and Conditions. Intraday Nominations shall be accepted for the following cycles pursuant to the schedule set forth in Section 6 of these General Terms and Conditions:

- (a) Evening Cycle - the day prior to the Gas Day
- (b) Intraday 1 Cycle - during the Gas Day
- (c) Intraday 2 Cycle - during the Gas Day
- (d) Intraday 3 Cycle – during the Gas Day

- 1.41 "Loan", "Loaned", "Lend" or "Lending" shall mean Transporter's advancement of quantities of Gas to Shipper at a Park and Loan Point pursuant to the terms of the applicable Rate Schedule and related agreement. For Rate Schedule PAL-HP, Loan, Loaned, Lend or Lending shall mean Transporter's advancement of quantities of Gas to Shipper at a Park and Loan Point on the High Plains System and pay back of such quantities at the same Park and Loan on the High Plains System pursuant to the terms of Rate Schedule PAL-HP and a Rate Schedule PAL-HP agreement.
- 1.42 "Maximum Available Capacity" or "MAC" shall mean the maximum quantity of Gas (expressed in Dth) that Transporter is required to accept under Rate Schedules FS-1, NNT-1, and NNT-2 for injection into storage during the Injection Period on Shipper's behalf.
- 1.43 "Maximum Daily Injection Quantity" ("MDIQ") shall mean the maximum quantity of Gas (expressed in Dth) per Day that Transporter shall be required to inject into storage on Shipper's behalf and shall be limited to Shipper's MAC times 0.009834.
- 1.44 "Maximum Daily Withdrawal Quantity" or "MDWQ" shall mean the maximum daily quantity of Gas (expressed in Dth) that Transporter shall be required to withdraw from storage on a firm basis on Shipper's behalf. Shipper's MDWQ shall equal 0.029839 times Shipper's MAC or approximately 33.513 of Shipper's MAC.
- 1.45 "Maximum Delivery Quantity" or "MDQ" shall mean the maximum quantity of Gas, expressed in Dth per Day, which Transporter shall be obligated to Deliver under a firm transportation service agreement.
- 1.46 "Maximum Hourly Delivery Quantity" or "MHDQ" shall mean the maximum quantity of Gas, expressed in Dth per hour, which Transporter shall be obligated to Deliver under a transportation service agreement. MHDQ shall equal 1/24th of Shipper's Scheduled Quantity not to exceed 1/24th of Shipper's MDQ.
- 1.47 "Mcf" shall mean 1,000 cubic feet of Gas at a pressure of 14.73 p.s.i.a. and at a temperature of 60 degrees Fahrenheit. Pressure base conversion factors shall be stated with at least six decimals. However, the reporting basis for Gas transactions is thermal. See definition of Dth in this Section.
- 1.48 "Minimal Plant Protection Uses" shall mean the natural Gas required to protect the plant when it is shut down.

1.49 "Month" shall mean the period of time beginning at 9:00 a.m. Central Clock Time on the 1st Day of a calendar month and ending at 9:00 a.m. Central Clock Time, on the 1st Day of the next succeeding calendar month.

1.50 "NNT Balancing Point" shall mean a pseudo location provided by Transporter which permits Rate Schedule NNT-1 and NNT-2 Shippers to Nominate Transportation Deliveries which will be allocated to either the NNT Point(s) of Delivery or to Shipper's storage account as necessary.

1.51 "Nomination" or "Nominate" shall mean a request by a Shipper for a prospective Transportation, storage or Pooling transaction under an executed service agreement and submitted to Transporter.

"Valid Nomination" shall mean a data set which contains the mandatory data elements included in the NAESB Standards related to Nominations, which is consistent with the provisions of the Shipper's service agreement, and which has been Delivered to Transporter, or to Transporter via Electronic Communication or when agreed to by Transporter, by facsimile. Shipper Nominations sent by EDM shall conform to the requirements of the Data Dictionary standards set forth in NAESB Standard 1.4.1.

1.52 "Nominated Hourly Withdrawal Quantity" ("NHWQ") shall mean 1/24th of the Daily Withdrawal Nomination from Shipper's storage inventory under Rate Schedule FS-1. The MHDQ on the associated Rate Schedule TF-1 agreement shall be equivalent to the NHWQ at Qualified Delivery Points.

1.53 "Nominating Party" shall mean a Shipper or Shipper's Agent (for Rate Schedule TI-1 pursuant to Third-Party Operating Notices) authorized to submit Nominations to Transporter pursuant to Shipper's executed service agreements.

1.53A "North Raton Lateral" shall mean that portion of Transporter's pipeline system certificated for service pursuant to Commission order in Docket No. CP09-464-000. The North Raton Lateral extends from the Raton Basin in Las Animas County, Colorado to Transporter's Drennan Road facilities in El Paso County, Colorado.

1.54 "Northern System Receipt Capacity" shall mean Shipper's receipt capacity, pursuant to Section 6 of the General Terms and Conditions, at points located north of Transporter's Watkins Compressor Station to include facilities in the states of Colorado, Wyoming, Montana, and Utah.

1.55 "Operational Balancing Agreement"("OBA") shall mean an agreement entered into between Transporter and a party owning an interconnecting system. The OBA is a contract between Transporter and an Interconnected Operator which specifies the procedures to manage operating variances at an interconnect (NAESB Definition 2.2.1). The form of agreement used by Transporter follows the format of the Model Operational Balancing Agreement developed by NAESB.

- 1.56 "Operator" shall mean, for purposes of this Tariff, a party that controls and is responsible for the operation of a physical natural Gas facility connected to a Point of Delivery on Transporter's transmission which is (1) not serviced by "No Notice" service or an Operational Balancing Agreement and (2) subject to variances from Scheduled Quantities which are primarily the result of market-driven changes in quantities Delivered.
- 1.57 "Overrun Capacity" shall mean capacity other than Primary Capacity, Flow Path Secondary and/or Secondary Capacity when Shipper Nominates for Transportation service in excess of Shipper's contractual entitlements.
- 1.58 "p.s.i.a." shall mean pounds per square inch absolute.
- 1.59 "p.s.i.g." shall mean pounds per square inch gauge.
- 1.60 "Package Identifier" or "Package ID" shall mean a Nomination data element which is provided at the service requestor's option to differentiate between discrete business transactions. (NAESB Standard 1.2.5) When used, Package ID should be: (a) supported for Nominating and scheduling; (b) mutually agreed between the applicable Parties for allocations and imbalance reporting; (c) supported for invoicing (sales and purchases); and (d) mutually agreed for Transport invoicing. (NAESB Standard 1.3.24) Use of the Package ID is at the discretion of the service requestor, and if sent, should be accepted and processed by Transporter. (NAESB Standard 1.3.25)
- 1.61 "Park", "Parked" or "Parking" shall mean acceptance by Transporter of quantities of Gas Tendered by Shipper at a Park and Loan Point for Delivery pursuant to the terms of the applicable Rate Schedule and a related agreement. For Rate Schedule PAL-HP, Park, Parked or Parking shall mean acceptance by Transporter of quantities of Gas Tendered by Shipper at a Park and Loan Point on the High Plains System for Delivery from the same Park and Loan Point on the High Plains System pursuant to the terms of Rate Schedule PAL-HP and a Rate Schedule PAL-HP agreement.
- 1.62 "Park and Loan Point" shall mean a Nomination point determined by Transporter at which quantities may be Parked or Loaned pursuant to a Rate Schedule PAL-1, PAL-HP or APAL-1 agreement. Park and Loan Point(s) shall be designated for use with Rate Schedule PAL-HP. The availability of such points will be posted on Transporter's electronic bulletin board under the Non-Critical Notices section. A single Automatic Park and Loan Point shall be designated for use with Rate Schedule APAL-1.
- 1.63 "Party" or "Parties" shall mean either Shipper and/or Transporter.
- 1.64 Reserved for future use.
- 1.65 "Point of Delivery" shall mean the physical or logical Point(s) (including Pools) where Transporter Tenders Gas to Shipper or Shipper's account.

- 1.66 "Point of Delivery Quantity" shall mean the maximum quantity of Gas, expressed in Dth per Day, which Transporter shall be obligated under a transportation service agreement to Deliver to Shipper, or for Shipper's account at a Point of Delivery.
- 1.67 "Point of Injection" shall mean that point where Transporter accepts and injects Gas into Transporter's CIG Storage Fields for the account of Shipper. "Young Point of Injection" shall mean that point where Transporter accepts and injects Gas into Transporter's Young Storage for the account of Shipper. "Totem Point of Injection" shall mean that point where Transporter accepts and injects Gas into Totem Storage for the account of Shipper.
- 1.68 "Point of Receipt" shall mean the physical or logical Point(s) (including Pools) where Transporter receives Gas for the account of Shipper for Transportation.
- 1.69 "Point of Receipt Quantity" shall mean the maximum quantity of Gas, expressed in Dth per Day, which Shipper is permitted under a transportation service agreement to Tender to Transporter at a Point of Receipt.
- 1.70 "Point of Withdrawal" shall mean that point where Transporter withdraws Gas from Transporter's CIG Storage Fields for the account of Shipper. "Young Point of Withdrawal" shall mean that point where Transporter withdraws Gas from Transporter's Young Storage for the account of Shipper. "Totem Point of Withdrawal" shall mean that point where Transporter withdraws Gas from Transporter's Totem Storage for the account of Shipper.
- 1.71 "Pool" shall mean a physical or logical Point determined by Transporter at which supplies may be aggregated and disaggregated. Pool(s) are not valid Point(s) of Receipt or Delivery for determination of Primary Point(s), capacity scheduling or for capacity release.
- 1.72 "Pooler" shall mean that Party holding an executed Pooling service agreement under this Tariff and on whose behalf Gas is being aggregated at a Pool. For purpose of Nominations, the term "Pooler" is synonymous with "Shipper".
- 1.73 "Pooling" shall mean the aggregation of multiple sources of supply to a single quantity and the disaggregation of such quantity to multiple markets or market contract(s). "Headstation Pooling" shall mean the aggregation of supplies from one or more physical or logical Point(s) of Receipt to a designated Pool and the disaggregation of such aggregated quantities to one or more transportation service agreement(s).

- 1.74 "Pooling Area" shall mean the area implied by the designation of various Segment(s) related to a specific Pool. Transporter's Pooling Area(s) and the Point(s) of Receipt and the related Headstation Pool Points shall be posted on Transporter's electronic bulletin board.
- 1.75 "Primary Capacity" shall mean the transmission system capacity on any portion of the Primary Receipt-to-Delivery Flow Path reserved for a Shipper under a firm transportation service agreement. On any pipeline Segment, Primary Capacity is limited by the Primary Point(s) of Receipt Quantity upstream of such Segment and the Primary Point(s) of Delivery Quantity downstream of such Segment, whichever is less.
- 1.76 "Primary Point(s)" shall mean those Point(s) of Receipt and Delivery specified in the firm transportation agreement as Point(s) and where Shipper is entitled to firm service.
- 1.77 "Products" shall mean liquid and liquefiable hydrocarbons, inerts (including, but not limited to, helium and nitrogen), sulfur, water, and any other component of Gas removed by processing or compression, or by means of drips or separators.
- 1.78 "Qualified Point(s)" shall mean a valid Point of Delivery for hourly Delivery services and must meet the following criteria:
  - (a) A Qualified Point must be included among the Points listed in Section 30.1, 30.2 or 30.4 of the General Terms and Conditions.
  - (b) A Qualified Point may be located within or outside Shipper's Primary Receipt to Delivery Flow Path.
- 1.79 "Quick Response" shall mean the preliminary response record generated by Transporter and made available via EDM to the Nominating Party indicating the successful receipt of a Nomination and the fact that such Nomination is correct and able to be processed or is incorrect and rejected. Transporter's Quick Response shall conform to the requirements of the Data Dictionary standards as set forth in NAESB WGQ Standard 1.4.2.
- 1.80 "Rank" shall mean the relative value provided at the Nominating Party's option as a data element in a Nomination. Such value shall indicate the Nominating Party's requested scheduling priority among Nominations for the same period under the same contract. One (1) shall indicate the highest priority and nine hundred ninety-nine (999) the lowest.
- 1.80A "Rate Default" - For index-based capacity release transactions, Rate Default is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default.

1.80B "Rate Floor" Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Transporter's minimum reservation rate or zero cents when there is no stated minimum reservation rate.

1.81 "Receipt-to-Delivery Flow Path" shall mean the path of Gas through and from a Point of Receipt to and through a Point of Delivery. Additionally, "Primary Receipt-to-Delivery Flow Path" shall mean the path of Gas through and from a Primary Point of Receipt to and through a Primary Point of Delivery. The authorized direction of flow shall be from the Primary Point of Receipt to the Primary Point of Delivery.

1.82 "Receipt Quantities" shall mean all quantities expressed in Dth of Gas received by Transporter at the Point(s) of Receipt for the account of Shipper.

1.83 Reserved

1.84 "Releasing Shipper" is any Shipper who has a transportation service agreement under Rate Schedules TF-1, TF-HP, FS-T, FS-Y, TSB-Y, TSB-T, ESD-T, NNT-1, FS-1 or CS-1 who elects to release all or a portion of its firm capacity, subject to the capacity release program contained in Section 9 of the General Terms and Conditions.

1.85 "Render" shall mean postmarked, or electronically delivered via Electronic Communication.

1.86 "Replacement Capacity Agreement" is an agreement between Transporter and the Replacement Shipper setting forth the rate(s) and the terms and conditions of the service for using capacity rights acquired pursuant to Section 9 of these General Terms and Conditions.

1.87 "Replacement Shipper" is any Shipper who acquires capacity rights from a Releasing Shipper through Transporter's capacity release program as contained in Section 9 of the General Terms and Conditions.

1.88 "Request for Confirmation" shall mean the information provided via EDM which conforms to the Data Dictionary standards as set forth in NAESB Standard 1.4.3. A Request for Confirmation may be sent by any operator to an interconnected operator to initiate the communication of a Confirmation Response (see definition of Confirmation in this Section).

1.89 "Reservoir Integrity Inventory Limit" shall be the maximum amount of Gas in Place that Shipper shall be permitted to have in Transporter's Storage Fields at a particular time. See the Reservoir Integrity Inventory Limit in Section 6.

Transporter may, on a nondiscriminatory basis, permit a Shipper to exceed the Reservoir Integrity Inventory Limit if, in Transporter's reasonable judgment, Transporter's reservoir integrity will not be adversely affected. Transporter shall evaluate its storage reservoir each year to determine if Shippers can maintain a higher level in storage the following year based on actual storage usage the previous year. Transporter shall post a variable Reservoir Integrity Inventory Limit on or before January 21 of each year on its electronic bulletin board and Shippers shall then be subject to this variable Reservoir Integrity Inventory Limit until January 21 of the following year.

1.90 "Reticulated System" shall mean Transporter's facilities located in Colorado, Kansas, Oklahoma and Texas which are connected to Transporter's Cheyenne Compressor Station from the south and east. The Reticulated System does not include the Cheyenne Compressor Station.

1.91 "Scheduled Imbalance Quantity" or "SIQ" shall mean the difference between Scheduled Receipt Quantities less Fuel Reimbursement, and Scheduled Delivery Quantities under a Shipper's transportation agreement after the final Nominations scheduling cycle (Intraday 3 Nomination Cycle) each Day.

1.92 "Scheduled Quantity" shall mean the quantity of Gas Transporter has determined it can Transport, based on a Shipper's Nomination, from a specific Point of Receipt to a specific Point of Delivery on a designated Gas Day subject to Transporter's available transportation system capacity. Such quantities shall be determined pursuant to the provisions of Section 6 of these General Terms and Conditions and are subject to a final Confirmation.

1.93 "Secondary Capacity" shall mean capacity other than Primary Capacity or Flow Path Secondary Capacity under a firm transportation service agreement utilized when Shipper Nominates at Secondary Points which lie outside of Shipper's Primary Receipt-to-Delivery Flow Path.

1.94 "Secondary Point(s)" shall mean those Point(s) of Receipt and Delivery which are not specified in the firm transportation service agreement as Primary Points and where Shipper is entitled to Nominate quantities for receipt or Delivery. Secondary Points which lie in the Primary Receipt-to-Delivery Flow Path are automatically awarded a scheduling status of Flow Path Secondary.

1.95 "Secondary Point of Delivery" shall mean a Point of Delivery, excluding Shipper's Primary Point(s) of Delivery, which is not specified in the firm transportation service agreement as Primary Point(s) of Delivery and where Shipper is entitled to Nominate Delivery quantities.

1.96 "Secondary Point of Receipt" shall mean a Point of Receipt, which is not specified in the firm transportation service agreement as Primary Point(s) of Receipt and where Shipper is entitled to Nominate Receipt Quantities.

1.97 "Segment" shall mean a discrete portion of Transporter's pipeline system between two specific locations. Transporter shall evaluate the operating capacity of the Segment against the capacity requested for Transportation Service(s) by Shippers. In the event the requested capacity exceeds the Segment operating capacity, Transporter will follow the procedures specified in Section 6 of the General Terms and Conditions to reduce Transportation requests to the Segment operating capacity. In the context of Segmentation, a Shipper's use of capacity on a Segment is limited to that Shipper's contractual entitlement across such Segment.

1.98 "Segmentation" shall refer to the ability of a Shipper holding a contract for firm transportation capacity to subdivide such capacity into Segments and to use those Segments for different capacity transactions. A Shipper may effect Segmentation by Nominating a number of discrete Transportation combinations (Points of Receipt to Points of Delivery) with at least some portion of each nominated Receipt-to-Delivery Flow Path being within the Primary Receipt-to-Delivery Flow Path. The Shipper's activity on any Segment shall have an entitlement equal to Primary Capacity on such Segment as defined by the Shipper's firm transportation service agreement.

1.99 "Segmentation Point(s)" shall mean any non-Primary Point of Receipt or Point of Delivery identified on a Segmentation transaction. All Segmentation Points which lie within the Shipper's Primary Receipt-to-Delivery Flow Path are automatically awarded a scheduling status of Flow Path Secondary for Nominated quantities up to such Shipper's Segment entitlement. Segmentation Points of Receipt and/or Delivery which lie outside of the Primary Receipt-to-Delivery Flow Path are considered Secondary for scheduling.

1.100 "Shipper" shall mean that Party on whose behalf Gas is being Transported or stored.

1.100A "Short Notice Delivery" shall mean Delivery of defined Hourly Delivery Quantities scheduled pursuant to a Two or Four Hour Notice as specified in Section 6.4 of the General Terms and Conditions, as limited by the maximum hourly diversion quantity posted on Transporter's electronic bulletin board for the Short Notice Diversion operational area associated with the Short Notice Point of Delivery.

1.100B "Short Notice Point of Delivery" shall mean a Delivery location specified by Transporter with agreement by Operator that meets the criteria for Short Notice Deliveries.

- (a) The Point of Delivery must be listed in Sections 30.2 and 30.4 of the General Terms and Conditions as being located within one of the four Short Notice Delivery operational areas.
- (b) The Point of Delivery may receive hourly Deliveries of Gas as supported by the Short Notice Delivery Request Process specified in Section 6.4 of the General Terms and Conditions.
- (c) The Short Notice Point of Delivery must be included as a Secondary Point of Delivery on Shipper's Rate Schedule NNT-1 agreement.

1.101 "Small Customer" shall mean a customer under Rate Schedule SG-1 of Transporter's Volume No. 1 FERC Gas Tariff on May 18, 1992.

1.102 "Southern System Receipt Capacity" shall mean Shipper's receipt capacity, pursuant to Section 6 of the General Terms and Conditions, south of Transporter's Springfield Compressor Station to include facilities in the states of Colorado, Kansas, Oklahoma, and Texas.

1.103 "Spot Index Price" shall mean the price calculated as the average of the index prices for NGPL Midcontinent and CIG published on the Natural Gas Intelligence ("NGI") Bidweek Survey. Should this publication become unavailable, Transporter shall base the Spot Index Price on index prices posted in a similar publication. The Spot Index Price shall be calculated not later than the 15th Business Day of the Month. Transporter shall post the Spot Index Price on Transporter's electronic bulletin board during the Month the Spot Index Price is effective.

1.104 "Standard Quantity" as used in Nominations, Confirmations and Scheduling shall mean Dekatherms per Gas Day in the United States, gigajoules per Gas Day in Canada and Mexico, and gigacalories per Gas Day in Mexico for transactions that occurred prior to the enactment of Mexico Resolution RES/267/2006 dated September 7, 2006. (For reference 1 dekatherm = 1,000,000 Btu's; 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the 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. (NAESB Standard 1.3.14).

1.105 "Storage Fields" shall mean those Storage Fields utilized by Transporter to provide Storage Service, including service under Rate Schedules NNT-1 and NNT-2.

1.106 "Storage Period" shall mean the specific time periods during the year in which no-notice and firm storage Shippers have enhanced access to CIG Mainline Storage service. Such periods are:

- (a) "Storage Injection Period" shall mean the period May 15 to September 14.
- (b) "Storage Shoulder Period" shall mean the period September 15 to October 31.
- (c) "Storage Withdrawal Period" shall mean the period November 1 to May 14.

"Storage Period" shall mean the specific time periods during the year in which High Plains and Firm Storage Shippers have access to Totem Storage Service. Such periods are:

- (a) "Storage Injection Period" shall mean the period June 1 to October 31.
- (b) "Storage Withdrawal Period" shall mean the period November 1 to May 31.

1.107 "Storage Service" shall consist of the acceptance by Transporter of Gas Tendered by Shipper at the Point of Injection, the injection of such Gas for storage for Shipper's account, the inventorying of such Gas in Transporter's Storage Fields, and the withdrawal of such Gas for Shipper's account at the Point of Withdrawal.

1.108 "Storage Year" for CIG Mainline Storage is the term commencing on May 1 and ending on April 30 of the following year. "Storage Year" for Young Storage is the term commencing on June 1 and ending on May 31 of the following year. "Storage Year" for Totem Storage is the term commencing on June 1 and ending on May 31 of the following year.

1.109 "Tender" or "Tendered" shall mean making natural Gas available in accordance with all of the provisions of this Tariff and Shipper's transportation service agreement.

1.110 "Thermal Content" when applied to any volume of Gas shall mean the aggregate number of Btus contained in such volume. The Thermal Content shall be determined by multiplying the volume of Gas in cubic feet by the Gross Heating Value of the Gas.

1.110A "Totem" or "Totem Storage" shall mean Transporter's storage facilities located in Adams County, Colorado and initially certificated for storage service pursuant to Commission order in Docket No. CP08-30-000 and any related subsequent facilities lawfully constructed.

- 1.111 "Transportation" shall mean storage, exchange, backhaul, displacement, or other methods of transportation. All service performed under Agreement(s) subject to this Tariff shall be performed pursuant to 18 CFR 284.221 authority, unless Shipper elects service to be performed pursuant to 18 CFR 284.101 (Section 311) authority. In that event, Transporter shall only accept, and Shipper shall only make, Nominations for service to be performed pursuant to 18 CFR 284.101 (Section 311) in accordance with the regulations governing the provisions of such service, and after Transporter has received an "on behalf of" letter acceptable to Transporter.
- 1.112 "Transportation Service" shall consist of the acceptance by Transporter of Gas Tendered by Shipper to Transporter at the Point(s) of Receipt, the Transportation of that Gas for Delivery, either directly or by displacement and the Tender for Delivery of Gas to Shipper, or for Shipper's account, at the Point(s) of Delivery.
- 1.113 "Transporter" or "Transportation Service Provider" shall mean Colorado Interstate Gas Company, L.L.C.
- 1.113A "TSB-T Balancing Point" shall mean a pseudo location provided by Transporter which permits Rate Schedule TSB-T Shippers to Nominate Transportation Deliveries which will be allocated to either the TSB-T Point(s) of Delivery or to Shipper's Rate Schedule TSB-T Storage account as applicable.
- 1.113B "TSB-Y Balancing Point" shall mean a pseudo location provided by Transporter which permits Rate Schedule TSB-Y Shippers to Nominate Transportation Deliveries which will be allocated to either the TSB-Y Point(s) of Delivery or to Shipper's Rate Schedule TSB-Y Storage account as applicable.
- 1.114 "Unauthorized Overrun" shall refer to the Transportation of quantities in excess of Shipper's hourly or daily entitlements under a transportation service agreement that have not been authorized by Transporter.
- 1.115 Reserved.
- 1.116 "Upstream Party" shall mean the entity (name or identifying number) Delivering Gas to Transporter at a designated location as identified by a Shipper's Nomination.

- 1.117 "Valley Line" shall mean that portion of Transporter's system, including all lateral lines and Delivery Points, on the pipeline beginning at Transporter's Watkins Compressor Station located in Section 31, Township 3 South, Range 65 West, in Adams County, Colorado, and then proceeding southward through Colorado Springs, Colorado, and Pueblo, Colorado, to the location on Transporter's system known as Campo Junction which is located in Section 11, Township 33 South, Range 45 West, in Baca County, Colorado. The laterals extending west from Watkins Compressor Station and the Delivery Points served from such laterals are included in the Valley Line. Not included in the Valley Line definition are the portions of Transporter's system authorized by the Commission at Docket No. CP01-45-000, et al. and referred to as the Front Range Line which extends from a point in Weld County, Colorado south to a point in El Paso, County, Colorado (Transporter Line Number 212A) and the portion of Transporter's system authorized in Docket No. CP09-464-000 known as the North Raton Lateral.
- 1.118 "Withdrawal Period" refers to the period commencing on October 1 of each year and ending on April 30 of the next year for CIG Mainline Storage; the period commencing on November 1 of each year and ending on May 31 of the next succeeding year for Young Storage; and the period commencing on November 1 of each year and ending on May 31 of the next succeeding year for Totem Storage.
- 1.119 "Withdrawal Quantity" is that quantity of Gas Delivered from storage by Transporter for Shipper's account.
- 1.120 "Wyoming System" shall mean Transporter's facilities in Colorado, Wyoming and Utah which are connected to Transporter's Cheyenne Compressor Station from the west. The Cheyenne Compressor Station is included in the Wyoming System.
- 1.121 "Young" or "Young Storage" shall mean the capacity acquired by Transporter at the storage facilities located in Morgan County, Colorado and operated by Young Gas Storage Company, Ltd.

## 4. REQUESTS FOR SERVICE

### 4.1 Requests for Service.

(a) Capacity Requests. A Shipper or Operator wishing to obtain service must first satisfy the creditworthiness requirements of this Tariff. A request for service (including requests for changes to Points of Receipt and/or Delivery and requests for Segmentation) shall be deemed valid and complete upon the following information being accurately and properly entered into Transporter's interactive website. A Shipper or Operator may either enter the information directly into Transporter's interactive website or furnish the information to Transporter and request that Transporter enter the information into Transporter's interactive website on behalf of the Shipper or Operator, in which case, the entry of such information shall be deemed to be the act of the Shipper or Operator. If the Shipper or Operator requests that Transporter enter the information into Transporter's interactive website on Shipper's or Operator's behalf, then Shipper's or Operator's request for service shall not be deemed valid and complete until such time as the information is actually entered into Transporter's interactive website.

- (i) The full legal name, business address and phone number, and state of incorporation of the Shipper requesting service and all contact information, including the name of the person(s) who should be contacted.
- (ii) A designation of whether Shipper is a local distribution company, intrastate pipeline company, interstate pipeline company, producer, end-user or marketer.
- (iii) The extent of Shipper's affiliation with Transporter.
- (iv) Shipper's Dun and Bradstreet (DUNS) number.
- (v) Type of service: Applicable Rate Schedule.
- (vi) The initial term of the service, including beginning and ending dates.
- (vii) The Maximum Delivery Quantity under the contract.
- (viii) Receipt and delivery points requested.
- (ix) Daily quantity at each receipt point(s) \_\_\_\_ Dth/Day.  
Daily quantity at each delivery point(s) \_\_\_\_ Dth/Day.

The total receipt point capacity must equal the total delivery point capacity.

#### 4.1 Requests for Service. (continued)

- (b) If Section 311, 18 C.F.R. Part 284, Subpart B Transportation Service is requested, the Shipper must provide the following information to Transporter:
  - (i) A declaration explaining how the requested service qualifies as Section 311 service;
  - (ii) The name of the local distribution company or intrastate pipeline company on whose behalf the Gas will be transported; and
  - (iii) Certification from a local distribution company or an intrastate pipeline that the service is being provided on its behalf prior to commencing Transportation Service.
- (c) Transporter shall endeavor to provide service within the time specified in the request limited as follows:
  - (i) New Service Requests. Transporter may grant requests for firm service on a not unduly discriminatory basis within the following time periods and subject to the below listed conditions:
    - (A) For service with a term of one year or longer, the service must be requested to begin no later than three months from the date the request is granted;
    - (B) For service with a term greater than three months but less than one year, the service must be requested to begin no later than one month from the date the request is granted;
    - (C) For service with a term of three months or less, the service must be requested to begin no later than ten business Days from the date the request is granted.
  - (ii) Transporter may grant, on a not unduly discriminatory basis, requests for firm service outside of the above specified time periods if the request involves any of the following conditions:
    - (A) The request is associated with an open season;
    - (B) The request involves capacity that is available due to the termination of an existing contract or the reduction of contracted volume under an existing contract; or
    - (C) The request involves the modification or construction of facilities or the issuance of any necessary certificate authorization.

4.1 Requests for Service.

(c) (continued)

- (iii) Should Transporter conduct an open season, it will post a notice of availability of the uncontracted-for capacity on its electronic bulletin board to afford all potential Shippers an opportunity to acquire the capacity. Any party wishing to purchase the capacity, and who meets Transporter's creditworthiness requirements, may participate in the open season. Transporter will award the capacity on a net present value ("NPV") basis using nondiscriminatory and objective posting and evaluation criteria specified in the notice of open season. For purposes of its NPV evaluation, Transporter will consider the aggregate NPVs of two or more bids for such capacity, provided that if the combined quantity of capacity under those bids exceeds the maximum capacity available for subscription then those bids will only be considered if the bidders have agreed to accept a prorated award of capacity. Transporter's posting shall contain minimum terms and conditions that would be acceptable for consideration and shall specify the weight to be assigned to each factor listed in the posting. When an open season is being conducted, all applicable requests for service will be treated under this open season process.
- (iv) Transporter will conduct an open season (involving either an open solicitation for bid to sell capacity or a solicitation with a pre-arranged bid) if it wishes to sell capacity where the requested start date extends one year or more into the future. The open season will comply with the requirements of Section 4.1(a)(iii) above.
- (v) If Transporter sells firm capacity pursuant to Section 4.1(a)(ii)(B), capacity will be made available to other shippers on an interim basis up to the commencement date of the prospective firm transportation service agreement. Where the requested start date of the prospective capacity extends more than one year into the future and the interim capacity would otherwise be eligible for the right of first refusal ("ROFR") if it is acquired at the maximum applicable tariff rate, Transporter will limit the ROFR rights of such interim capacity. If ROFR rights are limited, the transportation service agreement will note the limitation. Such a notation shall not be deemed non-conforming.

4.2 Capacity Reserved for Future Expansion/Extension Projects. Transporter may elect to reserve for future expansion/extension projects, any unsubscribed capacity or capacity under expiring or terminating Firm Transportation Service Agreements ("FTSAs") where such FTSAs do not have a right of first refusal ("ROFR") or Shipper does not exercise its ROFR.

- (a) Capacity may be reserved up to one year prior to the date of filing for certificate approval for construction of proposed expansion or extension facilities, and thereafter until all expansion/extension facilities related to the certificate filing are placed into service.

#### 4.2 Capacity Reserved for Future Expansion/Extension Projects (continued)

- (b) Transporter shall conduct an open season for the expansion/extension within one year prior to or following the date that Transporter posts such capacity as being reserved. Transporter will not, absent Commission approval, accept advance payments to reserve capacity under this Section 4.2.
- (c) If Transporter elects to reserve capacity, it will notify Shippers of its intent as part of its posting of capacity on its electronic bulletin board. Transporter's posting for reserved capacity for future expansion/extension projects shall include the following information: (i) a description of the project for which the capacity will be reserved; (ii) the total quantity of capacity to be reserved; (iii) the location of the proposed reserved capacity on the pipeline system; (iv) whether, and if so when, Transporter anticipates that an open season for the capacity will be held or the reserved capacity will otherwise be posted for bids; (v) the projected in-service date of the new facilities; and (vi) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a ROFR. If the expansion/extension project still requires the construction of facilities given the amount of reserved capacity, then Transporter shall post a non-binding solicitation for turnback capacity no later than 90 days after the close of the expansion project open season, specifying the minimum term for a response to the solicitation. Transporter shall make reasonable efforts to notify shippers of any material changes in the scope of the project.
- (d) Prior to reserving capacity for future expansion/extension projects, all capacity to be reserved must be posted as unsubscribed capacity or in an open season for at least five business days. Transporter shall post and award available capacity in accordance with the service request procedures of Section 4.1 of these General Terms and Conditions.
- (e) When the capacity to be reserved is offered through an open season, Transporter shall have the right to impose minimum terms and conditions for bids that would be acceptable. In the event that the subsequent expansion project open season imposes minimum terms and conditions that are materially different from the terms and conditions imposed in the previous capacity open season, Transporter shall hold another open season for the reserved capacity that uses the same minimum terms and conditions as were imposed for the expansion project open season. If the expansion project open season is held prior to or during the open season for the reserved capacity, Transporter shall use the same minimum terms and conditions as used for the expansion project open season.
- (f) Any capacity reserved under this Section 4.2 shall be made available for transportation service pursuant to these General Terms and Conditions on a limited-term basis up to the in-service date of the expansion project(s). For such limited-term FTSAs, Transporter reserves the right to limit any term extension rights provided in the FTSA and pursuant to Section 4.6 (ROFR) commensurate with the proposed in-service of the

4.2 Capacity Reserved for Future Expansion/Extension Projects (continued)

(f) (continued)

expansion project. Transporter will indicate in any posting of the reserved capacity any limitations on term extension rights that will apply to such limited-term transportation service.

(g) Any capacity reserved for a project that does not go forward for any reason shall be reposted as generally available capacity within 30 days of the date that the project terminates, with the exception of capacity committed to in contracts entered into on an interim limited-term basis, which shall be posted as available at the expiration of the interim contracts.

4.3 Off-System Capacity.

(a) Transporter may enter into Transportation and/or storage agreements with upstream and downstream entities, including other interstate and intrastate pipelines and storage providers ("off-system capacity"). In the event Transporter acquires off-system capacity, Transporter will use such capacity for operational reasons or to render service for its Shippers on the acquired capacity, pursuant to Transporter's Tariff and subject to Transporter's currently approved rates. In the event the off-system capacity is subject to renewal limitations, as specified in the third-party pipeline's tariff and/or provided by FERC regulations, Transporter will indicate in its posting of firm unsubscribed capacity any limitation to the extension rights that will apply as a result of such limitations on the off-system capacity. For purposes of transactions entered into subject to this section, the "Shipper must hold title" requirement shall not be applicable to the acquired capacity.

(b) Third Party Charges. If Transporter acquires off-system capacity from a third party(s) pursuant to Section 4.3(a) above and provides transportation and/or storage service for the benefit of Shipper(s), Shipper(s) may, on a non-discriminatory basis, be required to pay Transporter, in addition to any applicable rates and charges assessed pursuant to this Tariff, the rates and charges Transporter is obligated to pay such third party(s) for the off-system capacity. Such charges may include, but are not limited to, daily reservation and commodity charges and applicable surcharges, fuel and power charges or retention, compression fees, balancing or storage fees, measurement fees, processing fees and/or facility charges that are assessed by the third party. Such charges shall be set forth as separate items on the monthly invoices rendered to Shipper.

4.3 Off-System Capacity (continued)

(c) Any off-system capacity acquired by Transporter from a third party and contracted for at the request of a Shipper which is not used by that Shipper or a Replacement Shipper shall be offered to other Shippers on a secondary and interruptible basis, pursuant to Transporter's FERC Gas Tariff and subject to Transporter's currently effective rates, including any applicable third party charges, as such tariff and rates may change from time to time. Transporter will indicate in its posting of any off-system capacity available for service whether any third party charges will apply to the use of such off-system capacity.

4.4 Electronic Execution of Agreements. For all agreements (including all Park and Loan agreements, Park and Loan Service Request Orders, SS-1 and SS-HP agreements and HSP agreements, and amendments to existing agreements) entered into on or after the effective date of this Tariff provision (all of which shall be referred to as agreements for purposes of this Section 4.4), Transporter and Shipper may execute such agreements electronically or by signing a traditional paper agreement. If a Shipper elects to sign a traditional paper agreement, then Shipper shall not submit Nomination(s) while the paper agreement is pending execution. For agreements requiring filing with the Commission, Transporter may submit either electronic or traditional paper agreements.

(a) The agreement shall be deemed to be executed by Shipper when the Shipper accepts the agreement electronically via Transporter's electronic bulletin board. The agreement shall be deemed to be executed by Transporter when Transporter accepts the Shipper's agreement using the electronic bulletin board. Upon acceptance by both Shipper and Transporter, the agreement will be deemed fully executed. An agreement that is executed in this manner shall be deemed to have been "signed" and to constitute an "original" when printed from electronic files or records.

(b) Notwithstanding the above, if the Shipper and Transporter electronically execute an agreement and the Shipper later requests a traditional paper agreement, the electronic agreement shall be deemed the original until the paper agreement is executed by both Parties.

(c) If the agreement contains provisions that must be reviewed by the Commission, and the agreement is not accepted by the Commission, then Transporter and Shipper shall collaborate to remedy any deficiencies.

4.5 Amendment. The agreement shall be amended only by an instrument executed by both Parties electronically using the process described in Section 4.4 or through placing signatures on a traditional paper agreement.

4.6 Right of First Refusal.

- (a) Any Shipper with a firm agreement for storage or Transportation Service shall have a continuing right for the capacity underlying the Shipper's agreement provided that:
  - (i) Shipper either (i) has an agreement with an effective date before March 27, 2000 with a term of one year or longer, or (ii) has an agreement with an effective date on or after March 27, 2000 for service for twelve consecutive months or more at the applicable maximum rate for that service, except that a contract for more than one year, for service which is not available for 12 consecutive months, would be subject to the right of first refusal. However, if such Shipper has entered into a firm agreement utilizing off-system capacity contracted for pursuant to Section 4.3 above, it may not elect to extend the term of its agreement beyond the term of Transporter's agreement for such off-system capacity.;
  - (ii) Shipper receives service for 12 consecutive Months for contracts with a term of more than one year, when service is available for 12 consecutive Months or more;
  - (iii) Shipper and Transporter have not negotiated away Shipper's right of first refusal;
  - (iv) Shipper complies with the requirements set forth herein; and
  - (v) Shipper does not have a negotiated rate firm transportation or storage agreement except as provided for in Section 4.9.
  - (vi) Right of First Refusal applicable to Rate Schedules FS-Y and TSB-Y may not extend beyond the termination date of Transporter's acquired Young Storage capacity.
  - (vii) Right of First Refusal applicable to Rate Schedule ESD-T may not extend beyond the termination date of Shipper's TSB-T or FS-T agreements.
- (b) Subject to Section 4.6(a) above, Shipper may exercise its right to retain a portion of its firm service entitlement subject to the right of first refusal, however, the Shipper may not exercise the right of first refusal for a geographic portion of its agreement.

4.7 Shipper Notice of Intent to Renew.

- (a) For all firm transportation and storage agreements eligible for the right of first refusal, Shipper shall provide notice to Transporter in writing or by Electronic Transmission of its intent to (1) allow the firm transportation agreement to expire or (2) extend the term of the firm transportation or storage agreement. A notice to extend the term of the firm transportation or storage agreement shall include the proposed terms of extension.
- (b) Unless otherwise agreed, such notice is due on or before the "Notice Date" which shall be:
  - (i) For firm transportation or storage agreements other than those specified in Section 4.7(b)(ii), including compression agreements which, for purposes of this section, shall be considered firm transportation:
    - (A) three months prior to the expiration date for firm transportation or storage agreements with an initial term of three years or less; however, the Notice Date for agreements under Rate Schedules TF-4, NNT-1, NNT-2, FS-1, TF-1, TF-HP, FS-T, FS-Y, TSB-Y, TSB-T and ESD-T firm transportation or storage agreements with Point of Withdrawal as a Primary Point, except for firm transportation or storage agreements with an expiration date of April 30 for CIG Mainline Storage, May 31 for Young Storage, and May 31 for Totem Storage shall be three months prior to commencing of the last Injection Period prior to expiration; or
    - (B) six months prior to the expiration date for agreements with an initial term greater than three years; however, the Notice Date for agreements under Rate Schedules TF-4, NNT-1, NNT-2, FS-1, TF-1, TF-HP, FS-T, FS-Y, TSB-Y, TSB-T and ESD-T agreements, or storage agreements with Point of Withdrawal as a Primary Point except for firm transportation or storage agreements with an expiration date of April 30 for CIG Mainline Storage, May 31 for Young Storage, and May 31 for Totem Storage shall be six months prior to the commencing in the Injection Period prior to expiration.
  - (ii) For firm transportation or storage agreements where the average daily contract entitlement over the year prior to the Notice Date is greater than 50,000 Dth.
    - (A) One year prior to the expiration date of firm transportation or storage agreements.

4.7 Shipper Notice of Intent to Renew (continued)

- (c) A Shipper failing to provide notice by the Notice Date shall relinquish all rights to the capacity underlying its firm transportation or storage agreement upon termination. A Shipper, however, may still submit a bid for such capacity in accordance with Section 4.7 hereof.
- (d) If the expiring firm transportation or storage agreement contains an "evergreen" provision, the Shipper's right to continued service shall be governed by the terms of the "evergreen" provision.
- (e) If Shipper provides notice of its desire to extend the agreement for a term of five years or more and at the maximum Tariff rates (including applicable surcharges), Shipper shall be entitled to retain the capacity underlying its firm transportation or storage agreement without Transporter seeking competitive bids. In all other cases, Transporter shall solicit bids as described in this Section. Transporter is under no obligation to enter into firm transportation or storage agreements at less than the maximum Tariff rate(s) (including applicable surcharges) for the applicable Rate Schedule for which service is being extended as a result of the solicitation bids.
- (f) **Solicitation of Bids.** If Shipper has given notice of intent to extend the term of its firm transportation or storage agreement pursuant to the provisions of Section 4.7, and not at maximum Tariff rate(s) (including applicable surcharges) for a term of five years or more, then Transporter shall solicit competing bids for the subject capacity. Beginning, not later than thirty Business Days after the Notice Date, and continuing for thirty days (the "Bid Period") thereafter, Transporter shall post on its electronic bulletin board notice of the capacity which will be available as a result of the expiring agreement. Any Party qualified pursuant to Section 9 may submit a bid for all, or a portion of, the subject capacity during the Bid Period.
- (g) **Notification of Existing Shipper and Right to Match.** If Shipper has given notice of intent to extend the term as described in Section 4.7, but not at maximum Tariff rate(s) (including applicable surcharges) for a term of five years or more, then within ten Business Days after the close of the Bid Period, Transporter shall notify the existing Shipper of any offers deemed superior to Shipper's offered terms of extension. Transporter's evaluation shall be based upon the net present value of the proposed reservation charges and reservation surcharge(s) and the proposed term of firm transportation or storage agreement, discounted at Transporter's then-effective rate of return on equity. The term of any competing offer shall not be capped for comparison purposes. Within ten Business Days after such notification by Transporter, Shipper must notify Transporter of its intent to match the highest competing offer for the amount of capacity covered by the competing bid. If Shipper does not provide notice accepting the terms of a superior offer notification within the ten-day period, Transporter may enter into an agreement with the bidder submitting the highest superior offer. If a superior offer is not received, the Shipper shall be entitled to the term extension proposed by Shipper provided Shipper agrees to pay Transporter's maximum Tariff rate.

4.7 Shipper Notice of Intent to Renew (continued)

(h) If No Firm Transportation or Storage Agreement Is Executed. If the existing Shipper declines to match a superior competing offer, and an agreement is not executed for the subject capacity on or before expiration of the existing Shipper's agreement, the existing Shipper shall have the right to continue service at Transporter's maximum applicable Tariff rate (including applicable reservation surcharges) for an agreed term between the Parties. If the existing Shipper declines to continue service as of the date of contract expiration, or if the Parties are unable to reach agreement on the term of extension, then Shipper's rights to the subject capacity shall terminate as if the existing Shipper had given notice of intent to terminate its agreement.

4.8 Carryover of Rights Upon Conversion. If an existing Shipper desires to convert to firm service under a different rate schedule upon contract expiration, and if such conversion can be accomplished without impairing system integrity, the right of first refusal described above shall carry over from the expiring service to the new service, to the extent of the capacity rights embodied in the expiring agreement.

4.9 Right of First Refusal Clause in Firm Transportation or Storage Agreement. Transporter and Shipper may agree to include a right of first refusal, rollover or evergreen clause in their agreement. The contractual right of first refusal, rollover or evergreen clause would allow the Shipper to exercise a right of first refusal in situations where the regulatory right would not apply. In such case, Shipper may rely on its contractual rights in lieu of the regulatory right of first refusal. However, if a Shipper has entered into a firm agreement utilizing off-system capacity contracted for pursuant to Section 4.3 of the General Terms and Conditions, it may not elect to extend the term of its agreement beyond the term of Transporter's agreement for such off-system capacity. A contractual right of first refusal, rollover or evergreen clause in a Rate Schedules FS-Y and TSB-Y agreement is subject to, and limited by, the term of Transporter's acquired Young Storage capacity.

4.10 Capacity that is sold on an interim basis up to the commencement date of a prospective firm transportation agreement, pursuant to Section 4.1(a)(5) of the General Terms and Conditions, shall not be eligible for a right of first refusal.

(a) Capacity that is sold on an interim basis in accordance with Section 4.2 above, Capacity Reserved for Future Expansion Projects, shall not be eligible for a right-of-first-refusal unless Transporter and Shipper agree to a conditional contractual right-of-first-refusal that would take effect upon a determination that the proposed project will not go forward.

4.11 Transporter and Shipper may mutually agree to the early termination of one or more agreements in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. To the extent that Transporter and Shipper have mutually agreed to this arrangement, Shipper need not participate in an open season for the extension nor must the underlying capacity be posted on Transporter's electronic bulletin board as unsubscribed, available capacity prior to the extension.

- 4.12 Prior to the expiration of the term of an agreement, Transporter and Shipper may mutually agree to an extension of the term of the agreement with respect to all or part of the underlying capacity (the exact terms of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner). If an agreement has a regulatory right-of-first-refusal, the agreement to extend must be reached prior to the receipt of an acceptable bid submitted pursuant to Section 9 of these General Terms and Conditions.
- 4.13 When an agreement is subject to a regulatory right of first refusal, or contains a contractual right of first refusal, or a rollover clause, extension rights apply to each increment of capacity that expires in increments (i.e., on a step-down basis) during the term of the agreement.
- 4.14 Creditworthiness.
  - (a) The following creditworthiness provisions apply to Rate Schedules FS-1, FS-Y, FS-T, NNT-1, NNT-2, TF-1, TF-HP, TSB-T, ESD-T, TSB-Y, TI-1, TI-HP, PAL-1, PAL-HP, APAL-1, IS-1, IS-Y, IS-T, HUB-1 and CS-1.
    - (i) Transporter shall not be required to commence service or to continue to perform service under this Rate Schedule for any Shipper who fails to demonstrate creditworthiness as reasonably determined by Transporter. Transporter's determination of creditworthiness shall be based upon a review of Shipper's financial statements, bank references, trade references, and such other information relating to Shipper's financial status, obligation payment history, and other relevant factors as may be necessary to satisfy Transporter that Shipper is creditworthy.
    - (ii) Upon Shipper's request, Transporter shall provide a written explanation of any credit limitation applied to Shipper.
    - (iii) Transporter may require Shipper:
      - (A) to provide an amount equal to Transporter's estimate of 2 Months of charges associated with providing service at the level of Shipper's MDQ and/or TMAC;
      - (B) or to provide an amount equal to Transporter's estimate of 2 Months of charges associated with performing said service;
      - (C) or may require other such measures as Transporter may specify;

4.14 Creditworthiness

(b) (continued)

- (iv) Transporter may require Shipper to deposit and maintain such amounts in a prepaid account, or to establish and maintain an escrow account or to furnish a letter of credit. Transporter may require Shipper to furnish within 15 Days, good and sufficient security, as determined solely by Transporter, of a continuing nature and in an amount equal to Transporter's estimate of 2 Months of charges associated with providing said service.
- (v) Transporter will also permit another entity to guarantee in writing Shipper's obligation, provided that the guarantor has sufficient credit available, as determined by Transporter in accordance with this provision. Transporter may, without waiving any rights or remedies it may have, suspend further service until such acceptable security is received by Transporter.
- (vi) Upon Shipper's establishment of an acceptable credit record or upon expiration of the agreement, Transporter shall refund Shipper's deposit with interest accrued at rates set pursuant to 18 CFR Section 154.501(d).

(b) The following creditworthiness provisions apply to Rate Schedules SS-1 and SS-HP.

- (i) Transporter shall not be required to commence service or to continue to perform service under this Rate Schedule for any Operator who fails to demonstrate creditworthiness as reasonably determined by Transporter. Transporter's determination of creditworthiness shall be based upon a review of Operator's financial statements, bank references, trade references, and such other information relating to Operator's financial status, obligation payment history, and other relevant factors as may be necessary to satisfy Transporter that Operator is creditworthy.
- (ii) Upon Operator's request, Transporter shall provide a written explanation of any credit limitation applied to Operator.

4.14 Creditworthiness  
(b) (continued)

- (iii) Transporter may require Operator:
  - (A) to provide an amount equal to Transporter's estimate of 2 Months of charges associated with performing said service;
  - (B) or may require such measures as Transporter may specify;
- (iv) Transporter may require Operator to deposit and maintain such amounts in a prepaid account, or to establish and maintain an escrow account or to furnish a letter of credit. Transporter may require Operator to furnish within 15 Days, good and sufficient security, as determined solely by Transporter, of a continuing nature and in an amount equal to Transporter's estimate of 2 Months of charges associated with providing service
- (v) Transporter will also permit another entity to guarantee in writing Operator's obligation, provided that the guarantor has sufficient credit available, as determined by Transporter in accordance with this provision. Transporter may, without waiving any rights or remedies it may have, suspend further service until such acceptable security is received by Transporter.
- (vi) Upon Operator's establishment of an acceptable credit record or upon expiration of the agreement, Transporter shall refund Operator's deposit with interest accrued at rates set pursuant to 18 CFR Section 154.501(d).

(c) For Rate Schedule CS-1, Shipper will be subject to the creditworthiness provisions contained in Section 4.14(a) of the General Terms and Conditions of this Tariff. However, notwithstanding the requirements of that section, a Shipper that requests service requiring the construction of facilities shall demonstrate creditworthiness in an amount equal to one year of reservation charges under its agreement. The one year requirement shall remain in effect until the earlier of the termination of the agreement or when Transporter has been reimbursed for the cost of the facilities.

4.15 Correlative Discounts. Transporter shall not offer a Transportation or storage discount to any Party as consideration for the purchase of Gas from any affiliate of Transporter. Further, any offer of a discount for any transmission or storage service made by Transporter will be posted on the electronic bulletin board contemporaneous with the time that the offer is contractually binding. The posting will include: the name of the Shipper involved in the discount and whether it is an affiliate or whether an affiliate is involved in the transaction, the rate offered; the maximum rate; the time period for which the discount would apply; the quantity of Gas scheduled to be moved; the Points of Delivery under the transaction; and any conditions or requirements applicable to the discount. The posting shall remain on Transporter's electronic bulletin board for at least 60 days from the date of posting.

4.16 Discounting. In the event that Transporter agrees to discount its rate to Shipper below Transporter's maximum rate under Transporter's TF, TI, NNT, FS, IS, HUB, TSB, ESD-T, PAL, PAL-HP and APAL Rate Schedules, the following discount terms may be reflected on the applicable service agreements and will apply without the discount constituting a material deviation from Transporter's Form of Service Agreement; provided, however, that any such discounted rates set forth below shall be between the minimum and maximum rates applicable to the service provided under the applicable rate schedule. Such discounted rates may apply:

- (a) only to certain specified service entitlements under the agreement;
- (b) only if specified quantity levels are actually achieved under the agreement (with higher rates, charges, and fees applicable to all quantities above those levels, or to all quantities under the agreement if the specified levels are not achieved). In addition, for purposes of Rate Schedule PAL-HP, a discount may be granted only if Parked or Loaned quantities are withdrawn or paid back on the specified dates mutually agreed to by Transporter and Shipper (with higher rates, up to the maximum recourse rate as shown on the Statement of Rates, charges and fees applicable to quantities withdrawn or paid back on any other date), or if quantities are withdrawn or paid back subject to the provisions of Section 2.6 of Rate Schedule PAL-HP;
- (c) only to production reserves committed by the Shipper;
- (d) only during specified time periods;
- (e) only to specified Point(s) of Receipt, Point(s) of Delivery, mainline area segments, laterals, supply areas, Transportation routes, or defined geographical areas; or
- (f) in a specified relationship to the quantities actually Delivered (i.e., that the rates shall be adjusted in a specified relationship to quantities actually Delivered); and/or
- (g) to a formula including, but not limited to, published index prices for specific receipt and/or delivery points or other agreed-upon published pricing reference points for price determination (such discounted rate may be based upon the differential between published index prices or arrived at by formula). Such discounted rate:
  - (i) shall not change the underlying rate design;
  - (ii) shall not include any minimum bill or minimum take provision that has the effect of guaranteeing revenue;
  - (iii) shall define the rate component to be discounted.
- (h) to increasing (or decreasing) a discounted rate for service under one rate schedule to make up for a decrease (or increase) in the rate for a separate service provided under another rate schedule.

#### 4.16 Discounting (continued)

In addition, the discount language of the agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rates so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff provisions. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

#### 4.17 Nonconforming Negotiated Rates.

- (a) Authority and Conditions: The rate or rates to be charged for service pursuant to any rate schedule contained in this Tariff may deviate in form or level from the maximum-to-minimum ranges set forth on Statement of Rates of this Tariff, provided:
  - (i) Transporter and Shipper have executed a valid service agreement agreeing to such nonconforming negotiated rate(s) or rate formula,
  - (ii) At the time of execution of such service agreement or amendment agreeing to the nonconforming negotiated rate(s) or rate formula, Shipper had access to service pursuant to this Tariff at the rates then set forth on Statement of Rates, and
  - (iii) Prior to commencing service at such nonconforming negotiated rate(s) or rate formula, Transporter has filed a Tariff provision advising the Commission of such agreement, stating the exact legal name of Shipper and specifying the rate or rate formula included in such agreement.
- (b) Impact on Capacity Allocation: To the extent the revenue level pursuant to the nonconforming negotiated rate(s) or rate formula provided for in Section 4.17 above should exceed the maximum rate for such service stated on the Statement of Rates of this Tariff, Shipper, paying such nonconforming rate(s) shall be treated, for capacity-allocation purposes, and for purposes of evaluating bids pursuant to Section 4 of these General Terms and Conditions, as if the rate(s) paid had been equal to the maximum rate for such service stated on the Statement of Rates of this Tariff. Any Shipper, existing or new, paying the maximum Tariff rate(s) has the same right to capacity as a Shipper willing to pay a higher negotiated rate(s). If the negotiated rate(s) is higher than the corresponding maximum recourse rate(s), the negotiated rate(s) cannot be used as the price cap for release capacity pursuant to Section 9 of these General Terms and Conditions.

4.17 Nonconforming Negotiated Rates (continued)

- (c) Accounting for Costs and Revenues: The allocation of costs to, and accounting for revenues from service at nonconforming negotiated rate(s) or rate formula(s) will follow Transporter's normal practices associated with all of Transporter's services. Should Transporter institute any revenue tracker or other device to flow through currently to its Shippers the impact of interruptible or other Transportation transactions, the treatment in such tracker of revenues from nonconforming negotiated rate(s) or rate formula(s) shall be specified in such tracker provision.
- 4.18 Governmental Regulation. Any agreement executed pursuant to the Terms and Conditions of this Tariff is subject to present and future valid orders of duly constituted authorities having jurisdiction over the subject matter thereof. Upon cessation of such jurisdiction or control, all rights and obligations set forth in the agreement shall continue in effect.
- 4.19 Assignment.
  - (a) Assignable Parties. Any agreement executed pursuant to the General Terms and Conditions of this Tariff may be assigned by either of the Parties to:
    - (i) any person, firm, or corporation acquiring all, or substantially all, of the natural Gas business of said Party;
    - (ii) a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities; but it may not be otherwise assigned without the consent of the other Party to that agreement. Whenever any corporation is referred to herein, such reference shall be deemed to include the successors and assignees of such corporation.
  - (b) Assignment. Subject to the provisions of this Section, any such agreement shall be binding upon and inure to the benefit of the successors and assignees of each of the Parties hereto.
- 4.20 Each agreement subject to this Tariff shall continue in effect under the earlier of the date set forth in the agreement or the date on which Transporter receives authority to, or is required to, abandon service pursuant to its "blanket" transportation certificate of public convenience and necessity issued in FERC Docket No. CP86-589.

4.21 Agents. Shipper must provide written notice to Transporter of the name, and any other pertinent information, of another person ("Agent") that has agency authority to act for Shipper pursuant to an agreement under the firm or interruptible rate schedules of this Tariff, in connection with (1) the Joint Monthly Operating Plan as discussed in Section 11 of the General Terms and Conditions of this Tariff, (2) operation of pipelines, facilities, and wells in connection with an agreement, (3) operational flow orders as discussed in Section 11 and Imbalance Management as discussed in Section 10 of the General Terms and Conditions of this Tariff, and/or (4) other matters covered by an agreement. If the Agent has the authority in (2) and (3), above, operating notices shall be served upon the Agent alone. The Shipper remains bound by its obligations under an agreement, and commitments made by the Agent on behalf of the Shipper are binding on the Shipper as if made by the Shipper. The Shipper must provide prompt written notice of the termination of the agency.

Rate Schedule HSP-1. Pooler must provide written notice to Transporter of the name, and any other pertinent information, of another person that has agency authority to act for Pooler pursuant to an agreement under Rate Schedule HSP-1. The Pooler remains bound by its obligations under an agreement, and commitments made by the Agent on behalf of the Pooler are binding on the Pooler as if made by the Pooler. The Pooler must provide prompt written notice of the termination of the agency.

4.22 Governmental Authorization. Each Party's obligations under an agreement incorporating these General Terms and Conditions are conditioned upon each Party obtaining from governmental authorities having jurisdiction such authorization as may be necessary, in form and substance satisfactory to the Party applying therefor. Neither Transporter nor Shipper shall be required to accept any authorization which, in the opinion of the Party applying for same, contravenes, nullifies, or is contrary to any provisions hereof or of such agreement.

4.23 Regulatory Authority. All services shall be performed pursuant to 18 CFR 284.221 authority, unless Shipper elects service to be performed pursuant to 18 CFR 284.101 (Section 311) authority. In that event, Transporter shall only accept, and Shipper shall only make, Nominations for service to be performed pursuant to 18 CFR 284.101 (Section 311) in accordance with the regulations governing the provisions of such service, and after Transporter has received an "on behalf of" letter acceptable to Transporter.

4.24 Governing Law. Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

4.25 Termination Obligations. Termination of an agreement under the firm and interruptible rate schedules of this Tariff shall not relieve Transporter and Shipper of the obligation to correct any quantity imbalances, or relieve Shipper of the obligation to pay money due to Transporter. All warranties and indemnities shall survive the termination of an agreement.

## 6. NOMINATION AND SCHEDULING PROCEDURES

6.1 Nomination Procedures and Deadlines. Nominating parties will submit Nominations to Transporter in accordance with the procedures and conditions set forth in this section. Transporter will support the NAEBS WGQ Standard 1.3.2 nomination cycles, as modified for the extension of the nomination periods for an additional fifteen minutes. However, Transporter reserves the right to waive the deadlines specified herein, provided that no Shipper will be disadvantaged by such waiver.

(a) Nomination Communications.

- (i) Transporter shall accept Nominations twenty-four (24) hours a day via Electronic Communication. Transporter's electronic bulletin board (EBB) will contain after-hours and emergency contacts in the event communication is required beyond normal business hours.
- (ii) Shipper should provide to Transporter the appropriate after-hours and emergency contacts for Shipper.
- (iii) In the event that Shipper's contact data is not current, Transporter shall not be liable to Shipper for any damages or losses that may occur as a result of Transporter's inability to communicate with Shipper.
- (iv) With the exception of otherwise stated NAEBS Nominations deadlines, when a Transporter receives a Nomination document via EDI from a Shipper by the conclusion of a given quarter hour period, the Transporter will send to the Shipper's designated site via EDI, a corresponding Quick Response document by the conclusion of the subsequent quarter hour period.

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

6.1 Nomination Procedures and Deadlines (continued)

(b) Nomination Data Elements.

- (i) All Nominations should be considered original Nominations and should be replaced to be changed. When a Nomination for a date range is received, each Day within that range is considered an original Nomination. When a subsequent Nomination is received for one or more Days within that range, the previous Nomination is superseded by the subsequent Nomination only to the extent of the Days specified. The Days of the previous Nomination outside the range of the subsequent Nomination are unaffected. Nominations have a prospective effect only. (NAESB Standard 1.3.7)
- (ii) Reserved
- (iii) Nominations must specify a Begin and End Date. Such dates must be no earlier than the effective date or no later than the termination date of the service agreement. Each Day, all Nominations for the next Day which have been received by Transporter at or prior to the Nomination Deadline shall be processed pursuant to Section 6.
- (iv) All Nominations, including Intraday Nominations, should be based on a Daily quantity; thus, an Intraday Nominator need not submit an hourly Nomination. Intraday Nominations should include an effective date and time. The Interconnected Parties should agree on the hourly flows of the Intraday Nomination, if not otherwise addressed in Transporter's contract or Tariff. (NAESB Standard 1.3.9)

(c) Reserved

## 6.1 Nomination Procedures and Deadlines (continued)

### (d) The Timely Nomination Cycle

On the day prior to Gas flow:

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

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day. (NAESB Standard 1.3.2(i))

### (e) Intraday Nomination Requirements.

- (i) For services that provide for Intraday Nominations and scheduling, there is no limitation as to the number of Intraday Nominations (line items as per NAESB Standard 1.2.1) which a Shipper may submit at any one standard Nomination cycle or in total across all standard Nomination cycles. (NAESB Standard 1.3.32)
- (ii) Intraday Nominations are to be submitted in full-Day quantities.
- (iii) Firm Intraday Nominations shall be scheduled ahead of previously scheduled interruptible Nominations in the Evening, Intraday 1 and Intraday 2 Nomination Cycles. Application of this provision will result in such interruptible Nominations being Bumped.
- (iv) Flow Day Diversion. Subject to the limitations set forth in the applicable rate schedule, during any intraday nomination cycle for the Gas Day a shipper moving gas pursuant to this Tariff may use the Flow Day Diversion process to divert scheduled quantities to a new Point of Receipt or Point of Delivery as detailed in this Section 6. Such diversion is limited to the elapsed pro rata scheduled quantities, as applicable.
  - (A) Flow Day Diversion Options
    - (1) A Shipper may divert scheduled quantities to a new Point of Receipt upstream of a Segment.
    - (2) A Shipper may divert scheduled quantities to a new Point of Delivery downstream of a Segment.
    - (3) Flow Day Diversion is not available for quantities scheduled at off-system locations nominated pursuant to General Terms and Conditions Section 4.3.

6.1 Nomination Procedures and Deadlines  
(e) (iv) (continued)

(B) Conditions of Flow Day Diversion

- (1) Shipper shall divert scheduled quantities under the same Transportation Service Agreement ("TSA") as quantities scheduled for the Gas Day.
- (2) All nominations on a TSA, including prior-cycle nominations and new Intraday Nominations, shall be evaluated against quantities scheduled at a location(s) and on a Segment(s) available in the most recent intraday cycle.
- (3) At Shipper's option, the Flow Day Diversion nomination may include changes to upstream/downstream transaction information, including Package ID and Rank.
- (4) All nominations are evaluated based on the requirements of General Terms and Conditions Section 6.3.
  - (a) To the extent the sum of the nominations for a TSA do not exceed the previously scheduled capacity for that TSA at a location or on a Segment, such nominations shall be processed as previously scheduled in the intraday cycle.
  - (b) If the sum of the nominated quantities on a TSA in an intraday cycle exceed the previously scheduled capacity at a location or on a Segment, such additional quantities shall be processed as incremental nominations and scheduled pursuant to General Terms and Conditions Section 6.3.
- (v) When a previously confirmed and scheduled quantity is altered, notification of such alteration should be provided to all of the Parties below that are affected: 1) Confirmation Requester in a Confirmation Response (or unsolicited Confirmation Response as applicable) document by the Confirming Party; 2) Confirming Party in a Request for Confirmation document by the Confirmation Requester; 3) Service Requester(s) in a Scheduled Quantity document by the applicable Confirming Party or Confirmation Requester on whose system the Service Requester(s) Nomination(s) were made. (NAESB Standard 1.3.44)

6.1 Nomination Procedures and Deadlines  
(e) (v) (continued)

- (A) Applicable notification(s) of such alterations should be provided to the affected Parties reasonably proximate in time to the time during which the event causing the alteration was acted upon by the confirmation Requester or Confirming Party, respectively. With respect to the implementation of this process via the 1.4.x standards, Confirming Parties should send the applicable document(s) to the applicable Party(ies) no later than the next time they are slated to communicate Confirmations or Scheduled Quantities (as applicable). (NAESB Standard 1.3.44)
- (B) Transportation Service Provider should provide affected Parties with notification of Intraday Bumps, Operational Flow Orders and other Critical Notices through the affected Party's choice of Electronic Notice Delivery Mechanism(s). (NAESB Standard 5.3.34) "Electronic Notice Delivery" is the term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM. (NAESB Standard 5.2.2)
- (vi) Intraday Bump notices should indicate whether daily penalties will apply for the Gas Day for which quantities are reduced. (NAESB Standard 1.3.51)
- (vii) Scheduling of Intraday Nominations shall be based on the elapsed pro rata scheduled quantities. Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the Intraday Nomination being confirmed, based upon a cumulative uniform hourly quantity for each Nomination period affected. (NAESB Definition 1.2.12)
- (viii) Intraday Nominations may be submitted to increase or decrease total Gas flow and may be used to change Point(s) of Receipt and Delivery. (NAESB Standard 1.3.11) Intraday Nominations may be used to Nominate new supply or market. (NAESB Standard 1.3.33)
- (ix) 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 an Intraday Nomination modifies an existing Nomination. (NAESB Standard 1.3.13) Intraday Nominations which are not able to be Confirmed are considered to be void.
- (x) Intraday Nominations shall be considered complete upon Transporter's receipt of a valid Nomination and the corresponding up and downstream confirmations.

6.1 Nomination Procedures and Deadlines  
(e) (continued)

(xi) Transporter will re-determine scheduled quantities, pursuant to the scheduling priorities of this Section 6, at the Evening, Intraday 1, Intraday 2, and Intraday 3 Nomination Cycles when such Scheduled Quantities are affected by a discount requested by Shipper and granted by Transporter. Such re-determination may cause a discounted firm Shipper that received a discount after gas has been scheduled to be Bumped.

(f) The Evening Nomination Cycle  
On the day prior to Gas flow:

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

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

The Intraday 1 Nomination Cycle  
On the current Gas Day:

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

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

The Intraday 2 Nomination Cycle  
On the current Gas Day:

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

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

6.1 Nomination Procedures and Deadlines  
(f) (continued)

The Intraday 3 Nomination Cycle

On the current Gas Day:

7:15 p.m. Nominations leave control of the SR;  
7:30 p.m. Nominations are received by the Transporter (including from TTTSPs);  
7:30 p.m. Transporter sends the Quick Response to the SR;  
9:30 p.m. Transporter receives completed confirmations from Confirming Parties;  
10:00 p.m. Transporter provides scheduled quantities to the affected SR and point operator.

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle. (NAESB Standard 1.3.2(ii-v))

- (g) For purposes of Section 6.1(f) (NAESB Standard No. 1.3.2 (ii), (iii), (iv), and (v)), the word "provides" 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 (NAESB Standard 1.3.2 (vi)).
- (h) Shown in Section 10 of Part VI: Illustrations is a representation of NAESB Standard 1.3.2 in tabular format.
- (i) Nominated Imbalance Quantities. Shipper shall separately Nominate makeup and payback quantities to resolve imbalances.
- (j) Overrun Nominations. Shipper may separately Nominate quantities in excess of its MDQ. However, in the event that such excess quantities are included in other Nominations, the excess portion of such Nomination will be scheduled pursuant to Section 6.
- (k) At the end of each Gas Day, Transporter should provide the final Scheduled Quantities for the just completed Gas Day.
- (l) Transporter shall exercise reasonable efforts to accommodate changes to Shipper's Nomination for injection into, and withdrawal from, Transporter's CIG Mainline, Young and Totem Storage Fields under Rate Schedules FS-1, FS-Y, and FS-T up to 5:00 a.m., Central Clock Time (i.e. 4 hours prior to the end of the Nomination effective period), on the Day for which Nominations are effective when storage receipts and Deliveries are specified in Shipper's transportation service agreement. Transporter shall only accept such changes if they do not affect other already scheduled quantities and subject to confirmation at the Point(s) of Receipt or Point(s) of Delivery, where applicable.

## 6.1 Nomination Procedures and Deadlines (continued)

- (m) Responsibility for Nominated Quantities. When submitting Nominations, the Nominating Party/Shipper is responsible for assuring that sufficient Gas supplies are available at the Nominated Point(s) of Receipt. Pursuant to the procedures specified above, Transporter will verify Nomination information with the Interconnecting Party and will determine the Confirmed Quantity. Transporter is not responsible for assuring that the Confirmed Quantities are actually Tendered to Transporter at the Point(s) of Receipt.
- (n) Accuracy of Nominated Quantities. The Nominating Party/Shipper is responsible for the accuracy of Nomination data. Transporter shall accept all Nomination data as correct as it is provided to Transporter.
- (o) Transporter's Obligation to Deliver. For any Gas Day, Transporter shall not be obligated to Deliver any greater quantity than it has Confirmed and received. Further, Transporter is not obligated to increase or decrease quantities at any Point of Receipt or Delivery which have not been Confirmed.

## 6.2 Confirmation and Scheduling Criteria

- (a) For request to confirm and confirmation response processes, all Parties will seek to confirm by means of communicating at the applicable detail/summary level all transactions with respect to a location. (NAESB Standard 1.3.35)
- (b) In the confirmation process, where a party requesting confirmation (a Confirmation Requester) is not itself a Transportation Service Provider, the location code to be used when sending a Request for Confirmation should be the location code associated with the location where Gas will be scheduled by the Transportation Service Provider; and, where a Confirmation Requester is also a Transportation Service Provider; then, as between these confirming parties (the Confirmation Requester and the Confirming Parties), and absent their mutual agreement to the contrary, the location code to be used when sending a Request for Confirmation should be the location code used by the Transportation Service Provider sending the Request for Confirmation. (NAESB Standard 1.3.36)
- (c) The receiver of the Nomination initiates the Confirmation process. The Confirming Party that would receive a Request for Confirmation or an unsolicited Confirmation Response may waive the obligation of sender to send. (NAESB Standard 1.3.20)

## 6.2 Confirmation and Scheduling Criteria (continued)

- (d) When a Confirmation Requester receives a Confirmation Response document via EDI from a Confirming Party by the conclusion of a given quarter hour period, the Confirmation Requester will send to the Confirming Party's designated site via EDI, a corresponding Confirmation Quick Response document by the conclusion of the subsequent quarter hour period.

The quarter hour periods will be defined to begin on the hour and at 15, 30, and 45 minutes past the hour. A given quarter hour will contain all transactions whose receipt time is less than the beginning of the subsequent quarter hour. (NAESB Standard 1.3.45)

- (e) Reserved
- (f) When Confirming Point(s) of Receipt and Point(s) of Delivery, Transporter shall use the lesser of the Confirmation Quantity and the Scheduled Quantity. Rankings provided in a Shipper's Nominations shall be used to prioritize reductions to requested quantities when such prioritization is not in conflict with other provisions of this Tariff.
- (g) With respect to the timely Confirmation process for Daily Nominations, at a Point of Receipt or Delivery, 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 previous Scheduled Quantity should be the new Confirmed Quantity.
- (h) With respect to the Confirmation process for Intraday Nominations, the following provisions apply:
  - (i) Requests for Increases. 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 previous Scheduled Quantity should be the new Confirmed Quantity.
  - (ii) Requests for Decreases. 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.

## 6.2 Confirmation and Scheduling Criteria (continued)

- (i) With respect to paragraphs (c) and (d) above, if there is no response to a Request for Confirmation or an unsolicited Confirmation Response, Transporter shall provide the appropriate Shippers and Confirming Parties with the following information via the Scheduled Quantity document to explain why the Nomination failed or was reduced, as applicable:
  - (i) Transporter shall inform the Shipper that Transporter did not conduct the Confirmation process.
  - (ii) Transporter shall inform Shipper that the Upstream or Downstream Confirming Party, as appropriate, responsible for the Confirmation did not conduct the Confirmation process.
  - (iii) Transporter shall inform Shipper that the Upstream or Downstream Party, as appropriate, did not have the Gas and/or submit the necessary Nomination.
- (j) Nominations are considered to be scheduled and Confirmed when Confirmed Quantities are made available to the Nominating Party and to Confirming Parties via Electronic Communication, or when agreed to by Transporter, by facsimile.

## 6.2 Confirmation and Scheduling Criteria (continued)

(k) Confirmation Balancing. During each Nomination cycle, Transporter will match the Shipper's Nomination with the related Confirmations from the upstream and downstream Interconnecting Parties. Transporter will treat the lesser of the Nomination and Confirmations at the related Points of Receipt and Points of Delivery as the Shipper's Scheduled Quantity pursuant to Section 6.2. To the extent that Confirmations are received by Transporter in time to complete the Confirmation Balancing process at or prior to the Confirmation deadline, no scheduled imbalance will be created for the Shipper's Nominated transaction. Except as noted below for off-system capacity locations, a Shipper may elect to exempt its Nominations from the confirmation balancing process by notifying Transporter prior to the deadline for the Timely Nomination Cycle for the effective day of the exemption. A Shipper's confirmation balancing election will remain in effect until changed by the Shipper. However, a Shipper's confirmation balancing exemption may be suspended when imbalance activity adversely affects Transporter's ability to provide service to others, adversely affects safe operations of Transporter's system and/or a strained operating condition or critical condition is in effect.

Shippers using off-system capacity pursuant to Section 4.3 of the General Terms and Conditions may not be exempted from the confirmation balancing requirements of this section for those Nominations using off-system capacity.

Upon the determination that exemptions from the confirmation balancing process cannot be supported due to operational reasons, Transporter shall post a notice on its EBB prior to the Evening Nomination Cycle Nomination deadline to be effective the next Gas Day. The notice will indicate the circumstances requiring the suspension, the system impact of the suspension (e.g. the locations or pipeline segments for which the suspension is effective) and an estimated duration of the suspension. Transporter shall post a related notice when the Shippers' elections to be exempted from the confirmation balancing can be reinstated.

6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity

(a) Scheduling of Receipts and Deliveries. Each Day, Transporter shall schedule the quantities Nominated by Shippers in the order described hereinafter. However, all Scheduled Quantities are subject to Confirmation prior to being designated as Confirmed Quantities.

(i) The first quantities scheduled shall be those quantities Nominated by Shippers under Rate Schedules TF-1, TF-HP, and TF-4 for Transportation Service utilizing Primary Capacity. Quantities under Rate Schedule CS-1 will be scheduled equivalently with the related transportation service. If Transporter has insufficient capacity to schedule all quantities Nominated as Primary Capacity, Transporter shall schedule pro rata based on contract entitlement at the point at which the capacity limitation occurs.

(ii) The next quantities scheduled shall be those Nominated by Shippers under Rate Schedules TF-1, TF-HP, TSB-Y, TSB-T, ESD-T, NNT-1 and TF-4 for Transportation Service involving Flow Path Secondary Capacity. Quantities through Flow Path Secondary Capacity will be scheduled based on the rate being paid, with highest rate being scheduled first. For purposes of determining the rate being paid, Transporter shall add the Shipper's effective reservation rates converted to a daily rate at a 100 percent load factor and the commodity rate to calculate the Shipper's Effective Daily Rate (EDR). Shippers paying the same rate shall be scheduled on a pro rata basis based on quantities Nominated through Flow Path Secondary Capacity.

(iii) The next quantities scheduled shall be those quantities Nominated by Shippers under Rate Schedule TF-1, TF-HP, TSB-Y, TSB-T, ESD-T, NNT-1 and TF-4 for Transportation Service utilizing Secondary Capacity. Secondary Capacity quantities will be scheduled based on rate being paid, with quantities at the highest EDR shall be scheduled on a pro rata basis based on quantities Nominated through Secondary Capacity.

(iv) The next quantities scheduled shall be those quantities required by Transporter for system requirements including fuel and shrinkage reimbursement for processing of third party Gas at Transporter's processing plants, and Transporter's retained storage inventory.

(v) The next quantities scheduled shall be those quantities Nominated by Shippers under Rate Schedules TI-1 and TI-HP. Under those services, a Shipper paying a higher commodity rate than another Shipper shall be scheduled first. Further, within this group, Shippers paying the same commodity rate shall be scheduled pro rata based on quantities Nominated.

6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity

(a) (continued)

(vi) The next quantities scheduled shall be those quantities Nominated by Shipper utilizing Overrun Capacity, and involving imbalance quantities, and Rate Schedules PAL-1, PAL-HP, and APAL-1 quantities. Quantities not associated with concurrent receipts or deliveries will only be scheduled when supported by Transporter's ability to deliver extra gas from the pipeline system without a concurrent supply or to receive extra gas into the pipeline system.

(A) Notwithstanding Section 6.3(a)(vi)(B) below, Nominations for withdrawal and payback quantities under Rate Schedules PAL-1, PAL-HP and APAL-1 shall be scheduled first before Nominations for Park and/or Loan quantities under Rate Schedules PAL-1 and PAL-HP.

(B) For quantities Scheduled within this Section 6.3(a)(vi), quantities will be scheduled based on the priority of the transportation agreement under which the quantity is being Nominated. Quantities Nominated under firm transportation agreements shall be scheduled first in accordance with Sections 6.3(a)(i) and (iii), as appropriate. Quantities Nominated under interruptible transportation agreements or Rate Schedule PAL-1, PAL-HP or APAL-1 agreements shall be scheduled next with quantities associated with higher commodity rates scheduled before those associated with lower commodity rates. Interruptible and Rate Schedule PAL-1, PAL-HP or APAL-1 Nominations carrying the same commodity rate shall be scheduled pro rata based on the quantities Nominated.

(C) Authorized Overrun for Points of Delivery on the Valley Line shall be only conditionally scheduled based on the expected capacity and/or Storage Field deliverability available for this service. In the event of capacity limitations, Transporter may interrupt scheduled Authorized Overrun Quantities at Primary Points of Delivery on the Valley Line in advance or during the Gas Day. These quantities shall be interrupted before any quantities are interrupted pursuant to Section 6.3(b), below. Within the category of Valley Line Authorized Overrun Quantities, Transporter shall first interrupt service pursuant to Rate Schedule TF-1 in a pro rata manner based on Nominations. Authorized Overrun Quantities requested under Rate Schedules NNT-1 and NNT-2 from Storage Fields shall be interrupted last, in a pro rata manner based on Nominations.

(vii) The next quantities scheduled shall be those quantities Nominated by Shipper under Rate Schedule HUB-1. However, within this group, quantities shall be scheduled pro rata based on quantities Nominated.

6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity  
(continued)

(b) Where Transportation Service is interrupted due to capacity limitations, service shall be interrupted pursuant to the following order until the level of Transportation Service equals available capacity. Transporter shall provide as much notice as is practicable prior to implementing any interruption of services.

(i) All quantities Nominated under Rate Schedule HUB-1 shall be interrupted first. Further, within this group quantities shall be allocated pro rata based on quantities scheduled.

(ii) The next quantities to be interrupted shall be those quantities Nominated utilizing Overrun Capacity except for Authorized Overrun Quantities Nominated at Points of Delivery on the Valley Line. Nominated imbalance quantities and Nominated PAL-1, PAL-HP and APAL-1 quantities shall be interrupted based on the priority of the transportation agreement under which the quantity is being Nominated. Quantities Nominated under interruptible transportation agreements or Rate Schedule PAL-1, PAL-HP or APAL-1 agreements shall be interrupted first with quantities associated with lower commodity rates interrupted before those associated with higher commodity rates. Interruptible and Rate Schedule PAL-1, PAL-HP or APAL-1 Nominations carrying the same commodity rate shall be allocated pro rata based on the quantities Nominated. Quantities Nominated under firm transportation agreements shall be interrupted next on a pro rata basis based on quantities scheduled.

(iii) The next quantities to be interrupted shall be those quantities Nominated as interruptible service. The allocation of capacity will be based on the commodity rate being paid. A service at a lower rate than another service shall be interrupted first. Further within this group, Shippers that are paying the same commodity rate shall be allocated pro rata based on quantities scheduled.

(iv) The next quantities to be interrupted shall be those quantities required by Transporter for system requirements including fuel and shrinkage reimbursement for processing of third party Gas at Transporter's processing plants, and Transporter retained storage inventory.

6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity  
(b) (continued)

(v) The next quantities to be interrupted shall be those quantities under Rate Schedules TF-4, TSB-Y, TSB-T, ESD-T, NNT-1, NNT-2, TF-HP, TF-1 and CS-1 which are utilizing Primary, Flow Path Secondary and/or Secondary Capacity. All firm Transportation Services will be interrupted pro rata based on contract entitlements at the point at which the capacity limitation occurs. For purposes of this Section 6.2(a)(v), contract entitlement involving non-Primary Capacity shall be the quantity scheduled to flow before the interruption of service.

(c) Special Scheduling Considerations

- (i) The capacity allocated to Shippers who received service under Transporter's former Rate Schedules G-1, P-1, SG-1, and PS-1 shall, in the case of each Shipper, be further allocated to assign to Shipper a Northern System Receipt Capacity, Central System Receipt Capacity, Southern System Receipt Capacity, and storage Deliverability. Shipper's scheduling of quantities between Southern System Receipt Capacity, Central System Receipt Capacity, and Northern System Receipt Capacity shall, in the aggregate, be consistent with Transporter's past Gas purchase practices.
- (ii) Scheduling of Intraday Nominations. For purposes of determining the portion of any Intraday Nomination which is to be scheduled when available capacity is not sufficient to schedule all quantities requested, all Intraday Nominations shall first be cumulated with all prior confirmed daily and Intraday Nominations for that Gas Day and compared to Shipper's MDQ. For the Intraday Nomination being processed, if the cumulated Nomination quantity is in excess of MDQ, that portion of the quantity in excess of MDQ and any subsequently processed Intraday Nominations under that transportation service agreement shall be considered as using Overrun Capacity.
- (iii) Scheduling of Pool Nominations. When required by capacity constraints, Nominations related to Pooling agreement(s) shall be scheduled based on the priorities of the downstream Shipper's transportation service agreement(s). When appropriate, such capacity allocations may supersede the priority ranking provided by the Pooler.

6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity  
(continued)

(d) Special Temporary Interruption Procedure. If Transporter determines that underdeliveries or overdeliveries of Nominated quantities of Gas to Transporter's system or unauthorized overruns of Deliveries from Transporter's system render Transporter unable to meet its total Transportation Service obligations, Transportation Services shall be interrupted as necessary to preserve the operating integrity of the Transporter's transmission system within the area of the system requiring interruption. Such interruption shall continue until Transporter is able to identify the source(s) of such underdeliveries, overdeliveries, or overruns. Transporter shall use reasonable diligence to determine and remedy the cause of the underdeliveries, overdeliveries, or the unauthorized overruns.

Upon identification of the source(s) Transporter shall appropriately adjust quantities attributable to the Party(ies) responsible for such underdeliveries, overdeliveries, or unauthorized overruns and shall reduce or discontinue the interruption of service to other Parties. Transporter shall continue this process until the source(s) and responsible Party(ies) are identified and service is restored to all other Parties.

If Transporter determines to reduce or interrupt service to any Party, Transporter shall provide as much notice as is reasonably possible.

(e) Special Relief.

(i) Gas supply adequacy is solely the responsibility of the Shipper. Gas will not be diverted from one Shipper's account to another Shipper's account to resolve shortage situations in the normal course of business (e.g., through the use of operational flow orders).

(ii) However, Essential Human Needs and Minimum Plant Protection Uses should be protected from physical interruption of supply to forestall injury to life or property. If any Shipper of Transporter experiences or anticipates a supply emergency which could cause such injury, such Shipper shall utilize to the fullest extent possible all of Shipper's existing Gas supply arrangements, including storage inventories and available self-help measures to alleviate such emergency prior to requesting assistance from Transporter and other Shippers pursuant to this section.

(iii) Any such assistance to resolve such emergencies will be based, to the maximum extent possible, on voluntary, market-based arrangements involving a sale of Gas by a willing seller to the Shipper experiencing the emergency shortage, at a rate negotiated by the Parties to the sale. Such

6.3 Transportation Service Scheduling of Receipts and Deliveries and Allocation of Capacity  
(e) (iii) (continued)

transactions could involve the pre-arrangement of portfolios of divertible supply, or short-term arrangements through the use of Transporter's electronic bulletin board, or any other arrangement acceptable to the parties to the sale.

(iv) Transporter's role will be to facilitate these voluntary arrangements by posting notices on its electronic bulletin board (a) from the Shipper experiencing or expecting a supply emergency, in which such Shipper solicits offers to sell it the needed Gas supplies and (b) from suppliers willing to sell Gas to the Shipper that faces the emergency situation. Further, Transporter will facilitate to the maximum extent practicable the physical Delivery of such emergency supplies where needed, so long as this can be accomplished without affecting other Shippers' rights to capacity. Transporter shall not, however, buy or sell Gas supplies downstream of the point of unbundling to facilitate voluntary arrangements for the resolution of an individual customer emergency. Transporter's authority to buy and sell Gas to preserve system integrity shall be used only when it is reasonable to conclude that an emergency threatens service for major areas of the system.

(f) Liability for Interruption. If service under this Tariff is interrupted consistent with this Section, Transporter shall not be liable for damages resulting from the implementation of the procedures described herein, except to the extent that such interruptions of service are shown to be the result of negligence or willful misconduct by Transporter. If a court makes such finding, then Transporter shall only be liable for its proportionate amount of negligence.

6.4 Storage Service - Scheduling of Receipts and Deliveries, and Allocation of Capacity. CIG Mainline Storage, Young Storage, and Totem Storage will be treated separately for purposes of this section.

- (a) Storage Withdrawal Delivery Point. If a Shipper Nominates quantities from storage and such quantities have been injected utilizing third party transportation service, Transporter shall have the right to bill for quantities Tendered at the Point of Delivery.
- (b) Scheduling of Storage Service. The following provisions relate exclusively to the scheduling and allocation of capacity where available storage capacity is insufficient to provide service to all customers desiring service at the level of service requested. Where Storage Service is interrupted or restricted due to capacity limitations, such interruption shall be consistent with the following provisions.

6.4 Storage Service - Scheduling of Receipts and Deliveries, and Allocation of Capacity.  
(continued)

(c) Scheduling of Injections and Withdrawals. On any Day when Nominations exceed capacity, Transporter shall schedule the quantities Nominated by Shippers for injection into or withdrawal from storage in the order described hereinafter:

- (i) The first quantities scheduled shall be those quantities required to meet Transporter's system management.
- (ii) The next quantities scheduled shall be those quantities required to meet Transporter's firm storage Shippers' Nominated quantities. If capacity is not available to serve all such firm Nominations, the available capacity shall be allocated pro rata based upon Shipper's MDIQ/YMDIQ/TMDIQ or ADWQ/YADWQ/TADWQ, as appropriate.
- (iii) The next quantities scheduled shall be those quantities required to meet Transporter's interruptible storage Shippers' Nominated quantities.

(A) Injections shall be scheduled as follows: Quantities to which higher rates are applicable shall be scheduled before quantities to which lower rates are applicable. Nominations of quantities to which a higher rate is applicable shall be fully satisfied before any Nominated quantities to which a lower rate is applicable are scheduled. Where the rate is the same and capacity is not available, service shall be pro rata based on quantities Nominated.

(B) Withdrawals shall be scheduled on a pro rata <sup>1/</sup> basis, provided however, that no Shipper shall receive capacity in excess of that Shipper's Nomination. If any Shipper's pro rata share exceeds the quantity Nominated on any Day by that Shipper, the difference between the pro rata share and the Nominated quantity shall be shared pro rata <sup>1/</sup> among Shippers Nominating quantities in excess of their pro rata shares. A Shipper who does not Nominate quantities equal to its pro rata share on any Day may Nominate quantities equal to its pro rata share on any subsequent Day of the Month, and Transporter shall schedule such quantities.

<sup>1/</sup> For purposes of scheduling of withdrawals from storage only, a Shipper's pro rata share shall equal that Shipper's total quantity of Gas in Place (G.P.) divided by the total G.P. under Rate Schedule IS-1, Rate Schedule IS-T or Rate Schedule IS-Y as of the most current Day allocated.

(iv) The next quantities scheduled for injection or withdrawal shall be authorized firm storage overrun quantities.

6.4 Storage Service - Scheduling of Receipts and Deliveries, and Allocation of Capacity.  
(continued)

(d) Allocation of Injection and Withdrawal Capacity. If the capacity expected to be available for either injection or withdrawal from storage on any Day is less than the scheduled quantities for any reason, then Transporter shall inject into and withdraw Gas from storage consistent with the following priorities:

- (i) The first quantities to be injected or withdrawn shall be those quantities required to meet Transporter's system management.
- (ii) The next quantities to be injected or withdrawn shall be those firm storage service quantities. Within this group, injection and withdrawal capacity shall be shared pro rata on the basis of Shipper's MDIQ/YMDIQ/TMDIQ or ADWQ/YADWQ/TADWQ, as appropriate.
- (iii) The next quantities to be injected or withdrawn shall be Interruptible Storage Service quantities.
  - (A) Injection shall be performed as follows: Quantities to which higher rates are applicable shall be scheduled before quantities to which lower rates are applicable. Nominations of quantities to which a higher rate is applicable shall be fully satisfied before any Nominated quantities to which a lower rate is applicable are scheduled. Where the rate is the same and capacity is not available, service shall be pro rata based on quantities Nominated.
  - (B) Withdrawals shall be scheduled on a pro rata <sup>2/</sup> basis, provided however, that no Shipper shall receive capacity in excess of that Shipper's Nomination. If any Shipper's pro rata share exceeds the quantities Nominated on any Day by that Shipper, the difference between the pro rata share and the Nominated quantity shall be shared pro rata <sup>2/</sup> among Shippers Nominating quantities in excess of their pro rata shares. A Shipper who does not Nominate quantities equal to its pro rata share on any Day may Nominate quantities equal to its pro rata share on any subsequent Day of the Month, and Transporter shall schedule such quantities.

<sup>2/</sup> For purposes of scheduling of withdrawals from storage only, a Shipper's pro rata share shall equal that Shipper's total quantity of Gas in Place (G.P.) divided by the total G.P. under Rate Schedules IS-1, IS-T or IS-Y as of the most current Day allocated.

- (iv) The last quantities to be injected or withdrawn shall be authorized firm storage overrun quantities.

6.4 Storage Service - Scheduling of Receipts and Deliveries, and Allocation of Capacity.  
(continued)

(e) Liability for Interruption. If service under this Tariff is interrupted consistent with this Section 6, Transporter shall not be liable for damages resulting from the implementation of the procedures described herein, except to the extent that such interruptions of service are shown to be the result of negligence or willful misconduct by Transporter. If a court makes such a finding, then Transporter shall only be liable for its proportionate amount of negligence.

6.5 Requests for Intraday Variable Deliveries

(a) Variable Delivery Request Communication

(i) Transporter shall accept Variable Delivery Requests twenty-four (24) hours a Day via Transporter's electronic bulletin board (EBB). Transporter's interactive website will also contain after hours and emergency contacts in the event normal EBB communication is unavailable.

(ii) Except as provided for in Rate Schedules TSB-Y, TSB-T and ESD-T, variable delivery requests received by Transporter at or prior to the top of each hour shall be considered valid for the two- and four-hour requirements for notification for the Delivery hours two and four hours following the notice. Requests received after the top of the hour will be effective with the next notice period.

(iii) Shippers should provide to Transporter the appropriate after hours and emergency contacts for Intraday services in the event of normal EBB communication is unavailable.

(iv) In the event that Shipper's contact data is not current, Transporter shall not be liable to Shipper for any damages or losses that may occur as a result of Transporter's inability to communicate with Shipper.

(b) Intraday Variable Delivery Support Information

(i) Based on Shipper's flowing and Hourly Entitlement Enhancement Nominations at a Point of Delivery, the following information will be available via Transporter's EBB:

(A) Total Nominations (i.e. the physical Daily Delivery quantity)  
(B) Total Hourly Entitlement Enhancement Nomination  
(C) Maximum Hourly Delivery Quantity

6.5 Requests for Intraday Variable Deliveries  
(b) (continued)

(ii) Based on the Storage Period, a No-Notice and/or Firm Storage Shipper will have access to the following information via Transporter's EBB:

- (A) Maximum Daily Injection and Withdrawal Quantities
- (B) Available Injection and Withdrawal Quantities
- (C) Intraday Hourly Delivery Enhancements on a No-Notice, two-hour notice and four-hour notice basis availability
  - 1. Peak Hour Deliverability
  - 2. Three Hour Peak
  - 3. Remaining Average Hourly Deliverability (based on the next full Hour after the notice period)

(c) Intraday Request for Enhanced Hourly Deliveries via Transporter's EBB

(i) Hourly Entitlement Flexibility

- (A) Deliveries up to the combination of Hourly Enhanced and flowing Nominations are automatically available during any Hour.
- (B) At each location, Shippers are limited to the Nominated flowing Gas quantity for the full Day.
- (C) At the Shipper's option, an hourly profile may be submitted electronically which may improve service performance and will provide a reliability check that the proposed hourly Deliveries can be supported by the existing flowing and Hourly Enhanced Nominations.
- (D) At locations supported by a swing contract and at the swing contract holder's option, an hourly profile may be submitted electronically that includes all the flowing and entitlement enhancement Nominations which may improve service performance and will provide a reliability check that the proposed hourly Deliveries can be supported at the location level.

(ii) Firm Storage and No-Notice Transportation Requests for Enhanced Hourly Deliveries via Transporter's EBB.

- (A) For each notice level, an Enhanced Delivery Request may be submitted for the full hourly peak, three-hour peak and remaining average hourly Delivery quantities.
- (B) At the Shipper's option, an hourly profile may be submitted electronically which may improve service performance and will provide a reliable check that the proposed hourly Deliveries can be supported by hourly storage available.

6.5 Requests for Intraday Variable Deliveries (continued)

(d) NNT requests for Overrun Delivery Service via Transporter's EBB.

- (i) NNT Shippers may request Overrun Delivery Service at any time through the first 20 Hours of the Day.
- (ii) If the NNT Authorized Overrun request(s) are approved by Transporter's Gas Control, such Authorized Overrun quantity will provide a 1-for-1 increase in the NNT Shipper's Hourly entitlements beginning at the fourth full hour following the NNT Authorized Overrun request. Such hourly increases shall be based on 1/24th of the Authorized Overrun Quantity.
- (iii) At the Shipper's option, an hourly profile may be submitted electronically which may improve service performance and will provide a reliable check that the proposed hourly Deliveries can be supported by the existing flowing and Hourly Enhanced Nominations and the NNT Authorized Overrun request.

(e) Rate Schedule NNT-1 Short Notice Delivery Request Process

- (i) Short Notice Diversions are limited to the lesser of the hourly quantities described in Paragraphs (ii) and (iii) below or the maximum hourly diversion quantity posted on Transporter's EBB for the Short Notice Diversion operational area associated with the Short Notice Point of Delivery selected by Shipper.
- (ii) Two Hour Notification
  - (A) Shipper may provide a request to Transporter via Transporter's EBB for Hourly Diversions of the quantities specified in Section 2.3(b)(i) of Rate Schedule NNT-1.
  - (B) Short Notice Diversions are limited to Shipper's designated Short Notice Points of Delivery.
  - (C) In any hour, Short Notice Diversions may not exceed 1/24 of the quantity scheduled at Shipper's NNT Balancing Point pursuant to Section 2.1(d) of Rate Schedule NNT-1.
  - (D) Short Notice Diversions shall result in an equal and opposite adjustment to the NNT Balancing Point Scheduled Quantity available for allocation to Shipper's Primary Points of Delivery and/or for Storage Service injection.

6.5 Requests for Intraday Variable Deliveries  
(e) (continued)

(iii) Four Hour Notification

- (A) Shipper may provide a request to Transporter via Transporter's EBB for Hourly Deliveries from Shipper's NNT-1 available storage inventory.
- (B) Short Notice Diversions are limited to Shipper's designated Short Notice Points of Delivery.
- (C) Short Notice Diversions may not exceed the current limits of Shipper's NNT storage availability as specified in Section 2.2(b) of Rate Schedule NNT-1 in any Hour.
- (D) Short Notice Diversions shall result in an equal and opposite adjustment to Shipper's NNT Storage withdrawal capacity available for allocation to Shipper's Primary Points of Delivery.

6.6 Rate Schedules PAL-1, PAL-HP and APAL-1 Nominations and Confirmations - All Nominations and Confirmations related to Rate Schedules PAL-1, PAL-HP and APAL-1 services are subject to the procedures set forth in Section 6.1.

6.7 Pooling Nominations. Except when noted below, all Nominations related to Pools are subject to the Nomination procedures set forth in Section 6.1.

- (a) With respect to Nomination Data Elements, Section 6.1(b) is applicable except that all Pooling Nominations will identify the Pool as the Point of Delivery.
- (b) With respect to Daily and Intraday Nomination and Confirmation schedules, the Pooler is responsible for submission of appropriate Pooling Nominations to support Confirmation of the Pool.
- (c) With respect to Nominated Imbalance Quantities, Poolers may not Nominate out of balance except to resolve verified, pre-existing imbalances.

6.8 HUB Nominations. All Nominations related to HUB services are subject to the procedures set forth in Section 6.1

- (a) With respect to Nominated imbalance quantities, Shippers may not Nominate out of balance, except to resolve existing imbalances.

6.9 Title Transfer Tracking Service

- (a) At a minimum, Transporter should be responsible for accommodating Title Transfer Tracking ("TTT") services at all points identified by Transporter as pooling points, where TTT services are requested. In absence of existing pooling points or in addition to existing pooling points where access to TTT activity is not reasonably accessible for supply receipt locations covered by an OBA, Transporter should be responsible for accommodating TTT at no less than one location. (NAESB Standard 1.3.64)
- (b) The Title Transfer Tracking services should be supported by means of the Nominations, Quick Responses and Scheduled Quantities processes. At Transporter's election, the Confirmation process may also be utilized with Title Transfer Tracking Service Providers within the Transporter's system. (NAESB Standard 1.3.65)
- (c) Transporter shall provide service as a Title Transfer Tracking Provider ("TTTSP") at its designated pooling points. Parties wishing to transfer title to other parties using Transporter's TTT services must hold a pooling account with Transporter. Third Party Account Administrators ("3PADS") must hold a pooling account with Transporter and must follow the procedures and requirements for Nominations, Quick Responses and Scheduled Quantities.
- (d) Transporter may facilitate TTT services at individual locations where such services are requested.

6.10 Planning Information. Transporter may request other planning information by agreement, as needed from time to time and Shipper shall comply with all reasonable requests.

- (i) Planning Information timely requested by Transporter for Transporter's Gas Control operations shall be provided prior to the start of the Gas Day as necessary and as often throughout the Day as advisable.
- (ii) Planning Information concerning Shipper's NNT Balancing allocation preferences should be provided prior to Cycle 1. Such allocation preferences will remain in place until changed by Shipper.

## 8. Operating Provisions

### 8.1 Firm Transportation Service

- (a) Estimates. For planning purposes, Transporter may, from time to time, request estimates of Shipper's annual quantity, average daily quantity, or peak Day quantities for each agreement. In the event that such a request is made, Shipper shall reply in writing within 45 days of the request.
- (b) Segmentation of Capacity
  - (i) Applicability. Any Shipper receiving firm Transportation Service under Rate Schedules TF-1 and NNT-1 may Segment its capacity pursuant to the provisions and restrictions of this Section. Segmentation may be accomplished on a self-implementing basis, by Nomination or capacity release, at any Point on Transporter's system.
  - (ii) General Prerequisites for Segmentation on Transporter's Transmission System. To maintain the integrity and reliability of Transporter's operationally complex transmission system, the following prerequisites for Segmentation have been established to ensure that Segmentation is supported to the greatest extent possible without detriment to, or degradation of, any Shipper's service.
    - (A) At a minimum, at least a portion of the Receipt-to-Delivery Flow Path on each nominated Segment lies within Shipper's Primary Receipt-to-Delivery Flow Path.
    - (B) Segmentation capacity may not exceed Shipper's Primary Capacity.
    - (C) Segmentation is permitted in any direction of flow; however, Segmentation requests for flow which are opposite to the Primary Receipt-to-Delivery Flow Path are incremental to any other Segmentation activity on the same pipeline Segment when considering the Primary Capacity limitation.
    - (D) Segmentation is subject to the availability of capacity and existing contractual obligations at and between the new Points of Receipt and/or Delivery established as a result of Segmentation.
    - (E) The Thermal Content of Gas being received at segmented points must be no less than the Thermal Content of Gas received at the original Point(s) of Receipt under the Shipper's transportation service agreement.

8.1 Firm Transportation Service

(b) (continued)

(iii) In addition to the prerequisites of Section 8.1(b)(ii) the following will also apply for the Reticulated System:

- (A) the impact of the requested Segmentation on the overall Thermal Content of the Gas on Transporter's Reticulated System,
- (B) the impact of the requested Segmentation on the direction of Gas flow across the various operational Segments of the Reticulated System,
- (C) the availability of capacity at new Receipt or Delivery Points that a Shipper uses as a result of Segmentation,
- (D) the impact of the requested Segmentation on displacement capacity, and
- (E) the impact to Transporter's storage field operations.

(iv) Implementation of Segmentation. Transporter's Nomination and capacity release systems have been modified to accommodate Segmented transactions in keeping with the prerequisites enumerated in Section 8.1(b)(ii).

- (A) Shippers Nominating outside the Receipt-to-Delivery Flow path shall be subject to the "one foot in bounds" rule. Segmentation rights shall not be affected as long as some portion of the nominated Receipt-to-Delivery Flow Path is within the Primary Receipt-to-Delivery Flow Path.
- (B) Transactions that are opposite to the Primary Receipt-to-Delivery Flow Path are distinguished from the Shipper's Primary Capacity and shall be scheduled as Secondary Capacity up to the Shipper's MDQ.
- (C) Segmentation transactions outside the Primary Receipt-to-Delivery Flow Path are to be scheduled as Secondary for invoicing. The highest usage of the agreement on any Segment utilizing Primary or Flow Path Secondary Capacity will be considered as a base. If this base utilization plus any utilization completely outside of the Primary Receipt-to-Delivery Flow Path is in excess of the agreement MDQ, such excess will be invoiced as Authorized Overrun.

8.1 Firm Transportation Service  
(b) (iv) (continued)

- (D) Both Releasing and Replacement Shippers may utilize Secondary Capacity. However, the combined Nominations of such Shippers on any Segment are limited to the original contractual MDQ and to the provisions of Section 8.1(b)(iii) above. Based on their capacity release contract MDQs, Secondary Capacity on a Segment shall be allocated on a pro rata basis between the Releasing and Replacement Shippers up to the original contractual MDQ. Capacity remaining above the Secondary Capacity allocation shall be allocated and invoiced as Authorized Overrun.
- (E) A firm Shipper (or a Releasing Shipper and a Replacement Shipper participating in a capacity release) may segment its capacity by simultaneously transporting its full MDQ in a forward haul and its full MDQ in a backhaul (opposite to the Primary Receipt-to-Delivery Flow Path) to the same delivery point.
- (F) Control of Segmentation. In addition to the prerequisites established in Section 8.1(b)(ii), Transporter reserves the right at any time to control or restrict Segmentation when, in Transporter's sole discretion, such Segmentation would result in a degradation of service or pose a threat to the sound operation of Transporter's system. Such control or restriction may be necessary to ensure that critically sourced Gas is available when and where it is needed during times of normal, as well as critical operations. Such control will be effected through the issuance of strained operating conditions, critical conditions or operational flow orders.

- (c) Segmentation and Secondary Points for Rate Schedule TF-1 Shippers
  - (i) Segmentation. Shipper may Nominate Segmented transactions at any time.
    - (A) Shipper utilizing Transporter's mainline system Segmentation Point(s) shall pay the maximum reservation and commodity rates under Rate Schedule TF-1 for the portion of Shipper's quantities utilizing Segmentation, unless otherwise agreed by Transporter. Shipper utilizing North Raton Lateral Segmentation Point(s) shall pay the maximum reservation and commodity rates under Rate Schedule TF-1 for the portion of Shipper's quantities utilizing Transporter's mainline system Segmentation and the additional applicable North Raton Lateral reservation and commodity rate(s) for utilizing North Raton Lateral Segmentation Point(s) unless otherwise agreed by

8.1 Firm Transportation Service

(c) (i) (A) (continued)  
Transporter. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions). In no event shall Shipper be entitled to more Transportation Service than is provided for under the agreement. Shipper's entitlements at the existing Primary Points of Receipt and/or Delivery are not affected by Segmentation.

(B) Shipper utilizing High Plains System Segmentation Point(s) shall pay the maximum reservation and commodity rates under Rate Schedule TF-1 for the portion of Shipper's quantities utilizing Transporter's mainline system Segmentation and an additional Rate Schedule TF-HP maximum reservation and Commodity rate for utilizing High Plains Segmentation Points unless otherwise agreed by Transporter. Additionally, Shipper shall furnish High Plains System Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas in addition to the appropriate mainline fuel. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

(ii) Shipper may Nominate for Transportation Service at Secondary Point(s) outside the Primary Receipt- to-Delivery Flow Path.

(A) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on Transporter's mainline system or North Raton Lateral. Shipper utilizing Secondary Point(s) shall pay the maximum reservation and commodity rates under Rate Schedule TF-1 for the portion of Shipper's quantities utilizing Secondary Points, unless otherwise agreed by Transporter. Shipper utilizing Secondary Point(s) on the North Raton Lateral will pay the applicable North Raton Lateral maximum reservation and commodity rate(s) for Transportation Service unless otherwise agreed by Transporter. In no event shall Shipper be entitled to more Transportation Service than is provided for under the agreement.

(B) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on the High Plains System. Shipper utilizing Secondary Point(s) on the High Plains system are not eligible for one hour Nomination service and will pay an additional Rate Schedule TF-HP maximum reservation and commodity rate for Transportation unless otherwise agreed by Transporter. Additionally, Shipper shall furnish High Plains System Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas in addition to the appropriate mainline fuel charges.

8.1 Firm Transportation Service (continued)

(d) Segmentation and Secondary Points for Rate Schedule TF-4 Shippers

(i) A Shipper may Nominate for Transportation Service at any Secondary Point(s) of Receipt and/or Delivery provided such Point(s) of Delivery are to Shipper's system and are for the same service area being served by Deliveries at the Primary Point(s) of Delivery. Shipper's Nominations for Transportation Service at Secondary Point(s) of Receipt and/or Delivery shall be limited such that in no event, except overrun, shall Shipper be afforded more capacity on any Receipt-to-Delivery Flow Path than Shipper's reserved capacity on such Receipt-to-Delivery Flow Path. Shipper utilizing Secondary Point(s) will pay the maximum rate under this Rate Schedule for the portion of Shipper's quantities utilizing Secondary Points, unless otherwise agreed by Transporter.

Transportation service at or involving Secondary Point(s) of Receipt and Delivery shall be scheduled subject to capacity availability, following all firm Transportation service between Primary Point(s) of Receipt and Delivery and ahead of any interruptible Transportation Service.

(ii) Any use of Secondary Point(s) shall be subject to the Joint Monthly Operating Plan and operational flow orders.

(e) Segmentation and Secondary Points for Rate Schedule TF-HP Shippers

(i) Segmentation. Shipper may Nominate Segmented transactions at any time.

(A) Shipper utilizing High Plains System Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing Segmentation, unless otherwise agreed by Transporter. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

(B) Shipper utilizing Transporter's mainline system Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing High Plains Segmentation and an additional Rate Schedule TF-1 maximum reservation and commodity rate for utilizing Transporter's mainline Segmentation. Shipper utilizing North Raton Lateral Segmentation Point(s) shall pay the additional applicable North Raton Lateral maximum reservation and commodity rate(s) for the portion of Shipper's quantities utilizing North Raton Lateral Segmentation Point(s) unless otherwise agreed by Transporter. Additionally, Shipper shall furnish Transporter's Mainline Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas, unless otherwise agreed by Transporter (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

8.1 Firm Transportation Service)

(e) (continued)

- (ii) Shipper may Nominate for Transportation Service at Secondary Point(s) outside the Primary Receipt-to-Delivery Flow Path.
  - (A) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on the High Plains System. Shipper utilizing Secondary Point(s) on the High Plains System shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing Secondary Points, unless otherwise agreed by Transporter.
  - (B) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on Transporter's mainline system or North Raton Lateral. Shipper utilizing Secondary Point(s) on Transporter's mainline system will no longer be eligible for one hour Nomination service and will pay an additional Rate Schedule TF-1 maximum reservation and commodity rate for Transportation. Shipper utilizing North Raton Lateral Segmentation Point(s) shall pay additional applicable North Raton Lateral maximum reservation and commodity rate(s) for the portion of Shipper's quantities utilizing North Raton Lateral Segmentation Point(s) unless otherwise agreed by Transporter. Shipper utilizing Secondary Point(s) off the High Plains System will no longer be eligible for one hour Nomination service. Additionally, Shipper shall furnish Transporter's Mainline Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas.

(f) Segmentation and Secondary Points for Rate Schedule NNT-1 Shippers

- (i) Segmentation. Shipper may Nominate Segmented transactions at and between the Primary Points of Receipt and Delivery on Transporter's Wyoming System at any time. Further, pursuant to the provisions of Section 4 of the General Terms and Conditions, Shipper may request that Points of Receipt and Delivery be authorized for Segmentation on the Reticulated System between the Primary Points of Receipt and Delivery. Once approved, such Points of Receipt and Delivery on the Reticulated System may be Nominated as Segmentation transactions at any time. Shipper utilizing Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing Segmentation unless otherwise agreed by Transporter (see Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions). In no event shall Shipper be entitled to more Transportation Service than is provided for under the agreement. Shipper's entitlements at the existing Primary Points of Receipt and/or Delivery are not affected by Segmentation.

8.1 Firm Transportation Service

(f) (continued)

(ii) Shipper may Nominate at Secondary Point(s) of Delivery under this Rate Schedule outside the Primary Receipt-to-Delivery Flow Path. Shipper utilizing such Secondary Point(s) shall pay the maximum reservation rate and maximum commodity rate under this Rate Schedule for the portion of Shipper's quantities utilizing Secondary Point(s) of Delivery, unless otherwise agreed by Transporter. Shipper may also Nominate at Secondary Point(s) of Receipt. When Nominating at Secondary Point(s) of Receipt, service shall be considered as equivalent to Service under Rate Schedule TF-1. For such service, Shipper shall pay the maximum Rate Schedule NNT-1 reservation rate and maximum commodity rate under Rate Schedule TF-1 for the portion of Shipper's quantities utilizing secondary receipt capacity, unless otherwise agreed by Transporter. In no event shall Shipper be entitled to more service than is provided for under the agreement.

(g) Segmentation and Secondary Points for Rate Schedule TSB-Y Shippers

(i) Segmentation. Shipper may Nominate Segmented transactions at any time.

(A) Shipper utilizing High Plains System Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing High Plains System Segmentation, unless otherwise agreed by Transporter. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

(B) Shipper utilizing Transporter's mainline system Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing High Plains System Segmentation and an additional Rate Schedule TF-1 maximum reservation and commodity rate for utilizing Transporter's mainline system Segmentation, unless otherwise agreed by Transporter. Shipper utilizing North Raton Lateral Segmentation Point(s) shall pay the additional applicable North Raton Lateral maximum reservation and commodity rate(s) for the portion of Shipper's quantities utilizing North Raton Lateral Segmentation Point(s) unless otherwise agreed by Transporter. Shipper utilizing System Segmentation Point(s) on Transporter's mainline system will no longer be eligible for one hour Nomination service. Additionally, Shipper shall furnish appropriate CIG mainline fuel in addition to High Plains System Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

8.1 Firm Transportation Service  
(g) (continued)

- (ii) Shipper may Nominate for Transportation Service at Secondary Point(s) outside the Primary Receipt-to-Delivery Flow Path.
  - (A) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on the High Plains System. Shipper utilizing Secondary Point(s) on the High Plains System shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing Secondary Points, unless otherwise agreed by Transporter.
  - (B) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on Transporter's mainline system or North Raton Lateral. Shipper utilizing Secondary Point(s) off the High Plains System will pay an additional Rate Schedule TF-1 maximum reservation and commodity rate for Transportation. Shipper utilizing Secondary Point(s) on the North Raton Lateral will pay the additional applicable North Raton Lateral maximum reservation and commodity rate(s) for Transportation Service unless otherwise agreed by Transporter. Shipper utilizing Secondary Point(s) off the High Plains System will no longer be eligible for one hour Nomination service. Additionally, Shipper shall furnish Transporter's mainline Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas.
- (h) Segmentation and Secondary Points for Rate Schedule TSB-T and ESD-T Shippers
  - (i) Segmentation. Shipper may Nominate Segmented transactions at any time.
    - (A) Shipper utilizing High Plains System Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing High Plains System Segmentation, unless otherwise agreed by Transporter. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).
    - (B) Shipper utilizing Transporter's mainline system Segmentation Point(s) shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing High Plains System Segmentation and an additional Rate Schedule TF-1 maximum reservation and commodity rate for utilizing Transporter's mainline system Segmentation, unless otherwise agreed by Transporter. Shipper utilizing North Raton Lateral Segmentation Point(s) shall pay the additional applicable North Raton Lateral maximum reservation and commodity rate(s) for the portion of Shipper's quantities utilizing North Raton Lateral Segmentation Point(s) unless otherwise agreed by Transporter. Shipper utilizing system Segmentation Point(s) on Transporter's mainline system will no longer be eligible for one hour Nomination service. Additionally, Shipper shall furnish appropriate Transporter's Mainline Fuel in addition to

8.1 Firm Transportation Service

(h) (i) (B) (continued)

High Plains System Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas and Totem Storage Fuel and Unaccounted-For Gas. (See Section 9.24 of the General Terms and Conditions regarding invoicing for capacity release transactions).

- (ii) Shipper may Nominate for Transportation Service at Secondary Point(s) outside the Primary Receipt-to-Delivery Flow Path.
  - (A) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on the High Plains System. Shipper utilizing Secondary Point(s) on the High Plains System shall pay the maximum reservation and commodity rates under this Rate Schedule for the portion of Shipper's quantities utilizing Secondary Points, unless otherwise agreed by Transporter.
  - (B) Secondary Point(s) may be any Point(s) of Receipt and/or Point(s) of Delivery on Transporter's mainline system or North Raton Lateral. Shipper utilizing Secondary Point(s) off the High Plains System will pay an additional Rate Schedule TF-1 maximum reservation and commodity rate for Transportation. Shipper utilizing Secondary Point(s) on the North Raton Lateral will pay the additional applicable North Raton Lateral maximum reservation and commodity rate(s) for Transportation Service unless otherwise agreed by Transporter. Shipper utilizing Secondary Point(s) off the High Plains System will no longer be eligible for one hour Nomination service. Additionally, Shipper shall furnish Transporter's Mainline Transportation Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas.
- (i) Revisions to Primary Points applicable to Rate Schedule TF-1, TF-HP, TSB-Y, TSB-T and ESD-T Shippers
  - (i) Pursuant to the provisions of Section 8 of the General Terms and Conditions, Shipper may request changes in Primary Point(s) of Receipt and/or Delivery.
    - (A) Requests for such changes shall be made in writing no less than 20 Days prior to the Day on which Shipper desires such change to be effective. Transporter shall use reasonable efforts to accommodate Shipper if a request for change is made less than 20 Days before the desired effective date.
    - (B) Transporter shall grant such changes if the direction of the Gas flow is unchanged, capacity is available, and the change can be made without adversely affecting system operations or other firm obligations at the new or existing Primary Point.

8.1 Firm Transportation Service

(i) (i) (continued)

(C) Any changes in Point(s) of Receipt and/or Delivery shall result in a corresponding one-for-one reduction in entitlement at the existing Point(s) of Receipt and/or Delivery.

(ii) Contract quantity at the new Primary Point(s) shall be subject to the maximum applicable reservation rate for the remaining term of the agreement, unless otherwise agreed by Transporter.

(iii) Shippers who request Primary Point revisions on Transporter's mainline or on the North Raton Lateral to Points of Receipt and Points of Delivery on the High Plains System will be required to execute a TF-HP transportation service agreement for the portion of service not on the Transporter's mainline system or North Raton Lateral.

(iv) Shippers who request Primary Point revisions from the High Plains System to Points of Receipt or Points of Delivery on Transporter's mainline system will be required to execute a TF-1 transportation service agreement for the portion of service not on the High Plains System.

(j) Revisions to Primary Points applicable to Rate Schedule TF-4 Shippers.

(i) All provisions of Section 8.1(i)(i) shall apply to TF-4 Shippers.

(k) Revisions to Primary Points applicable to Rate Schedule TF-4, TF-HP, NNT-1, NNT-2, TSB-Y, TSB-T and ESD-T Shippers.

(i) Transporter shall grant such change requests to the Primary Points(s) of Receipt and/or Delivery if the changes do not affect Transporter's rights or Shipper's obligations with respect to operational flow orders discussed in Section 11 of the General Terms and Conditions.

(l) Revisions to Primary Points applicable to Rate Schedule NNT-1 Shippers.

(i) Shipper may request changes in Primary Point(s) of Delivery.

(ii) The provisions of Section 8.1 (i) (i) (ii) and (iii) shall apply to NNT-1 Shippers.

(m) Revisions to Primary Points applicable to Rate Schedule NNT-2 Shippers.

(i) Shipper may request changes in Primary Point(s) of Delivery.

(ii) The provisions of Section 8.1 (i)(i) shall apply to NNT-2 Shippers.

## 8.1 Firm Transportation Service (continued)

- (n) Revisions to Primary Points applicable to Rate Schedule TSB-Y, TSB-T and ESD-T Shippers.
  - (i) Shippers who request Primary Point revisions from the High Plains System on to Transporter's mainline system will no longer be eligible for one hour Nomination service.
- (o) Revisions to Primary Points applicable to Rate Schedule TSB-T and ESD-T Shippers.
  - (i) All provisions of Section 8.1 (m) (i)(ii) will apply to Rate Schedule TSB-T Shippers. Revisions to Primary Points applicable to Rate Schedule ESD-T will be limited to the eligible delivery points posted on Transporter's electronic bulletin board.
  - (ii) Transporter shall grant such changes if the direction of the Gas flow is unchanged.
- (p) Unauthorized Overrun Penalties. Transporter, at its option, will impose daily and hourly penalties for Unauthorized Overrun Quantities as set forth in the applicable rate schedule. Daily and hourly Unauthorized Overrun penalties are divided by critical and non-critical periods. A critical period is established under the provisions of Section 11.2(b) of this Tariff. In cases where Hourly Entitlement Enhancement Nominations have been scheduled, the calculation for daily Unauthorized Overrun Penalties will include the presumption that the Hourly Entitlement Enhancement Nominations have been Delivered. Hourly Unauthorized Overrun Penalties are based on multiples of Transporter's 100% Load Factor Transportation rate throughout the year as adjusted for the size of the hourly Overrun. However, should Transporter elect not to impose penalties for a certain period, such election shall not preclude application of penalties during other periods. Further, Unauthorized Overruns resulting from a Bump of a Scheduled Quantity during non-critical periods shall only be subject to maximum Authorized Overrun Rates as stated on the Statement of Rates for the applicable rate schedule.

## 8.2 Interruptible Transportation

- (a) Estimates. For planning purposes, Transporter may, from time to time, request estimates of Shipper's annual quantity, average daily quantity, or peak Day quantities for each agreement. In the event that such a request is made, Shipper shall reply in writing within 45 days of the request.

### 8.3 Storage Service

- (a) CIG Mainline Pool Storage Usage. Based upon the existing capacity and configuration of Transporter's storage system, Transporter may retain up to 3.8 Bcf as storage inventory and up to 100,000 Mcf per day deliverability for system management. In addition, Transporter reserves the right to use Gas in storage, as well as capacity, to the extent necessary to support Transportation service(s) provided by Transporter and to maintain system integrity, efficient operation, and reliability of Transporter's transmission system. Transporter shall not make use of storage capacity or Gas in Place to gain advantage for an affiliate, nor shall Transporter make unduly discriminatory or preferential use of storage capacity or of Shipper Gas in storage in such a way that an unfair advantage is intentionally conferred on any Party. If Transporter's use of storage capacity impairs the rights of Shippers with storage capacity under Rate Schedules NNT-1, NNT-2, or FS-1, then Transporter shall make Shipper whole by replacement operating arrangements.
- (b) High Plains. High Plains Storage service is subject to and limited by Transporter's acquired capacity in Young Storage.
  - (i) "Young Available Daily Injection Quantity" or ("YADIQ") shall mean the percentage of Young Maximum Daily Injection Quantity ("YMDIQ") available for injection by Shipper on any Day and that Transporter may be required to inject into Young Storage on a firm basis. YADIQ is a function of Shipper's percent of Young Maximum Available Capacity ("YMAC") in Young Storage on that Day. The YADIQ is calculated using the Young Available Daily Injection Quantity Formula. The Young Available Daily Injection Quantity Curve and Young Available Daily Injection Quantity Table are provided in Part VI for illustrative purposes only. However, if Young Storage requires a reduced YMDIQ during the month of November, the YADIQ calculation shall be suspended and the YADIQ shall equal the reduced YMDIQ.

8.3 Storage Service  
(b) (i) (continued)

YOUNG AVAILABLE DAILY INJECTION QUANTITY

$\%YMAC = \text{Current Inventory}/YMAC$

-----  
%YMDIQ Calculation

If the %YMAC is < 100% and > 0%  
then use the FORMULA to find the %YMDIQ (1)

FORMULA (2,3):

$$\%YMDIQ = 100.0 - (\%YMAC * 1.0111774) + (\%YMAC^2 * 0.0051126)$$

-----  
YADIQ Calculation (4)

$$YADIQ = (\%YMDIQ/100) * YMDIQ$$

Round to the nearest whole Dekatherm (an integer)

Notes:

- (1) The formula applies only when inventory is < than YMAC and > 0. If inventory is > or = to YMAC, then set YADIQ = 0. If inventory is < or = 0, set YADIQ = YMDIQ.
- (2) In the context of this formula, the %YMAC and %YMDIQ values are taken as whole numbers, and not as decimal only numbers (i.e. if the value is 40% use 40.0 not .40, or if it is 36.1234% use 36.1234 not 0.361234).
- (3) The coefficients are entered with seven decimal places. The table is calculated with seven decimal places, and then rounded for display purposes.
- (4) All calculations are initially performed utilizing seven decimal places. The final YADIQ, however, is rounded to the nearest whole number.

YOUNG ADIQ CURVE CHART  
INCLUDED IN PART VI - ILLUSTRATIONS

8.3 Storage Service  
(b) (i) (continued)

HIGH PLAINS STORAGE

YOUNG AVAILABLE DAILY INJECTION QUANTITY TABLE

%YMAC	%YMDIQ	%YMAC	%YMDIQ	%YMAC	%YMDIQ
100	50.0	66	55.5	32	72.9
98	50.0	64	56.2	30	74.3
96	50.0	62	57.0	28	75.7
94	50.1	60	57.7	26	77.2
92	50.2	58	58.6	24	78.7
90	50.4	56	59.4	22	80.2
88	50.6	54	60.3	20	81.8
86	50.9	52	61.2	18	83.5
84	51.1	50	62.2	16	85.1
82	51.5	48	63.2	14	86.8
80	51.8	46	64.3	12	88.6
78	52.2	44	65.4	10	90.4
76	52.7	42	66.5	8	92.2
74	53.2	40	67.7	6	94.1
72	53.7	38	69.0	4	96.0
70	54.3	36	70.2	2	98.0
68	54.9	34	71.5	0	100.0

(ii) "Young Available Daily Withdrawal Quantity" or ("YADWQ") shall mean the percentage of Young Maximum Daily Withdrawal Quantity available to Shipper on any Day and that Transporter may be required to withdraw from Young Storage on a firm basis and is a function of Shipper's percent of Young Maximum Available Capacity ("YMAC") in Young Storage on that Day as calculated using the Young Available Daily Withdrawal Quantity Formula. The Young Available Daily Withdrawal Quantity Curve and Young Available Daily Withdrawal Quantity Table are provided in Part VI for illustrative purposes only.

YOUNG ADWQ CURVE CHART  
INCLUDED IN PART VI – ILLUSTRATIONS

8.3 Storage Service  
(b) (ii) (continued)

THE YOUNG AVAILABLE DAILY WITHDRAWAL QUANTITY FORMULA

$$\%YMAC = \text{Current Inventory}/YMAC$$

-----  
%YMDWQ Calculation (1,2,3)

If the %YMAC is > or = to 60.12%  
then set the %YMDWQ = to 100%

If the %YMAC is < 60.12% and > or = to 15%  
then

$$\%YMDWQ = (-15.3150) + (%YMAC * 2.6838) - \\ \%YMAC^2 * 0.0786) + (%YMAC^3 * 0.0011)$$

If the %YMAC is < 15% and > 0%  
then set %YMDWQ = to 11%

If the %YMAC is < or = to 0%  
then set the %YMDWQ = to 0%

-----  
YADWQ Calculation

$$YADWQ = (%YMDWQ/100) * YMDWQ$$

Rounded to the nearest whole Dekatherm (an integer)

NOTE: In the context of this formula, the %YMAC and %YMDWQ values are taken as whole numbers, and not as decimal only numbers (i.e., use 40.0 not 0.40 or use 36.1234 not 0.361234).

NOTE: The coefficients are entered with four decimal places, and the table is calculated with four decimal places, and then rounded for display purposes.

NOTE: All calculations are initially performed utilizing four decimal places. The final YADWQ, however, is rounded to the nearest whole number.

8.3 Storage Service  
(b) (ii) (continued)

YOUNG AVAILABLE DAILY WITHDRAWAL QUANTITY TABLE

%YMAC	%YMDWQ	%YMAC	%YMDWQ	%YMAC	%YMDWQ
-------	--------	-------	--------	-------	--------

100	100.0	34	28.3	24	19.0
60.12	100.0	33	27.2	23	18.2
50.95	62.9	32	26.1	22	17.4
50	59.9	31	25.1	21	16.5
40	36.7	30	24.2	20	15.7
39	35.1	29	23.2	19	14.8
38	33.5	28	22.4	18	13.9
37	32.1	27	21.5	17	13.0
36	30.8	26	20.7	16	12.0
35	29.5	25	19.8	15	11.0

- (iii) "Young Maximum Available Capacity" or "YMAC" shall mean the maximum quantity of Gas (expressed in Dth) that Transporter is required to accept under Rate Schedule TSB-Y for injection into Young Storage during the Injection Period on Shipper's behalf.
- (iv) "Young Maximum Daily Injection Quantity" or "YMDIQ" shall mean the maximum quantity of Gas (expressed in Dth) per Day that Transporter shall be required to inject into Young Storage on Shipper's behalf and shall be limited to 1/58 of Shipper's YMAC; provided however, during the Month of November the YMDIQ shall be limited to some lesser quantity when and to the extent required by Young Storage for operational conditions and maintenance.
- (v) "Young Maximum Daily Withdrawal Quantity" or "YMDWQ" shall mean the maximum daily quantity of Gas (expressed in Dth) that Transporter shall be required to withdraw from Young storage on a firm basis on Shipper's behalf. Shipper's YMDWQ shall equal to 1/29 of Shipper's YMAC.
- (vi) "Young Reservoir Integrity Inventory Limit" shall be the maximum amount of Gas in Place that Shipper shall be permitted to have in High Plains Storage at a particular time. The Young Reservoir Integrity Limit is as shown on the graph in Part VI. Transporter may, on a nondiscriminatory basis, permit Shippers to exceed the Young Reservoir Integrity Inventory Limit if, in Transporter's reasonable judgment, Transporter's Young Storage reservoir integrity and service to other firm High Plains Shippers will not be adversely affected. On such occasions, Transporter will post a notice on its electronic bulletin board notifying Shippers that the Young Reservoir Integrity Inventory Limit may be exceeded.

YOUNG RESERVOIR INTEGRITY INVENTORY LIMIT CHART  
INCLUDED IN PART VI – ILLUSTRATIONS

8.3 Storage Service (continued)  
(c) Totem Storage

(i) "Totem Available Daily Injection Quantity" or ("TADIQ") shall mean the percentage of Totem Maximum Daily Injection Quantity ("TMDIQ") available for injection by Shipper on any Day and that Transporter may be required to inject into Totem Storage on a firm basis. TADIQ is a function of Shipper's percent of Totem Maximum Available Capacity ("TMAC") in Totem Storage on that Day.

The TADIQ available during the injection periods prior to full development of the field will be determined by field flow test and operating data gathered prior to each Injection Period. As the field is developed and operating experience gained, it is possible that these parameters will require modification.

The TADIQ is calculated using the Totem Available Daily Injection Quantity Formula. The Totem Available Daily Injection Quantity Curve and Totem Available Daily Injection Quantity Table are provided in Part VI for illustrative purposes only. However, if Totem Storage requires a reduced TMDIQ during the month of November, the TADIQ calculation shall be suspended and the TADIQ shall equal the reduced TMDIQ.

Shippers must have adequate Transportation capacity to deliver gas to storage for injection using the TADIQ.

8.3 Storage Service (continued)  
(c) (i) (continued)

THE TOTEM AVAILABLE DAILY INJECTION QUANTITY RULES AND FORMULA

$$\% \text{TMAC} = \text{Current Inventory}/\text{TMAC}$$

---

If the %TMAC is < or = to 71.40%  
then set the %TMDIQ = 100%

---

If the %TMAC is > 71.40% and < 89.30 then  
$$\% \text{TMDIQ} = (233.33) - (\% \text{TMAC} * 1.8667)$$

---

If the %TMAC is > 89.30% and < 100% then  
$$\% \text{TMDIQ} = (524.23) - (\% \text{TMAC} * 5.1209)$$

---

If the %TMAC is = to 100%  
then set the %TMDIQ = to 0%

---

TADIQ Calculation

$$\text{TADIQ} = (\% \text{TMDIQ}/100) * \text{TMDIQ}$$

Round to the nearest whole Dekatherm (an integer)

---

Notes:

- (1) In the context of this formula, the %TMAC and %TMDIQ values are taken as whole numbers, and not as decimal only numbers (i.e. if the value is 40% use 40.0 not .40, or if it is 36.1234% use 36.1234 not 0.361234).
- (2) The coefficients are entered with four decimal places. The table is calculated with four decimal places, and then rounded for display purposes.
- (3) All calculations are initially performed utilizing four decimal places. The final TADIQ, however, is rounded to the nearest whole number.

TOTEM ADIQ CURVE CHART  
INCLUDED IN PART VI – ILLUSTRATIONS

8.3 Storage Service (continued)  
(c) (i) (continued)

**TOTEM AVAILABLE DAILY INJECTION QUANTITY TABLE**

%TMAC	%TMDIQ	%TMAC	%TMDIQ	%TMAC	%TMDIQ
100.0	0.00	67.8	100.0	24.9	100.0
98.7	18.8	60.7	100.0	17.7	100.0
97.0	27.5	53.5	100.0	14.2	100.0
94.6	39.8	46.4	100.0	10.6	100.0
92.3	51.6	42.8	100.0	7.0	100.0
89.3	66.6	39.2	100.0	3.4	100.0
78.5	86.8	32.1	100.0	0.0	100.0
71.4	100.0	28.5	100.0		

(ii) "Totem Available Daily Withdrawal Quantity" or ("TADWQ") shall mean the percentage of Totem Maximum Daily Withdrawal Quantity available to Shipper on any Day and that Transporter may be required to withdraw from Totem Storage on a firm basis and is a function of Shipper's percent of Totem Maximum Available Capacity ("TMAC") in Totem Storage on that Day as calculated using the Totem Available Daily Withdrawal Quantity Formula, as conditioned.

The TADWQ available during withdrawal periods prior to full development of the field will be determined by field flow test and operating data gathered prior to each Withdrawal Period. As the field is developed and operating experience gained, it is possible that these parameters will require modification.

The Totem Available Daily Withdrawal Quantity Curve shown in Part VI: Illustrations and Totem Available Daily Withdrawal Quantity Table shown in this Section 8.3 are provided for illustrative purposes only.

**TOTEM ADWQ CURVE CHART  
INCLUDED IN PART VI – ILLUSTRATIONS**

8.3 Storage Service (continued)  
(c) (ii) (continued)

THE TOTEM AVAILABLE DAILY WITHDRAWAL QUANTITY RULES AND FORMULA

$$\% \text{TMAC} = \text{Current Inventory} / \text{TMAC}$$

-----  
If the %TMAC is > or = to 60.0%  
then set the %TMDWQ = to 100%

-----  
If the %TMAC is < 60.0% and > or = to 39%  
then set the %TMDWQ = to 80%

-----  
If the %TMAC is < 39% and > 0%  
then  $\% \text{TMDWQ} = (9.3) + (\% \text{TMAC} * .977) + (\% \text{TMAC}^2 * .0196)$

-----  
If the %TMAC is < or = to 0%  
then set the %TMDWQ = to 0%

-----  
TADWQ Calculation

$$\text{TADWQ} = (\% \text{TMDWQ} / 100) * \text{TMDWQ}$$

Rounded to the nearest whole Dekatherm (an integer)

Notes: (1) In the context of this formula, the %TMAC and %TMDWQ values are taken as whole numbers, and not as decimal only numbers (i.e., use 40.0 not 0.40 or use 36.1234 not 0.361234).

(2) The coefficients are entered with four decimal places, and the table is calculated with four decimal places, and then rounded for display purposes.

(3) All calculations are initially performed utilizing four decimal places. The final TADWQ, however, is rounded to the nearest whole number.

8.3 Storage Service (continued)  
(c) (ii) (continued)

TOTEM AVAILABLE DAILY WITHDRAWAL QUANTITY TABLE

%TMAC	%TMDWQ
100	100
60	100
59.9	80
39	80
38.9	77
29	53
21	39
14	27
7	17
0	0

(iii) "Totem Maximum Available Capacity" or "TMAC" shall mean the maximum quantity of Gas (expressed in Dth) that Transporter is required to accept under Rate Schedule TSB-T for injection into Totem Storage during the Injection Period on Shipper's behalf.

(iv) "Totem Maximum Daily Injection Quantity" or "TMDIQ" shall mean the maximum quantity of Gas (expressed in Dth) per Day that Transporter shall be required to inject into Totem Storage on Shipper's behalf and shall be limited to 1/46.6667 of Shipper's TMAC at full development of the field; provided however, during the Month of November the TMDIQ shall be limited to some lesser quantity when and to the extent required by Totem Storage for operational conditions and maintenance. The TMDIQ available during injection periods prior to full development of the field will be determined by field flow test and operating data gathered prior to each Injection Period. As the field is developed and operating experience gained, it is possible that these parameters will require modification.

(v) "Totem Maximum Daily Withdrawal Quantity" or "TMDWQ" shall mean the maximum daily quantity of Gas (expressed in Dth) that Transporter shall be required to withdraw from Totem storage on a firm basis on Shipper's behalf. Shipper's TMDWQ shall equal to 1/28 of Shipper's TMAC at full development of the field. The TMDWQ available during withdrawal periods prior to full development of the field will be determined by field flow test and operating data gathered prior to each Withdrawal Period. As the field is developed and operating experience gained, it is possible that these parameters will require modification.

8.3 Storage Service (continued)  
(c) (continued)

(vi) "Totem Reservoir Integrity Inventory Limit" shall be the maximum amount of Gas in Place that Shipper shall be permitted to have in Totem Storage at a particular time. The Totem Reservoir Integrity Limit is as shown on the graph in Part VI. Transporter may, on a nondiscriminatory basis, permit Shippers to exceed the Totem Reservoir Integrity Inventory Limit if, in Transporter's reasonable judgment, Transporter's Totem Storage reservoir integrity and service to other firm High Plains Shippers will not be adversely affected. On such occasions, Transporter will post a notice on its electronic bulletin board notifying Shippers that the Totem Reservoir Integrity Inventory Limit may be exceeded.

**TOTEM RESERVOIR INTEGRITY INVENTORY LIMIT CHART  
INCLUDED IN PART VI – ILLUSTRATIONS**

## 9. CAPACITY RELEASE PROGRAM

9.1 Purpose. This Section 9 sets forth the specific terms and conditions applicable to Transporter's capacity release program. Unless otherwise stated in this Section 9, all times are Central Clock Time (CCT) pursuant to NAESB WGQ Standard 0.3.17.

9.2 (a) Applicability. This Section 9 is applicable to any Releasing Shipper(s) or any Replacement Shipper(s) who elects to release all or a portion of its firm capacity under Rate Schedules TF-1, TF-HP, FS-T, FS-Y, TSB-Y, TSB-T, ESD-T, NNT-1, FS-1 or CS-1. Releasing Shipper(s) as defined in Section 1 of these General Terms and Conditions shall have the right to release, on a permanent or temporary basis, any portion of its firm capacity rights held under an agreement with Transporter, but only to the extent that the capacity so released is acquired by another Shipper pursuant to this Section 9. Replacement Capacity Agreements based on a volumetric reservation rate are not subject to further release.

Capacity under Rate Schedule NNT-1 may be released separately or in proportion to the storage and Transportation components held by the releasing shipper as separate services under Rate Schedules TF-1 and FS-1, with Hourly Rates of Flow option where applicable, or as service under Rate Schedule NNT-1. When capacity is released for service under Rate Schedule NNT-1, any such release shall have a minimum notice period of two Business Days. Additionally, any recall or reput of Rate Schedule NNT-1 services shall have minimum notice period of two Business Days.

9.3 Availability of Released Capacity. Released capacity shall be made available on a nondiscriminatory basis and shall be assigned on the basis of an open season or prearrangement in accordance with the procedures of this Section 9 and where appropriate, the applicable NAESB Standards.

9.4 Qualification for participation in the Capacity Release Program. Any party, whether seeking to acquire capacity under bid or a prearranged release, must be prequalified by Transporter prior to submitting a bid for released capacity. To be prequalified, a Shipper must satisfy the creditworthiness requirements of the appropriate rate schedule underlying the capacity on which Shipper seeks to bid. Any bid for services in excess of a Shipper's qualified level of creditworthiness shall not be accepted, unless supplemented by a letter of credit, prepayment, or other guarantee of creditworthiness. Notwithstanding such qualification to participate in the capacity release program, Transporter does not guarantee the payment of any outstanding amounts by a Replacement Shipper.

9.5 Capacity Release Requests. Requests under the Capacity Release Program shall be made in accordance with Section 9 of the General Terms and Conditions of this Tariff.

(a) Requests shall be considered acceptable only if the information specified below is provided in writing. Requests must be addressed to:

Colorado Interstate Gas Company, L.L.C.  
Post Office Box 1087  
Colorado Springs, CO 80944  
Attention: Vice President of Business Management  
Facsimile No.: (719) 520-4878  
Facsimile Verification: (719) 520-4371

or

Colorado Interstate Gas Company, L.L.C.  
2 North Nevada  
Colorado Springs, CO 80903  
Attention: Vice President of Business Management

- (i) If a Shipper elects to prepay reservation charges pursuant to Section 12 of these General Terms and Conditions, the prepaid reservation charges will be applied against reservation charges due Transporter once service commences. If service does not commence, the prepaid reservation charge will be refunded with interest accrued at rates set pursuant to 18 CFR 154.501(d).
- (ii) Such requests, if complete and accompanied by the appropriate fee, shall be considered effective on the date received by Transporter.
- (iii) Upon execution of an agreement with Transporter, Shipper shall provide to Transporter such information as may be required in order for Transporter to comply with any FERC reporting requirements.
- (iv) Transporter shall keep confidential information furnished by Shipper.
- (v) If Transporter has provided an agreement for execution to Shipper and Shipper fails to execute and return the agreement within 30 days thereafter, then Shipper's request shall be null and void.

9.6 (a) Releases Assigned On the Basis of An Open Season. A Shipper electing to release capacity on the basis of an open season must post notice of release on Transporter's electronic bulletin board pursuant to Section 9.8 hereof. Such notice shall be posted upon receipt unless Releasing Shipper requests otherwise.

(b) The following capacity release timeline (NAESB WGQ Timeline) applies to all parties involved in the capacity release process provided that: 1) all information provided by the parties to the transaction is valid and the acquiring Shipper has been determined to be creditworthy before the capacity release bid is tendered, 2) for index-based capacity release transactions, the Releasing Shipper has provided the Transportation Service Provider with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and 3) there are no special terms or conditions of the release. Further, the Transportation Service Provider may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by the Transportation Service Provider). (NAESB Standard 5.3.1) Furthermore, the release must comply with NAESB Standard 5.3.2 timeline for Releases and comply with NAESB Standard Bid Evaluation Methods as described in Section 9.12(d)(i) through (iii) hereof. (Note 1):

For biddable releases (one (1) year or less):

- (i) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- (ii) Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
- (iii) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
- (iv) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
- (v) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m. Noon.
- (vi) The contract is issued within one hour of the award posting (with a new contract number, when applicable).
- (vii) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

9.6 (b) (continued)

For biddable releases (more than one (1) year):

- (viii) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- (ix) Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
- (x) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
- (xi) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
- (xii) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m. Noon.
- (xiii) The contract is issued within one hour of the award posting (with a new contract number, when applicable).
- (xiv) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For non-biddable releases:

- (xv) The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2. The posting deadlines are:
  - (A) Timely Cycle 12:00 Noon
  - (B) Evening Cycle 5:00 p.m.
  - (C) Intraday 1 Cycle 9:00 a.m.
  - (D) Intraday 2 Cycle 1:30 p.m.
  - (E) Intraday 3 Cycle 6:00 p.m.
- (xvi) The contract is issued within one hour of the Award posting (with a new contract number, when applicable).
- (xvii) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

NOTES: (1) Posting of Notice of Release (either under an open season or a prearranged release) is subject to review by Transporter for accuracy, completeness, and validity before being posted.

9.7 Prearranged Releases. A Shipper electing to release capacity on the basis of a prearranged release must post notice on Transporter's electronic bulletin board pursuant to Section 9.9 herein.

(a) No open season is required for a prearranged release which meets all of the terms of the release and is: (1) a release for more than one year at the maximum reservation rate(s) under the applicable Tariff rate schedule; (2) a release for any period of thirty-one Days or less; (3) a release to an asset manager as defined by FERC regulations at 18 C.F.R. 284.8; or (4) a release to a marketer participating in a state-regulated retail access program as defined by FERC regulations at 18 C.F.R. 284.8. All other prearranged releases shall be subject to an open season requirement contained in Section 9.6 hereof.

(b) A Releasing Shipper may not rerelease capacity that is a rollover or extension of a release of thirty-one Days or less to the same Replacement Shipper until twenty-eight (28) Days after the first release period has ended. The 28-Day hiatus does not apply to any re-release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding in this Section 9.7.

(c) A Shipper electing to release capacity on prearranged basis not subject to an open season must post its notice of the release on Transporter's electronic bulletin board pursuant to the timeline for non-biddable releases in Section 9.6(b).

9.8 Notice by Shipper Electing to Release Capacity On An Open Season Basis. Any Shipper holding capacity rights subject to this Section 9 who desires to release such firm capacity on an open season basis shall deliver notice via Transporter's electronic bulletin board which shall contain the following:

(a) Releasing Shipper's legal name, contract number, and the name of the individual responsible for authorizing the release of capacity;

(b) the rate schedule under which capacity is being released (Rate Schedules TF-1, TF-HP, FS-1, FS-T, FS-Y, TSB-Y, TSB-T, ESD-T, CS-1 or NNT-1);

(c) Pursuant to NAESB Standard 5.3.29, the basis for released quantity should be per Day for Transportation, storage injection, storage withdrawal, and a per-release quantity for storage capacity and total release period quantity. Accordingly, the Releasing Shipper's notice must include the maximum and minimum quantity of firm Daily capacity which the Releasing Shipper desires to release, stated in Dth per Day (for releases under Rate Schedules FS-1, FS-T, FS-Y, TSB-Y, TSB-T, or NNT-1, notice should include MDWQ, YMDWQ, TMDWQ, MDIQ, YMDIQ, TMDIQ, MAC, YMAG and TMAC where appropriate and as defined in this Tariff and for releases under Rate Schedules NNT-1, TSB-Y, TSB-T and ESD-T also include MDQ);

9.8 Notice by Shipper Electing to Release Capacity On An Open Season Basis (continued)

- (d) the Primary Point(s) of Receipt and Delivery at which the Releasing Shipper will release capacity, the firm capacity to be released at each such point, and whether the Releasing Shipper requires reimbursement for any additional charges which may be incurred at Secondary Point(s);
- (e) whether capacity will be released on a recallable or a recallable and reputtable (returned to the Replacement Shipper) basis. Recall and reput terms must be objectively stated, nondiscriminatory, and applicable to all bidders. The Transportation Service Provider should support the ability for the Releasing Shipper to specify, as a condition of a release, whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day (NAESB WGQ Standard 5.3.51).
- (f) the requested effective date and the term of the release (minimum term of release is one Day);
- (g) whether the Releasing Shipper is willing to consider release for a shorter time period than that specified in (f) above, and, if so, the minimum acceptable period of release;
- (h) in conformance with NAESB Standard 5.3.26, Releasing Shipper has a choice to specify dollars and cents or percent of maximum Tariff rate in the denomination of bids or as an index-based formula (under one of the methods listed below) and Transporter shall support this choice. Once the choice is made by the Releasing Shipper, the bids should comport with the choice.
  - (i) a percentage of the formula,
  - (ii) a dollars and cents differential from the formula, or
  - (iii) a dollars and cents differential from the Rate Floor;
- (i) whether the Releasing Shipper desires to release capacity on a volumetric reservation rate basis or an index-based formula. If utilizing an index-based formula, the Releasing Shipper should specify, the minimum acceptable rate and, if applicable, any minimum volumetric load factor commitment. (Capacity releases made on a volumetric rate basis cannot be rereleased by the Replacement Shipper);
- (j) the applicable maximum reservation rate(s) for capacity being released as shown on Transporter's Statement of Rates or as an index-based formula (for Rate Schedules FS-1, FS-Y, FS-T, TSB-Y, TSB-T and ESD-T, reservation rates will include both the reservation rate and capacity rate and if applicable, the Hourly Rates of Flow Rate);
- (k) if Releasing Shipper is willing to consider releasing capacity at less than maximum reservation rates stated in (j) above, and if so, the minimum reservation rate(s) Releasing Shipper is willing to accept;

9.8 Notice by Shipper Electing to Release Capacity On An Open Season Basis (continued)

- (l) Reserved
- (m) whether the Releasing Shipper wants Transporter to market the capacity in accordance with Section 9.18 hereof;
- (n) for releases posted to comply with the NAESB Timeline as shown in Section 9.6(b) hereof, the Releasing Shipper shall select one of the following bid evaluation methods which are described more fully in Section 9.12(d):
  - (i) Present Value
  - (ii) Highest Rate
  - (iii) Net Revenue
- (o) in lieu of the methods described in Section 9.8(n) above, the Releasing Shipper may provide its own nondiscriminatory bid evaluation criteria; except that Transporter will not accept first bidder meeting minimum acceptable terms of the release as a valid bid evaluation method.
- (p) the time and date the notice is to be posted on Transporter's electronic bulletin board. Release notice will be posted upon receipt unless otherwise requested by Releasing Shipper (open season dates will be posted by Transporter based on the requirements of Section 9.6 of this Tariff or by the Releasing Shipper, if Releasing Shipper requests a longer open season or an earlier posting than is required in Section 9.6). After the open season has commenced, a Releasing Shipper cannot specify the extension of an open season bid period without posting a new release;
- (q) whether the Releasing Shipper is willing to accept contingent bids;
- (r) Releasing Shipper shall elect one of the following:
  - (i) establish minimum terms of the release and display them on the electronic bulletin board; or
  - (ii) establish minimum terms of the release and keep such terms confidential (i.e., not post them on the electronic bulletin board) but Bidding Shippers will be informed on the electronic bulletin board that minimums have been established;
  - (iii) establish no minimum terms; Releasing Shipper will accept highest bid received for the release.
- (s) any other applicable conditions of the release

9.9 Notice by Shipper Electing to Release Capacity on Prearranged Release Basis, and Confirmation of Bid by Prearranged Shipper. Releasing Shipper shall deliver a notice of a prearranged release via Transporter's electronic bulletin board. Likewise, the prearranged Shipper must confirm its bid electronically on the electronic bulletin board. The electronic bulletin board notice shall set forth the following information:

- (a) all the items contained in Section 9.8 hereof required to define a prearranged release;
- (b) prearranged Shipper's legal name and the name and telephone number of the individual responsible for authorizing the bid for the prearranged release;
- (c) the term of the proposed acquisition of capacity by pre-arranged Shipper (minimum term of any release is one Day);
- (d) the reservation rate(s), expressed as a daily rate (dollars and cents) or percentage of the maximum reservation rate or as an index-based formula (as specified by Releasing Shipper), the prearranged Shipper has agreed to pay for the released capacity and any minimum volumetric load factor, if applicable. If capacity is released on a volumetric rate basis, it cannot be rereleased by the Replacement Shipper. The volumetric reservation rate(s) may be stated as a percentage of Transporter's maximum applicable daily reservation rate(s) or a stated dollars and cents amount per Dth or as an index-based formula;
- (e) Pursuant to NAESB Standard 5.3.29, the basis for released quantity should be per Day for Transportation, storage injection, storage withdrawal, and a per-release quantity for storage capacity and total release period quantity. Accordingly, the Releasing Shipper's notice must include the capacity which the prearranged Shipper has agreed to acquire stated in Dth (MDQ, MAC, MDIQ, MDWQ, as applicable);
- (f) whether or not the prearranged Shipper is an affiliate of the Releasing Shipper or an affiliate of Transporter;
- (g) whether or not the prearranged Shipper is an asset manager or a marketer participating in a state-regulated retail access program, as defined by FERC regulations at 18 C.F.R. 284.8 and, if part of an asset management arrangement, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which the obligation is in effect;

9.9 Notice by Shipper Electing to Release Capacity on Prearranged Release Basis, and Confirmation of Bid by Prearranged Shipper (continued)

(h) the time and date the notice is to be posted on Transporter's electronic bulletin board. Release notice will be posted upon receipt unless otherwise requested by Releasing Shipper (open season dates will be posted by Transporter based on the requirements of Section 9.6 of this Tariff, if applicable, or by Releasing Shipper, if Releasing Shipper requests a longer open season than the minimum required in Section 9.6 herein). Releasing Shipper cannot allow extension of time provided for the prearranged Shipper to match a higher bid (matching period as described in the timeline in Section 9.6 hereof) without posting a new release;

(i) any other applicable conditions of the prearranged release.

9.10 Term of Released Capacity. The term of any release of firm capacity shall not exceed the term of the transportation service agreement or Replacement Capacity Agreement under which the release occurs, nor shall it be less than one Day.

9.11 Bids for Released Capacity Subject to Open Season. A bid may be submitted to Transporter by a Bidding Shipper at any time during the open season via Transporter's electronic bulletin board. The Bidding Shipper (or Party subject to a prearranged release) must have met the creditworthiness provisions of Transporter's Tariff pursuant to Section 9.4 hereof.

(a) Each bid for released capacity must include the following:

(i) Bidding Shipper's legal name and the name and telephone number of the individual responsible for authorizing the bid;

(ii) the term of the proposed acquisition;

(iii) the maximum reservation rate(s), expressed as a daily rate (dollars and cents) or percentage of the maximum reservation rate, as specified by the Releasing Shipper, or maximum volumetric rate (either dollars and cents or percent, as appropriate), or the maximum dollars and cents differential or percentage of an index-based formula Bidding Shipper is willing to pay for the released capacity;

9.11 Bids for Released Capacity Subject to Open Season

(a) (continued)

- (iv) the capacity desired at Primary Points of Receipt and Primary Points of Delivery;
- (v) whether or not the Bidding Shipper is an affiliate of the Releasing Shipper or an affiliate of Transporter;
- (vi) whether or not the Bidding Shipper is an asset manager or a marketer participating in a state-regulated retail access program, as defined by FERC regulations at 18 C.F.R. 284.8 and, if part of an asset management arrangement, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which the obligation is in effect;
- (vii) any other information requested in the notice of release posted on Transporter's electronic bulletin board and;
- (viii) the time and date the bid was submitted to Transporter for posting on Transporter's electronic bulletin board.

(b) All valid and complete bid(s) received by Transporter during the open season as detailed in Section 9.6 hereof shall be posted on Transporter's electronic bulletin board. The identity of the Bidding Shipper(s) will not be posted, but all other terms of the bid(s) will be posted on Transporter's electronic bulletin board.

(c) Except as stated in this Section 9.11(c), a Bidding Shipper may not bid a reservation rate less than the minimum reservation rate(s) nor more than the maximum reservation rate(s) applicable to the appropriate rate schedule, nor may the capacity or the term of the release of such bid exceed the maximum quantity or term specified by the Releasing Shipper. No maximum rate limitation applies to a release of capacity including an index-based release, 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.

9.11 Bids for Released Capacity Subject to Open Season (continued)

- (d) A Bidding Shipper may withdraw its bid any time prior to the expiration of the open season but may not resubmit a bid for the same release at an equal or lower rate. Bids may be withdrawn via the electronic bulletin board.
- (e) A Bidding Shipper may only have one bid pending for a capacity release transaction at any one time.
- (f) All bids pending at the expiration of the open season shall be binding upon the Bidding Shipper(s). Further, the Bidding Shipper(s) agrees that its bid will constitute a binding agreement if the Bidding Shipper is awarded the released capacity pursuant to this Section 9.
- (g) Bids shall be binding until notice of withdrawal is received by Transporter on its Customer Activities Web site (NAESB Standard 5.3.13).

9.12 Awarding of Released Capacity. Released capacity shall be awarded in accordance with this Section 9.12.

- (a) If a Bidding Shipper's bid satisfies all terms and conditions specified in the Releasing Shipper's notice, including the posted reservation rates and all conditions for service stated in the applicable rate schedules, then the capacity shall be awarded to such Bidding Shipper, and the Releasing Shipper shall not be permitted to reject such bid. If such bid was submitted in an open season relating to a prearranged release, capacity shall be awarded as described in Section 9.12(h) hereof.
- (b) Offers shall be binding until notice of withdrawal is received by Transporter on its Customer Activities Web site (NAESB Standard 5.3.14). Releasing Shipper(s) may withdraw their offer of release any time prior to the start of the open season or during the open season if conditions have changed up to the time a valid bid is received. The Releasing Shipper may not withdraw its offer of release if bids have been received that meet the minimum terms of the release. The Releasing Shipper may withdraw its offer to release capacity via the electronic bulletin board. In summary, 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 (NAESB Standard 5.3.16).
- (c) If more than one bid is received that is equal to or exceeds all the minimum terms and conditions specified in the Releasing Shipper's notice, then the Replacement Shipper(s) shall be the Bidding Shipper(s) who offer(s) the highest bid, based on the bid evaluation methods as posted by the Releasing Shipper in its notice of release.

9.12 Awarding of Released Capacity  
(c) (continued)

Transporter shall evaluate and rank all bids submitted during the open season. If Bidding Shipper has made a bid based on a contingency and such contingency has not been removed by the date and time specified by Releasing Shipper or pursuant to the timeline parameters specified in Section 9.6 hereof, such bid shall be deemed withdrawn. If bids from two or more Bidding Shippers results in bids of equal value, then the capacity shall be awarded pursuant to Section 9.12(g) hereof.

(d) Bid Evaluation Methods. All bids received will be evaluated pursuant to one of the following methods:

(i) Present Valuation Calculation. Releasing Shipper may elect to have all bids evaluated and ranked pursuant to a Present Value Calculation, as follows:

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

where:

i = interest rate per Month using one-twelfth (1/12) of the current FERC annual interest rate defined in Section 154.501(d) of FERC's Regulations

n = term of the release

R = the reservation rate(s) bid (and the storage capacity rate bid for releases under Rate Schedules FS-1, TSB-Y, TSB-T, FS-Y and FS-T.

V = Quantity stated in Dth

(ii) Highest Rate. Releasing Shipper may elect to have bids evaluated on the basis of the highest reservation rate(s) bid;

(iii) Net Revenue. Releasing Shipper may elect to have bids evaluated on the basis of the total reservation rate-based revenues received over the term of the release;

(iv) Other Method. Releasing Shipper may at the time of posting of the notice of release specify how bids are to be evaluated to determine which offer is the best. The criteria must be objectively stated, applicable to all potential bidders, and nondiscriminatory. It can contain provisions that allow for weighting of factors such as quantity, term, and rate; however Transporter will not accept first bidder meeting minimum acceptable terms of the release as a valid bid evaluation methodology. If bid evaluation criteria are provided by the Releasing Shipper, the evaluation period specified in Section 9.6(b) shall be extended by one Business Day.

9.12 Awarding of Released Capacity

(d) (continued)

(v) For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology. If the Releasing Shipper specifies an index-based formula in its capacity release offer, the Bid Rate (R) used in the bid evaluation options of this Section 9.12 will be based on: 1) the dollars and cents differential or percentage of the Rate Default or (2) the dollars and cents differential of the Rate Floor, as applicable.

(e) If bid evaluation criteria are provided by the Releasing Shipper, Transporter shall, for each bid received, calculate the total value of each bid received at the end of the open season based on the nondiscriminatory criteria provided by the Releasing Shipper. The results of this calculation shall determine each bid's total value. The bids will then be ranked by Transporter in order from the highest to the lowest total value.

(f) For bids evaluated using any of the first three methods (9.12(d)(i) through (iii), above), Transporter shall notify the Releasing Shipper and successful bidder no later than 5:00 p.m. CCT on the Business Day before Nominations are due (as specified in Section 9.6, hereof) and the capacity shall be awarded to the successful Bidding Shipper(s) (i.e., the Replacement Shipper(s)).

(g) If bids from two or more Bidding Shippers result in bids of the highest equal value, the first bid received of highest equal value will be awarded the capacity.

When Transporter makes awards of capacity for which there have been multiple bids meeting minimum conditions, Transporter shall award the bids, best bid first, until all offered capacity is awarded (NAESB Standard 5.3.4).

(h) With respect to a prearranged release, if no better offer (as determined above) is received during an open season or the prearranged offer is for the applicable maximum reservation rate(s) under the applicable rate schedule for a term of more than one year and meets all the other terms of the release, then the prearranged Shipper shall become the Replacement Shipper for the released capacity. If a better offer is received during the open season, the prearranged Shipper shall have the time specified in Section 9.6 hereof to match that offer. If the prearranged Shipper fails to match the better offer, then the Bidding Shipper who presented the better offer, as determined above, shall become the Replacement Shipper.

(i) A Releasing Shipper shall retain all of the capacity under the executed transportation service agreement or Replacement Capacity Agreement that is not acquired by a Replacement Shipper as the result of an open season or a prearranged release.

(j) If no bids are received which meet or exceed all of the minimum conditions specified by the Releasing Shipper, no capacity shall be awarded.

9.13     Recalls and Reputs of Capacity. If capacity is released subject to recall pursuant to Section 9.8(e), in addition to such other terms not inconsistent with this section as are agreed to by the Releasing Shipper and the Replacement Shipper, recall of such capacity shall be subject to the following terms and conditions:

- (a)     All Transportation Service Providers ("TSPs") should support the following recall notification periods for all released capacity subject to recall rights: (NAESB WGQ Standard 5.3.44)
  - (i)     Timely Recall Notification:
    - (A)     A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
    - (B)     The TSP should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due;
  - (ii)     Early Evening Recall Notification:
    - (A)     A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
    - (B)     The TSP should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due;
  - (iii)     Evening Recall Notification:
    - (A)     A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;
    - (B)     The TSP should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due;
  - (iv)     Intraday 1 Recall Notification:
    - (A)     A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
    - (B)     The TSP should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due (Central Clock Time); and

9.13     Recalls and Reputs of Capacity  
        (a) (continued)

        (v)    Intraday 2 Recall Notification:

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

        (vi)   Intraday 3 Recall Notification:

- (A)    A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
- (B)    The TSP should provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due.

        (b)   For recall notification provided to the Transportation Service Provider ("TSP") prior to the recall notification deadline specified in NAESB WGQ Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., the TSP should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification.

For recall notification provided to the TSP after 5:00 p.m. and prior to 7:00 a.m., the TSP should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (NAESB WGQ Standard 5.3.45)

- (c)   Releasing Shipper's notice of recall and reput must be submitted using Transporter's on-line capacity release system.
- (d)   The recall notice must detail Point(s) of Receipt and Delivery and quantities being recalled. This notification shall also state the length of the recall period and state the conditions of any reput rights of the Releasing Shipper and reput obligations of the Replacement Shipper as may have been negotiated at the time of the release (see Section 9.8(e), hereof). Unless otherwise agreed to by the Releasing Shipper and the Replacement Shipper, and Transporter is so advised, the Replacement Shipper will regain the capacity at the end of the recall period.

9.13     Recalls and Reputs of Capacity (continued)

- (e) In the event of an intraday capacity recall, the Transportation Service Provider ("TSP") should determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity ("EPC"). Variations to the use of EPC may be necessary to reflect the nature of the TSP's tariff, services, and/or operational characteristics. (NAESB WGQ Standard 5.3.56)
- (f) Unless otherwise agreed to by the Releasing Shipper, Replacement Shipper, and Transporter, the Releasing Shipper must notify Transporter and Replacement Shipper of its intent to reput the capacity back to the Replacement Shipper. The deadline for notifying the Transportation Service Provider of a reput is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day (NAESB WGQ Standard 5.3.54).
- (g) In the event of a reput after a recall period, the Releasing Shipper may not reput Primary Point(s) other than those originally released. When capacity is recalled, it may not be reput for the same Gas Day (NAESB WGQ Standard 5.3.53). Unless otherwise agreed to in the terms of the release and Transporter is advised of such condition, the Releasing Shipper may permanently retain capacity at certain Primary Points originally released.

9.14     Execution of Agreements or Amendments.

- (a) The successful bidder (or successful prearranged Shipper) for capacity shall become the Replacement Shipper and its bid for capacity, or the posting of prearranged release pursuant to Sections 9.9 and 9.11 hereof, shall be binding. The bid submitted by the Replacement Shipper as supplemented by the posting of the notice of capacity release on Transporter's electronic bulletin board shall constitute the Replacement Capacity Agreement.

For all releases, the Replacement Shipper(s) will gain rights to Nominate capacity consistent with the Primary Receipt and Delivery Point(s), capacity, and for the term as agreed to by the Releasing Shipper and subject to all other terms of the underlying Agreement and Sections 9.8 and 9.9 herein. The Releasing Shipper(s) will lose its rights to Nominate consistent with the same terms. Replacement Shipper(s) are not permitted to change Primary Point(s) of Receipt or Delivery under the Releasing Shipper's agreement unless the release is permanent and at maximum rates. Replacement Shippers will be allowed to make Nominations at Secondary Points. Use of Secondary Point(s) will be subject to the express provisions of the release with respect to whether the Releasing Shipper requires reimbursement from the Replacement Shipper of any additional charges applicable at Secondary Points(s) (as more fully set forth in Section 9.24 of this Section, "Charges for use of Segmentation Point(s) or Secondary Point(s)".

9.14 Execution of Agreements or Amendments (continued)

(b) Where capacity has been released for the entire remaining term of the Releasing Shipper's transportation service agreement, the Releasing Shipper may request Transporter to amend its transportation service agreement to reflect the release of capacity. The Releasing Shipper shall remain bound by and liable for payment of the reservation charges under the transportation service agreement unless the Replacement Shipper is paying the maximum reservation rate(s) for the entire contract term.

9.15 Notice of Completed Transactions. Within two Business Days after capacity has been released pursuant to Section 9.12, Transporter shall post a notice of completed transaction on its electronic bulletin board for a minimum period of five Business Days. The notice shall include the following information regarding each transaction:

(a) the name(s) of the Releasing Shipper and the Replacement Shipper (or prearranged Shipper);

(b) term of release;

(c) reservation rate(s) as bid;

(d) Primary Delivery Point(s);

(e) Primary Receipt Point(s);

(f) capacity (MDQ, MDWQ, YMDWQ, TMDWQ, MDIQ, YMDIQ, TMDIQ, MAC, YMAC and TMAC) in Dth, as appropriate;

(g) net present value of winning bid(s), if such method for bid evaluation was utilized;

(h) whether the capacity is recallable and reputtable and, if so, recall and reput terms;

(i) whether or not the Replacement Shipper is an asset manager or a marketer participating in a state-regulated retail access program, as defined by FERC regulations at 18 C.F.R. 284.8 and if part of an asset management arrangement, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which the obligation is in effect; and

(j) whether or not the Replacement Shipper is an affiliate of the Releasing Shipper or an affiliate of Transporter.

Service may begin on the initial date of the term of the release if Nominations are made timely to Transporter and are in accordance with this Tariff.

(k) Releasing Shipper shall include the Tariff reservation rate and all reservation surcharges as a total.

9.16 Effective Date of Release and Acquisition. The effective date of the release by a Releasing Shipper and acquisition by a Replacement Shipper shall be on the date so designated in the Replacement Capacity Agreement (posted term effective date) or transportation service agreement referenced above.

9.17 Rates.

- (a) The reservation rate(s) for any released firm capacity under Rate Schedules TSB-Y, TSB-T, ESD-T, NNT-1, TF-1, CS-1 and TF-HP shall be the reservation rate(s) bid by the Replacement Shipper. The reservation rate(s) for any released firm capacity under Rate Schedules FS-1, FS-Y and FS-T shall be the reservation rate(s), reservation surcharge(s), and the storage capacity rate, and if applicable, the Hourly Rates of Flow Rate, bid by the Replacement Shipper. Such reservation rate(s) and reservation surcharge(s) shall not be less than Transporter's minimum or more than Transporter's maximum reservation rate(s) and reservation surcharge(s) under the applicable rate schedule as in effect from time to time, except as noted in Section 9.11(c) of the GT&C.
- (b) Replacement Shipper shall pay Transporter the applicable maximum commodity rate(s) in addition to all other applicable charges and surcharge(s) for the service rendered unless otherwise agreed by Transporter.
- (c) For releases based on a volumetric reservation rate, the minimum and maximum rates shall be computed as follows:
  - (i) For Rate Schedules TF-1, CS-1, TF-HP, TSB-Y, TSB-T, ESD-T and NNT-1 and where applicable the Hourly Rates of Flow option under Rate Schedule FS-1 the reservation rates will be computed by converting the reservation rates to a daily rate by multiplying the maximum and minimum reservation rates by 12 months and dividing that product by 365 days or 366 days, as appropriate.
  - (ii) For Rate Schedules FS-1, FS-T and FS-Y, excluding the Hourly Rates of Flow option when applicable, the maximum and minimum reservation rates will be equal to the authorized overrun rates for Rate Schedules FS-1, FS-T and FS-Y as shown on the Statement of Rates. When the Hourly Rates of Flow option is released it shall be computed pursuant to (i) above and added to the Authorized Overrun Rate.
- (d) The reservation charge(s) and reservation surcharge(s) for any index-based capacity release shall be determined according to NAESB Standard 5.3.67.

- 9.18 Marketing Fee. A Releasing Shipper may request that Transporter actively market the capacity to be released. In such event, the Releasing Shipper and Transporter shall negotiate the terms of the marketing service to be provided by Transporter and the marketing fee to be charged therefor.
- 9.19 Billing. Transporter shall bill the Replacement Shipper the rate(s) specified in the Replacement Capacity Agreement and any other applicable charges and surcharges, and the Replacement Shipper shall pay the billed amounts directly to Transporter. The Releasing Shipper shall be billed the reservation charge(s) associated with the entire amount of released capacity pursuant to its contract rate. The Releasing Shipper shall also be billed a marketing fee, if applicable, pursuant to the provisions of Section 9.18 above. A Replacement Shipper who rereleases acquired capacity shall also pay to Transporter a marketing fee, if applicable. Transporter will credit reservation charges and reservation surcharge(s) based on the reservation rate for Primary Point(s) of Receipt and Delivery collected from a Replacement Shipper on the Releasing Shipper's invoice. Transporter will notify the Releasing Shipper if the Replacement Shipper fails to pay amounts due pursuant to the terms of the Replacement Shipper's Agreement. If a Replacement Shipper does not make payment to Transporter of any portion of the reservation charge(s) due Transporter for service under the applicable Replacement Capacity Agreement when such amount is due, the Releasing Shipper may terminate the release and the released capacity will revert to the Releasing Shipper. The Releasing Shipper shall remain liable for any unpaid (1) reservation charge(s), (2) surcharges to the reservation charge(s), (3) other reservation-type charge(s), and (4) interest charges and late fees associated with such amounts.
- 9.20 Compliance by Replacement Shipper. By acquiring released capacity, a Replacement Shipper agrees that it will comply with the terms and conditions of Transporter's certificate of public convenience and necessity authorizing this capacity release program and all applicable Commission orders and regulations, including 18 CFR Part 284. Such Replacement Shipper also agrees to be responsible to Transporter for compliance with all terms and conditions of Transporter's Tariff, as well as the terms and conditions of the Replacement Capacity Agreement.
- 9.21 Obligations of Releasing Shipper. The Releasing Shipper shall continue to be liable and responsible for all reservation charge(s) associated with the released capacity derived from the reservation rate specified in the Releasing Shipper's transportation service agreement or Replacement Capacity Agreement. Rereleases by a Replacement Shipper shall not relieve the original or any subsequent Releasing Shipper of its obligations under this section.
- 9.22 Refunds. In the event that the Commission orders refunds of any rate(s) charged by Transporter, Transporter shall flow-through refunds to any Replacement Shipper to the extent such Shipper has paid a rate in excess of Transporter's applicable maximum rate(s). For releases that become effective on or after July 30, 2008, the rate paid by a Replacement Shipper in any capacity release transaction with a term of one year or less which is not subject to the maximum rate limitation will be deemed to be a final rate and is not subject to refund.

9.23 Administrative Costs. Transporter shall retain a portion of the revenues received from the Replacement Shipper as reimbursement for any incremental cost of administering a capacity release prior to crediting revenues to the Releasing Shipper, subject to the following conditions:

- (a) The release transaction involves ten or more Replacement Shippers.
- (b) Revenues may only be retained if Transporter demonstrates to the Releasing Shipper that the costs are incremental (such as the employment of an outside contractor to administer the release).
- (c) Transporter will notify the Releasing Shipper upon awarding the capacity to the Replacement Shipper as to whether Transporter intends to claim such administrative costs.
- (d) Money received by Transporter from the Replacement Shipper(s) will be placed in escrow to the extent of Transporter's claim pending the Releasing Shipper's agreement as to the validity of the claim. If agreement cannot be reached within 30 days of Transporter's claim, binding arbitration will be used to resolve the issue.
- (e) If Transporter notifies the Releasing Shipper under paragraph (b) hereof, the Releasing Shipper may, within two Business Days, notify Transporter that the Releasing Shipper will administer the release transaction. In such event, Transporter shall only accept from or direct to Releasing Shipper Nominations and other such communications including notices and invoices.

9.24 Charges for use of Segmentation Point(s) or Secondary Point(s). When Replacement Shipper Nominates Segmentation or Secondary Point(s), Transporter shall bill the Releasing Shipper for all (1) reservation charge(s), (2) surcharges to the reservation charge(s), (3) other reservation-type charge(s) applicable to service at such Segmentation or Secondary Point(s) including any applicable charges associated with the North Raton Lateral, additional charges related to High Plains System Segmentation and Secondary Points on Rate Schedule TF-HP and Transporter's mainline system Segmentation and Secondary Points on Rate Schedule TF-1. Based upon the contractual rights of the Releasing Shipper with respect to service at such Segmentation or Secondary Point(s) the charges applicable to service at such Segmentation or Secondary Point(s) may be greater than the charges applicable at the Primary Point(s).

9.24 Charges for use of Segmentation Point(s) or Secondary Point(s) (continued)

Transporter will bill Replacement Shipper only the amount specified in its winning electronic bulletin board bid unless the Releasing Shipper requires reimbursement of any additional charges applicable at Segmentation or Secondary Point(s) as a posted condition of the release. Transporter shall bill Replacement Shipper for all amounts due for use of Segmentation or Secondary Point(s), and shall credit the Releasing Shipper in accordance with this Section 9. When the rate charged for use of Segmentation or Secondary Point(s) is different from the rate charged for use of Primary Point(s), Transporter shall prorate the charges to Releasing and/or Replacement Shipper(s), as appropriate, based on the quantity of Gas Nominated at the Segmentation or Secondary Point(s) and the number of Days the Releasing Shipper utilized the Segmentation or Secondary Point(s) during the Month.

9.25 Advertisements. Any person may advertise for the purchase of capacity on Transporter's system on its EBB by submitting the desired advertisement (up to one page) to Transporter. Transporter shall post such advertisement on the Informational Postings portion of its EBB no later than the Business Day following receipt thereof if so requested, so long as the advertisement is not unlawful or inconsistent with Transporter's Tariff. The posted period requested may be for a period of time not to exceed one month. There will be no posting fee for such advertisements seeking to purchase capacity on Transporter's system. A response in and of itself to an advertisement seeking to purchase capacity never constitutes a capacity release. To release capacity, the Shipper holding the capacity rights must utilize the release procedures set forth in Section 9 of these General Terms and Conditions.

## 11. SYSTEM OPERATIONAL PARAMETERS

### 11.1 Monthly Operating Plan.

- (a) Joint Monthly Operating Plan Meeting. Joint Monthly Operating Plan Meetings may be held to coordinate the requirements and system operations for the forthcoming Month. All firm Shippers, or their designated Agents, may attend the meeting. Such meetings are to assure system integrity and efficient operation of Transporter's transmission system. Because the operating plan developed for the forthcoming Month will affect all firm Shippers, attendance and active participation are strongly encouraged. The Joint Monthly Operating Plan established at the monthly meetings will be the basis for Transporter's operations during such Month. All affected Parties, whether or not they participate in the Monthly Operating Plan Meeting, will be required to conform their transportation and storage services to the Operating Plan, including responding to any Operational Flow Orders ("OFO") issued by Transporter.
- (b) Scheduling. The Joint Monthly Operating Plan Meeting will be scheduled only if Transporter or any eligible Shipper or their designated agent makes a request for that month's meeting to be held. Notice of requested Joint Monthly Operating Plan Meeting shall be posted on Transporter's electronic bulletin board at least two weeks prior to such meeting.

### 11.2 Critical Operating Procedures

- (a) Strained Operating Condition may be issued using the notification procedures of Section 6.1(e)(v)(B) of this Tariff in situations where in Transporter's judgment general system flexibility, normally available Day to Day, cannot be afforded to Shippers to accommodate minor variations in receipt and Delivery quantities from Nominated levels. Examples of such operating conditions include (1) situations when the maximum storage withdrawal capacity is being utilized and allocated Receipt Quantities are less than Delivery Quantities; (2) when the maximum storage injection capacity is being utilized and allocated Receipt Quantities are greater than Delivery Quantities; and (3) when actual Receipt and Delivery Quantities on a segment of the transmission system vary from Nominations such that Transporter's capability to receive and Deliver Gas for its Shippers is adversely affected. The issuance of a strained operating condition requests Shippers voluntary support in correcting their situations and does not cause the Unauthorized Overrun Rates to increase.
- (b) If the Strained Operating Condition does not improve, a Critical Condition may be imposed after the Strained Operating Condition has been in effect for at least two Intraday scheduling cycles. The Critical Condition will be issued using the notification procedures of Section 6.1(e)(v)(B) of this Tariff. The Critical Condition will be limited to the smallest area of the system possible so that the fewest number of Shippers are affected. The higher Unauthorized Overrun charges provided for in the applicable Statement of Rates will be in effect during the Critical Condition.

11.2 Critical Operating Procedures

(c) Transporter's Operational Flow Orders, critical periods and critical notices, when issued, shall specify the conditions underlying such issuance and shall describe the specific responses required from the affected Parties (NAESB Standard 1.3.26).

11.3 Operational Flow Orders

(a) Operational Flow Order Applicability

(i) An Operational Flow Order is an order issued by Transporter to alleviate conditions, *inter alia*, which threaten or could threaten the safe operations or system integrity of Transporter's system or to maintain operations required to provide efficient and reliable firm service (NAESB WGQ Definition 1.2.6).

(ii) Transporter shall have the right to issue Operational Flow Orders ("OFO"). OFOs may be issued to any Shipper under Rate Schedules TF-4, TSB-Y, TSB-T, ESD-T, NNT-1, NNT-2, TF-HP, TF-1 and CS-1.

(iii) Transporter's Operational Flow Orders, critical periods and critical notices, when issued, shall specify the conditions underlying such issuance and shall describe the specific responses required from the affected Parties (NAESB WGQ Standard 1.3.26).

(b) An OFO may be issued by Transporter to any Shipper under the appropriate Rate Schedule in order for Transporter to maintain system integrity and reliability (including, but not limited to): (1) blending Gas supplies to meet minimum Gas quality specifications at Point(s) of Delivery, (2) adjusting line pack to meet minimum pressure obligations at Point(s) of Delivery, (3) adjusting storage inventory to comply with Transporter's Reservoir Integrity Inventory Limit, (4) adjusting Point(s) of Receipt and/or Point(s) of Delivery quantities to realize compressor and processing plant minimums, or any other comparable purpose. Upon issuance of an OFO, a Shipper may be required to increase or decrease quantities Tendered at Primary Point(s) of Receipt or change the mix of storage Gas supplies and/or flowing Gas supplies. An OFO can also require a Shipper to take other actions that are not listed above, if necessary, for system integrity and reliability, in which case Transporter shall post via Electronic Transmission and send to the Commission an explanation and justification of the OFO.

(c) An OFO shall not specify sellers of Gas from which Shippers must purchase Gas. Additionally, an OFO shall not require a Shipper to exceed its MDQ under its Service Agreement. To the extent feasible, Transporter will endeavor to limit the scope of OFOs to Shippers causing the problem that necessitates the OFO and Shippers causing Gas to be transported in the area of Transporter's system in which there is a problem and will only extend the applicability of OFOs to other Shippers in order to

### 11.3 Operational Flow Orders

#### (c) (continued)

preserve system integrity and reliability. Thereafter, an OFO shall be issued in the following hierarchy and not on an unduly discriminatory basis: first, Rate Schedule TF-4, NNT-1 and NNT-2 Agreements where Shipper is utilizing Points(s) of Delivery on the Valley Line; and second, TF-1 Agreements where Shipper is not utilizing Point(s) of Delivery on the Valley Line.

(d) **Timing.** To the extent practical, Transporter will first request affected Shipper(s) to adjust Nominations to accommodate necessary operational changes. Such request will be made by Transporter as soon as practicable when operating conditions dictate a change is required. The time allowed to fully comply with any such requests before Transporter issues an OFO will depend on the particular circumstances and Transporter's ability to meet its service obligations. Normally, adjustments must be reflected in the next Nominating period. To the degree required by prudent operation of the system following a request to adjust Nominations (if any), Transporter may issue an OFO. Compliance with an OFO shall be required within a reasonable time as specified in the OFO, or if no time is specified, compliance with an OFO issued before 10:00 a.m., Mountain Time, is expected on or before 4:00 p.m., local time, at the location the OFO will have its effect, on the calendar day the OFO is issued. For OFOs issued after 10:00 a.m., Mountain Time, compliance is expected on or before 12:00 noon, local time, at the location where the OFO will have its effect, the following calendar day. An OFO shall remain in effect until Transporter contacts Shippers.

(e) **Notification.** Transporter will notify Shipper through Shipper's choice of Electronic Notice Delivery Mechanism(s) pursuant to Section 6.1(e)(v)(B) of the General Terms and Conditions upon issuance of an OFO. The notice shall specify (i) the time and date of issuance of the notice, (ii) the actions that affected Shippers are required to take, (iii) the nature of the problem sought to be addressed, (iv) the time by which affected Shippers must comply with the OFO, (v) the anticipated duration of the OFO (unless otherwise indicated in the notice, the OFO remains in effect until Transporter contacts Shippers, and (vi) any other conditions. Shipper must notify Transporter of the name and telephone number of a person who will be available on a 24-hour basis to receive notice of the issuance of an OFO.

(f) **Failure to Comply.** Shipper's response to an OFO shall not be needlessly constrained by restrictions related to the submission and processing of Intraday Nominations. Shipper will be excused from complying with OFOs to the extent they are unable to comply due force majeure as defined herein. Otherwise, failure to comply in a timely manner (as specified in the OFO or this Section 11) with an OFO may result in an immediate reduction in Deliveries for the account of the noncomplying Shipper(s). In the event Shipper does not promptly or adequately respond to an OFO, Transporter shall have the right, but not the obligation, to take such remedial or corrective actions as Transporter deems prudent (including buying or selling Gas). Transporter shall be

11.3 Operational Flow Orders

(f) (continued)

made whole by the noncomplying Shipper(s) for all remedial or corrective costs that Transporter incurs.

(g) Liability. Transporter shall not be liable for any costs incurred by any Shipper in complying with an OFO (including, but not limited to, increased Gas supply costs), in the absence of negligence or undue discrimination by Transporter evaluated in light of the emergency conditions under which the OFO was issued. Transporter shall not be responsible for any damages (direct or consequential) that result from any reduction in Deliveries that are occasioned by any Shipper's failure to comply promptly and fully with an OFO. The failure of any Shipper to comply in a timely manner with an OFO may, but will not necessarily, subject such Shipper to liability for other Shippers whose service may be adversely affected.

Notwithstanding the above, a Shipper who fails to comply in a timely fashion with an OFO shall hold Transporter harmless and shall indemnify Transporter for any liability which may result from or arise out of damages sustained by any other Party or person due to the failure to comply.

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.

11.4 Corrective Action by Transporter. Transporter may require Shippers to take affirmative action such as increasing, decreasing, or suspending receipts or Deliveries where necessary to reasonably restore balance at any time. In normal circumstances, Transporter will allow Shipper at least 24 hours within which to make the required adjustments. Nonetheless, Transporter shall have the right to require necessary adjustments to be made following at least 4 hours notice. Notwithstanding foregoing, Transporter reserves the right where necessary to reasonably restore balance at any time to adjust or suspend receipts or Deliveries in order to reduce any out-of-balance conditions or to eliminate variances between scheduled quantities and actual flows. Transporter shall give at least 4 hours' notice prior to adjustment or suspension of service under this provision.

11.5 Force Majeure. In the event (1) that either Transporter or Shipper is rendered unable wholly or in part to carry out its obligations under the Agreement, (2) that such inability is caused by an event of force majeure as defined herein, and (3) that the Party whose ability to perform is affected communicates to the other Party (as soon as practicable after the occurrence of such event of force majeure and communicated in writing, by facsimile, or by Electronic Transmission), giving notice and full particulars of such event of force majeure, then the obligations of the Parties to the Agreement shall be suspended to the extent of, and for the duration of, the event of force majeure. However, the obligation of Shipper to make payment under the Agreement shall not be affected, except as provided in Section 11.5 herein. Both Parties shall exercise due diligence to remedy the cause of such event of force majeure, with all reasonable dispatch.

## 11.5 Force Majeure (continued)

The term "force majeure" as used in this Tariff shall include, but shall not be limited to, acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy or terrorists, wars, blockades, insurrections, riots, epidemics, landslides, lightning, volcanoes, hurricanes, tornadoes, earthquakes, fires, storms, floods, washouts, arrest and restraint of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of pipeline, partial or entire failure of wells, failure to obtain materials and supplies due to governmental regulations, and causes of like or similar kind, whether herein enumerated or not, and not within the control of the Party claiming suspension, and which by the exercise of due diligence such Party is unable to overcome; provided that the exercise of due diligence shall not require settlement of labor disputes against the better judgment of the Party having the dispute.

The term "force majeure" as employed herein shall also include, but shall not be limited to, inability to obtain or acquire at reasonable cost, grants, servitudes, rights-of-way, permits, licenses, or any other authorizations from 3rd Parties or agencies (private or governmental) or inability to obtain or acquire at reasonable cost necessary materials or supplies to construct, maintain, and operate any facilities required for the performance of any obligations under the Agreement, when any such inability directly or indirectly contributes to or results in either Party's inability to perform its obligations. In events of force majeure, Transporter's responsibility will be limited to taking reasonable and prudent actions to eliminate or remedy such circumstances, and Transporter shall have no liability for any losses occasioned by events of force majeure.

When Transporter interrupts service (causing interruption during the Day of scheduled firm quantities or can not schedule firm quantities between Primary Point(s)) and gives notice that such interruption is due to force majeure, as defined hereinabove, effective at the time capacity is first interrupted any affected Shipper that had scheduled firm Nominations reduced or Nominations not scheduled between Primary Point(s) under any of Transporter's firm rate schedules shall receive a credit. The credit shall be equal to twenty-five percent (25%) of the daily reservation rate (and/or storage capacity rate, when applicable) under such Shipper's affected Agreement, times the quantity of capacity interrupted as reduced by such quantities scheduled and flowing to Secondary Point(s) for each Day of interruption. If the event of force majeure continues for fourteen (14) Days or more, the crediting shall be discontinued as of the beginning of the fifteenth Day, leaving the Shipper liable for the applicable full reservation rate and/or storage capacity rate, when applicable, pursuant to the affected Agreement from that Day forward. If the event of force majeure continues for forty-five (45) Days or more, the crediting shall resume as of the beginning of the forty-sixth Day, and shall continue indefinitely until the force majeure is remedied.

11.6 Alterations and Repairs. In addition to Transporter's right to issue an Operational Flow Order as discussed in Section 11.3 herein, Transporter shall also have the right to interrupt the Transportation or injection or withdrawal from storage any Gas for Shipper when necessary to test, alter, modify, enlarge, repair, or maintain any facility or property comprising a part of, or appurtenant to, its system, or otherwise related to the operation thereof. Transporter shall endeavor to cause a minimum of inconvenience to Shipper. Except in cases of emergency, Transporter shall give advance notice to Shipper of its intention to so interrupt such Transportation, injection, or withdrawal, stating the anticipated timing and magnitude of each such interruption. Except as set forth above, Transporter shall have no other responsibilities to Shipper for any alterations or repairs and no liability for any losses occasioned by such alterations or repairs except to the extent that Transporter has acted in an unreasonable or imprudent manner.

## 15. REVENUE SHARING MECHANISM

- 15.1 Firm Unauthorized Overrun Revenue Crediting. The actual Unauthorized Overrun revenues, that are in excess of Transporter's costs associated with an Unauthorized Overrun event, received by Transporter in any fiscal year (from October 1 through September 30) under a firm Transportation Rate Schedule shall be credited to all firm transportation Shippers by invoice credit. Such credit shall be in proportion to Transportation reservation charge revenues received from each firm transportation Shipper during the subject fiscal year, and shall be made not later than the January statement sent subsequent to the fiscal year end by Transporter pursuant to Section 12.4 of this Tariff.
- 15.2 Interruptible Unauthorized Overrun Revenue Crediting. The actual interruptible Unauthorized Overrun revenues that are in excess of Transporter's costs associated with any interruptible Unauthorized Overrun event, received by Transporter in any fiscal year (from October 1 through September 30) under a Rate Schedule TI-1 Agreement, shall be credited to all Rate Schedule TI-1 Shippers by invoice credit. Such credit shall be on a pro rata basis in accordance with revenues received from each Rate Schedule TI-1 Shipper during the subject fiscal year, and shall be made not later than the January statement sent subsequent to the fiscal year end by Transporter pursuant to Section 12.4 of this Tariff.
- 15.3 In the event gas is confiscated under Rate Schedules TSB-Y, TSB-T, ESD-T, NNT-1, NNT-2, PAL-1, PAL-HP, APAL-1, FS-1, FS-T, FS-Y, SS-1, IS-1, IS-T or HUB-1, Transporter will credit the value of such gas to Shippers as a part of CIG's quarterly Lost, Unaccounted For, and Other Fuel Gas tracker filings.
- 15.4 Rate Schedule IS-T Revenue Crediting. The actual Rate Schedule IS-T revenues, that are in excess of Transporter's variable costs and surcharges associated with Rate Schedule IS-T transportation, received by Transporter in any fiscal year (from October 1 through September 30) shall be credited to all Rate Schedule FS-T Shippers by invoice credit. Such credit shall be in proportion to Totem Storage reservation charge revenues received from each firm Totem Storage Shipper during the subject fiscal year. If Transporter files an intervening rate case before the end of the fiscal year, the rate case will address any remaining crediting months. The revenues to be credited, if any, shall be credited to Rate Schedule FS-T Shippers by invoice credit not later than April 15 of each year, or if a credit cannot be applied, a cash refund shall be distributed.

## 16. NON-FORCE MAJEURE RESERVATION CHARGE CREDITS

The provisions of Sections 16.1, 16.2, 16.3 and 16.4 apply to Rate Schedules TF-1, TF-HP, TSB-Y, TSB-T, ESD-T, NNT-1, NNT-2, FS-1, FS-Y and FS-T.

- 16.1 Transporter will provide reservation charge credits under certain conditions as described in this Section 16 during non force majeure situations when nominated primary firm quantities are not scheduled. Should Shipper be due a reservation charge credit, Transporter will provide a 100% reservation charge credit during non-force majeure events. This Section 16 shall not apply if Transporter has declared a force majeure condition pursuant to Section 11.5 of the General Terms and Conditions.
- 16.2 No credits of any kind under this Section shall be required if Transporter's failure to schedule, accept or deliver Gas is due to Shipper's failure to perform in accordance with the terms of the Agreement and the Tariff, including, but not limited to, Operational Flow Orders, failure to meet all applicable Gas quality specifications and failure of supply, transportation and/or market upstream of or downstream from Transporter's pipeline system.
- 16.3 Unless otherwise mutually agreed between Transporter and Shipper, no reservation charge credit shall be made with respect to any service nominated at Secondary or Flow Path Secondary Points of Receipt or Delivery. However, reservation charge credits shall be applicable to quantities scheduled to Points of Delivery or at Points of Receipt not listed as Primary Points of Delivery or Receipt on Shipper's agreement, to the extent that Transporter is unable to schedule Shipper's nominated and confirmed quantities due to a constraint occurring on the portion of the Primary Receipt-to-Delivery Flow Path utilized by that Shipper for that Gas Day.
- 16.4 Any reservation charge credit due Shipper pursuant to this Section 16 shall be credited against transportation charges for a future Month, offset against other amounts owed, or refunded if the Agreement has terminated. Such crediting shall be Shipper's sole and exclusive remedy for Transporter's failure as described herein unless damages incurred by Shipper are shown to be the result of negligence or willful misconduct by Transporter. If a court makes such a finding, then Transporter shall only be liable for its proportionate amount of negligence. Any corrections to credited amounts shall be resolved using the dispute procedures described in Section 12 of the General Terms and Conditions.

16.5 Rate Schedules TF-1, TF-HP, TSB-Y, TSB-T and ESD-T.

Subject to Sections 16.1, 16.2, 16.3 and 16.4, if Transporter fails to schedule Shipper's properly nominated and confirmed primary firm quantities, Shipper shall receive a full reservation charge credit unless such failure to schedule results from application of the scheduling priorities described in Section 6 of the General Terms and Conditions.

(a) Crediting Procedures:

- (i) Reservation charge credits shall be based on the quantity Transporter fails to schedule up to Shipper's MDQ by the close of the Evening Nomination Cycle (i.e., Cycle 2), provided that Shipper's properly nominated confirmed and scheduled quantities at the close of Intraday 3 Nomination Cycle (i.e., Cycle 5) have not increased above Cycle 2 scheduled quantity levels. Should Shipper's nominated and confirmed quantities at the end of Cycle 5 increase above Shipper's Cycle 2 nominated, confirmed and scheduled quantities, reservation charge credits will be based on Shipper's nominated, confirmed and scheduled quantities at the end of Cycle 5.
- (ii) In the event Shipper's nominated and confirmed quantities are curtailed by Transporter in the Timely Nomination Cycle (i.e., Cycle 1) and Shipper nominates the "un-scheduled" gas on a third-party pipeline, Shipper shall not be required to re-submit a nomination to Transporter in Cycle 2 to receive such reservation charge credit. Should Shipper's "un-scheduled" quantities be transported by Transporter in a subsequent intraday cycle, such Shipper's reservation charge credit will appropriately be reduced.
- (iii) Shipper shall provide a representation to Transporter that its nominated, confirmed and scheduled quantities on a third-party pipeline are the result of Transporter's inability to provide primary firm service.
- (iv) To the extent that Shipper does not nominate or provide the representation as required in Section 16.5(a)(iii), Transporter shall use an average of the immediately previous 7 Days daily quantities Delivered under Shipper's firm transportation contract(s) using Primary Capacity to derive the reservation charge quantity.

(b) Calculation of payment:

- (i) Subject to Sections 16.1, 16.2, 16.3, and 16.4, the reservation charge specified in the Agreement will be reduced by an amount equal to the product of (1) the credit quantity as determined pursuant to the procedures contained in Section 16.5(a) up to the Shipper's MDQ and (2) the rate per Dth equal to the quotient of the reservation rate in the Agreement divided by the number of applicable Days, rounded to the nearest tenth of a cent.
- (ii) Subject to Sections 16.1, 16.2, 16.3, and 16.4, if Transporter fails to withdraw gas from Young or Totem storage and tender for Delivery daily quantities then, the reservation charge specified in the Agreement for the Month in which such Day occurs will be reduced by an amount equal to the product of (a) the quantity of Gas Transporter failed to Deliver (such quantity not to exceed Shipper's MDQ limited by Shipper's YADWQ or TADWQ, as applicable) times (b) the rate per Dth equal to the quotient of the applicable reservation rate divided by the number of days in such Month, rounded to the nearest tenth of a cent.

16.6 Rate Schedule NNT-1

- (a) Subject to Sections 16.1, 16.2, 16.3, and 16.4, if Transporter fails to Deliver quantities then the reservation charge specified in the Agreement for the Month in which failure occurs will be reduced by an amount equal to the product of (a) the quantity of Gas Transporter failed to Deliver (such quantity not to exceed Shipper's MDQ limited by Shipper's ADWQ) times (b) the rate per Dth equal to the quotient of the applicable reservation rate divided by the number of days in such Month, rounded to the nearest tenth of a cent. The quantity of Gas Transporter fails to Deliver shall be defined as the average of the immediately previous 7 Days quantities allocated to Shipper's NNT agreement(s).

### 16.7 Rate Schedules FS-1, FS-Y and FS-T

- (a) Subject to Sections 16.1, 16.2, 16.3 and 16.4, if Transporter, on any Day fails to withdraw from storage and Tender for Transportation the quantity requested to be withdrawn by Shipper from storage up to Shipper's ADWQ then the reservation charge specified in the Agreement for the Month in which such Day occurs will be reduced by an amount equal to the product of Gas that Transporter failed to withdraw and Tender on any such Day (up to Shipper's MDWQ) times the reservation charge as set forth in the Agreement (converted to a daily amount by being divided by 30.4) rounded to the nearest tenth of a cent.
- (b) Subject to Sections 16.1, 16.2, 16.3 and 16.4, if Transporter, on any day, fails to accept from Shipper quantities of Gas Tendered by Shipper for injection into storage, up to Shipper's MAC, Transporter shall provide a credit to Shipper. Such credit shall be in an amount equal to the difference between Shipper's MAC and the amount actually in storage for Shipper's account on the last Day of the Injection Period multiplied by the Storage Capacity Rate as set forth in the Agreement.

## 17. ANNUAL CHARGE ADJUSTMENT SURCHARGE

- 17.1 Purpose. For the purpose of funding of the FERC's costs incurred in any fiscal year, this Section 17 establishes an Annual Charge Adjustment ("ACA") as calculated by the Commission which shall be applicable to Transporter's transportation Rate Schedules TF-4, TSB-Y, TSB-T, ESD-T, NNT-1, NNT-2, TF-HP, TF-1, TI-1, TI-HP and HUB-1 and sales Rate Schedule S-1. All amounts assessed pursuant to this section shall be recorded in FERC Account No. 928. Transporter shall not seek to recover these annual charges in a NGA Section 4 rate case.
- 17.2 Basis of the Annual Charge Adjustment. The Rate Schedules referred to in Section 17.1 shall be subject to the ACA Surcharge to be charged at the Point of Delivery. For Transportation Service associated with Storage Service, Transporter shall charge Shipper after withdrawal from storage at the final Point of Delivery. Such ACA Surcharge shall be the unit charge shown on the Commission's website, as revised and posted annually. Such surcharge is incorporated by reference into Transporter's currently effective FERC Gas Tariff.
- 17.3 The proposed effective date of surcharges pursuant to this section shall be October 1.

## 20. ELECTRONIC BULLETIN BOARD

### 20.1 General

- (a) **Definition.** Electronic bulletin board or "EBB" shall mean the electronic system(s) established by Transporter to effectuate the exchange of both public and proprietary information between Transporter and Shippers and/or electronic bulletin board users. The distinction between Transporter's public and proprietary information systems, with regards to specific references to the EBB or electronic bulletin board in this Tariff, are governed by the contextual usage of the terms. The EBB system will include Transporter's proprietary interactive website, which is utilized for the exchange of a Shipper's contract-specific information. In addition, the EBB system will present publicly available information as required by the regulatory mandate of various commission orders, especially the Order No. 636 series of orders. The details of the EBB system meeting these regulatory requirements are described in the remainder of this Section 20.
- (b) Transporter supports via Electronic Communication, the exchange of certain business information utilizing the EDI data sets (Data Dictionaries) included in the NAESB Standards.

### 20.2 Electronic Bulletin Board System Characteristics and Information.

- (a) **Regulatory Requirements.** Transporter will maintain an electronic bulletin board in compliance with the FERC's Order No. 636, et al., which will provide bulletin board users with information on transportation capacity available from the Transporter or through the capacity release provision of Section 9 hereof. Transporter also complies with the regulatory requirements of the FERC as they relate to the provision of specific business information via EDI, in the manner described above.
- (b) **Accessibility.**
  - (i) The EBB will be generally accessible to anyone having executed the appropriate access agreements and forms and an internet connection. EDI information will be available to any Party having executed an EDI Trading Partner Agreement with Transporter. The EBB will be accessible seven Days a week.

20.2 Electronic Bulletin Board System Characteristics and Information (continued)

(c) User-Friendliness and Interactive Features. The EBB will be menu-driven, with file search, download and on-line help capabilities. Information posted on the EBB will be chronologically sequenced with the most recent information presented first. Transporter will periodically purge the EBB to remove completed transactions.

Transporter's EBB will provide for interactive communication between Transporter and the Shippers and potential Shippers on Transporter's system. This interactive communication will include the ability to electronically submit offers to release capacity, to receive bids in response to such offers, to validate and evaluate the bids, and to execute contracts formalizing such releases and acquisitions of capacity.

(d) Retention and Availability of EBB Information. Transporter will conduct a daily backup of the EBB information. This information will be archived for three years on electronic media. Transporter shall make Capacity Release historical data available on a consistent basis, which will provide for retrieval of open and closed offers during the three year FERC archival period (NAESB Standard 5.3.20). Shippers or other parties desiring specific historical data may request, either electronically or in writing, a search of the archived information. Transporter will provide, at Party's discretion, hardcopy or electronic media versions of the requested data and will charge a fee to recover the costs of the time and materials associated with the data search and recovery. Notwithstanding this Section 20.2(d), Transporter shall retain its affiliate waiver log for five years from the date of posting.

20.3 Posting of Available Capacity. Transporter will post on the EBB, and will make available via EDI utilizing the NAESB Standard data sets, separately stated information relating to the firm and interruptible transportation capacity available on its transmission system detailed as to:

- (a) Receipt and Delivery Point(s), as the data at those points relates to main line segments and Transportation routes.
- (b) by pipeline Segments.
- (c) CIG Mainline Storage Fields, including the relationship of NNT and FS-1 storage inventories to the Reservoir Integrity Inventory Limit.
- (d) Young Storage, including the relationship of TSB-Y and FS-Y storage inventories to the Young Storage Reservoir Integrity Inventory Limit.
- (e) Totem Storage, including the relationship of TSB-T, ESD-T and FS-T storage inventories to the Totem Storage Reservoir Integrity Inventory Limit.

20.3 Posting of Available Capacity (continued)

(f) Whether capacity is available from Transporter or through the capacity releasing provisions of this Tariff. This information will be reviewed and updated daily, weekly, or monthly, as appropriate.

20.4 Posting of Notice of Interest to Acquire Capacity. In the event a Party is interested in acquiring ("interested Party") capacity on Transporter's system, Transporter shall post a Notice of Interest to Acquire Capacity ("Notice") on its electronic bulletin board within one (1) Business Day of receipt of such Notice. The Notice shall remain posted for no longer than 30 Days. To be qualified to post Notice, the interested Party must be prequalified pursuant to Section 9.4 of the General Terms and Conditions of this Tariff for the level of capacity it seeks to acquire. The interested Party may furnish all data for posting which it deems appropriate, but at a minimum, such data shall include the following:

- (a) interested Party's legal name, address, and person to contact for additional information;
- (b) the term of the proposed acquisition;
- (c) the maximum Reservation Rate(s) (including Reservation Surcharge(s)) the interested Party is willing to pay for the capacity;
- (d) the Primary Point(s) of Delivery;
- (e) the Primary Point(s) of Receipt; and
- (f) the capacity desired at each Primary Point(s) of Receipt and Primary Point(s) of Delivery.

20.5 Posting of Imbalance Information. At Shipper's request, Transporter will publicly post Shipper's current imbalance status on the EBB. The information to be posted and timing of the posting, is detailed in Section 10.2, of these General Terms and Conditions. This information may be used to arrange "swaps", as detailed in Section 10.2(a), with another Shipper to reduce or eliminate imbalances under both Shippers' transportation agreements.

- 20.6 Buy/Sell and Capacity Brokering Arrangements. Transporter has no buy/sell or capacity brokering arrangements. Therefore, no data relating to these types of arrangements will appear on Transporter's EBB.
- 20.7 Expiring Firm Contracts. Posting of terms and conditions for contracts nearing expiration, and the bidding for the capacity of the non-renewed contracts will be accomplished on the EBB pursuant to Section 4 of these General Terms and Conditions.
- 20.8 Miscellaneous Postings and Order No. 717 Compliance Requirements. Operational bulletins and advisories will be posted on the EBB and made available via EDI utilizing the NAESB Standard data sets, notifying Shippers and other parties of areas of constrained capacity on Transporter's system and locations of facility outages, planned or otherwise. In addition, Transporter will utilize the EBB to post general interest informational bulletins related to topics other than Transporter's system operation, such as Shipper's declaration of an Essential Human Needs Emergency and request for voluntary diversions as detailed in Section 6.3(e) of these General Terms and Conditions. System wide notices provided via EDI will be categorized, pursuant to the NAESB Standard 5.3.18, to indicate those notices of a non-critical nature.  
  
Compliance reporting for affiliate transactions and standards of conduct information, required by the Commission's Order No. 717, will be provided on Transporter's EBB.
- 20.9 Transporter will post on the EBB the total inventory level in each of Transporter's storage fields.

## 28. OPERATIONAL PURCHASES AND SALES

- 28.1 Transporter may buy and/or sell gas to the extent necessary: (i) to maintain system pressure and line pack; (ii) to manage system storage; (iii) to balance fuel quantities; (iv) to implement the cash out of imbalances procedures contained in Section 10.5 of the General Terms and Conditions of the Tariff; (v) to implement the gas retention requirements of Rate Schedules TSB-Y, TSB-T, ESD-T, FS-T, FS-Y, IS-T, IS-Y, NNT-1, NNT-2, FS-1, PAL-1, PAL-HP, IS-1, HUB-1, SS-1, SS-HP and APAL-1 contained in the Tariff; (vi) to maintain system balance due to plant shrinkage from liquids extraction; and (vii) to perform other operational functions of Transporter in connection with transportation, storage and other similar services.
- 28.2 Transporter will make operational sales by either posting notice of such operational gas sales on its electronic bulletin board (in accordance with the applicable bidding provisions contained in Section 9 of the General Terms and Conditions of this Tariff); or by posting for bid operational gas quantities on the IntercontinentalExchange or another independent trading platform, exchange, or clearing house.
- 28.3 Transporter will file a report indicating the source of the operational gas purchased/sold, the date of such purchases/sales, volumes, the purchase/sale price, the costs and revenues from such purchases/sales and the disposition of the associated costs and revenues for all types of operational purchases and sales. Such report shall also include an explanation of the purpose of any operational purchases/sales as well as a reconciliation and accounting of operational purchases/sales that are associated with Section 1.30 (Fuel), Sections 10.5 (Cash Out) and 14.1 (Scheduled Imbalance Penalty), Section 15.4 (Revenue Sharing), and as applicable, system balancing and service flexibility. Transporter will file such report in conjunction with its annual Fuel Gas and Lost, Unaccounted-For and Other Fuel Gas True-Up filing pursuant to Section 13 of the General Terms and Conditions.

## 30. SPECIFIED DELIVERY POINTS

For purposes of this section, Specified Delivery Points will be identified on Transporter's EBB under Informational Postings and may vary from time to time. Upon Shipper's request, Transporter shall consider adding new points to the listed Specified Points on the EBB.

- 30.1 Unless otherwise agreed in a nondiscriminatory manner, Primary Points of Delivery for Transportation Service under Rate Schedules NNT-1, NNT-2, Hourly Entitlement Enhancement Nominations, and the Hourly Rates of Flow option (pursuant to Rate Schedule FS-1) are restricted to the physical Points of Delivery listed as Section 30.1 locations on Transporter's EBB. Additionally, the Hourly Entitlement Enhancement Nomination option is available to serve variable hourly requirements at those Points of Delivery.
- 30.2 Unless otherwise agreed in a nondiscriminatory manner, Points of Delivery where Hourly Entitlement Enhancement Nominations are available also include those Points of Delivery listed as Section 30.2 locations on Transporter's EBB. Such points may only be designated for secondary service under Rate Schedule NNT-1. Pursuant to Section 2.3 of Rate Schedule NNT-1, Short Notice Diversions may be made to those Points of Delivery on Transporter's EBB except as noted. The Points of Delivery included in this group are identified as being positioned in one of four operational areas, or in the system at large, to more effectively describe the operational capabilities available to the Short Notice Diversion service. Points of Delivery noted by an asterisk are served by Transporter's high-pressure system. As such, they do not have direct access to NNT services and, therefore, are not eligible for Short Notice Diversions. Further, locations shown in the operational area designated as "Other" lie outside the traditional NNT delivery point service area and, therefore, they are not eligible for Short Notice Diversions.
- 30.3 Unless otherwise agreed in a nondiscriminatory manner, Points of Delivery where Rate Schedule NNT-1 Shippers may utilize their NNT Agreement for daily balancing (pursuant to Section 2.5 of Rate Schedule NNT-1) are listed as Section 30.3 locations on Transporter's EBB. However, because of the position of these facilities or because of high pressure delivery requirements, Hourly Entitlement Enhancement Nomination (General Terms and Conditions Section 1.37), Hourly Delivery Transfers (Section 2.9 of Rate Schedule NNT-1) and Short Notice Diversions (Section 2.3 of Rate Schedule NNT-1) are not available at these Points of Delivery.

30.4 Unless otherwise agreed in a nondiscriminatory manner, Points of Delivery where Rate Schedule NNT-1 Shippers may utilize their NNT Agreement for secondary deliveries subject to available contract entitlements (i.e., when point entitlement quantities are not being used for primary point deliveries) are listed as Section 30.4 locations on Transporter's EBB. Except as noted below, daily balancing (pursuant to Section 2.5 of Rate Schedule NNT-1), Hourly Entitlement Enhancement Nominations and Hourly Delivery Transfers (pursuant to Section 2.9 of Rate Schedule NNT-1) are also available at those Points of Delivery. Additionally, Short Notice Diversion (Section 2.3 of Rate Schedule NNT-1) is available to these locations. As in Section 30.2, above, the Points of Delivery included in this group are identified as being positioned in one of four operational areas, or in the system at large, to more effectively describe the operational capabilities available to the Short Notice Diversion service. Points of Delivery noted by an asterisk are served by Transporter's high pressure system. As such, these points are not eligible for Short Notice Diversions.

(a) To the extent an NNT-1 Shipper has scheduled HEEN on a high pressure system Transportation Service Agreement to a high pressure Point of Delivery identified in this Section, NNT hourly and balancing services on the high pressure system are available, subject to the provisions of the Shipper's NNT Agreement.

30.5 Unless otherwise agreed in a nondiscriminatory manner, Points of Receipt and Points of Delivery for Transportation Service under Rate Schedules TF-HP and TSB-Y are listed as High Plains Locations on Transporter's EBB.

30.6 Unless otherwise agreed in a nondiscriminatory manner, Points of Receipt and Points of Delivery for Transportation Service under Rate Schedule TSB-T and Rate Schedule ESD-T are listed as Totem Storage Locations on Transporter's EBB.

## FORMS OF SERVICE AGREEMENTS

Section 1	Rate Schedule TF-1
Section 2	Rate Schedule TF-4
Section 3	Rate Schedule TF-HP
Section 4	Rate Schedule NNT-1
Section 5	Rate Schedule NNT-2
Section 6	Rate Schedule TSB-Y
Section 7	Rate Schedule TSB-T
Section 8	Rate Schedule FS-1
Section 9	Rate Schedule FS-Y
Section 10	Rate Schedule FS-T
Section 11	Rate Schedule TI-1
Section 12	Rate Schedule TI-HP
Section 13	Rate Schedule PAL-1
Section 14	Rate Schedule APAL-1
Section 15	Rate Schedule IS
Section 16	Rate Schedule IS-Y
Section 17	Rate Schedule IS-T
Section 18	Rate Schedule SS-1
Section 19	Rate Schedule SS-HP
Section 20	Rate Schedule HSP-1
Section 21	Rate Schedule HUB-1
Section 22	Rate Schedule CS-1
Section 23	Rate Schedule PAL-HP
Section 24	Rate Schedule ESD-T

### Preliminary Statement

Pursuant to Transporter's "Tariff Re-Organization" filing in Docket No. RP10-689; and subsequent filing pursuant to the electronic tariff requirements of Docket No. RM01-5, the pro forma service agreements contained in this Tariff are modified to reflect revised GT&C section references. (See below for the new section references.) As such, the currently Executed TSAs shall remain in effect and shall not be rendered non-conforming due to these modified references.

<u>Former Section Reference</u>	<u>Current GT&amp;C Section Reference</u>
Article 40	Section 4.16
Article 8	Section 5.4
Article 39	Section 5.5
Article 41	Section 4.3
Article 20	Section 17.4
Article 19	Section 17.2
Article 6	Section 20
Article 32	Section 30

FORM OF ENHANCED DELIVERABILITY SERVICE AGREEMENT  
APPLICABLE TO RATE SCHEDULE ESD-T

Agreement No. \_\_\_\_\_

FIRM TOTEM ENHANCED DELIVERABILITY SERVICE AGREEMENT

RATE SCHEDULE ESD-T

between

COLORADO INTERSTATE GAS COMPANY, L.L.C.

and

---

(Shipper)

DATED: \_\_\_\_\_

(Placement of text on page, number of pages, numbering of paragraphs, sections and footnotes, format, capitalization, headings and font may vary from Pro Forma to Service Agreement)

FORM OF TOTEM ENHANCED DELIVERABILITY SERVICE AGREEMENT  
APPLICABLE TO RATE SCHEDULE ESD-T

Agreement No. \_\_\_\_\_

Enhanced Deliverability Service Agreement  
Rate Schedule ESD-T  
Dated: \_\_\_\_\_

The Parties identified below, in consideration of their mutual promises, agree as follows:

1. Transporter: COLORADO INTERSTATE GAS COMPANY, L.L.C.
2. Shipper: \_\_\_\_\_
3. Applicable Tariff and Incorporation by Reference: Transporter's FERC Gas Tariff, Second Revised Volume No. 1, as the same may be amended or superseded from time to time ("Tariff"). This Agreement in all respects shall be subject to and shall incorporate as if set forth herein the provisions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time. Capitalized terms used and not otherwise defined in this Agreement have the meanings given to them in the Tariff.
4. Changes in Rates and Terms: Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.
5. Firm Enhanced Deliverability Service: Service at and between Point of Withdrawal and Primary Point(s) of Delivery shall be on a firm basis. Delivery of quantities at Secondary Point(s) shall be in accordance with the Tariff.
6. Delivery: Transporter agrees to transport and deliver Delivery Quantities to Shipper (or for Shipper's account) at the Point(s) of Delivery identified in the attached Exhibit A. Minimum and maximum delivery pressures, as applicable, are listed on Exhibit A.
7. Rates and Surcharges: As set forth in Exhibit B. Transporter and Shipper may also agree to a discount using one of the discount types described in Section 4.16 of the General Terms and Conditions of the Tariff.
8. For the period \_\_\_\_\_ through \_\_\_\_\_.  
Totem Maximum Delivery Quantity ("MDQ"): \_\_\_\_\_ Dth per Day.  
Totem Maximum Daily Withdrawal Quantity ("TMDWQ"): \_\_\_\_\_ Dth per Day.

(Insert again if Quantities change during the term of service)

All storage entitlements as stated herein ("TMDWQ") are based on an Average Thermal Content of Gas in Storage of 1,000 Btu per cubic foot. The Totem Available Daily Withdrawal Quantity ("TADWQ") and storage entitlements shall be subject to the General Terms and Conditions of the Tariff and stated on Transporter's electronic bulletin board.

9. Negotiated Rate: Yes        No       

10. Term of Firm Enhanced Deliverability Service: \_\_\_\_\_

[Insert term of service including any (i) construction contingencies, (ii) extension rights such as an evergreen or rollover provision, (iii) contractual rights of first refusal, (iv) interim capacity limitations and/or (v) related termination provisions, as applicable.]

11. Notices, Statements, and Bills:  
To Shipper: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Invoices: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
All Notices: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
To Transporter:  
See "Points of Contact" in the Tariff.

12. Effect on Prior Agreement(s): \_\_\_\_\_.

13. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

IN WITNESS WHEREOF, the Parties have executed this Agreement. This Agreement may be executed by electronic means and an electronic signature shall be treated in all respects as having the same effect as a handwritten signature.

TRANSPORTER:

COLORADO INTERSTATE  
GAS COMPANY, L.L.C.

SHIPPER:

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Accepted and agreed to this

\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Accepted and agreed to this

\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

EXHIBIT A

to

FIRM ENHANCED DELIVERABILITY SERVICE AGREEMENT  
RATE SCHEDULE ESD-T

between

COLORADO INTERSTATE GAS COMPANY, L.L.C.

and

\_\_\_\_\_  
(Shipper)

DATED: \_\_\_\_\_

The following data elements shall be described on this Exhibit A, as applicable:

1. Shipper's Maximum Delivery Quantity ("MDQ"): (See ¶  )
2. Shipper's Totem Maximum Daily Withdrawal Quantity ("TMDWQ"): (See ¶  )

The following data elements shall be described on this Exhibit A, as applicable:

Primary Point(s) of Delivery  
Effective Dates (See ¶  )  
Primary Point(s) of Delivery Quantity (Dth per Day) (1)  
Minimum Delivery Pressure p.s.i.g. (2)  
Maximum Delivery Pressure p.s.i.g.(2)

Notes: [Insert as applicable]

- (1) The sum of the Delivery Quantities at Point(s) of Delivery shall be equal to or less than Shipper's MDQ.
- (2) Pressure conditions shall be in accordance with Section 5.4 of the General Terms and Conditions of the Tariff.

EXHIBIT B

to

FIRM ENHANCED DELIVERABILITY SERVICE AGREEMENT  
RATE SCHEDULE ESD-T

between

COLORADO INTERSTATE GAS COMPANY, L.L.C.

and

\_\_\_\_\_  
(Shipper)

DATED: \_\_\_\_\_

The following data elements shall be described on this Exhibit B, as applicable:

Reservation Rates (1)(3)  
Primary Point(s) of Delivery  
Commodity Withdrawal Rate (1)(3)  
Effective Dates (See ¶)  
Surcharges (2)  
Authorized Overrun Rate(s) (4)  
Daily Authorized Delivery Overrun Rate  
Daily Authorized Withdrawal Overrun Rate

Notes: [Insert as applicable]

(1) Unless otherwise agreed by the Parties in writing, the rates for service shall be Transporter's maximum rates for service under Rate Schedule ESD-T or other superseding Rate Schedule, as such rates may be changed from time to time. All entitlement or quantities scheduled by Transporter on the CIG mainline or North Raton Lateral facilities shall be subject, as applicable, to the appropriate mainline and/or North Raton Lateral incremental reservation and commodity rates. Reservation rate(s) shall be payable regardless of quantities transported.

-and/or -

[Insert for discount rate(s), as necessary (e.g., (1a), (1b), etc.)]

As provided in Section 4.16 of the General Terms and Conditions of Transporter's Tariff, the Parties agree to the following discount rate(s) \_\_\_\_\_ (insert if applicable) which shall be payable regardless of quantities transported. The rate(s) charged under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in Transporter's Tariff.

-and/or -

[Insert for negotiated rate(s), as necessary (e.g., (1a), (1b), etc.)]

As provided in Section 4.17 of the General Terms and Conditions of Transporter's Tariff, the Parties agree to the following negotiated rate(s) \_\_\_\_\_ (insert if applicable) which shall be payable regardless of quantities transported.

(2) Applicable Surcharges:

All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated in Part II: Statement of Rates in the Tariff; as such surcharges may be changed from time to time.

High Plains Gas Quality Control Surcharge:

The Gas Quality Control reservation rate and commodity rate shall be assessed pursuant to Section 33.1 of the General Terms and Conditions of the Tariff. Reservation rate(s) shall be payable regardless of quantities transported.

ACA:

The ACA surcharge shall be assessed pursuant to Section 17.2 of the General Terms and Conditions of the Tariff.

(3) Quantities scheduled by Transporter from/to Primary, Secondary, and/or Segmented Point(s) on any off-system capacity held by Transporter shall be subject to Transporter's Third Party Charges as described on Transporter's electronic bulletin board and/or pursuant to Section 4.3 of the General Terms and Conditions of the Tariff.

(4) Subject to Transporter's authorized maximum and minimum rates in effect from time to time, a rate of \$\_\_\_\_ per Dth shall apply to daily Authorized Overrun of up to \_\_\_\_ Dth per Day.

