



October 31, 2023

Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Attention: Ms. Kimberly D. Bose, Secretary

Re: Non-Conforming Agreement Update;
El Paso Natural Gas Company, L.L.C.;
Docket No. RP24-

Commissioners:

El Paso Natural Gas Company, L.L.C. ("EPNG") hereby tenders for filing and acceptance by the Federal Energy Regulatory Commission ("Commission") the tariff records listed below for inclusion in its FERC Gas Tariff, Third Revised Volume No. 1A ("Tariff").

Part I	Section 1	Table of Contents	Version 87.0.0
Part III	Section 2	Rate Schedule FT-2	Version 5.0.0

Proposed with an effective date of November 1, 2023, these tariff records modify references to a Rate Schedule FT-2 transportation service agreement ("FT-2 TSA") to reflect a recent assignment from Sterling Natural Gas, Inc. ("SNG") to the City of Sterling City, Texas ("City"). EPNG respectfully requests a waiver of the 30-day notice requirement to effectuate the November 1, 2023 effective date, as discussed below.

Background

Since 1991, EPNG has provided SNG firm service under a TSA originally executed to support Rate Schedule FTS-S service (i.e., Agreement No. 982T). Rate Schedule FTS-S was a service for shippers transporting small natural gas quantities and was available to east-of-California customers (as defined in Docket No. RP72-6, et al.) who converted their entire existing sales entitlements to firm transportation service and elected transportation service under FTS-S in lieu of transportation service under EPNG's then existing Rate Schedule T-3. Over the years EPNG's system experienced various modifications resulting from Commission proceedings and restructuring orders and, ultimately, Rate Schedule FTS-S service for small shippers became Rate Schedule FT-2 service. A shipper with Rate Schedule FT-2 service may receive firm service of no more than 10,000

dekatherms per day.¹

SNG owned and operated a natural gas distribution system (“System”) serving the City area using its FT-2 TSA. SNG communicated to City in late 2022 that SNG no longer intended to own and operate SNG’s System. Recently, SNG and City executed an agreement (“Agreement”) transferring all or substantially all of SNG’s assets in its System, including the FT-2 TSA, to City. City has provided the Agreement to EPNG and requested that it be able to use the FT-2 TSA beginning on November 1, 2023 in its name to provide natural gas to SNG’s former service area.

Section 4.20 of the General Terms and Conditions (“GT&C”) of EPNG’s Tariff permits a shipper to assign its agreement to a party acquiring all, or substantially all, of the shipper’s natural gas business.² Because City acquired all or substantially all of SNG’s natural gas business, SNG fulfilled the requirements of the Tariff to assign the FT-2 TSA to City. Consequently, EPNG will implement the assignment of that TSA, effective November 1, 2023, in its system as requested by City.

Reason for Filing

In 2008, EPNG performed a comprehensive review of its TSAs and various forms of service agreements in light of the Commission’s material deviation policies. As a result, EPNG submitted its FTS-S and FT-2 TSAs for the Commission’s information and review as such agreements might be deemed non-conforming in view of the Rate Schedule FT-2 form of service agreement in existence at the time (“2008 Filing”). Among the agreements represented by the filing was the SNG FT-2 TSA.³ Accordingly, the tariff sheets submitted with the 2008 Filing reflected the FT-2 TSA on EPNG’s list of non-conforming agreements.⁴ On January 16, 2009, the Commission issued an order accepting the 2008 Filing, noting that the non-conforming agreements described therein included provisions that were permissible material deviations.⁵

¹ Should a shipper require transportation service greater than this ceiling, the shipper must convert its entire Rate Schedule FT-2 TSA to firm service under Rate Schedule FT-1 or another firm rate schedule. See Section 1 of Rate Schedule FT-2.

² In all other cases capacity must be assigned using the capacity release provisions of EPNG’s Tariff.

³ The SNG FT-2 TSA was known at the time as one of the original Rate Schedule FTS-S TSAs executed in August 1991, shortly after a settlement in the Docket No. RP88-44-000 et al. proceeding was approved. See *El Paso Natural Gas Co.*, 54 FERC ¶ 61,316 (1991).

⁴ The submission of the 2008 Filing occurred prior to the implementation of the Commission’s Order No. 714. (*Electronic Tariff Filings* Order No. 714, FERC Stats. & Regs. ¶ 31,276, 73 FR 57515 (2008).) As a result, tariff records representing the SNG FT-2 TSA were not required for inclusion in EPNG’s Tariff.

⁵ *El Paso Natural Gas Co.*, Docket No. RP09-144-000 (Jan. 16, 2009) (unpublished letter order).

Given the assignment of the SNG FT-2 TSA to City, EPNG is proposing to reflect this assignment through the modification of its list of non-conforming agreements shown on the Table of Contents in its Tariff. Additionally, Section 4 of Rate Schedule FT-2, which lists the shippers receiving service under such rate schedule, is updated to remove the name of SNG and replace it with City. The assignment from SNG to City did not change any of the provisions (including those non-conforming provisions identified in the 2008 Filing) of the FT-2 TSA as reviewed and accepted by the Commission.

Tariff Records

EPNG is submitting the following tariff records pursuant to Subpart C of Part 154 of the Commission's regulations.⁶

Part I, Section 1 – Table of Contents is updated to change the shipper name associated with Agreement No. 982T from SNG to City on the list of non-conforming agreements. Additionally, as a housekeeping item, EPNG is proposing to remove the listing of an agreement with Graham County Utilities as such agreement is no longer in effect.

Part III, Section 2 – Rate Schedule FT-2 contains a list of the shippers receiving FT-2 service that is modified to recognize the assignment from SNG to City. Further, similar to the change in the Table of Contents, EPNG is proposing to remove the name of Graham County Utilities given that the shipper no longer receives service under Rate Schedule FT-2.

Section 154.204 Discussion

Pursuant to Section 154.204 of the Commission's regulations, EPNG states the following:

- (a) EPNG does not anticipate any increase in revenues as a result of the proposed tariff update.
- (b) EPNG is not aware of any other filings pending before the Commission that may significantly affect this filing.

⁶ See 18 C.F.R. §§ 154.201 – 154.210 (2022) (Subpart C).

Procedural Matters

In accordance with the applicable provisions of Part 154 of the Commission's regulations,⁷ EPNG is submitting an eTariff XML filing package, which includes the following:

- a) a transmittal letter; and
- b) clean and marked versions of the tariff records in PDF format.

EPNG respectfully requests the Commission accept the tendered tariff records for filing and permit them to become effective on November 1, 2023, as requested by City to enable it to begin to provide service using the FT-2 TSA on that date. Given that the assignment was only recently executed and provided to EPNG, EPNG requests the Commission grant a waiver of the notice requirements for good cause shown as permitted by 18 C.F.R. § 154.207 (2022) of the Commission's regulations. With respect to any tariff record the Commission allows to go into effect without change, EPNG hereby moves to place the tendered tariff record in to effect at the end of a minimal suspension period, if any, established by the Commission.

Correspondence and communications concerning this filing should be directed to:

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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 (2022)).

⁷ 18 C.F.R. §§ 154.1 – 154.603 (2022).

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

Respectfully submitted,

EL PASO NATURAL GAS COMPANY, L.L.C.

By _____/s/_____
Ryan C. Leahy
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 EPNG's pipeline system and interested state regulatory commissions, in accordance with the requirements of Sections 154.208 and 385.2010 of the Commission's Rules of Practice and Procedures.

Dated at Birmingham, Alabama as of this 31st day of October, 2023.

/s/

Ryan C. Leahy

Post Office Box 2563
Birmingham, AL 35202
(205) 325-7105

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List of Non-Conforming Agreements

Apache Corporation #612956-FT1EPNG
Apache Nitrogen Products, Inc. #97VV
Arizona Electric Power Cooperative, Inc. Letter Agreement dated March 3, 2015 for Agreement #FT3EH000, #FT3EJ000, #H222V000 and #H822F000
Arizona Public Service Company Letter Agreement dated April 3, 2013 for Agreement #FT24T000, #FT39H000, #H822E000, #FT39D000, #FT39E000 and #OA22X000
Arizona Public Service Company Letter Agreement dated August 13, 2013 to amend the Letter Agreement dated April 3, 2013
Arizona Public Service Company OPAS Agreement #OA239000
Atmos Energy Corporation FTH-12 Agreement #H2232000
Atmos Energy Corporation FTH-12 Agreement #H222Y000
Atmos Energy Corporation FTH-12 Agreement #H222Z000

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Atmos Energy Corporation FT-1 Agreement #FT3J9000
Atmos Energy Corporation FT-1 Agreement #613502000-FT1EPNG
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Atmos Energy Corporation FT-1 Agreement #613504000-FT1EPNG
Chemical Lime Company of Arizona #982F
City of Benson, Arizona #982B
City of Deming #982H
City of Denver City, Texas #FX227000
City of Denver City, Texas Letter Agreement dated September 10, 2014 for Agreement #FX227000
City of Dumas, Texas #FX224000
City of Dumas, Texas Letter Agreement dated November 12, 2014 for Agreement #FX224000
City of Lordsburg #FX22B000
City of Lordsburg, NM Letter Agreement dated January 9, 2015 for Agreement #FX22B000
City of McLean, Texas #FX223000
City of McLean, Texas Letter Agreement dated September 10, 2014 for Agreement #FX223000
City of Morton, Texas #FX226000
City of Morton, Texas Letter Agreement dated July 16, 2014 for Agreement #FX226000
City of Plains, Texas #FX225000
City of Plains, Texas Letter Agreement dated July 16, 2014 for Agreement #FX225000
City of Safford, Arizona #9824
City of Socorro, New Mexico #9828
City of Sterling City, Texas #982T
City of Whiteface, Texas #FX222000
City of Whiteface, Texas Letter Agreement dated September 10, 2014 for Agreement #FX222000
City of Willcox, Arizona #97YU
Comision Federal de Electricidad #FT3DM000
Comision Federal de Electricidad #FT3DP000
ConocoPhillips Company Letter Agreement dated February 20, 2015 for Agreement #FT3E9000, #FT3EA000, #FT3EB000, #FT276000, #FT3E2000 and #FT3DJ000
Duncan Valley Electric Cooperative, Inc. #982J
El Paso Electric Company FTH-16 Agreement #H6223000-FH16EPNG
El Paso Electric Company OPAS Agreement #616642-OPASEPNG
E.M.W. Gas Association #FX22A000
E.M.W. Gas Association Letter Agreement dated December 29, 2014 for Agreement #FX22A000
Freeport-McMoRan Corporation FT-1 Agreement #FT2CE000
Freeport-McMoRan Corporation FT-1 Agreement #FT2CF000
Las Cruces, New Mexico City of, FT-1 Agreement #FT2AG000
Las Cruces, New Mexico City of, FT-1 Agreement #FT2AH000
Las Cruces, New Mexico City of, FT-1 Agreement #FT2AJ000
Mesa, Arizona City of, FT-1 Agreement #FT2AE000-FT1EPNG
Mesa, Arizona City of, FT-1 Agreement #FT2AF000
Mexicana de Cobre, S.A. de C.V. #FT369000
MGI Supply, Ltd. Master Replacement Agreement dated November 28, 1997

List of Non-Conforming Agreements (Continued)

MGI Supply, Ltd. IT-1 Agreement #9HJH
MGI Supply, Ltd. IT-1 Agreement #9L5N
Mex Gas Supply, S.L. #612654-FT1EPNG
Mex Gas Supply, S.L. #612652-FT1EPNG
Mex Gas Supply, S.L. #612653-FT1EPNG
Navajo Tribal Utility Authority FT-1 Agreement #FT2AL000-FTAEPNG
Navajo Tribal Utility Authority FT-1 Agreement #FT2AM000-FTAEPNG
Navajo Tribal Utility Authority FT-1 Agreement #FT2AN000-FT1EPNG
New Mexico Gas Company, Inc. Letter Agreement dated November 23, 2015 for Agreement #FT3FV000, #FT3FW000, #FT3FX000 and #FT3FY000
Pioneer Natural Resources USA, Inc. Letter Agreement dated November 16, 2016 for Agreement #FT3HH000 and #FT3HJ000
Public Service Company of New Mexico Letter Agreement dated May 13, 2015 for Agreement #FT3EQ000, #FT3ER000, #FT3ET000, #FT3EU000, #H222W000 and #H222X000
Salt River Project Agricultural Improvement and Power District OPASA #OA237000
Salt River Project Agricultural Improvement and Power District Letter Agreement dated November 22, 2013 for Agreement #OA233000 and #H222T000
Salt River Project Agricultural Improvement and Power District Master PAL Agreement
Sempra Gas & Power Marketing, LLC FT-1 Agreement #611727-FT1EPNG
Southwest Gas Corporation Letter Agreement
Southwest Gas Corporation FT-1 Agreement #FT28M000-FTAEPNG
Texas Gas Service Company, a division of ONE Gas, Inc. Letter Agreement dated June 23, 2014 for Agreement #FT3CP000, #H322A000, #H322B000 and #OA232000
Texas Gas Service Company, a division of ONE Gas, Inc. #OA232000
Town of Mountainair, NM Letter Agreement dated December 8, 2014 for Agreement #FX228000
Town of Mountainair #FX228000
Tucson Electric Power Company Letter Agreement dated August 1, 2013 for Agreement #FT3AC000-FT1EPNG, #H222R000-FH12EPNG and #H222Q000-FH12EPNG
UNS Gas, Inc. Letter Agreement dated August 1, 2013 for Agreement #H3229000, #FT3AB000, #H2229000 and #OA22Z000
UNS Gas, Inc. FTH-12 Agreement #H222P000-FH12EPNG
Village of Corona, NM Letter Agreement dated December 8, 2014 for Agreement #FX229000
Village of Corona, NM #FX229000
Zia Natural Gas Company #9823

List of Non-Conforming Negotiated Rate Agreements

Apache Corporation #612956-FT1EPNG
Arizona Electric Power Cooperative, Inc. FT-1 Agreement #FT3EH000
Arizona Electric Power Cooperative, Inc. FT-1 Agreement #FT3EJ000
Arizona Electric Power Cooperative, Inc. FTH-12 Agreement #H222V000
Arizona Electric Power Cooperative, Inc. FTH-8 Agreement #H822F000

List of Non-Conforming Negotiated Rate Agreements (Continued)

Arizona Public Service Company FT-1 Agreement #FT39D000
Arizona Public Service Company FT-1 Agreement #FT39E000
Arizona Public Service Company FT-1 Agreement #FT39H000
Arizona Public Service Company FT-1 Agreement #FT3HX000
Arizona Public Service Company FTH-8 Agreement #H822E000
Arizona Public Service Company FTH-8 Agreement #613904-FH8EPNG
Arizona Public Service Company FTH-16 Agreement #613878-FH16EPNG
Arizona Public Service Company FT-1 Agreement #613881-FT1EPNG
Arizona Public Service Company FTH-8 Agreement #617999-FH8EPNG
Comision Federal de Electricidad #FT3CM000
Comisión Federal de Electricidad #FT3H4000
ConocoPhillips Company FT-1 Agreement #FT3EA000
Devon Gas Services, L.P. FT-1 Agreement #FT3HG000
EWM P1, LLC Agreement #FT3FM000
JBS Tolleson, Inc. FT-1 Agreement #FT2E4000-FT1EPNG
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Sempra Gas & Power Marketing, LLC FT-1 Agreement #615538-FT1EPNG
Sempra Gas & Power Marketing, LLC FT-1 Agreement #615940-FT1EPNG
Sempra Gas & Power Marketing, LLC FT-1 Agreement #617961-FT1EPNG
Southern California Gas Company FT-1 Agreement #615178-FT1EPNG
Southwest Gas Corporation FT-1 Agreement #613297-FT1EPNG

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Southwest Gas Corporation FT-1 Agreement #616140-FT1EPNG
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WTG Midstream Marketing LLC FT-1 Agreement #617729-FT1EPNG
XTO Energy Inc. FT-1 Agreement #613717-FT1EPNG
XTO Energy Inc. FT-1 Agreement #613718-FT1EPNG
XTO Energy Inc. FT-1 Agreement #613719-FT1EPNG

Third Revised Volume No. 2

Special rate schedules consisting of individual contracts between Transporter and various interstate pipeline system customers covering special gas transportation or exchange of natural gas. A detailed index of rate schedules is included in Transporter's FERC Gas Tariff, Third Revised Volume No. 2.

Rate Schedules

- | | |
|------|---|
| X-42 | Gas Exchange Agreement between El Paso Natural Gas Company and Atlantic Richfield Company. |
| T-18 | Gas Transportation Agreement between El Paso Natural Gas Company and Pacific Interstate Transmission Company. |
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| T-30 | Gas Transportation Agreement between El Paso Natural Gas Company and Tenneco Oil Company. |
| T-31 | Gas Transportation Agreement between El Paso Natural Gas Company and Tenneco Oil Company. |
| T-32 | Gas Transportation Agreement between El Paso Natural Gas Company and Conoco Inc. |
| T-33 | Gas Transportation Agreement between El Paso Natural Gas Company and Conoco Inc. |

RATE SCHEDULE FT-2
Firm Transportation Service

1. AVAILABILITY

This Rate Schedule is available to those existing east-of-California customers listed in Section 4 receiving exclusive firm service of no more than 10,000 dth per Day (as further defined in this Rate Schedule) who have elected, as of September 1, 2003, transportation service under this Rate Schedule in lieu of transportation service under Rate Schedule FT-1.

Shipper and Transporter have executed a TSA, in the form contained in this Volume No. 1A Tariff, for such firm transportation service.

If Shipper requires transportation service greater than 10,000 dth per Day, Shipper must convert its entire Rate Schedule FT-2 TSA to firm service under Rate Schedule FT-1 or other firm Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to all Natural Gas transported by Transporter for Shipper pursuant to the Executed TSA.
- 2.2 Transportation service hereunder shall be firm, subject to the provisions of the Executed TSA and to the GT&C incorporated herein by reference.
- 2.3 Transportation service hereunder shall consist of the acceptance by Transporter of Natural Gas on behalf of Shipper for transportation at the Receipt Point(s) specified in the Executed TSA, the transportation of that Natural Gas through Transporter's pipeline system, and the delivery of that gas, after appropriate reductions as provided for in this Rate Schedule, to Shipper or for Shipper's account at the Delivery Point(s) specified in the Executed TSA.
- 2.4 Shippers under this Rate Schedule have been allocated certain capacity with San Juan Basin receipt rights pursuant to the capacity allocation proceeding in Docket No. RP00-336-000, et al. Such allocated capacity shall be called Tier 1 capacity, as identified in Section 4 of this rate schedule.
 - (a) An FT-2 Shipper may utilize service above its Tier 1 rights and request service on an alternate basis from San Juan Basin Receipt Points, provided that such capacity is available. In the event that such San Juan Basin capacity is not available, the FT-2 Shipper wishing to utilize primary service above its Tier 1 rights may nominate service on a primary basis from the Waha Area or NGPL Lea County Receipt Points.

2.4 (continued)

- (b) FT-2 San Juan Capacity Pool. The FT-2 San Juan Capacity Pool ("Capacity Pool") represents the total San Juan Basin capacity allocated to the FT-2 Shippers in Docket No. RP00-336-000, et al.
- (i) Any FT-2 Shipper wishing to utilize San Juan Basin capacity above its Tier 1 rights may request such service as a part of the regular nomination process. If the Capacity Pool is being fully utilized, such capacity request will be scheduled on a Second Alternate basis with other firm Shippers. To the extent the Capacity Pool is not being fully used by FT-2 Shippers on that Day and sufficient capacity is available to serve all such requests, the capacity request above such Shipper's Tier 1 rights will be scheduled on an FT-2 alternate basis. If only a portion of the total requests may be served from the Capacity Pool on that Gas Day, then the requests will be allocated on a pro rata basis using the quantity nominated and confirmed on that Day until the Capacity Pool is fully utilized.
- (c) Any other Receipt Points, including those from the San Juan Basin if capacity is available, may be scheduled on a Second Alternate basis along with other firm Shippers.

2.5 Rates of Flow. Shipper may take gas in hourly rates of up to 150% of 1/24th of daily scheduled quantities for any six hours of the Gas Day. Shipper may not exceed an hourly average of 120% of 1/24th of daily scheduled quantities for any consecutive 12 hours of the Gas Day. Except as otherwise provided in this Tariff, Shipper must balance its daily receipts and daily deliveries at the end of each Gas Day.

2.6 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 Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. 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 given the Critical Conditions. 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 penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

- 2.7 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the DART System on a real time basis.

3. RATE

- 3.1 Transporter, at its sole discretion, may from time to time and at any time selectively adjust any or all of the rates stated below applicable to any individual Shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Rate Schedule FT-2 Statement of Rates.
- 3.2 Transportation Charges: Shipper shall pay a one-part volumetric rate applicable to the service provided as set forth below, multiplied by the quantity of Natural Gas delivered in dth.
- (a) Mainline Transportation Usage Charges: The maximum rate(s) per dth, unless otherwise provided, applicable to the delivery zones (Texas, New Mexico, Arizona) in which deliveries are made, as set forth on the currently effective Statement of Rates. If delivered quantities are equal to or less than the Tier 1 quantity for that Shipper, the Tier 1 Transportation Charge shall apply. The Tier 2 rate shall apply to any delivered quantity exceeding the Tier 1 quantity.

4. SHIPPERS RECEIVING RATE SCHEDULE FT-2 SERVICE

Apache Nitrogen Products, Inc.
Chemical Lime Company of Arizona
City of Benson, Arizona
City of Deming, New Mexico
City of Denver City, Texas
City of Lordsburg, New Mexico
City of Morton, Texas
City of Plains, Texas
City of Safford, Arizona
City of Socorro, New Mexico
City of Sterling City, Texas
City of Whiteface, Texas
City of Willcox, Arizona
Corona, New Mexico, Village of
Dumas, Texas, City of
Duncan Valley Electric Cooperative, Inc.

4. SHIPPERS RECEIVING RATE SCHEDULE FT-2 SERVICE (continued)

EMW Gas Association
McLean, Texas, City of
Town of Mountainair, New Mexico
Zia Natural Gas Company

The Tier 1 Quantity for each Shipper is equal to the monthly capacity allocated to each FT-2 Shipper as described in the report filed on April 8, 2003 in Docket No. RP00-336-010.

5. CHARGES

- 5.1 Shipper shall pay hourly scheduling penalties, if applicable, pursuant to Section 14.1 of the GT&C.
- 5.2 Daily Unauthorized Overrun Transportation. On any Day, if Shipper's takes under its TSA exceed 10,000 dth in total for all Delivery Points, the excess shall be deemed daily unauthorized overrun transportation. Such quantities shall be subject to the daily unauthorized overrun rate. Shipper shall pay an amount obtained by multiplying the quantity of such daily unauthorized overrun quantities by the daily unauthorized overrun rate on the Statement of Rates.
- (a) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 14.2 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.
- (b) Pursuant to Section 5.2 of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

6. FUEL AND L&U

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for Fuel and L&U for the transportation of Natural Gas pursuant to Shipper's Executed TSA. The Fuel and L&U charge shall be set forth on the applicable Statement of Rates and shall be subject to adjustment in accordance with Section 13 of the GT&C. The Fuel charge may be discounted by Transporter; provided, however, that the discounted charge shall not be less than actual Fuel incurred in the transaction being discounted.

7. TERMINATION OF OTHER SERVICES

Upon the effectiveness of an Executed TSA under this Rate Schedule, all prior TSAs entered into between Transporter and Shipper shall be terminated and Transporter, if necessary, shall be deemed to have been granted abandonment authorization pursuant to Section 7(b) of the Natural Gas Act with respect to said terminated TSAs. During the effectiveness of a TSA under this Rate Schedule, Shipper shall not request or receive transportation service through Transporter's facilities under any other arrangement with Transporter, or any third party. Notwithstanding the above, any existing non-Rate Schedule FT-2 firm Shipper that acquires all or substantially all of the Natural Gas business of a Rate Schedule FT-2 Shipper may continue service under its existing TSA and under the newly acquired FT-2 TSA. However, the succeeding Shipper may only use the FT-2 TSA for service to the traditional market area served by that Rate Schedule FT-2 TSA. This shall not preclude a Shipper from entering into a transportation arrangement with any upstream pipeline to transport supplies to Transporter's system.

8. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the Fuel provisions of Section 13 and the Critical Condition procedures of Section 11.1 are applicable to this Rate Schedule. Furthermore, Section 8.1(f) of the GT&C, "Flexible Receipts and Delivery Points," shall not apply to this Rate Schedule.

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List of Non-Conforming Agreements

Apache Corporation #612956-FT1EPNG
Apache Nitrogen Products, Inc. #97VV
Arizona Electric Power Cooperative, Inc. Letter Agreement dated March 3, 2015 for Agreement #FT3EH000, #FT3EJ000, #H222V000 and #H822F000
Arizona Public Service Company Letter Agreement dated April 3, 2013 for Agreement #FT24T000, #FT39H000, #H822E000, #FT39D000, #FT39E000 and #OA22X000
Arizona Public Service Company Letter Agreement dated August 13, 2013 to amend the Letter Agreement dated April 3, 2013
Arizona Public Service Company OPAS Agreement #OA239000
Atmos Energy Corporation FTH-12 Agreement #H2232000
Atmos Energy Corporation FTH-12 Agreement #H222Y000
Atmos Energy Corporation FTH-12 Agreement #H222Z000

List of Non-Conforming Agreements (Continued)

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Atmos Energy Corporation FT-1 Agreement #613502000-FT1EPNG
Atmos Energy Corporation FT-1 Agreement #613503000-FT1EPNG
Atmos Energy Corporation FT-1 Agreement #613504000-FT1EPNG
Chemical Lime Company of Arizona #982F
City of Benson, Arizona #982B
City of Deming #982H
City of Denver City, Texas #FX227000
City of Denver City, Texas Letter Agreement dated September 10, 2014 for Agreement #FX227000
City of Dumas, Texas #FX224000
City of Dumas, Texas Letter Agreement dated November 12, 2014 for Agreement #FX224000
City of Lordsburg #FX22B000
City of Lordsburg, NM Letter Agreement dated January 9, 2015 for Agreement #FX22B000
City of McLean, Texas #FX223000
City of McLean, Texas Letter Agreement dated September 10, 2014 for Agreement #FX223000
City of Morton, Texas #FX226000
City of Morton, Texas Letter Agreement dated July 16, 2014 for Agreement #FX226000
City of Plains, Texas #FX225000
City of Plains, Texas Letter Agreement dated July 16, 2014 for Agreement #FX225000
City of Safford, Arizona #9824
City of Socorro, New Mexico #9828
[City of Sterling City, Texas #982T](#)
City of Whiteface, Texas #FX222000
City of Whiteface, Texas Letter Agreement dated September 10, 2014 for Agreement #FX222000
City of Willcox, Arizona #97YU
Comision Federal de Electricidad #FT3DM000
Comision Federal de Electricidad #FT3DP000
ConocoPhillips Company Letter Agreement dated February 20, 2015 for Agreement #FT3E9000, #FT3EA000, #FT3EB000, #FT276000, #FT3E2000 and #FT3DJ000
Duncan Valley Electric Cooperative, Inc. #982J
El Paso Electric Company FTH-16 Agreement #H6223000-FH16EPNG
El Paso Electric Company OPAS Agreement #616642-OPASEPNG
E.M.W. Gas Association #FX22A000
E.M.W. Gas Association Letter Agreement dated December 29, 2014 for Agreement #FX22A000
Freeport-McMoRan Corporation FT-1 Agreement #FT2CE000
Freeport-McMoRan Corporation FT-1 Agreement #FT2CF000
~~Graham County Utilities, Inc. #97ZP~~
Las Cruces, New Mexico City of, FT-1 Agreement #FT2AG000
Las Cruces, New Mexico City of, FT-1 Agreement #FT2AH000
Las Cruces, New Mexico City of, FT-1 Agreement #FT2AJ000
Mesa, Arizona City of, FT-1 Agreement #FT2AE000-FT1EPNG
Mesa, Arizona City of, FT-1 Agreement #FT2AF000
Mexicana de Cobre, S.A. de C.V. #FT369000
MGI Supply, Ltd. Master Replacement Agreement dated November 28, 1997

List of Non-Conforming Agreements (Continued)

MGI Supply, Ltd. IT-1 Agreement #9HJH

List of Non-Conforming Agreements (Continued)

MGI Supply, Ltd. IT-1 Agreement #9L5N

Mex Gas Supply, S.L. #612654-FT1EPNG

Mex Gas Supply, S.L. #612652-FT1EPNG

Mex Gas Supply, S.L. #612653-FT1EPNG

Navajo Tribal Utility Authority FT-1 Agreement #FT2AL000-FTAEPNG

Navajo Tribal Utility Authority FT-1 Agreement #FT2AM000-FTAEPNG

Navajo Tribal Utility Authority FT-1 Agreement #FT2AN000-FT1EPNG

New Mexico Gas Company, Inc. Letter Agreement dated November 23, 2015 for Agreement #FT3FV000, #FT3FW000, #FT3FX000 and #FT3FY000

Pioneer Natural Resources USA, Inc. Letter Agreement dated November 16, 2016 for Agreement #FT3HH000 and #FT3HJ000

Public Service Company of New Mexico Letter Agreement dated May 13, 2015 for Agreement #FT3EQ000, #FT3ER000, #FT3ET000, #FT3EU000, #H222W000 and #H222X000

Salt River Project Agricultural Improvement
and Power District OPASA #OA237000

Salt River Project Agricultural Improvement
and Power District Letter Agreement dated November 22, 2013 for Agreement #OA233000 and #H222T000

Salt River Project Agricultural Improvement
and Power District Master PAL Agreement

Sempra Gas & Power Marketing, LLC FT-1 Agreement #611727-FT1EPNG

~~Sterling Natural Gas, Inc. #982T~~

Southwest Gas Corporation Letter Agreement

Southwest Gas Corporation FT-1 Agreement #FT28M000-FTAEPNG

Texas Gas Service Company, a division of ONE Gas, Inc. Letter Agreement dated June 23, 2014 for Agreement #FT3CP000, #H322A000, #H322B000 and #OA232000

Texas Gas Service Company, a division of ONE Gas, Inc. #OA232000

Town of Mountainair, NM Letter Agreement dated December 8, 2014 for Agreement #FX228000

Town of Mountainair #FX228000

Tucson Electric Power Company Letter Agreement dated August 1, 2013 for Agreement #FT3AC000-FT1EPNG, #H222R000-FH12EPNG and #H222Q000-FH12EPNG

UNS Gas, Inc. Letter Agreement dated August 1, 2013 for Agreement #H3229000, #FT3AB000, #H2229000 and #OA22Z000

UNS Gas, Inc. FTH-12 Agreement #H222P000-FH12EPNG

Village of Corona, NM Letter Agreement dated December 8, 2014 for Agreement #FX229000
Village of Corona, NM #FX229000

Zia Natural Gas Company #9823

List of Non-Conforming Negotiated Rate Agreements

Apache Corporation #612956-FT1EPNG

Arizona Electric Power Cooperative, Inc. FT-1 Agreement #FT3EH000

Arizona Electric Power Cooperative, Inc. FT-1 Agreement #FT3EJ000

Arizona Electric Power Cooperative, Inc. FTH-12 Agreement #H222V000

Arizona Electric Power Cooperative, Inc. FTH-8 Agreement #H822F000

List of Non-Conforming Negotiated Rate Agreements (Continued)

Arizona Public Service Company FT-1 Agreement #FT39D000

Arizona Public Service Company FT-1 Agreement #FT39E000

Arizona Public Service Company FT-1 Agreement #FT39H000

Arizona Public Service Company FT-1 Agreement #FT3HX000

Arizona Public Service Company FTH-8 Agreement #H822E000

Arizona Public Service Company FTH-8 Agreement #613904-FH8EPNG

Arizona Public Service Company FTH-16 Agreement #613878-FH16EPNG

Arizona Public Service Company FT-1 Agreement #613881-FT1EPNG

Arizona Public Service Company FTH-8 Agreement #617999-FH8EPNG

Comision Federal de Electricidad #FT3CM000

Comisión Federal de Electricidad #FT3H4000

ConocoPhillips Company FT-1 Agreement #FT3EA000

Devon Gas Services, L.P. FT-1 Agreement #FT3HG000

EWM P1, LLC Agreement #FT3FM000

JBS Tolleson, Inc. FT-1 Agreement #FT2E4000-FT1EPNG

Mexicana de Cobre, S.A. de C.V. #FT399000

MRC Permian Company FT-1 Agreement #610837-FT1EPNG

MRC Permian Company FT-1 Agreement #612815-FT1EPNG

New Mexico Gas Company, Inc. FT-1 Agreement #FT3FV000-FT1EPNG

New Mexico Gas Company, Inc. FT-1 Agreement #FT3FW000-FT1EPNG

New Mexico Gas Company, Inc. FT-1 Agreement #FT3FX000-FT1EPNG

New Mexico Gas Company, Inc. FT-1 Agreement #FT3FY000-FT1EPNG

Phillips 66 Energy Trading LLC FT-1 Agreement #619809-FT1EPNG

Pioneer Natural Resources USA, Inc. #FT3HH000

Pioneer Natural Resources USA, Inc. #FT3HJ000-FT1EPNG

Public Service Company of New Mexico FT-1 Agreement #FT3EQ000

Public Service Company of New Mexico FT-1 Agreement #FT3ER000

Public Service Company of New Mexico FT-1 Agreement #617905-FT1EPNG

Public Service Company of New Mexico FT-1 Agreement #617906-FT1EPNG

Public Service Company of New Mexico FTH-12 Agreement #617907-FH12EPNG

Public Service Company of New Mexico FTH-12 Agreement #617908-FH12EPNG

Saavi Energy Solutions, LLC FT-1 Agreement #611596-FT1EPNG

Salt River Project Agricultural Improvement and Power District FTH-12 Agreement #H222T000-FH12EPNG

Salt River Project Agricultural Improvement and Power District FT-1 Agreement #611550-FT1EPNG

Sempra Gas & Power Marketing, LLC FT-1 Agreement #614012-FT1EPNG

Sempra Gas & Power Marketing, LLC FT-1 Agreement #615001-FT1EPNG

Sempra Gas & Power Marketing, LLC FT-1 Agreement #615536-FT1EPNG

Sempra Gas & Power Marketing, LLC FT-1 Agreement #615538-FT1EPNG

Sempra Gas & Power Marketing, LLC FT-1 Agreement #615940-FT1EPNG

Sempra Gas & Power Marketing, LLC FT-1 Agreement #617961-FT1EPNG

Southern California Gas Company FT-1 Agreement #615178-FT1EPNG

Southwest Gas Corporation FT-1 Agreement #613297-FT1EPNG

List of Non-Conforming Negotiated Rate Agreements (Continued)

Southwest Gas Corporation FTH-3 Agreement #616139-FH3EPNG

Southwest Gas Corporation FT-1 Agreement #616140-FT1EPNG

Targa Gas Marketing LLC FT-1 Agreement #611666-FT1EPNG

Tenaska Marketing Ventures FT-1 Agreement #618294-FT1EPNG

Tenaska Marketing Ventures FT-1 Agreement #618295-FT1EPNG

Texas Gas Service Company, a division of ONE Gas, Inc. FT-1 Agreement #FT3CP000

Texas Gas Service Company, a division of ONE Gas, Inc. FTH-3 Agreement #H322B000

Texas Gas Service Company, a division of ONE Gas, Inc. FTH-3 Agreement #H322A000

Tucson Electric Power Company FT-1 Agreement #FT3AC000-FT1EPNG

Tucson Electric Power Company FTH-12 Agreement #H222R000-FH12EPNG

Tucson Electric Power Company FTH-12 Agreement #H222Q000-FH12EPNG

Tucson Electric Power Company FT-1 Agreement #613296-FT1EPNG

UNS Gas, Inc. FT-1 Agreement #619448-FT1EPNG

UNS Gas, Inc. FTH-3 Agreement #619450-FH3EPNG

WTG Gas Marketing, Inc. FT-1 Agreement #616953-FT1EPNG

WTG Midstream Marketing LLC FT-1 Agreement #617716-FT1EPNG

WTG Midstream Marketing LLC FT-1 Agreement #617729-FT1EPNG

XTO Energy Inc. FT-1 Agreement #613717-FT1EPNG

XTO Energy Inc. FT-1 Agreement #613718-FT1EPNG

XTO Energy Inc. FT-1 Agreement #613719-FT1EPNG

Third Revised Volume No. 2

Special rate schedules consisting of individual contracts between Transporter and various interstate pipeline system customers covering special gas transportation or exchange of natural gas. A detailed index of rate schedules is included in Transporter's FERC Gas Tariff, Third Revised Volume No. 2.

Rate Schedules

- | | |
|------|---|
| X-42 | Gas Exchange Agreement between El Paso Natural Gas Company and Atlantic Richfield Company. |
| T-18 | Gas Transportation Agreement between El Paso Natural Gas Company and Pacific Interstate Transmission Company. |
| T-23 | Gas Transportation Agreement between El Paso Natural Gas Company and Minco Oil and Gas Co. |
| T-30 | Gas Transportation Agreement between El Paso Natural Gas Company and Tenneco Oil Company. |
| T-31 | Gas Transportation Agreement between El Paso Natural Gas Company and Tenneco Oil Company. |
| T-32 | Gas Transportation Agreement between El Paso Natural Gas Company and Conoco Inc. |
| T-33 | Gas Transportation Agreement between El Paso Natural Gas Company and Conoco Inc. |

RATE SCHEDULE FT-2
Firm Transportation Service

1. AVAILABILITY

This Rate Schedule is available to those existing east-of-California customers listed in Section 4 receiving exclusive firm service of no more than 10,000 dth per Day (as further defined in this Rate Schedule) who have elected, as of September 1, 2003, transportation service under this Rate Schedule in lieu of transportation service under Rate Schedule FT-1.

Shipper and Transporter have executed a TSA, in the form contained in this Volume No. 1A Tariff, for such firm transportation service.

If Shipper requires transportation service greater than 10,000 dth per Day, Shipper must convert its entire Rate Schedule FT-2 TSA to firm service under Rate Schedule FT-1 or other firm Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to all Natural Gas transported by Transporter for Shipper pursuant to the Executed TSA.
- 2.2 Transportation service hereunder shall be firm, subject to the provisions of the Executed TSA and to the GT&C incorporated herein by reference.
- 2.3 Transportation service hereunder shall consist of the acceptance by Transporter of Natural Gas on behalf of Shipper for transportation at the Receipt Point(s) specified in the Executed TSA, the transportation of that Natural Gas through Transporter's pipeline system, and the delivery of that gas, after appropriate reductions as provided for in this Rate Schedule, to Shipper or for Shipper's account at the Delivery Point(s) specified in the Executed TSA.
- 2.4 Shippers under this Rate Schedule have been allocated certain capacity with San Juan Basin receipt rights pursuant to the capacity allocation proceeding in Docket No. RP00-336-000, et al. Such allocated capacity shall be called Tier 1 capacity, as identified in Section 4 of this rate schedule.
 - (a) An FT-2 Shipper may utilize service above its Tier 1 rights and request service on an alternate basis from San Juan Basin Receipt Points, provided that such capacity is available. In the event that such San Juan Basin capacity is not available, the FT-2 Shipper wishing to utilize primary service above its Tier 1 rights may nominate service on a primary basis from the Waha Area or NGPL Lea County Receipt Points.

2.4 (continued)

- (b) FT-2 San Juan Capacity Pool. The FT-2 San Juan Capacity Pool ("Capacity Pool") represents the total San Juan Basin capacity allocated to the FT-2 Shippers in Docket No. RP00-336-000, et al.
- (i) Any FT-2 Shipper wishing to utilize San Juan Basin capacity above its Tier 1 rights may request such service as a part of the regular nomination process. If the Capacity Pool is being fully utilized, such capacity request will be scheduled on a Second Alternate basis with other firm Shippers. To the extent the Capacity Pool is not being fully used by FT-2 Shippers on that Day and sufficient capacity is available to serve all such requests, the capacity request above such Shipper's Tier 1 rights will be scheduled on an FT-2 alternate basis. If only a portion of the total requests may be served from the Capacity Pool on that Gas Day, then the requests will be allocated on a pro rata basis using the quantity nominated and confirmed on that Day until the Capacity Pool is fully utilized.
- (c) Any other Receipt Points, including those from the San Juan Basin if capacity is available, may be scheduled on a Second Alternate basis along with other firm Shippers.

2.5 Rates of Flow. Shipper may take gas in hourly rates of up to 150% of 1/24th of daily scheduled quantities for any six hours of the Gas Day. Shipper may not exceed an hourly average of 120% of 1/24th of daily scheduled quantities for any consecutive 12 hours of the Gas Day. Except as otherwise provided in this Tariff, Shipper must balance its daily receipts and daily deliveries at the end of each Gas Day.

2.6 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 Scheduled Entitlement or different from its Hourly Contract Entitlement. Any such action will not result in daily unauthorized overrun penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. 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 given the Critical Conditions. 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 penalties, hourly scheduling penalties, or Critical Condition charges pursuant to this rate schedule. However, if Shipper takes any actions without first obtaining the written agreement of Transporter, Shipper will be subject to all applicable penalties and charges.

- 2.7 To calculate the actual measured hourly rate of flow, should the delivery meter be part of an aggregation of meters under a D-Code, some or all of which have physical gas measurement equipment compatible with Transporter's system and capable of registering hourly flows, the quantities delivered to any such individual meters in the D-Code shall be deemed to have flowed on a ratable 1/24th basis if: 1) hourly measurement equipment is not installed or 2) the hourly measurement equipment does not have active telemetry capability (temporary outages excepted) into the DART System on a real time basis.

3. RATE

- 3.1 Transporter, at its sole discretion, may from time to time and at any time selectively adjust any or all of the rates stated below applicable to any individual Shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum rate(s) nor shall they be less than the minimum rate(s) set forth on the currently effective Rate Schedule FT-2 Statement of Rates.
- 3.2 Transportation Charges: Shipper shall pay a one-part volumetric rate applicable to the service provided as set forth below, multiplied by the quantity of Natural Gas delivered in dth.
- (a) Mainline Transportation Usage Charges: The maximum rate(s) per dth, unless otherwise provided, applicable to the delivery zones (Texas, New Mexico, Arizona) in which deliveries are made, as set forth on the currently effective Statement of Rates. If delivered quantities are equal to or less than the Tier 1 quantity for that Shipper, the Tier 1 Transportation Charge shall apply. The Tier 2 rate shall apply to any delivered quantity exceeding the Tier 1 quantity.

4. SHIPPERS RECEIVING RATE SCHEDULE FT-2 SERVICE

Apache Nitrogen Products, Inc.
Chemical Lime Company of Arizona
City of Benson, Arizona
City of Deming, New Mexico
City of Denver City, Texas
City of Lordsburg, New Mexico
City of Morton, Texas
City of Plains, Texas
City of Safford, Arizona
City of Socorro, New Mexico
City of Sterling City, Texas
City of Whiteface, Texas
City of Willcox, Arizona
Corona, New Mexico, Village of
Dumas, Texas, City of
Duncan Valley Electric Cooperative, Inc.

~~EMW Gas Association~~
4. SHIPPERS RECEIVING RATE SCHEDULE FT-2 SERVICE (continued)

~~EMW Gas Association~~
~~Graham County Utilities, Inc.~~
McLean, Texas, City of
~~Sterling Natural Gas, Inc.~~
Town of Mountainair, New Mexico
Zia Natural Gas Company

The Tier 1 Quantity for each Shipper is equal to the monthly capacity allocated to each FT-2 Shipper as described in the report filed on April 8, 2003 in Docket No. RP00-336-010.

5. CHARGES

- 5.1 Shipper shall pay hourly scheduling penalties, if applicable, pursuant to Section 14.1 of the GT&C.
- 5.2 Daily Unauthorized Overrun Transportation. On any Day, if Shipper's takes under its TSA exceed 10,000 dth in total for all Delivery Points, the excess shall be deemed daily unauthorized overrun transportation. Such quantities shall be subject to the daily unauthorized overrun rate. Shipper shall pay an amount obtained by multiplying the quantity of such daily unauthorized overrun quantities by the daily unauthorized overrun rate on the Statement of Rates.
- (a) Daily unauthorized overrun amounts consist of two components, a charge to cover the costs of providing transportation service and a penalty applicable to the unauthorized overrun activity. Pursuant to Section 14.2 of the GT&C, Transporter will retain the "charge" component and will credit the "penalty" component to Shippers.
- (b) Pursuant to Section 5.2 of this Rate Schedule, if the daily unauthorized overrun quantity contains non-telemetered quantities due to the lack of daily measurement equipment or the lack of active telemetry capability of the equipment, such non-telemetered quantities shall be assessed at the authorized overrun rate, but only for a quantity less than or equal to the daily unauthorized overrun quantity.

6. FUEL AND L&U

In addition to the payments made pursuant to the other provisions of this Rate Schedule, Shipper shall provide and be responsible for Fuel and L&U for the transportation of Natural Gas pursuant to Shipper's Executed TSA. The Fuel and L&U charge shall be set forth on the applicable Statement of Rates and shall be subject to adjustment in accordance with Section 13 of the GT&C. The Fuel charge may be discounted by Transporter; provided, however, that the discounted charge shall not be less than actual Fuel incurred in the transaction being discounted.

7. TERMINATION OF OTHER SERVICES

Upon the effectiveness of an Executed TSA under this Rate Schedule, all prior TSAs entered into between Transporter and Shipper shall be terminated and Transporter, if necessary, shall be deemed to have been granted abandonment authorization pursuant to Section 7(b) of the Natural Gas Act with respect to said terminated TSAs. During the effectiveness of a TSA under this Rate Schedule, Shipper shall not request or receive transportation service through Transporter's facilities under any other arrangement with Transporter, or any third party. Notwithstanding the above, any existing non-Rate Schedule FT-2 firm Shipper that acquires all or substantially all of the Natural Gas business of a Rate Schedule FT-2 Shipper may continue service under its existing TSA and under the newly acquired FT-2 TSA. However, the succeeding Shipper may only use the FT-2 TSA for service to the traditional market area served by that Rate Schedule FT-2 TSA. This shall not preclude a Shipper from entering into a transportation arrangement with any upstream pipeline to transport supplies to Transporter's system.

8. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the TSA, all of the GT&C contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said GT&C, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. In particular, but without limitation, the scheduling provisions of Section 6, the Fuel provisions of Section 13 and the Critical Condition procedures of Section 11.1 are applicable to this Rate Schedule. Furthermore, Section 8.1(f) of the GT&C, "Flexible Receipts and Delivery Points," shall not apply to this Rate Schedule.