# MIDCONTINENT EXPRESS PIPELINE LLC

December 19, 2024

Debbie-Anne Reese, Secretary Federal Energy Regulatory Commission 888 First Street, N. E. Washington, D.C. 20426

#### Re: Midcontinent Express Pipeline LLC Negotiated Rate Agreement Filing Docket No. RP25-

Dear Ms. Reese:

Pursuant to Section 4 of the Natural Gas Act ("NGA") and Section 154 of the regulations of the Federal Energy Regulatory Commission ("Commission" or "FERC"), Midcontinent Express Pipeline LLC ("MEP") hereby submits for filing and acceptance one (1) amended negotiated rate agreement under Rate Schedule FTS between MEP and Southwest Energy, L.P. ("Southwest"). Furthermore, MEP hereby submits the tariff record listed in Appendix A to reflect the inclusion of the amended agreement in its FERC Gas Tariff, Original Volume No. 2 ("Tariff") with a proposed effective date of January 1, 2025. MEP respectfully requests a waiver of the 30-day notice requirement to effectuate the January 1, 2025 effective date, as discussed below.

#### Statement of Nature, Reasons, and Basis

This filing is submitted pursuant to the Commission's Negotiated Rate Policy Statement issued January 31, 1996 in Docket No. RM95-6-000 ("Policy Statement").<sup>1</sup> In the Policy Statement, the Commission announced that it would allow companies to implement negotiated rate programs. Section 30 of the General Terms and Conditions of MEP's Tariff allows MEP to implement negotiated rates and provides that MEP will file with the Commission a tariff record advising the Commission of the specifics of the negotiated rate or, alternatively, MEP may file the contract setting out the negotiated rate.

As a part of this filing, MEP is submitting a tariff record containing the amended negotiated rate exhibits, which detail the specifics of the amended agreement. The amended negotiated rate agreement with Southwest does not deviate in any material respect from the form of service agreement in MEP's Tariff.

<sup>&</sup>lt;sup>1</sup> The Commission's current policies were originally established in, *Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines, Regulation of Negotiated Transportation Services, Statements of Policy and Comments,* 74 FERC ¶ 61,076 (1996), order on clarification, 74 FERC ¶ 61,194 (1996), order on reh'g, 75 FERC ¶ 61, 024 (1996). See, also, *Natural Gas Pipeline Negotiated Rate Policies and Practices, Modification of Negotiated Rate Policy,* 104 FERC ¶ 61,134 (2003).

Debbie-Anne Reese, Secretary Federal Energy Regulatory Commission Page 2

# **Procedural Matters**

In accordance with the applicable provisions of Part 154 of the Commission's regulations,<sup>2</sup> MEP is submitting an eTariff XML filing package, which includes the following:

- 1. This transmittal letter; and
- 2. The title of the proposed tariff record and clean and marked versions of the tariff record in PDF format in Appendix A.

MEP respectfully requests the Commission accept the tendered tariff records for filing and permit them to become effective on January 1, 2025. As such, MEP requests the Commission grant a waiver of the notice requirements found in 18 C.F.R. § 154.207 of the Commission's regulations. With respect to any tariff record the Commission allows to go into effect without change, MEP hereby moves to place the tendered tariff record into effect at the end any minimal suspension period specified by the Commission.

Correspondence and communications concerning this filing should be sent to each of the following persons and each of the following should be included on the Commission's service list for this filing:

Ms. Karen Ferazzi Assistant General Counsel Midcontinent Express Pipeline LLC 1001 Louisiana St., Suite 1000 Houston, TX 77002 (713) 369-9354 Karen\_Ferazzi@KinderMorgan.com Mr. Ryan Leahy Director, Regulatory Midcontinent Express Pipeline LLC Post Office Box 2563 Birmingham, AL 35209-2563 (205) 325-7105 Ryan\_Leahy@KinderMorgan.com

MEP also requests that copies be sent to:

Mr. Michael T. Langston VP & Chief Regulatory Officer Energy Transfer Partners, L.P. 1300 Main St. Houston, TX 77002 (713) 989-7610 Michael.Langston@EnergyTransfer.com

Pursuant to 18 C.F.R. § 154.4(b) and § 385.2005 (a)(2) of the Commission's regulations, 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

<sup>&</sup>lt;sup>2</sup> 18 C.F.R. §§ 154.1 – 154.603 (2024).

Debbie-Anne Reese, Secretary Federal Energy Regulatory Commission Page 3

the best of his knowledge and belief; and (iii) that he possesses full power and authority to sign this filing.

Sincerely,

<u>/s/ Ryan Leahy</u> Ryan Leahy Director, Regulatory

# **CERTIFICATE OF SERVICE**

I hereby certify that I have served the foregoing document upon all customers of Midcontinent Express Pipeline LLC and all interested state commissions this 19<sup>th</sup> day of December 2024.

> <u>/s/ Ryan Leahy</u> Ryan Leahy Director, Regulatory Midcontinent Express Pipeline LLC Post Office Box 2563 Birmingham, AL 35209-2563 (205) 325-7105 Ryan\_Leahy@KinderMorgan.com

# APPENDIX A Midcontinent Express Pipeline LLC.

Issued: December 19, 2024 Effective: January 1, 2025

# FERC Gas Tariff Original Volume No. 2 Tariff Records

Description	Title	Version
Part 2.5	Southwest Energy, L.P.	6.0.0

Contract No. 220971-FTSMEP

#### MIDCONTINENT EXPRESS PIPELINE LLC (MEP) TRANSPORTATION RATE SCHEDULE FTS AMENDMENT NO. 2 DATED December 6, 2024 TO AGREEMENT DATED April 22, 2024 (Agreement)

Agreement is amended:

- 1. [] Exhibit A dated December 6, 2024. Changes Primary Receipt Point(s) and Point MDQ's. This Exhibit A replaces any previously dated Exhibit A.
- 2. [X] Exhibit B dated December 6, 2024. Changes Primary Delivery Point(s) and Point MDQ's. This Exhibit B replaces any previously dated Exhibit B.
- 3. [] Exhibits A and B dated December 6, 2024. Changes Primary Receipt and Delivery Points and Point MDQ's. These Exhibits A and B replace any previously dated Exhibits A and B.
- 4. [X] Exhibit C dated December 6, 2024. This Exhibit C amends previous Exhibit C.
- 5. [] Revise Agreement MDQ: [] Increase [] Decrease In Section 2. of Agreement substitute Dth per Day for Dth per Day.
- 6. [] The term of this Agreement is extended through \_\_\_\_\_.
- 7. [] Other:

This Amendment No. 1 becomes effective January 1, 2025.

Except as hereinabove amended, the Agreement shall remain in full force and effect as written.

Agreed to by:

MIDCONTINENT EXPRESS PIPELINE LLC MEP

/s/: \_\_\_\_\_

SOUTHWEST ENERGY, L.P. SHIPPER

/s/:

CARL H HAGA

NAME: \_\_\_\_\_

NAME:

Issued By: Bruce H. Newsome, Vice President Issued On: December 19, 2024

Effective On: January 1, 2025

Hans Schutz

# **Midcontinent Express Pipeline LLC** FERC Gas Tariff **Original Volume No. 2**

VP-COMMERCIAL

TITLE:

TITLE: \_\_\_\_\_\_\_\_\_\_Carl Haga Vice President, Commercial

Issued By: Bruce H. Newsome, Vice President Issued On: December 19, 2024

#### EXHIBIT A DATED: December 6, 2024 EFFECTIVE DATE January 1, 2025

Company: SOUTHWEST ENERGY, L.P.

Contract No.: 220971-FTSMEP

Receipt Point(s): [FTS Only]

MDQ <u>Name/Location</u> (Dth) 1/	County Area	State	<u>PIN No.</u>
PRIMARY RECEIPT POINT(S):			
01/01/2025 - 03/31/2025 1. EMP-EOIT/MEP BENNINGTON BRYAN 150,000	BRYAN	OK	44438
04/01/2025 - 03/31/2028 2. EMP-EOIT/MEP BENNINGTON BRYAN 200,000	BRYAN	OK	44438

#### SECONDARY RECEIPT POINT(S):

All secondary receipt points, and the related priorities and volumes, as provided under the Tariff provisions governing this Agreement.

#### Receipt Pressure, Assumed Atmospheric Pressure

Gas to be delivered to MEP at the Receipt Point(s) shall be at the pressure prevailing on MEP's System at that point, but shall not in excess of the Maximum Allowable Operating Pressure (MAOP) stated for each Receipt Point in MEP's Catalog of Points. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such Receipt Point(s).

Rates

### Midcontinent Express Pipeline LLC FERC Gas Tariff Original Volume No. 2

The rates shall be the applicable maximum rate and other applicable lawful charges except as otherwise provided in a separate written agreement. Such agreement shall be consistent with Section 34 or 30 of this Tariff (relating to discounts and to negotiated rates, respectively).

#### Fuel Gas and Unaccounted For Gas Percentages (%)

Shipper will be assessed the applicable percentages for Fuel Gas, for Booster Compression fuel and for Unaccounted For Gas unless MEP and Shipper mutually agree on monetary reimbursement.

1/ (Specify monthly variations if applicable)

#### EXHIBIT B DATED: December 6, 2024 EFFECTIVE DATE January 1, 2025

Company: SOUTHWEST ENERGY, L.P.

Contract No.: 220971-FTSMEP

Delivery Point(s):

MDQ <u>Name/Location</u> (Dth) 1/	County/Parish Area	<u>State</u>	<u>PIN No</u>	<u>.</u>
PRIMARY DELIVERY POINT(S):				
01/01/2025 - 03/31/2025 1. TRNSCO/MEP DEL CHOCTAW 2. TGP/MEP JASPER 04/01/2025 - 03/31/2028 3. TGP/MEP JASPER	CHOCTAW JASPER JASPER	AL MS MS	44451 44577 44577	50,000 100,000 200,000

#### SECONDARY DELIVERY POINT(S):

All secondary delivery points, and the related priorities and volumes, as provided under the Tariff provisions governing this Agreement.

#### Delivery Pressure, Assumed Atmospheric Pressure

Unless otherwise agreed to by contract, gas to be delivered by MEP to Shipper, or for Shipper's account, at the Delivery Point(s) shall be at the pressures available in MEP's pipeline facilities from time to time.2/ The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such Delivery Point(s).

Issued By: Bruce H. Newsome, Vice President Issued On: December 19, 2024

Midcontinent Express Pipeline LLC FERC Gas Tariff Original Volume No. 2 Part 2.5 Southwest Energy, L.P. Version 6.0.0

 $\underline{1}$ / (Specify monthly variations if applicable)

 $\frac{2}{}$  (Specify different delivery pressure if applicable)

Issued By: Bruce H. Newsome, Vice President Issued On: December 19, 2024

# EXHIBIT C DATED December 6, 2024 EFFECTIVE Jaunuary 1, 2025

# NEGOTIATED RATE AGREEMENT

Company: Southwest Energy, LP Contract No.: 220971-FTSMEP

# ARTICLE 1 NEGOTIATED RATE PARAMETERS

- 1.1 Negotiated Rate Term: From January 1, 2025, through March 31, 2028.
- 1.2 Negotiated Rates:
  - A. Negotiated Rates for Zones 1 and 2, as such Zones are defined in MEP's FERC Gas Tariff, as may be revised from time to time ("Tariff"):
    - (a) Negotiated Monthly Base Reservation Rate for Zone 1: \$8.2125/Dth of MDQ, and
    - (b) Negotiated Monthly Base Reservation Rate for Zone 2: \$8.2125/Dth of MDQ
    - (c) Negotiated Base Commodity Rates: N/A

Shipper shall pay the maximum applicable commodity rate set forth in MEPs Tariff for service in Zone 1 and Zone 2.

1.3 Eligible Firm Transportation Quantity

150,000 Dth per day in Zone 1 and Zone 2 (January 1, 2025 - March 31, 2025). 200,000 Dth per day in Zone 1 and Zone 2 (April 1, 2025 - March 31, 2028).

1.4 Eligible Primary Receipt Points:

NAME	PIN	Eligible Point (MDQ)
(Dth/day)		

Issued By: Bruce H. Newsome, Vice President Issued On: December 19, 2024

EGT/MEP Bennington

44438 Maral 21 20 150,000dth/d (Jan. 1, 2025 -

March 31, 2025)

200,000dth/d (April 1, 2025 -

March 31, 2028)

1.5 Eligible Secondary Receipt Points

Eligible Secondary Receipt Points. The Negotiated Rates for capacity shall apply to service provided on a firm basis from all secondary receipt points within the zones of the primary path utilized for service hereunder, including pooling points.

1.6 Eligible Primary Delivery Points:

NAME Tenn Gas/MEP Jasper	PIN 44577 31, 2025)	Eligible Point (MDQ) (Dth/day) 100,000dth/d (January 1, 2025 - March
	, ,	200,000dth/d (April 1, 2025 - March 31,
2028)		
Transco/MEP Del Choctaw	44451	50,000dth/d (January 1, 2025 - March
31, 2025)		

1.7 Eligible Secondary Delivery Points. The Negotiated Rates for capacity in Zone 1 and Zone 2 shall apply to service provided on a firm basis to all secondary delivery points within the zones of the primary path utilized in Zone 1 and Zone 2 including pooling points in those zones.

#### ARTICLE 2

#### NEGOTIATED RATE TERMS AND CONDITIONS, ADDITIONAL CHARGES

- 2.1 General Negotiated Rate Limitations. The Negotiated Rates for Zone 1 and Zone 2: (i) service provided to Shipper by MEP from the Eligible Receipt Points to the Eligible Delivery Points during the Negotiated Rate Term; and (ii) an aggregate maximum daily firm transportation quantity equal to the Eligible Firm Transportation Quantity set forth in Article 1.3 above, for all quantities transported on a firm basis under the Transportation Agreement. For any aggregate quantities transported on a firm basis on any day for Shipper which: (i) are in excess of the applicable Eligible Firm Transportation Quantity; or (ii) involve any receipt or delivery points which are not Eligible Receipt or Delivery Points, Shipper shall be charged the greater of: (a) the 100% load factor daily rate equivalent of the Shipper's applicable Negotiated Rates for Zone 1, Zone 2; and (b) the 100% load factor daily rate equivalent of the applicable maximum base reservation and base commodity rates set forth in MEP's Tariff, as well as all applicable additional rates, charges and surcharges described in Article 2.2 below.
- 2.2 Discountable Third Party Surcharges. From time to time, certain reservation and/or commodity surcharges may be approved by the FERC for inclusion in MEP's FERC Gas Tariff which MEP is: (i) required to collect from Shipper and remit to the FERC or to another third party; and (ii) permitted to discount the amount of such surcharge from the applicable maximum rate set forth in MEP's FERC Gas Tariff ("Discountable Third Party Surcharges"). MEP shall discount any particular Discountable Third Party Surcharge to the maximum extent permitted under the provisions of MEP's FERC Gas Tariff. Shipper shall only be responsible for payment to MEP of any portion of such Discountable Third Party

Issued By: Bruce H. Newsome, Vice President Issued On: December 19, 2024 Surcharge which MEP is not permitted to discount and for which MEP bills Shipper. There are no applicable Discountable Third Party Surcharges; provided, however, to the extent any Discountable Third Party Surcharge is approved by the FERC for inclusion in MEP Tariff during the term hereof, MEP shall discount such Discountable Third Party Surcharge(s) to the maximum extent permitted under the provisions of its FERC Gas Tariff but not below the amount of such Discountable Third Party Surcharge(s) that MEP is required to remit. Accordingly, Shipper shall be responsible for and pay to MEP the amount attributable to such Discountable Third Party Surcharge(s) which MEP is responsible for paying and remitting to the FERC and/or third party.

2.3 Additional Rates, Charges, and Surcharges. In addition to Negotiated Rates for Zone 1 and Zone 2 set forth in this Exhibit C, and unless otherwise expressly provided herein, Shipper shall also pay MEP all other applicable maximum rates, charges, surcharges, and penalties of any nature set forth in MEP's Tariff, including without limitation all applicable (i) Fuel, booster fuel, and Gas Lost and Unaccounted For charges; (ii) authorized and unauthorized overrun charges; (iii) reservation surcharges; (iv) commodity charges and surcharges; and (v) ACA surcharges.

# Part 2.5

Contract No. 220971-FTSMEP

#### MIDCONTINENT EXPRESS PIPELINE LLC (MEP) TRANSPORTATION RATE SCHEDULE FTS AMENDMENT NO. 21 DATED September 10December 6, 2024 TO AGREEMENT DATED April 22, 2024 (Agreement)

Agreement is amended:

- [] Exhibit A dated September 10, December 6, 2024. Changes Primary Receipt Point(s) and Point MDQ's. This Exhibit A replaces any previously dated Exhibit A.
- 2. [X] Exhibit B dated September 10December 6, 2024. Changes Primary Delivery Point(s) and Point MDQ's. This Exhibit B replaces any previously dated Exhibit B.
- 3. [] Exhibits A and B dated September 10December 6, 2024. Changes Primary Receipt and Delivery Points and Point MDQ's. These Exhibits A and B replace any previously dated Exhibits A and B.
- 4. [X] Exhibit C dated September 10December 6, 2024. This Exhibit C replaces amends previous Exhibit C.
- 5. [] Revise Agreement MDQ: [] Increase [] Decrease In Section 2. of Agreement substitute Dth per Day for Dth per Day.

6. [] The term of this Agreement is extended through \_\_\_\_\_\_.

7. [] Other:

This Amendment No. 1 becomes effective November January 1, 20242025.

Except as hereinabove amended, the Agreement shall remain in full force and effect as written.

Agreed to by:

MIDCONTINENT EXPRESS PIPELINE LLC MEP SOUTHWEST ENERGY, L.P. SHIPPER

/s/: \_\_\_\_\_

/s/:

CARL H HAGA

Hans Schutz

<u>Part 2.5</u>

NAME: \_\_\_\_\_ \_\_\_\_\_

NAME:

TITLE:

VP-COMMERCIAL
TITLE:
Carl Haga
Vice President, Commercial

#### EXHIBIT A DATED: September 10December 6, 2024 EFFECTIVE DATE November 1January 1, 2024–2025

Company: SOUTHWEST ENERGY, L.P.

Contract No.: 220971-FTSMEP

Receipt Point(s): [FTS Only]

MDQ <u>Name/Location</u> (Dth) 1/	County Area	<u>State</u>	PIN	<u>No.</u>
PRIMARY RECEIPT POINT(S):				
0111/01/2024 2025 - 03/31/2025 1. EMP-EOIT/MEP BENNINGTON BRYAN 150,000	BRYAN	OK	44438	
04/01/2025 - 03/31/2028 2. EMP-EOIT/MEP BENNINGTON BRYAN 200,000	BRYAN	OK	44438	

#### SECONDARY RECEIPT POINT(S):

All secondary receipt points, and the related priorities and volumes, as provided under the Tariff provisions governing this Agreement.

#### Receipt Pressure, Assumed Atmospheric Pressure

Gas to be delivered to MEP at the Receipt Point(s) shall be at the pressure prevailing on MEP's System at that point, but shall not in excess of the Maximum Allowable Operating Pressure (MAOP) stated for each Receipt Point in MEP's Catalog of Points. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such Receipt Point(s).

Rates

The rates shall be the applicable maximum rate and other applicable lawful charges except as otherwise provided in a separate written agreement. Such agreement shall be consistent with Section 34 or 30 of this Tariff (relating to discounts and to negotiated rates, respectively).

Fuel Gas and Unaccounted For Gas Percentages (%)

Shipper will be assessed the applicable percentages for Fuel Gas, for Booster Compression fuel and for Unaccounted For Gas unless MEP and Shipper mutually agree on monetary reimbursement.

1/ (Specify monthly variations if applicable)

#### EXHIBIT B DATED: September 10December 6, 2024 EFFECTIVE DATE November January 1, 20252024

Company: SOUTHWEST ENERGY, L.P.

Contract No.: 220971-FTSMEP

Delivery Point(s):

MDQ Name/Location County/Parish Area PIN State No. (Dth) 1/ PRIMARY DELIVERY POINT(S):  $\frac{1101}{01} = \frac{2024}{2025} = \frac{03}{31} = \frac{03}{31}$ 1. TRNSCO/MEP DEL CHOCTAW CHOCTAW AL 44451 50,000 2. TGP/MEP JASPER **JASPER** MS 44577 <del>150</del>100,000 04/01/2025 - 03/31/2028 TGP/MEP JASPER JASPER MS 44577 200,000 32.

#### SECONDARY DELIVERY POINT(S):

All secondary delivery points, and the related priorities and volumes, as provided under the Tariff provisions governing this Agreement.

#### Delivery Pressure, Assumed Atmospheric Pressure

Unless otherwise agreed to by contract, gas to be delivered by MEP to Shipper, or for Shipper's account, at the Delivery Point(s) shall be at the pressures available in MEP's pipeline facilities from time to time.2/ The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such Delivery Point(s).

 $\underline{1}$ / (Specify monthly variations if applicable)  $\underline{2}$ / (Specify different delivery pressure if applicable)

#### EXHIBIT C

# DATED September 10December 6, 2024 EFFECTIVE November Jaunuary 1, 2024 2025

# NEGOTIATED RATE AGREEMENT

Company: Southwest Energy, LP Contract No.: 220971-FTSMEP

# ARTICLE 1 NEGOTIATED RATE PARAMETERS

1.1 Negotiated Rate Term: From November January 1, 20254, through March 31, 2028.

- 1.2 Negotiated Rates:
  - A. Negotiated Rates for Zones 1 and 2, as such Zones are defined in MEP's FERC Gas Tariff, as may be revised from time to time ("Tariff"):
    - (a) Negotiated Monthly Base Reservation Rate for Zone 1: \$8.2125/Dth of MDQ, and
    - (b) Negotiated Monthly Base Reservation Rate for Zone 2: \$8.2125/Dth of MDQ
    - (c) Negotiated Base Commodity Rates: N/A

Shipper shall pay the maximum applicable commodity rate set forth in MEPs Tariff for service in Zone 1 and Zone 2.

1.3 Eligible Firm Transportation Quantity

150,000 Dth per day in Zone 1 and Zone 2 (November January 1, 202<u>5</u>4 - March 31, 2025). 200,000 Dth per day in Zone 1 and Zone 2 (April 1, 2025 - March 31, 2028).

1.4 Eligible Primary Receipt Points:

NAME

PIN

Eligible Point (MDQ)

<u>Part 2.5</u>

(Dth/day)

EGT/MEP Bennington

44438 150,000dth/d (<u>NovJan</u>. 1, 202<u>5</u>4

- March 31, 2025)

200,000dth/d (April 1, 2025 -

March 31, 2028)

1.5 Eligible Secondary Receipt Points

Eligible Secondary Receipt Points. The Negotiated Rates for capacity shall apply to service provided on a firm basis from all secondary receipt points within the zones of the primary path utilized for service hereunder, including pooling points.

1.6 Eligible Primary Delivery Points:

NAME	PIN	Eligible Point (MDQ) (Dth/day)
Tenn Gas/MEP Jasper	44577	150100,000dth/d (Nov.January 1, 20254
•	- March 31	, 2025)
		200,000dth/d (April 1, 2025 - March 31,
2028)		
Transco/MEP Del Choctaw	44451	50,000dth/d (January 1, 2025 – March
<u>31, 2025)</u>		

1.7 Eligible Secondary Delivery Points. The Negotiated Rates for capacity in Zone 1 and Zone 2 shall apply to service provided on a firm basis to all secondary delivery points within the zones of the primary path utilized in Zone 1 and Zone 2 including pooling points in those zones.

# ARTICLE 2

# NEGOTIATED RATE TERMS AND CONDITIONS, ADDITIONAL CHARGES

- 2.1 General Negotiated Rate Limitations. The Negotiated Rates for Zone 1 and Zone 2: (i) service provided to Shipper by MEP from the Eligible Receipt Points to the Eligible Delivery Points during the Negotiated Rate Term; and (ii) an aggregate maximum daily firm transportation quantity equal to the Eligible Firm Transportation Quantity set forth in Article 1.3 above, for all quantities transported on a firm basis under the Transportation Agreement. For any aggregate quantities transported on a firm basis on any day for Shipper which: (i) are in excess of the applicable Eligible Firm Transportation Quantity; or (ii) involve any receipt or delivery points which are not Eligible Receipt or Delivery Points, Shipper shall be charged the greater of: (a) the 100% load factor daily rate equivalent of the Shipper's applicable Negotiated Rates for Zone 1, Zone 2; and (b) the 100% load factor daily rate equivalent of the applicable maximum base reservation and base commodity rates set forth in MEP's Tariff, as well as all applicable additional rates, charges and surcharges described in Article 2.2 below.
- 2.2 Discountable Third Party Surcharges. From time to time, certain reservation and/or commodity surcharges may be approved by the FERC for inclusion in MEP's FERC Gas Tariff which MEP is: (i) required to collect from Shipper and remit to the FERC or to another third party; and (ii) permitted to discount the amount of such surcharge from the applicable maximum rate set forth in MEP's FERC Gas Tariff ("Discountable Third Party Surcharges"). MEP shall discount any particular Discountable Third Party Surcharge to the maximum extent permitted under the provisions of MEP's FERC Gas Tariff. Shipper shall only be responsible for payment to MEP of any portion of such Discountable Third Party

Surcharge which MEP is not permitted to discount and for which MEP bills Shipper. There are no applicable Discountable Third Party Surcharges; provided, however, to the extent any Discountable Third Party Surcharge is approved by the FERC for inclusion in MEP Tariff during the term hereof, MEP shall discount such Discountable Third Party Surcharge(s) to the maximum extent permitted under the provisions of its FERC Gas Tariff but not below the amount of such Discountable Third Party Surcharge(s) that MEP is required to remit. Accordingly, Shipper shall be responsible for and pay to MEP the amount attributable to such Discountable Third Party Surcharge(s) which MEP is responsible for paying and remitting to the FERC and/or third party.

2.3 Additional Rates, Charges, and Surcharges. In addition to Negotiated Rates for Zone 1 and Zone 2 set forth in this Exhibit C, and unless otherwise expressly provided herein, Shipper shall also pay MEP all other applicable maximum rates, charges, surcharges, and penalties of any nature set forth in MEP's Tariff, including without limitation all applicable (i) Fuel, booster fuel, and Gas Lost and Unaccounted For charges; (ii) authorized and unauthorized overrun charges; (iii) reservation surcharges; (iv) commodity charges and surcharges; and (v) ACA surcharges.