

MIDCONTINENT EXPRESS PIPELINE LLC

April 15, 2025

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

Re: Midcontinent Express Pipeline LLC
MEP Enable Abandonment Compliance 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”) and in compliance with the Commission’s February 28, 2025 Order in Docket No. CP25-20 (“February 28 Order”),¹ Midcontinent Express Pipeline LLC (“MEP”) hereby respectfully submits for filing and acceptance the revised tariff records listed in Appendix A and displayed in Appendix B to its FERC Gas Tariff, First Revised Volume No. 1.

Statement of Nature, Reasons, and Basis for the Filing

On November 20, 2024, MEP submitted a joint abandonment application with Enable Oklahoma Intrastate Transmission, LLC (“Enable Oklahoma”) to the Commission in Docket No. CP25-20-000 (“Abandonment Filing”) to terminate the capacity lease agreement between Enable Oklahoma and MEP effective May 31, 2025. Included in the Abandonment Filing were *pro forma* tariff records that removed references to the capacity lease agreement. In its February 28 Order approving the Abandonment Filing, the Commission required MEP to submit a separate tariff filing for implementation of the accepted *pro forma* tariff records. MEP, in this instant filing, is complying with this requirement from the February 28 Order and is submitting tariff records that are the same as the *pro forma* tariff records included in the Abandonment Filing. The effective date of these tariff records is June 1, 2025.

Procedural

In accordance with the applicable provisions of Part 154 of the Commission’s regulations,² MEP is submitting an eTariff XML filing package with a proposed effective date of June 1, 2025, which includes the following:

1. This transmittal letter and certificate of service;
2. A summary of the tariff records included in this filing in Appendix A; and
3. Clean and marked versions of the tariff records in PDF format in Appendix B.

¹ 190 FERC ¶ 62,119 (2025)

² 18 C.F.R. §§ 154.1 – 154.603 (2024).

MEP respectfully requests that the Commission accept the tendered tariff records for filing and permit them to become effective on June 1, 2025, which is not less than 30 days nor more than 60 days from the submission of this filing. To the extent the Commission allows the revised tariff records to go into effect without change, MEP hereby moves to place the tendered tariff records into effect at the end of any minimal suspension period specified in a Commission order.

MEP certifies that a copy of this filing has been served electronically pursuant to 18 C.F.R. § 154.208, on MEP's customers and interested state regulatory commissions, and all persons on the official service list established in Docket No. CP25-20-000. The names, titles, and mailing addresses of the persons to whom communications concerning this filing are to be addressed and to whom service is to be made are as follows:

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MEP also requests that copies be sent 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 (2024)). 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,

MIDCONTINENT EXPRESS PIPELINE LLC

/s/ Ryan Leahy
Ryan Leahy
Director, Regulatory

Enclosures

CERTIFICATE OF SERVICE

Pursuant to Section 154.208(a) of the Commission's regulations, the filing has been served on all customers and state regulatory commissions. In accordance with 18 C.F.R. § 154.2(d), a complete copy of this filing is available for public inspection during regular business hours in convenient form and place in MEP's office in Birmingham, Alabama.

Dated at Birmingham, Alabama this 15th day of April, 2025.

/s/ Ryan Leahy

Ryan Leahy
Director – Regulatory
Midcontinent Express Pipeline LLC
P. O. Box 2563
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APPENDIX A
Midcontinent Express Pipeline LLC.

Issued: April 15, 2025
Effective: June 1, 2025

FERC Gas Tariff
First Revised Volume No. 1
Tariff Records

Description	Title	Version
Sheet No. 1	Third Revised Sheet No. 1	3.0.0
Sheet No. 5	Third Revised Sheet No. 5	3.0.0
Sheet No. 101	First Revised Sheet No. 101	1.0.0
Sheet No. 103	Second Revised Sheet No. 103	2.0.0
Sheet No. 105	First Revised Sheet No. 105	1.0.0
Sheet No. 106	First Revised Sheet No. 106	1.0.0
Sheet No. 112	First Revised Sheet No. 112	1.0.0
Sheet No. 114	Second Revised Sheet No. 114	2.0.0
Sheet No. 117	First Revised Sheet No. 117	1.0.0
Sheet No. 138	First Revised Sheet No. 138	1.0.0
Sheet No. 144	First Revised Sheet No. 144	1.0.0
Sheet No. 148	Second Revised Sheet No. 148	2.0.0
Sheet No. 204	First Revised Sheet No. 204	1.0.0
Sheet No. 205	First Revised Sheet No. 205	1.0.0
Sheet No. 206	Second Revised Sheet No. 206	2.0.0
Sheet No. 207	Second Revised Sheet No. 207	2.0.0
Sheet No. 208	Second Revised Sheet No. 208	2.0.0
Sheet No. 209	First Revised Sheet No. 209	1.0.0
Sheet No. 212	Second Revised Sheet No. 212	2.0.0
Sheet No. 213	First Revised Sheet No. 213	1.0.0
Sheet No. 221	Second Revised Sheet No. 221	2.0.0
Sheet No. 222	Second Revised Sheet No. 222	2.0.0
Sheet No. 225	Second Revised Sheet No. 225	2.0.0
Sheet No. 226	Second Revised Sheet No. 226	2.0.0
Sheet No. 228	Second Revised Sheet No. 228	2.0.0
Sheet No. 229	Second Revised Sheet No. 229	2.0.0
Sheet No. 232	Second Revised Sheet No. 232	2.0.0
Sheet No. 248	First Revised Sheet No. 248	1.0.0
Sheet No. 249	First Revised Sheet No. 249	1.0.0
Sheet No. 250	First Revised Sheet No. 250	1.0.0
Sheet No. 251	First Revised Sheet No. 251	1.0.0

Appendix A Continued

Description	Title	Version
Sheet No. 258	Second Revised Sheet No. 258	2.0.0
Sheet No. 259	First Revised Sheet No. 259	1.0.0
Sheet No. 263	Third Revised Sheet No. 263	3.0.0
Sheet No. 268	First Revised Sheet No. 268	1.0.0
Sheet No. 269	Second Revised Sheet No. 269	2.0.0
Sheet No. 270	Second Revised Sheet No. 270	2.0.0
Sheet No. 305	Second Revised Sheet No. 305	2.0.0
Sheet No. 306	Second Revised Sheet No. 306	2.0.0
Sheet No. 310	Second Revised Sheet No. 310	2.0.0
Sheet No. 328	Third Revised Sheet No. 328	3.0.0
Sheet No. 332	Third Revised Sheet No. 332	3.0.0
Sheet No. 338	First Revised Sheet No. 338	1.0.0
Sheet No. 339	First Revised Sheet No. 339	1.0.0
Sheet No. 340	Second Revised Sheet No. 340	2.0.0
Sheet No. 343	First Revised Sheet No. 343	1.0.0
Sheet No. 358	Second Revised Sheet No. 358	2.0.0
Sheet No. 370	Second Revised Sheet No. 370	2.0.0
Sheet No. 374	Third Revised Sheet No. 374	3.0.0
Sheet No. 375	Third Revised Sheet No. 375	3.0.0
Sheet No. 376	Second Revised Sheet No. 376	2.0.0
Sheet No. 379	Second Revised Sheet No. 379	2.0.0
Sheet No. 380	Second Revised Sheet No. 380	2.0.0
Sheet No. 407	Second Revised Sheet No. 407	2.0.0

APPENDIX B
Midcontinent Express Pipeline LLC.

Clean and Marked Tariffs

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Sheet No. 5 has been reserved for future use.

RATE SCHEDULE FTS

Delivery Points specified in or applicable to the FTS Agreement. MEP shall not be required to accept Gas tendered in excess of the Maximum Daily Quantity (MDQ), plus applicable Fuel Gas and Unaccounted For Gas, specified in the FTS Agreement for each Receipt Point or Delivery Point or for the aggregate of all primary Receipt Points or Delivery Points except as provided in Section 8 of this Rate Schedule FTS. Service hereunder shall not encompass gathering services, transportation through the facilities of any third party, processing, transportation of liquids, or transportation to processing facilities unless the FTS Agreement so specifies.

2.4 Shipper shall only tender Gas for transportation under this Rate Schedule to the extent such service would qualify under the applicable statutes, regulations and Commission orders. For transportation to be provided under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to MEP certification including sufficient information in order for MEP to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where required by the Commission's Regulations, Shipper shall cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification prior to tendering Gas for transportation.

2.5 Awarding and allocation of capacity and scheduling and curtailment are all governed by the General Terms and Conditions of this Tariff.

2.6 Shipper may release capacity dedicated to service under Shipper's FTS Agreement(s) hereunder pursuant to MEP's Capacity Release Program to the extent permitted by, and subject to the terms and conditions contained in, the General Terms and Conditions of this Tariff.

2.7 MEP may negotiate with Foundation Shipper contractual provisions under which: (a) a Foundation Shipper has a right to cause MEP to construct Preapproved Capacity and also has the right to acquire such Preapproved Capacity at a mutually agreed rate and term, upon timely exercise by the Foundation Shipper of such capacity acquisition rights; and/or (b) a Foundation Shipper has the right, within a period of up to five (5) years after the Commencement Date, to acquire unsubscribed firm System capacity other than Preapproved Capacity at an agreed rate for an agreed term.

RATE SCHEDULE FTS

the FTS Agreement, after which Shipper shall have fifteen (15) days to provide the specified information. In the event such information is not received by MEP within fifteen (15) days, Shipper's request shall be null and void.

(c) MEP shall tender an FTS Agreement to Shipper for execution when Shipper's request for service is accepted. Shipper is obligated to execute an FTS Agreement hereunder within ten (10) days after an FTS Agreement has been tendered by MEP for execution in response to a valid request; provided, however, that MEP will waive this time period if the delay is not unreasonable. MEP will post on the Informational Posting portion of its Interactive Website if it declines to waive this time period.

3.2 Requests for service hereunder shall be deemed valid only after the information specified in this Section is provided by Shipper via MEP's Interactive Website or in writing to MEP's Gas Transportation Department, at 1001 Louisiana Street, Suite 1000, Houston, Texas 77002, or Telecopy Number (713) 369-9305. The information required for a valid request shall be as follows:

(a) **GAS QUANTITIES**

The request shall specify in Dth the MDQ for the FTS Agreement and the Point MDQ for each primary Receipt Point and Delivery Point under the FTS Agreement, exclusive of applicable Fuel Gas and Unaccounted For Gas; provided, however, that MEP shall not be obligated to accept requests for an MDQ of less than one hundred (100) Dth per Day. A Shipper shall be entitled to transport, in addition to its MDQ, a volume of Gas adequate to provide any applicable Fuel Gas and Unaccounted For Gas.

(b) **RECEIPT POINT(S)**

The request shall specify the primary point(s) at which Shipper desires MEP to receive Gas and the Point MDQ for each such point, which specification must be consistent with this Tariff.

(c) **DELIVERY POINT(S)**

The request shall specify the primary point(s) at which Shipper desires MEP to deliver Gas and the Point MDQ for each such point, which specification must be consistent with this Tariff.

RATE SCHEDULE FTS

4. TERM

(a) The term of service hereunder shall be set forth in the FTS Agreement between Shipper and MEP.

(b) The General Terms and Conditions of this Tariff shall govern the applicability of, and the terms and conditions relating to, rollovers and the right of first refusal vis a vis an FTS Agreement. Upon termination of any FTS Agreement, and subject to any such rollover or right of first refusal, service by MEP to Shipper thereunder shall be terminated and automatically abandoned.

5. RATE

5.1 (a) Shipper shall pay MEP each Month under this Rate Schedule FTS a two-part rate as set out in this Tariff consisting of: (i) a Reservation Charge, based on Shipper's MDQ, which consists of the Base Monthly Reservation Cost; and (ii) a Commodity Charge for each Dth of Gas received for transportation. Separate Reservation and Commodity rates will be set for Zone 1 and Zone 2. Reservation-based charges for Zone 1 and Zone 2 shall be assessed based on the MDQ only. Commodity charges for Zone 1 and Zone 2, as applicable, will be assessed based on all volumes delivered to MEP during the billing month.

(b) Shipper shall also pay, where applicable, other charges provided for in this Tariff, including but not limited to Balancing Service Charges.

(c) Where a Shipper has agreed to pay a Negotiated Rate or a rate under a Negotiated Rate Formula, the rates assessed hereunder shall be governed by Section 30 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE FTS

5.2 Shipper shall reimburse MEP for Fuel Gas and for Unaccounted For Gas as provided by Section 36 of the General Terms and Conditions of this Tariff. Separate Fuel Gas rates are set for Zone 1 and Zone 2. All Shippers shall pay a single Unaccounted For Gas rate for all volumes transported. In addition, a separate incremental Booster Compression fuel charge is set forth for point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies. Such rates are determined pursuant to Section 36 of the General Terms and Conditions. Certain Shippers have their Fuel amounts capped pursuant to arrangements under Section 30 of the General Terms and Conditions of this Tariff (relating to Negotiated Rates).

5.3 (a) Unless otherwise agreed by contract, Shipper shall reimburse MEP within thirty (30) days after costs have been incurred by MEP for all fees required by the FERC or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees (such as general rate case filing fees).

(b) Unless otherwise agreed by contract, if MEP constructs, acquires or modifies any facilities (excluding Preapproved Capacity facilities) to perform service hereunder, then, to the extent provided in Section 5 of the General Terms and Conditions of this Tariff and pursuant to a separate agreement, either:

(1) Shipper shall reimburse MEP for the cost of such facilities or facility modifications as described in the General Terms and Conditions of this Tariff; or

(2) MEP shall assess a Monthly charge reflecting such facility costs.

5.4 The ACA charge will be assessed, when applicable, as provided in the General Terms and Conditions of this Tariff, on volumes received by MEP from Shipper under this Rate Schedule FTS.

RATE SCHEDULE ITS

2.3 Service hereunder shall consist of the acceptance by MEP of Gas from or for the account of Shipper at Receipt Point(s) under the ITS Agreement, the transportation of that Gas through MEP's System, and the delivery of that Gas by MEP to Shipper or for Shipper's account at Delivery Point(s) under the ITS Agreement. MEP shall not be required: (a) to accept on any Day Gas tendered, or to deliver on any Day Gas requested, in excess of the Maximum Daily Quantity (MDQ), plus applicable Fuel Gas and Unaccounted For Gas, specified in the ITS Agreement, except as provided in Section 8 of this Rate Schedule ITS; or (b) to accept or deliver on any Day Gas hereunder which is not properly nominated pursuant to and to the extent required by the General Terms and Conditions of this Tariff. Service hereunder shall not encompass gathering services, transportation through the facilities of any third party, processing, transportation of liquids, or transportation to processing facilities.

2.4 The service provided under this Rate Schedule ITS shall be performed under Part 284 of the Commission's Regulations. Shipper shall only tender Gas for transportation under this Rate Schedule ITS to the extent such service would qualify under the applicable statutes, regulations, Commission orders and the blanket certificate authorizing service by MEP under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to MEP appropriate certification, including sufficient information in order for MEP to verify that the service qualifies under Subpart B of Part 284 of the Commission's Regulations. Where required by the Commission's Regulations, Shipper shall (prior to tendering Gas under an ITS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.

2.5 Service hereunder is provided on an interruptible basis. Scheduling and curtailment are governed by the General Terms and Conditions of this Tariff.

RATE SCHEDULE ITS

(c) MEP shall tender an ITS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by MEP, a request for service shall be invalid if Shipper fails to execute an ITS Agreement hereunder within ten (10) days after an ITS Agreement has been tendered by MEP for execution; provided, however, that MEP shall waive this time requirement if the delay is not unreasonable. MEP will post on the Informational Posting portion of its Interactive Website if it declines to waive the time period.

3.2 Requests for service hereunder shall be deemed valid only after the following information is provided by Shipper via MEP's Interactive Website or in writing to MEP's Gas Transportation Department, at 1001 Louisiana Street, Suite 1000, Houston, Texas 77002 or Telecopy Number (713) 369-9305:

(a) **GAS QUANTITIES**

The request shall specify in Dth the MDQ, exclusive of applicable Fuel Gas and Unaccounted For Gas; provided, however, that MEP shall not be obligated to accept requests for an MDQ of less than one hundred (100) Dth per Day. A Shipper shall be entitled to transport, in addition to its MDQ, a volume of Gas adequate to provide any applicable Fuel Gas and Unaccounted For Gas.

(b) **AVAILABILITY OF POINTS**

(1) A Shipper may utilize all available Receipt and Delivery Points on MEP's System within Zone 1 or Zone 2, or both, as applicable, under any ITS Agreement, as more fully set out in the General Terms and Conditions of this Tariff. The General Terms and Conditions also address the availability of points during Interim Period Service.

RATE SCHEDULE ITS

5. RATE

5.1 (a) Shipper shall pay MEP each Month under this Rate Schedule ITS a one-part Commodity Charge as set out in this Tariff for each Dth of Gas received for transportation, together with such other charges as are identified in this Tariff. The maximum Monthly Commodity Charges for Zone 1 and Zone 2, as applicable, shall be the applicable maximum unit rate set out in this Tariff multiplied by the quantity of Gas actually delivered to MEP during the billing Month. Separate rates will be set for Zone 1 and Zone 2.

(b) Shipper shall also pay, where applicable, other charges set forth in this Tariff, including but not limited to Balancing Service Charges.

(c) Where a Shipper has agreed to pay a Negotiated Rate or a rate under a Negotiated Rate Formula, the rates assessed hereunder shall be governed by Section 30 of the General Terms and Conditions of this Tariff.

5.2 Shipper shall reimburse MEP for applicable Fuel Gas and for Unaccounted For Gas as provided by Section 36 of the General Terms and Conditions. Separate Fuel Gas rates will be set for Zone 1 and Zone 2. All Shippers shall pay a single Unaccounted For Gas rate for all volumes transported. In addition, a separate incremental Booster Compression fuel charge is set forth for the point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies. Such rates are determined pursuant to Section 36 of the General Terms and Conditions.

RATE SCHEDULE PALS

7. PALS POINTS OF SERVICE

Subject to the scheduling and curtailment priorities contained in the General Terms and Conditions of this Tariff, MEP will render service under this Rate Schedule at any Point(s) mutually agreeable to MEP and Shipper, including Pooling Points. The Point(s) actually used in any park or loan service will be specified in a PALS Request Order. Gas parked or loaned at any point must be returned at the same Point unless the parties mutually agree on a different Point for the return and Shipper arranges for any transportation required to the different Point of return.

RATE SCHEDULE IBS
INTERRUPTIBLE BALANCING SERVICE

1. AVAILABILITY

(a) This Rate Schedule IBS is available to any entity (hereinafter called Shipper) which: (i) submits to Midcontinent Express Pipeline LLC (hereinafter called MEP) a valid request as defined in Section 3 hereof; (ii) executes an Interruptible Balancing Service Agreement (IBS Agreement) with MEP applicable to service under this Rate Schedule IBS; and (iii) meets the qualifications set out in subsection (b) of this Section.

(b) To be eligible for service under this Rate Schedule IBS, the Shipper must identify the service under its IBS Agreement as being for one specified end-use facility for each IBS Agreement; except that more than one facility may be specified to the extent limited aggregation of end-use facilities and points is permitted under Section 7(c) of this Rate Schedule IBS. Such end-use facilities need not be directly connected to MEP's system, but the conditions specified in Section 3.2(c) of this Rate Schedule IBS must be met. To be eligible for service hereunder, the Shipper must have and maintain in effect an FTS or ITS Agreement to which the IBS Agreement is linked, consistent with Section 3.2(a) of this Rate Schedule IBS. The IBS Agreement must also specify a single Delivery Point for each end-use facility; provided, however, that limited aggregation of end-use facilities and points is permitted under Section 7(c) of this Rate Schedule IBS. The Delivery Point may be any primary or secondary Delivery Point available under the linked transportation Agreement; provided that the Delivery Point must be consistent with the location of the end-use facility. An IBS Agreement may only be linked to one transportation Agreement. A transportation Agreement may have more than one IBS Agreement linked to it, provided that the other requirements of this Rate Schedule IBS are satisfied.

(c) The form of the IBS Agreement is contained in this Tariff. There is no limitation on the number of IBS Agreements any one Shipper may have.

RATE SCHEDULE IBS

(c) MEP shall tender an IBS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by MEP, a request for service shall be invalid if Shipper fails to execute an IBS Agreement hereunder within ten (10) days after an IBS Agreement which accurately reflects the requested service has been tendered by MEP for execution; provided, however, that MEP shall waive this time requirement if this delay is not unreasonable. MEP will post on the Informational Posting portion of its Interactive Website if it declines to waive the time requirement.

3.2 Requests for service hereunder shall be deemed valid only after the following information is provided by Shipper via MEP's Interactive Website or in writing to MEP's Gas Transportation Department at 1001 Louisiana Street, Suite 1000, Houston, Texas 77002, or Telecopy Number (713) 369-9305:

(a) **LINKED TRANSPORTATION AGREEMENT**

Shipper shall identify in its request an FTS or ITS Agreement to which service hereunder will be linked. Such linkage must be consistent with this Rate Schedule IBS. The balancing service hereunder shall relate to the volumes delivered to the Delivery Point(s) on behalf of the end-use facility or facilities under the linked transportation Agreement. The effectiveness of the IBS Agreement is contingent upon Shipper having and continuing in effect the linked FTS or ITS Agreement, unless the parties agree on a substitute linked transportation Agreement. The linked transportation Agreement may be a released transportation Agreement but the Releasing Shipper must enter into a separate IBS Agreement; it cannot rely on the IBS Agreement of the Releasing Shipper.

(b) **CONTRACT QUANTITY**

The request must specify the MDQ under the IBS Agreement. The MDQ of the IBS Agreement may be equal to or less than the MDQ of the linked transportation Agreement. If the transportation Agreement is linked to more than one IBS Agreement, then the sum of the MDQs under IBS Agreements served by that linked transportation Agreement must be equal to or less than the transportation contract MDQ. The MDQ under an IBS Agreement must also be consistent with the Point MDQ under

GENERAL TERMS AND CONDITIONS

1.13 DTH

The term "Dth" shall mean one million (1,000,000) Btus and is equivalent to one (1) MMBtu.

1.14 ELECTRONIC DATA INTERCHANGE ("EDI")

The term "EDI" shall mean Electronic Data Interchange.

1.15 EQUIVALENT VOLUMES

"Equivalent Volumes" shall mean the sum of the volumes of Gas measured in Dth received by MEP for the account of a Shipper at the Receipt Points during any given period of time: (a) reduced by (i) that Shipper's share of Fuel Gas and Unaccounted For Gas and (b) adjusted for any variations in Btu content, as corrected for any water vapor in excess of five (5) pounds per million (1,000,000) cubic feet of Gas, it being the intent of the parties that the volumes of Gas delivered hereunder at the Delivery Point after transportation be the thermal equivalent of the volumes of Gas delivered at the Receipt Point for transportation, after reduction, correction and adjustment as provided above. In determining Equivalent Volumes for redelivery, MEP shall formulate a thermal balance evaluating inputs to, and deliveries from, the System at least once each Month. Fuel Gas and Unaccounted For Gas shall be determined pursuant to Section 36 of these General Terms and Conditions.

1.16 FERC

"FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which were exercisable by the Federal Energy Regulatory Commission.

GENERAL TERMS AND CONDITIONS

1.17 FOUNDATION SHIPPER

"Foundation Shipper" shall mean a Shipper holding one or more FTS Agreements utilized to support the initial certification of the System which were entered into prior to the Commencement Date; provided that, unless otherwise mutually agreed by MEP and the Foundation Shipper, such Shipper must hold in the aggregate at least 500,000 Dth/d of firm capacity in Zone 1 and at least 300,000 Dth/d of firm capacity in Zone 2 for a minimum term of 10 years under such FTS Agreements.

1.18 FUEL GAS

"Fuel Gas" means the thermal equivalent of that volume of Gas actually used or incurred by MEP to effect the transportation of Gas hereunder from the Receipt Points to the Delivery Points. Consistent with Section 36 of these General Terms and Conditions, Booster Compression fuel incurred by MEP shall be determined separately and is not included in Fuel Gas.

1.19 GAS

"Gas" shall mean combustible hydrocarbon Gas.

1.20 HEATING VALUE

The term "heating value" shall mean the number of Btus per cubic feet of Gas at the base condition of 14.73 psia 60 degrees Fahrenheit dry. The Btu value will be determined utilizing the complete actual composition of the Gas according to the methods in GPA Standard 2172-96, titled "Calculation of Gross Heating Value, Relative Density and Compressibility Factor for Natural Gas Mixtures from Compositional Analysis," and corrected to the base conditions. For reporting purposes, Btu conversion factors will be reported to not less than three (3) decimal places and Pressure Base conversion factors will be reported to not less than six (6) decimal places. For calculation purposes, not less than six (6) decimal places will be used for both conversion factors.

GENERAL TERMS AND CONDITIONS

1.21 INTERACTIVE WEBSITE

The term "Interactive Website" shall mean the interactive internet web site maintained by MEP for communication regarding its transportation services in accordance with applicable Commission Regulations and NAESB Standards, as more fully described in Section 13 of these General Terms and Conditions.

1.22 INTERIM PERIOD SERVICE

"Interim Period Service" shall mean service provided by MEP prior to the time that all facilities certificated in Docket No. CP08-6 (except Preapproved Capacity facilities) are placed into service. Interim Period Service will terminate once all the facilities for which certificate authority has been requested in Docket No. CP08-6 (except for Preapproved Capacity facilities) have been completed and placed in service.

1.23 RESERVED

GENERAL TERMS AND CONDITIONS

GENERAL TERMS AND CONDITIONS

1.24 RESERVED

1.25 MCF

"Mcf" shall mean one thousand (1,000) cubic feet of Gas.

1.26 MDQ

"MDQ" shall mean the maximum daily quantity of Gas which MEP is obligated to transport and deliver in the aggregate, as specified in the Agreement, except for Authorized Overrun Gas.

GENERAL TERMS AND CONDITIONS

1.27 MONTH

"Month" shall mean the period beginning on the first day of any calendar month and ending on the first day of the next succeeding calendar month.

1.28 NEGOTIATED RATE

The term "Negotiated Rate" shall mean a rate provision under which MEP and Shipper have agreed on the amount to be charged for the service under Rate Schedule FTS, ITS, PALS or IBS which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate. Any Agreement entered into which provides for a rate under Rate Schedule FTS, ITS, PALS or IBS other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties, consistent with Commission policy, as to whether the pricing terms represent a discounted rate or a Negotiated Rate. A Negotiated Rate arrangement may cover Fuel Gas, Unaccounted For Gas and/or Booster Compression fuel. A Negotiated Rate Arrangement may apply to other capacity on MEP's System.

1.29 NEGOTIATED RATE FORMULA

The term "Negotiated Rate Formula" shall mean a rate formula provision which MEP and Shipper have agreed will be applied to service under Rate Schedule FTS, ITS, PALS or IBS which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate. Any Agreement entered into which provides for a rate under Rate Schedule FTS, ITS, PALS or IBS other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties, consistent with Commission policy, as to whether the pricing terms represent a discounted rate or a rate pursuant to a Negotiated Rate Formula. A Negotiated Rate Formula arrangement may cover Fuel Gas, Unaccounted For Gas and/or Booster Compression fuel. A Negotiated Rate Arrangement may apply to other capacity on MEP's System.

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1.41 STANDARD REPORTING BASIS

"Standard Reporting Basis" for Btu shall mean 14.73 psia and 60 degrees F (101.325 kPa and 15 degrees C, and dry). "Standard Reporting Basis" for gigacalorie shall mean 1.035646 Kg/cm squared and 15.6 degrees C, and dry.

"Standard Reporting Basis" for Gas volumes as cubic feet shall mean at standard conditions of 14.73 psia, 60 degrees F, and dry. For Gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.

1.42 SYSTEM

"System" shall mean the pipeline, any compression and related facilities owned by MEP, including Zone 1 and Zone 2.

1.43 UNACCOUNTED FOR GAS

"Unaccounted For Gas" shall mean the thermal equivalent of the difference between the sum of all input volumes of Gas to the System (including Fuel Gas) and the sum of all output volumes of Gas from the System plus Fuel Gas, which difference shall include but shall not be limited to Gas vented (other than Gas that can be attributed to an offending Shipper) line heater Gas and Gas lost as a result of an event of Force Majeure, the ownership of which cannot be reasonably identified. Unaccounted For Gas shall be determined pursuant to Section 36 of these General Terms and Conditions.

1.44 UNAUTHORIZED GAS

"Unauthorized Gas" shall mean volumes of Gas received from or delivered to (or on behalf of) Shipper at a Point in excess of confirmed nominations.

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1.45 UNDERAGE AVERAGE MONTHLY INDEX PRICE (UAMIP)

The Underage Average Monthly Index Price or "UAMIP" shall mean the index price used in determining cashout amounts for underages as provided in Section 10.4 of these General Terms and Conditions.

1.46 YEAR

"Year" shall mean a period of three hundred sixty-five (365) consecutive days or three hundred sixty-six (366) consecutive days if such period includes February 29.

1.47 ZONE 1

"Zone 1" shall mean that portion of the System which extends from the beginning of the System in Bryan County, Oklahoma, to the interconnection with the facilities of Columbia Gulf Transmission Corporation near Perryville, Louisiana.

1.48 ZONE 2

"Zone 2" shall mean that part of the System which extends from the terminus of Zone 1 to an interconnection with the facilities of Transcontinental Gas Pipe Line Corporation in Choctaw County, Alabama.

1.49 ZONE BOUNDARY TRANSFER POINT

"Zone Boundary Transfer Point" shall mean a paper point available to effectuate transfers of Gas from the Zone 1 Pooling Point to Zone 2 (deemed located at the boundary of Zone 1 and Zone 2) for contracting purposes only, which may be used as a primary receipt point solely under a contract with firm capacity rights only in Zone 2. The Zone Boundary Transfer Point is available for the sole purpose of effectuating transfers between the Zone 1 Pooling Point and Zone 2 pursuant to Section 6.12(h) of the General Terms and Conditions, and is not available for the receipt of Gas nominated from any point in Zone 1 other than the Zone 1 Pooling Point.

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(7) CAPACITY AWARDED FOR LIMITED PERIOD

This provision applies in situations where firm capacity is awarded for a limited time period ending on a date no later than the date on which such capacity is required to provide service under one or more preexisting FTS Agreements or where firm capacity is operationally available only for a limited time period.

(i) MEP may market such capacity for all or any portion of the limited time period until service under the capacity award becomes effective, or until the capacity is no longer operationally available.

(ii) MEP shall limit the rights of the Shipper awarded the capacity to the limited time period, so that the Shipper has no rollover rights or rights of first refusal which extend beyond the limited time period. MEP will indicate in any open season posting for such capacity the limitation on rights which will apply to such firm capacity awarded for the limited time period.

(c) EVALUATION OF COMPETING BIDS AND REQUESTS

In comparing valid bids received in an open season or in comparing two or more valid and competing pending requests for service under the Request Procedure, MEP will award firm capacity based on the highest economic value, as defined in this Section 2.1(c).

(1) HIGHEST ECONOMIC VALUE

The highest economic value is the highest net present value of the stream of incremental revenue produced in the aggregate by a valid bid or request, or combination of valid bids or requests, received by MEP for firm capacity which is consistent with the reserve price where one has been established. Incremental

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revenue is the additional revenue MEP would collect from a Shipper under any bid or request over and above the revenue MEP would otherwise have received after taking into account any revenue lost or affected by the bid or request (i.e., where an existing capacity holder submits a bid or request which is contingent upon turnback by that existing capacity holder of an existing capacity commitment, only the value of such a bid or request net of the revenue which would be lost to MEP due to the turnback of the existing contractual commitment will be considered).

(2) ONLY GUARANTEED REVENUE CONSIDERED

In the determination of highest economic value, MEP shall consider only reservation charge revenue and any other guaranteed revenue under bids or requests which meet any applicable reserve price. In the case of a bid or request for firm service involving a Negotiated Rate or Negotiated Rate Formula, the rules for calculating net present value set out in Section 30 of these General Terms and Conditions shall apply.

(3) POSTING OF CRITERIA

(i) MEP shall post the criteria to be used in the determination of highest economic value for comparing valid bids in any open season and for comparing pending requests which are valid and competing. The posting will consist of a net present value formula, together with all relevant factors and parameters. The discount rate to be utilized in the NPV formula shall be the FERC approved interest rate. These criteria shall be posted continuously on the Informational Postings portion of MEP's Interactive Website. MEP may change the criteria at any time in a manner not inconsistent with the other provisions of this Section 2.1(c), but the revised criteria may only be applied to an open season the posting of which commenced at least one (1) Business Day after the change in criteria has been posted. MEP cannot change the criteria for any on-going open season. The revised criteria shall apply immediately to all requests received after the change has been posted. In addition, the posting for each individual open season will include the following elements: the date to which all bids are discounted in the

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(iii) Unless MEP elects to post the reserve price as part of the posting of an open season, MEP shall provide the reserve price or reserve price matrix to an independent third party before the posting of an open season. A bidder in an open season may request the reserve price or reserve price matrix applicable to that open season at any time after the close of the open season and MEP will provide such information to the requesting bidder within one Business Day after MEP receives the request.

(d) POINT CHANGES

Any Shipper with an FTS Agreement may request a permanent change in primary Point. MEP will respond to such a request within two (2) Business Days. MEP shall grant such a request if firm transportation and point capacity is available to do so; provided that the parties can mutually agree on the rate unless the applicable FTS Agreement or related discount or Negotiated Rate or Negotiated Rate Formula agreement specifies the rate when there is such a permanent primary point change. Unless otherwise specifically agreed, if the Point change results in a shortened path which would reduce the applicable rate, the reservation rate applicable to the longer path shall apply for the remaining term of the Agreement, but the commodity rate applicable to the shortened path shall apply so long as the shortened path is in effect under the Agreement; provided, however, the Fuel Gas for the path utilized shall apply. Any such permanent point change shall be reflected in an amendment to the FTS Agreement.

2.2 REDUCTIONS IN FIRM SERVICES

(a) While firm services are not ordinarily interrupted due to lack of capacity, capacity constraints may exist from time to time or interruption of service may be necessary for certain other reasons. MEP may decline to schedule and/or may curtail firm service for any of the following reasons:

(1) If Shipper tenders Gas which does not conform to the applicable quality requirements under Section 19 of these General Terms and Conditions;

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- (2) For reasons of Force Majeure;
 - (3) Pursuant to Sections 2.7 or 2.8 of these General Terms and Conditions;
 - (4) To rectify imbalances, to conform physical flows to nominations or to effectuate payback of imbalances, to the extent consistent with the specific Rate Schedule;
 - (5) If there is a dispute over title, ownership or right to tender or to receive Gas.
- (b) Without limitation to the foregoing, unless otherwise agreed by contract, MEP shall have the right to reduce receipts or deliveries of Gas on any Day below Shipper's MDQ to permit maintenance, repair, overhaul, replacement, or construction of pipelines, compressors, metering, regulating, or other transmission facilities and equipment, or to maintain System integrity; provided, however, that with respect to routine repair and maintenance, MEP will attempt to schedule such activity during a period when it will not result in curtailment to firm services, or when such curtailment will be minimized, after consulting with the Shippers which could be affected.
- (c) No later than fifteen days prior to the scheduled activity, MEP will post on the Informational Postings portion of its Interactive Website a tentative schedule of planned maintenance, construction, test, rehabilitation or repair activities to be performed which MEP anticipates may cause it to fail to tender delivery of Shipper's scheduled quantities of Gas. The schedule will include the dates the activities are scheduled to begin and end as well as the portions of the System and capacity expected to be affected. MEP will endeavor to perform the activities in accordance with the posted schedule.

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(2) Firm service at secondary points (scheduled pro rata based on nominations) within the primary path;

(3) Firm service at secondary points (scheduled pro rata based on nominations) outside the primary path;

(4) Interruptible service within MDQ and Authorized Overrun service under both firm and interruptible rate schedules (allocation of service pursuant to Section 2.5 of these General Terms and Conditions).

(b) In applying steps (2) and (3) under subsection (a), scheduling of Receipt and Delivery points will be pro rated based on nominations; points within the primary path are scheduled before points outside the primary path;

(c) For Shippers under Rate Schedule FTS, MEP shall provide notice of any curtailment or of any scheduling restriction as far in advance as feasible. MEP shall attempt to provide at least two (2) Days' prior notice, unless more timely action is necessary to respond to a Force Majeure situation, to balance the Agreement to the extent consistent with the applicable Rate Schedule, or to maintain System integrity. In addition to notifying the Shippers affected, MEP will post anticipated and effective curtailment and scheduling restrictions on the Informational Posting section of its Interactive Website.

(d) Released capacity has the same priority as non-released capacity;

(e) Firm Intraday nominations are entitled to bump scheduled interruptible volumes only during the Evening, Intraday 1 and Intraday 2 Nomination Cycles, as defined in Section 6.2. Firm Intraday nominations are not entitled to bump already scheduled firm volumes.

2.4 ZONES AND SECONDARY POINTS

(a) The System consists of two zones, Zone 1 and Zone 2, as those terms are defined in Section 1 of these General Terms and Conditions.

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(b) Subject to the priorities set out in Section 2.3 of the General Terms and Conditions, Shippers under Rate Schedule FTS shall have the right to use all Receipt and Delivery Points on MEP's System in either Zone 1 or Zone 2, to the extent the path of the FTS Agreement includes any part of that zone, as secondary Receipt and Delivery Points. Such points may be scheduled, however, only to the extent transmission and point capacity is available. The MDQ at any secondary point shall be equal to the MDQ for the Shipper within the zone. The priority of service at secondary points under Rate Schedule FTS shall be governed by Section 2.3 above. The Points available are posted on MEP's Interactive Website.

(c) If nominations by all Shippers for secondary point service for which such Shippers are eligible exceed MEP's available capacity on the applicable path, available capacity shall be allocated and scheduled pro rata based on a Shipper's confirmed nominations within MDQ within the applicable priority category as defined in Section 2.3 of these General Terms and Conditions.

(d) The primary Receipt and Delivery Points define the primary path(s) of an FTS Agreement, including the direction of "forward" flow for the primary path(s), and define whether a secondary point is "in path" or "out of path." Shippers may nominate service at secondary points so that the direction of flow is the same as or the opposite ("backhaul") from the primary path direction of flow, but if the direction of flow is opposite the primary path, such nomination shall be treated as being outside the primary path.

(e) Shippers under Rate Schedule ITS have access to all Points on MEP's System to the extent provided in Section 2.5(d) of these General Terms and Conditions. Shippers under Rate Schedules PALS and IBS have access to all Points on MEP's System, but the Points actually utilized for any specific service will be specified in the Request Order for Rate Schedule PALS and in the IBS Agreement for Rate Schedule IBS.

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(3) In the event MEP can provide some service under Rate Schedule IBS on any portion of its System but that its capability on any Day is insufficient to schedule all Access Requests under Rate Schedule IBS, first priority for scheduling and curtailment purposes shall be granted to Access Requests which are linked to a firm transportation Agreement (if allocation within this class is required, allocation shall be pro rata based on MDQ). If sufficient capability is available to serve some but not all Access Requests under IBS Agreements linked to interruptible transportation Agreements, service under Rate Schedule IBS shall be allocated based on the price paid under the linked interruptible transportation Agreement.

(4) Service under Rate Schedule PALS shall not be scheduled if doing so would have an adverse effect on any firm or secondary point service. Service under Rate Schedule PALS shall be scheduled and curtailed based on MEP's system operational and System operational capability. Service hereunder shall be interrupted and curtailed if continuation of such service would be detrimental to MEP's ability to provide any firm service or any secondary point service. While service hereunder is not ordinarily expected to affect transportation capacity, if providing service hereunder would have an adverse effect on providing interruptible transportation service, a PALS Agreement shall for scheduling and allocation purposes be assigned the same priority as service under Rate Schedule ITS. The same priority shall be applied for scheduling and allocation in relation to service under Rate Schedule IBS or other PALS Agreements. Once a park or loan has been scheduled on any day under Rate Schedule PALS, that park or loan shall not be interrupted or curtailed to effectuate any other interruptible service, except for secondary point service.

(d) An ITS Agreement shall specify whether it covers Zone 1, Zone 2 or both zones. An Agreement under Rate Schedule ITS will include all Receipt and all Delivery Points within the zone(s) covered. Applicable maximum rates are specified in this Tariff by zone. With respect to Interim Period Service, a Shipper under an ITS Agreement will have all points on the portion of Zone 1 which is in service.

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6.12 POOLING POINTS FOR DELIVERIES

(a) One Pooling Point has been designated each for Zone 1 and for Zone 2. These points are not physical points on the MEP System, but are paper points used for aggregation and nomination purposes and to provide pooling services, consistent with this Section 6.12. Subject to the remainder of this Section 6.12, any number and type of Agreements may be utilized to deliver Gas to or take Gas away from a Pooling Point. Under FTS agreements, pooling points within each zone are only accessible to firm shippers to the extent capacity is held in such zone, except for contracts with firm capacity rights only in Zone 2, which additionally have access to the Zone 1 Pooling Point as a secondary receipt point.

(b) The Pooling Point in the applicable zone may also be a Receipt Point under either an ITS or FTS Agreement and be used for transportation to Delivery Points, including transportation across zone boundaries as provided in subsection (c) hereof and transportation within a zone. For transportation to a Pooling Point from a Receipt Point within the zone, Shipper will pay all applicable charges, including without limitation, reservation, commodity, Fuel Gas, Booster Compression Fuel and Unaccounted For Gas. There are no transportation commodity charges or Fuel Gas and Unaccounted For Gas charges applicable to transportation of gas from a Pooling Point to a Delivery Point within the zone.

(c) If Gas is transported from a Pooling Point in the zone of receipt to a Delivery Point, including a Pooling Point, in a zone other than the zone of receipt (New Zone), under either an FTS or an ITS Agreement, Shipper shall pay all applicable charges, including without limitation, reservation, commodity, Fuel Gas, Booster Compression Fuel, and Unaccounted For Gas for transportation in the New Zone.

(d) Gas may be delivered to a Pooling Point under either an FTS Agreement or an ITS Agreement.

(e) Nominations to and from Pooling Points will be subject to the same nomination and confirmation procedures as all other receipts and deliveries. For scheduling and curtailment purposes, the priority of service for transportation to or from a Pooling Point is based on the transportation Agreement under which Gas is delivered to the

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Pooling Point in that zone. For purposes of scheduling and curtailment and segmentation, as set out in subsection (f) below, in the case of Zone 1, the Pooling Point will be deemed to be located at the interconnect between MEP and Columbia Gulf Transmission; and (ii) in the case of Zone 2, the Pooling Point will be deemed to be located at the interconnect between MEP and Transco. All volumes nominated for transportation to a Pooling Point on any Day should be matched using NAESB package IDs or some other means acceptable to MEP, with nominations of those volumes for transportation from the same Pooling Point on the same Day. For any volumes not matched, the priority of service for transportation from the Pooling Point will be interruptible. No imbalances will be permitted at a Pooling Point, but Gas may be parked or loaned at Pooling Points subject to the provisions of Rate Schedule PALS.

(f) An FTS Agreement which is eligible for access to a Pooling Point in a zone pursuant to Section 6.12(d) may be segmented at any point within that zone(s), including the Pooling Point.

(g) Gas may be bought and sold at a Pooling Point, subject to the provisions of this Section 6.12.

(h) Zone Boundary Transfer Point. A Shipper with a contract that has firm capacity rights only in Zone 2 and with a Zone Boundary Transfer Point (that is a primary firm receipt point under such contract) may effectuate the transfer of Gas from Zone 1 to Zone 2 by nominating the Zone 1 Pooling Point (not the Zone Boundary Point) as a receipt point for delivery to Zone 2. Such transactions will only incur applicable charges for transportation in Zone 2 and are, therefore, subject to Section 6.12(c) hereof.

6.13 SEGMENTATION

(a) A Shipper may segment its firm capacity to the extent operationally feasible through the nomination process; provided, however, that segmentation involving Pooling Points is subject to Section 6.12. In addition, any Shipper may segment its firm capacity by releasing one or more segments of that capacity (the Releasing Shipper may retain one or more segments of its capacity), to the extent operationally feasible, by following the procedures set out in Section 14 of these General Terms and Conditions. In the case of segmentation

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through release, the Releasing Shipper may segment by nomination any portion of the capacity it retains to the extent operationally feasible and the Replacement Shipper may segment by nomination any portion of the capacity it obtains in the release to the extent operationally feasible.

(b) For the purposes of this Section 6.13 and subject to the other provisions hereof, whether segmentation is through nomination or results from the release of firm capacity on a segmented basis, the primary path under an Agreement may be segmented, and segmentation may extend outside the primary path to the extent consistent with this Sections 6.13, and such segmentation shall be deemed operationally feasible unless:

(1) the segmentation would result in an increase in firm contractual obligation by MEP on any segment or portion of its system (through an overlap of segments); or

(2) the segmentation would result in a forward-haul in a direction opposite to the primary path of the Agreement being segmented [backhauls are addressed in (d) below].

(c) In the event a firm capacity path is segmented under this Section 6.13, each segment shall have access to all secondary points within either zone on MEP's System provided that any portion of the primary path segment is within that zone, except for Pooling Points, access to which is governed by Section 6.12 of these General Terms and Conditions. Any point which is outside the primary path for the segment shall be treated as out-of-path secondary in relation to nominations for that segment. In the case of a segmented release, if nominations result in an overlapping path, through nomination at out-of-path secondary points, overrun charges for volumes in excess of the MDQ under the original Agreement in the area of overlap shall be applied as follows:

(1) if a Shipper is nominating or flowing within the primary path under its segment, overrun shall not apply to that segment so long as such Shipper is within its MDQ on that segment and any overrun shall be assigned to the segment on which Shipper is nominating and flowing outside its path; (ii) if a Shipper is nominating or flowing in excess of its MDQ on a segment under the segmented release, the Shipper shall

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be assessed overrun based on the volume in excess of its MDQ; and (iii) where the Shipper on each segment is within its MDQ, but is nominating on a secondary out-of-path basis so as to create an overlap in nominated paths, and aggregate nomination by the Releasing and Replacement Shipper in the area of overlap are in excess of the original contract MDQ, then except as provided in (i) and (ii), overrun charges will be assessed to the Releasing Shipper unless the release specifies that such overrun charges are to be assessed to the Replacement Shipper.

(d) The direction of flow for path segments must be the same direction of flow as for the original path unless MEP agrees otherwise or unless such a change in direction of flow is consistent with the Agreement. A Shipper may segment a backhaul if such backhaul can be nominated and scheduled on any day on MEP's system. However, if Shipper desires assurance that it may segment a backhaul transaction for a longer period (beyond the current Gas Day), such segmentation shall be subject to review by MEP on a case-by-case basis as to whether a backhaul on each resulting segment is operationally feasible. The Shipper (or Replacement Shipper in the case of a release) may nominate service at Receipt and Delivery Points for the path segment that results in a reverse flow from the original path; however, such a nomination will be treated as being secondary outside of the path. Subject to the availability of point capacity and to ordinary nomination procedures, deliveries may be made at the same point for a forward haul on the upstream segment and a backhaul of the downstream segment and such nominations will not create a Point overrun so long as nominations in either direction do not exceed the MDQ. The forward haul will have priority at the Point if the Point capacity is not adequate. At the point of segmentation, deliveries may be nominated on the upstream segment up to MDQ and receipts may be nominated on the downstream segment up to MDQ, subject to constraints on Point capacity and ordinary scheduling procedures and priorities.

(e) (1) Subject to the remainder of this subsection 6.13(e), the Releasing and Replacement Shipper involved in a segmented release may each choose primary Receipt Points and primary Delivery Points equal to their respective contract MDQs after the release; provided, however, that the resulting segments may not overlap in a way that exceeds the MDQ of the original contract on a segment. If the points chosen are within the path of the original Agreement and do not involve changing a primary point thereunder, the point designations shall be accepted, subject only to the availability of firm capacity at those

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Flow Order. In the event that for any Month, no penalty revenues are distributed because all Shippers failed to comply with Operational Flow Orders that Month, then the amount of penalty revenue for that Month may be held by MEP for application under Section 9.3(a) for a period of up to two (2) years, at which time that amount will be included in the amounts for distribution in the then current annual period to the extent not offset by costs under Section 9.3(a). The refunds in the prior sentence shall be calculated on a Monthly basis but distribution of the credit shall be annual. If the costs to be netted against penalty revenue exceed the penalty revenue in any Month, the excess costs may be carried forward to be applied against penalty revenue in subsequent Months. Thus, while distribution is made annually, the net penalty revenue credit shall be calculated on a Monthly basis, subject to the carry forward of costs as stated in the prior sentence. A Shipper which incurred Unauthorized Gas Charges or which failed to comply with an Operational Flow Order shall be excluded from distribution of net penalty revenues only for the Month in which that violation occurred.

(2) Where capacity has been released, any amounts distributed to the Original Shipper and the calculation and amounts distributed to the Original Shipper shall be based on the MDQ and flowing volumes of Gas for that Shipper (without considering any contracts of Replacement Shippers) during the relevant annual period; provided, however, that in the case of a permanent release, any amounts distributed hereunder with respect to the released capacity shall be distributed to the Replacement Shipper and the calculation and the amounts distributed to the Replacement Shipper shall be based on the MDQ and flowing volume for that Replacement Shipper during the relevant annual period. MEP shall file with the Commission a refund report for each annual distribution of penalty revenue under this subsection.

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10. IMBALANCES AND SCHEDULING CHARGES

10.1 RESPONSIBILITY FOR BALANCING

Shippers are obligated to deliver and receive Gas in conformance with their confirmed nominations. MEP will attempt to enter into OBAs which deal with imbalances. If an OBA is not feasible or the imbalance is beyond the terms of the OBA, however, Shippers are also responsible for conforming their takes at Delivery Points with their deliveries to MEP at Receipt Points each Day. MEP has no obligation to deliver for the account of a Shipper more volumes of Gas than MEP has received for the account of the Shipper or to accept for the account of the Shipper more volumes of Gas than are being delivered for the account of the Shipper on any Day.

10.2 NETTING AND TRADING OF IMBALANCES

At the end of each calendar Month, to the extent the net receipts (with the appropriate deductions for the applicable Fuel Gas and Unaccounted For Gas) do not equal deliveries under an Agreement on a Dth basis [such imbalances shall be separately determined by Operational Impact Area as defined in Section 10.4(d) hereof] and for imbalances that may be created at a point level in specific Operational Impact Areas due to the differences between the nominated and or confirmed and allocated activity, but may offset at the contract level, the following netting and trading procedures will apply:

(a) Imbalances under a Shipper's different Agreements will then be netted together for each Operational Impact Area to obtain the Shipper's aggregate imbalance for each Operational Impact Area, which will be either an Overage Imbalance or an Underage Imbalance as defined in Section 10.4 hereof. Netting must be done within the Operational Impact Areas defined in Section 10.4(d) of these General Terms and Conditions. Shippers may only decrease their Overage and Underage Imbalances through trading and must do so within the Operational Impact Area where the imbalance exists.

(b) To assist Shippers in arranging trades, MEP will post on its Interactive Website the Total aggregate Imbalance by Operational Impact Area of any Shipper which has notified MEP that it has elected to have such information posted.

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(c) The Monthly Index Price (MIP) is based on the applicable Average Weekly Index Price (AWIP). MEP shall use either the highest AWIP or the lowest AWIP determined for each Month as the MIP for all monthly Imbalances subject to cashout hereunder, as described below. The AWIPs to be used in determining each Month's highest AWIP and lowest AWIP shall include the AWIPs for the Seven Day Periods prior to each Monday within the calendar month in which the Imbalance occurred, plus the AWIP for the next Seven Day Period.

(1) For Gas owed MEP (Underage Imbalances), the MIP shall be the highest of the AWIPs for the applicable location indicated below for the Month in which the Imbalance occurred.

(2) For Gas owed Shipper (Overage Imbalances), the MIP shall be the lowest of the AWIPs for the applicable location indicated below for the Month in which the Imbalance occurred.

(d) Trading and cashout of imbalances shall be implemented within Operational Impact Areas (OIA's). There are three Operational Impact Areas on the MEP System. The following defines the geographical boundaries of the Operational Impact Areas and the price index utilized for each area for determination of cashout prices:

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(2) Bi-directional flow must be available at the Delivery and/or Receipt Points involved.

(3) The third party provider(s) must have the ability to get Gas onto or off of MEP's System in order to effectuate a true physical balancing.

(4) The Shipper or third party provider(s) may utilize services on another entity to perform imbalance management so long as all conditions of this Section 10.7 are satisfied; provided, however, that if any such entity is relying on facilities or resources it does not own or control, the entity which does own or control those facilities or resources must become a party to the Third Party Balancing Agreement.

(e) If MEP is required to backstop the third party service provider(s), either by agreement or because the imbalance management services specified by the Third Party Balancing Agreement are not performed, MEP must be authorized to assess charges and penalties against Shipper, the third party provider(s), or both, and the Third Party Balancing Agreement shall so provide.

(f) The Third Party Balancing Agreement will terminate if the Shipper no longer has service on MEP under the Agreements specified in the Third Party Balancing Agreement.

10.8 BALANCING SERVICE CHARGES

(a) During periods when a Critical Time or an Operational Flow Order is not in effect, Balancing Service Charges apply as set out in this subsection (a).

(1) If the volumes allocated to any FTS or ITS Agreement fail to equal the confirmed nomination under such Agreement or if volumes allocated to any IBS or PALS Agreement are inconsistent with confirmed nominations and/or available

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rights, as applicable, the following Balancing Service Charges shall apply, subject to the availability of balancing service under Rate Schedule IBS consistent with its terms, based on the degree of variance between actual deliveries, and Shipper's rights and/or confirmed nominations (no charge hereunder shall apply for variances at Receipt Points):

<u>Variance</u>	<u>Charge</u>
0% to 5%	No additional charges
5% to 10%	\$0.10/Dth
10% to 20%	\$0.20/Dth
20% to 50%	\$0.30/Dth
Above 50%	\$0.50/Dth

Regarding the above Balancing Service Charges, no such charges shall apply as long as the variance is less than 100 Dth.

(2) Tiered Balancing Service Charges under this Section 10.8 shall be applied on a graduated basis, i.e., the specified charge shall apply only to that portion of the variance which is within the corresponding tier between its lower and upper percentage boundaries (variances within a range greater than the lower boundary and equal to or less than the upper boundary) and not to any portion of the variance falling within other tiers.

(b) On any day when an Operational Flow Order (but not a Critical Time) is in effect, if actual receipts or deliveries allocated to a Shipper at any point or under any Agreement do not conform to such Shipper's confirmed nominations applicable to such point and/or Agreement, Balancing Service Charges will be assessed on such variances that are detrimental to MEP's system, based on the conditions described in or giving rise to the Operational Flow Order. Notwithstanding the foregoing, Balancing Service Charges shall not be assessed for variance at Receipt Points unless explicitly stated in the Operational Flow Order. The Operational Flow Order shall also state whether the charges are to be based on variances at individual points, by zone or by other aggregation. Where Balancing Service Charges apply under this subsection (b), they shall be in lieu of Balancing Service Charges under subsection (a). Balancing Service Charges during this period will be as follows, based on the variance between actual receipts or deliveries and the applicable confirmed nominations.

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<u>Variance</u>	<u>Charge</u>
0% to 3%	No additional charges
3% to 10%	Greater of \$1.00/Dth or 50% of DIP
10% to 20%	Greater of \$2.00/Dth or 1 times DIP
20% to 50%	Greater of \$4.00/Dth or 2 times DIP
Above 50%	Greater of \$8.00/Dth or 4 times DIP

(c) On any day when a Critical Time is in effect, if actual receipts or actual deliveries allocated to Shipper at any point or under any Agreement do not conform to confirmed nominated volumes and rights applicable to such point or Agreement, Balancing Service Charges will be assessed for the variances that are to the detriment of MEP's system. Charges hereunder shall be in lieu of any otherwise applicable Balancing Service Charges under subsections (a) and (b). The Balancing Service Charges in effect during a Critical Time will be as follows:

<u>Variance</u>	<u>Charge</u>
0% to 3%	Greater of \$4.00/Dth or 2 times DIP
3% to 10%	Greater of \$12.00/Dth or 6 times DIP
10% to 20%	Greater of \$40.00/Dth or 20 times DIP
20% to 50%	Greater of \$80.00/Dth or 40 times DIP
Above 50%	Greater of \$200.00/Dth or 100 times DIP

Any imbalance created during a Critical Time that is not eliminated before the end of the month will be subject to the cashout provisions of Section 10.4; provided, however, that any remaining imbalance created during a Critical Time which helped the System will be cashed out at 100% of the OAMIP or UAMIP used for calculating Underage or Overage Imbalances, as applicable, for the Operational Impact Area in which the imbalance occurred.

(d) MEP may discount or waive any charges under this Section 10.8 on a basis which is not unduly discriminatory.

10.9 Disposition of Net Cashout Balance

(a) On an annual basis for the period January 1 through December 31 (Annual Cashout Period), MEP shall determine its Net Cashout Balance. The "Net Cashout Balance" shall be the sum of the dollar amounts associated with all the remaining monthly imbalances (following the period for netting, offsetting, buying and/or selling

GENERAL TERMS AND CONDITIONS

The Releasing Shipper shall warrant that the computer diskette conforms to the bid evaluation procedure in the Capacity Release Request.

For the capacity release business process timing model, only the following methodologies are supported by MEP and provided to Releasing Shippers as choices from which they may select and, once chosen, will be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of MEP. However, MEP is not required to offer other choices or similar timeline treatment for other choices, nor is MEP held to the timeline should the Releasing Shipper elect another method of evaluation.

(b) The term of any release of capacity sought under this Section 14 shall be at least one full Day and shall not exceed the remaining term of the Eligible Firm Transportation Agreement.

(c) The quantity sought to be released under a Capacity Release Request shall not be less than the minimum quantity required for the Eligible Firm Transportation Agreement under MEP's Tariff.

(d) (1) No capacity release under this Section 14 shall result in an increase in the total capacity set forth in the Eligible Firm Transportation Agreement with the Original Shipper for any segment of a path covered by such Eligible Firm Transportation Agreement. Segmented releases are subject to Section 6.13 of these General Terms and Conditions. If the capacity release is for a segment permitted under said Section 6.13, then a break point must be designated. The break point must be a physical location on the primary path of the Original Shipper's Agreement.

GENERAL TERMS AND CONDITIONS

(2) Except in the case of a permanent release, no Replacement Shipper or Subreplacement Shipper shall have the right to change the primary Receipt or Delivery Points listed in the Eligible Firm Transportation Agreement, unless the Original Shipper and MEP agree to amend the Eligible Firm Transportation Agreement to accordingly change the primary points. Point designations for segmented releases are governed by Section 6.13 of these General Terms and Conditions.

(3) (i) The maximum rates that may be bid and charged for a Released Firm Transportation Agreement that is for a term greater than one (1) year are the higher of the maximum lawful rates applicable to the Eligible Firm Transportation Agreement held by the Original Shipper or the Negotiated Rate (or rate under a Negotiated Rate Formula) being paid by the Releasing Shipper. If the Releasing Shipper is paying a Negotiated Rate or a rate under a Negotiated Rate Formula pursuant to Section 30 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the higher of such rate or the applicable Recourse Rate. A qualified Bidder may bid a rate form which would be a Negotiated Rate or Negotiated Rate Formula if and only if the rate form is one explicitly recognized in MEP's Tariff as available for capacity releases (such as volumetric rates).

(ii) There is no maximum rate limitation applicable to bids for capacity release for a term of one (1) year or less, if the release is to take effect on or before one (1) year from the date on which MEP is notified of the release.

(4) Unless otherwise agreed, in no event shall any Negotiated Rate (or rate under a Negotiated Rate Formula) which is less than the Recourse Rate apply to overrun quantities.

(e) A Capacity Release Request may include the right by a Releasing Shipper to recall all or part of the capacity, and/or to reput all or part of the recalled capacity, at any time and from time to time. All recalls or reputs must be made in accordance with the other provisions of MEP's Tariff, including Section 14.14 of these General Terms and Conditions, and should be specified at the time of the deal. Reput methods and rights are individually negotiated between the Releasing Shipper and Replacement Shipper.

GENERAL TERMS AND CONDITIONS

(6) Agreement that the Qualified Bidder is bound by the terms and conditions of the capacity award by MEP pursuant to this Section 14 to the Qualified Bidder, including MEP's standard form of Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with MEP's Tariff. Bids shall be binding until notice of withdrawal is received by MEP on its Interactive Website.

(b) The volume in a Qualified Bid may not be less than the minimum volume required for an Eligible Firm Transportation Agreement under MEP's Tariff. Neither the volume nor the release term specified in a Qualified Bid may exceed the maximum volume or term specified in a Capacity Release Request, unless the Capacity Release Request specifically allows otherwise. A Qualified Bidder must accept all the terms and conditions of a Capacity Release Request submitted under Section 14.4 (involving a Prearranged Release) except for the level of the reservation charge and the MDQ and/or Point MDQ, unless the Capacity Release Request specifically allows otherwise.

(c) Except as provided herein, for releases for a term of more than one (1) year, a Qualified Bidder may not bid rates which would exceed MEP's maximum reservation charge applicable to the Eligible Firm Transportation Agreement capacity. If the Releasing Shipper is paying a Negotiated Rate or a rate under a Negotiated Rate Formula pursuant to Section 30 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the higher of: (i) the rate under the Negotiated Rate or Negotiated Rate Formula in the Releasing Shipper's contract; or (ii) the applicable Recourse Rate. The maximum Qualified Bid reservation charge includes all demand surcharges, including all direct-billed charges which are or may become applicable to the Eligible Firm Transportation Agreement capacity.

(d) All Qualified Bids shall provide for payment of maximum commodity charges under MEP's Tariff for the capacity bid, as well as all other applicable add-on charges and surcharges under MEP's Tariff, such as, but not limited to, ACA, Fuel Gas and Unaccounted For Gas.

GENERAL TERMS AND CONDITIONS

16. PRE-GRANTED ABANDONMENT, CONTRACT ROLLOVERS, RIGHT OF FIRST REFUSAL AND BUY-OUTS OF EXISTING AGREEMENTS

16.1 GENERAL

Subject to Section 16.3, service performed by MEP under Part 284 of the Commission's Regulations shall expire, and shall be automatically abandoned, upon contract termination under: (a) any FTS transportation Agreement with a primary term of less than one (1) Year; and (b) any ITS, IBS or PALS Agreement regardless of term. Service under any FTS transportation Agreement with a term of one (1) Year or greater shall expire, and shall be automatically abandoned, on contract termination unless service is continued pursuant to Sections 16.2 or 16.3. Rights under this Section 16 shall not be available to the extent provided in Section 2.1(b)(7) of these General Terms and Conditions (relating to limited time period contracts).

16.2 RIGHT OF FIRST REFUSAL

(a) Any Shipper under a firm service Agreement with a term of one (1) Year or greater (unless otherwise agreed) and with a rate equal to the applicable maximum rate shall have the right to continue receiving service after the expiration of its existing Agreement to the extent consistent with this Section 16.2. The prior sentence shall (unless otherwise agreed) include any such firm Agreement which incorporates a Negotiated Rate or Negotiated Rate Formula if (unless otherwise agreed) the revenue under such an Agreement equals or exceeds the revenue at the applicable maximum rate. MEP shall set out in the posting described in subsection 16.2(b) below the forms of bids which may be submitted in the Right of First Refusal. Bids may always be submitted in the rate form underlying the applicable maximum rate. Bids in the form of a Negotiated Rate or Negotiated Rate Formula may only be submitted if permitted in the posting. A match by the existing Shipper must be made in a bid form permitted under the posting. MEP shall not be required to provide service under the Right of First Refusal procedure at a

GENERAL TERMS AND CONDITIONS

16.3 CONTRACTUAL ROLLOVERS

The term of service under any FTS, ITS, PALS or IBS Agreement may be extended pursuant to a rollover or evergreen provision in such Agreement, which provision may supersede any otherwise applicable rollover or Right of First Refusal pursuant to this Section. In addition, the parties may subsequently negotiate rollover or evergreen provisions which differ from this Section. MEP is not obligated to offer or agree to any such rollover or evergreen provisions; provided, however, that to the extent it offers or agrees to any such provision, it must do so on a non-discriminatory basis for similarly situated Shippers. Without limitation of the foregoing, a contractual rollover provision may include a unilateral right on the part of Shipper to extend the term of the Agreement by notice to MEP by a time specified and rights of first refusal in addition to those specified in this Section 16.

16.4 VALID REQUEST CRITERIA

Unless waived by MEP, the requirements for a valid request under the applicable Rate Schedule (including the applicable credit analysis) apply to any rollover Agreement.

16.5 BUY-OUTS OF EXISTING AGREEMENTS

MEP and a Shipper may agree to reduce the MDQ of a FTS transportation Agreement (“MDQ Reduction”) or to terminate an existing FTS transportation Agreement before the expiration of the term of the Agreement (“Early Termination”) in the following circumstance: In response to an observable deterioration, based upon a review of the criteria specified in Section 12.1(a) of these General Terms and Conditions, of a Shipper’s financial ability to perform the payment of obligations due to MEP over the term of the existing Agreement. As a condition of an MDQ Reduction or Early Termination, MEP may require that a Shipper provide a payment to MEP equal to all or a portion of the reservation charges that shipper would be obligated to pay MEP for the remaining term of the Agreement. MEP shall be under no obligation to agree to a MDQ Reduction or Early Termination. MEP shall negotiate MDQ Reductions and Early Terminations with Shippers on a not unduly discriminatory basis.

GENERAL TERMS AND CONDITIONS

18. PRESSURE AND DELIVERY CONDITIONS

18.1 RECEIPT POINT PRESSURE

Unless otherwise agreed by contract, Shipper shall deliver Gas to MEP at each Receipt Point at the pressure prevailing in MEP's System at that point.

18.2 DELIVERY POINT PRESSURE

Unless otherwise agreed by contract, MEP shall deliver Gas to Shipper at each Delivery Point at the pressure available in MEP's System at such point.

18.3 HOURLY TAKES

On any Day, Gas shall be delivered by MEP in uniform hourly quantities, based on Shipper's confirmed Daily nomination quantity divided by twenty-four (24), subject to the operating conditions on MEP's System. At a Shipper's request, MEP will deviate from such uniform hourly quantities to the extent in MEP's judgment it can support such deviations operationally without adversely affecting other Shippers. If, after written request by MEP, Shipper fails to restrict its hourly takes as specified herein, MEP may install and operate a load limiting device at any Delivery Point where such failure has occurred. The cost for such device, including the cost of installation, shall be paid by Shipper within 30 days of its receipt of the bill therefore.

GENERAL TERMS AND CONDITIONS

19. QUALITY OF GAS

19.1 SPECIFICATIONS

(a) In order to permit delivery into downstream facilities, the Gas received under any Agreement by MEP on any portion of the System, shall meet the following requirements, unless otherwise agreed:

(1) shall be free from objectionable liquids, odors, solid matter, dust, gums, and gum forming constituents, or any other substance which might interfere with the merchantability of the Gas stream, or cause interference with proper operation of the lines, meters, regulators, other appliances through which it may flow, or transportation through any downstream pipeline;

(2) shall contain not more than seven (7) pounds of water vapor per one thousand (1,000) MCF;

(3) shall contain not more than 0.3 grain of hydrogen sulfide per one hundred (100) cubic feet of Gas;

(4) shall contain not more than twenty (20) grains of total sulphur per one hundred (100) cubic feet of Gas, including mercaptans and hydrogen sulfide;

(5) shall contain not more than two percent (2%) by volume of carbon dioxide;

(6) shall contain not more than one percent (1%) by volume of combined oxygen;

(7) shall have a temperature of not more than one hundred twenty degrees Fahrenheit (120 degrees F) and shall have a minimum temperature of not less than forty degrees Fahrenheit (40 degrees F);

(8) shall have a Btu content no less than 980 Btu/cf and no greater than 1110 Btu/cf;

GENERAL TERMS AND CONDITIONS

(9) shall have a combined composition of not more than one and one-half (1.5) mole percentage of butane plus, including isobutene, normal butane and all heavier hydrocarbons (C4+);

(10) shall have a combined composition of total inert gases (principally nitrogen and carbon dioxide) of not more than four (4) mole percent; and

(11) shall have a Wobbe Index of not greater than 1400, calculated using Higher Heating Value (HHV), dry, based on the following mathematical definition:

$$\text{HHV} / (\text{Sqrt} (\text{SG}_{\text{gas}}))$$

Where:

HHV = Higher Heating Value (Btu/scf)

SG_{gas} = Specific Gravity

Sqrt = Square Root of

(b) MEP may, from time to time, as operationally necessary, establish and post on the Informational Postings portion of its Interactive Website an upper limit on the dew point for receipts on specified segments or other specified locations on its System to prevent hydrocarbon fallout, or to assure that Gas will be accepted for delivery into downstream entities. MEP will include in such posting the anticipated duration of the limitation. MEP will provide as much prior notice as reasonably practicable and will attempt to provide in the posting at least ten (10) Business Days prior notice before the limitation becomes effective. If such prior notice is not practicable, MEP will explain the reason in the posting why it was unable to give such prior notice. Upon request, MEP will provide current information regarding the dew point at any point of receipt into MEP's System affected by the posting to the operator of that point or any producer, purchaser, supply aggregator or Shipper with Gas being tendered at that point. MEP shall not post, under this section, a cricondentherm dew point temperature of less than fifteen degrees Fahrenheit (15 degrees F).

GENERAL TERMS AND CONDITIONS

20. FORCE MAJEURE

20.1 EFFECT OF FORCE MAJEURE

In the event of either MEP or Shipper being rendered unable by Force Majeure (on its part or that of a necessary third party) to carry out, wholly or in part, its obligations under the provisions of an Agreement, it is agreed that the obligations of the party affected by such Force Majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

20.2 DEFINITION OF FORCE MAJEURE

(a) The term "Force Majeure" means any event or condition or combination of events and/or conditions which prevents, hinders, or delays the performance of any obligation subject hereto, in whole or in part, which is not within the reasonable control of the person claiming suspension by reason of Force Majeure, and which the party claiming suspension is unable to prevent or overcome by the exercise of due diligence. For the purposes of the definition of "Force Majeure," the exercise of due diligence shall mean acting in good faith with the intention of performing contractual obligations, and the exercise of a degree of skill, diligence, prudence, and foresight that would reasonably and ordinarily be exercised by a skilled and experienced person complying with applicable law and engaged in the same type of undertaking under the same or similar circumstances and conditions. Such events or conditions, provided that the foregoing requirement are met, include, but are not limited to acts of God, strikes, lockouts, acts of a public enemy, acts of sabotage, wars, blockades, riots, insurrections, epidemics, landslides, subsidence, earthquakes, fires, hurricanes, storms, tornadoes, storm warnings, floods, washouts, accidents, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, and explosions. Failure by the party claiming suspension to prevent or settle any strike or strikes shall not be considered to be an event or condition within the control of such party.

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30.2 AWARD OF FIRM CAPACITY

To the extent the revenue level pursuant to the Negotiated Rate(s) or Negotiated Rate Formula provided for in Section 30.1 above should equal or exceed the revenue level at the Recourse Rate, the Shipper paying such Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula shall be treated, for capacity award purposes, as if the rate(s) paid had been equal to the Recourse Rate. Any Shipper, existing or new, paying the Recourse Rate(s) has the same right to capacity for capacity award purposes as a Shipper willing to pay an equal or higher Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula. If the Negotiated Rate or the rate under a Negotiated Rate Formula are always higher than the corresponding Recourse Rate, the Recourse Rate rather than the Negotiated Rate will be used as the price cap for the Right of First Refusal pursuant to Section 16.2 of these General Terms and Conditions. Where the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula results in revenue which is greater than the Recourse Rate during certain portions of the relevant evaluation period but less than the revenue at the Recourse Rate during other portions of the relevant evaluation period (but the revenue pursuant to the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula equals or exceeds that which would be generated at the Recourse Rate for the entire evaluation period), the value of bids and requests at the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula for capacity award purposes shall be evaluated as though the Recourse Rate applied under such bid or request for the entire evaluation period. Where the Negotiated Rate(s) or rate(s) under the Negotiated Rate Formula result in revenue which is less than revenue at the Recourse Rate over the relevant evaluation period, the value of the bids or requests at the Negotiated Rate(s) or rate(s) under the Negotiated Rate Formula for capacity award purposes shall be evaluated based on such lower revenue and shall be afforded a correspondingly lower priority in a capacity award procedure than bids or requests at the Recourse Rate.

30.3 ACCOUNTING FOR COSTS AND REVENUES

The allocation of costs to and the recording of revenues from service at Negotiated Rate(s) or under a Negotiated Rate Formula will follow MEP's normal practices associated with all of its services under this Tariff. MEP will maintain separate records of Negotiated Rate and Negotiated Rate Formula transactions for each billing period.

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33. CAPACITY ON OTHER ENTITIES

33.1 ACQUIRED CAPACITY

(a) MEP may from time to time enter into transportation agreements, including storage agreements, with upstream or downstream entities, including other interstate pipelines, intrastate pipelines, or local distribution companies (Acquired Capacity). MEP may use Acquired Capacity for its System operational needs and/or to render service to its customers. Except as provided in subsection (b), MEP states that, if it transports or stores Gas for others using Acquired Capacity, it will apply to such services the same rates and tariffs as are applicable to on-system customers, as such rates and tariffs may change from time to time. For purposes of any use of Acquired Capacity covered by this Section 33(a), the "Shipper must hold title" requirement is waived.

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

33.2 REQUESTED CAPACITY

(a) At the request of a Shipper or Shippers, MEP may enter into transportation or storage agreements with upstream or downstream entities, including other interstate pipelines, intrastate pipelines or local distribution companies for the benefit of the requesting Shipper(s) (Requested Capacity). MEP may pass on the requesting Shipper(s) any and all charges MEP is obligated to pay for Requested Capacity under such agreements, with such charges to be reflected on the next Monthly bill to the requesting Shipper(s).

(b) The understanding between MEP and the requesting Shipper(s) as to such capacity will be set out in a separate contract.

33.3 RESERVED

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36. PERIODIC RATE ADJUSTMENTS FOR FUEL GAS, UNACCOUNTED FOR GAS AND BOOSTER COMPRESSION FUEL

36.1 PURPOSE AND APPLICABILITY

(a) This Section 36 establishes a semi-annual periodic rate adjustment provision, for the recovery by MEP of Fuel Gas and Unaccounted For Gas. These adjustments result in the Fuel Gas and the Unaccounted For Gas Reimbursement Percentages as set forth on Sheet Nos. 12 through 15 of this Tariff. Separate Fuel Gas percentages are set out for Zone 1 and Zone 2. One Unaccounted For Gas Reimbursement Percentage applies to all volumes transported on the System and is determined hereunder on a System-wide basis. In addition, a separate incremental Booster Compression fuel percentage is set out for point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies. Fuel Gas charges will not be assessed for any transportation involving all or any portion of the path between Bennington and the interconnection with Natural or with ETC near Natural's Compressor Station No. 802. In addition, Fuel Gas charges will not be assessed for any transportation that represents a physical backhaul. Mainline fuel will be assessed on volumes transported on the CenterPoint Lateral based on whether the transportation was a forward haul or backhaul on the mainline. No separate Fuel Gas or Unaccounted For Gas charges shall apply to service under Rate Schedules PALS or IBS.

(b) This Section 36 specifies the procedures to be utilized in adjusting such percentages to reflect changes in Fuel Gas, in Unaccounted For Gas and in Booster Compression fuel per unit of service. All amounts for the reimbursement of Fuel Gas, of Unaccounted For Gas and of Booster Compression fuel shall be recovered by MEP in-kind by applying the percentages to the volumes of Gas transported on its System under Rate Schedules FTS and ITS. If percentages which differ from those determined hereunder are established for any Shipper pursuant to Section 30 of these General Terms and Conditions (relating to Negotiated Rates or a Negotiated Rate Formula), that contractual percentage shall be used in determining delivery volumes for that Shipper (Equivalent Volumes, etc), but shall be without prejudice to MEP recovering additional future amounts from such a Shipper consistent with Section 30.5 of these General Terms and Conditions.

GENERAL TERMS AND CONDITIONS

36.2 DEFINITIONS

(a) "Unaccounted For Gas," "Fuel Gas" and "Booster Compression" shall have the meanings set out in Section 1 of these General Terms and Conditions.

(b) "Base Period" shall mean the six (6) Months ended three (3) Months prior to the commencement of a new Recovery Period.

(c) "Recovery Period" shall mean the period during which the revised percentages are to be in effect, which shall be a six (6) Month period commencing with the effective date of the next redetermination as specified in Section 36.3.

(d) "Receipt Quantity" shall mean the volume of Gas received by MEP at the various Receipt Points on its System on which Fuel Gas or Unaccounted For Gas should be assessed pursuant to this Section 36. Separate Receipt Volumes shall be calculated for Zone 1, Zone 2 and for Interim Period Service. For purposes of the incremental Booster Compression fuel percentage, the Receipt Quantity shall mean all volumes received at the point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies.

(e) "Initial Effective Date" shall mean the first Day of the Month in which Interim Period Service is first provided.

36.3 PERIODIC RATE ADJUSTMENT

(a) The initial level of the Fuel Gas Reimbursement Percentage and of the Unaccounted For Gas Reimbursement Percentage shall be established in MEP's certificate proceeding for its System, to be effective on the Initial Effective Date. These percentages shall be redetermined effective on each six (6) months anniversary of the Initial Effective Date. Separate Fuel Gas percentages are determined for Zone 1 and Zone 2. One Unaccounted For Gas Reimbursement Percentage applies to all volumes transported on the System.

GENERAL TERMS AND CONDITIONS

Separate percentages are established for Interim Period Service. A separate incremental Booster Compression fuel charge will be established for each point(s) listed on Sheet Nos. 12 and 13 where Booster Compression applies, to be initially effective on the first Day of the Month in which any Booster Compression is placed into service.

(b) MEP shall file its adjustment to each of the reimbursement percentages at least thirty (30) days prior to the effective date of the redetermination. The revised percentage(s) in any tracking filings shall be the sum of the Current Component determined under Section 36.4 and the Deferred Component determined under Section 36.5. Any tracking filing submitted in accordance with this Section shall become effective, subject to refund, on the designated effective date which is consistent with Section 36.3(a). Any changes from the prior tracking level shall be subject to review in the tracking filing proceeding.

36.4 CURRENT COMPONENT

The methodology used to derive the Current Component of the Fuel Gas Reimbursement Percentage, of the Booster Compression fuel percentage and of the Unaccounted For Gas Reimbursement Percentage is as follows:

(a) Fuel Gas, Booster Compression fuel and Unaccounted For Gas are each divided by the relevant Receipt Quantity to calculate the Current Component of the respective percentages. Separate Fuel Gas percentages are determined for Zone 1 and for Zone 2. One value for Unaccounted For Gas Reimbursement shall be calculated, which applies once to all volumes transported on the System. The Booster Compression fuel percentage is an incremental rate applicable to Shippers with gas being compressed by Booster Compression.

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(i) MEP shall debit the relevant deferral account in the event the current Month actual amounts exceed the amounts that MEP recovered hereunder for that Month.

(ii) MEP shall credit the relevant deferral account in the event the current Month actual amounts are less than the total amount MEP recovered hereunder.

(d) To transition to volume-based deferred subaccount balances for each of the reimbursement percentages for Fuel Gas, Unaccounted for Gas, and Booster Compression Fuel, each of the deferred subaccount balances as of November 30, 2015 will be converted from dollar-valued to a volumetric equivalent, by dividing each deferred subaccount balance by the Average Monthly Index Price, as defined in Section 1.4(a) of the General Terms and Conditions, for November 2015.

36.6 EFFECTIVE DATE

The Fuel Gas Reimbursement Percentage and the Unaccounted For Gas Reimbursement Percentage will be assessed beginning on the Initial Effective Date and shall be revised hereunder on a periodic basis as set out in Section 36.3. The incremental Booster Compression fuel percentage will be assessed beginning on the in-service date of the initial Booster Compression and shall be revised on a periodic basis as set out in Section 36.3.

GENERAL TERMS AND CONDITIONS

[FOR RATE SCHEDULE PALS]

Contract No. _____

MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
RATE SCHEDULE PALS
AGREEMENT DATED _____
UNDER SUBPART _____ OF PART 284
OF THE FERC'S REGULATIONS
(CON'T)

10. PARK AND LOAN QUANTITY:

- (i) **Park Service:** shall consist of MEP's receipt of a quantity of Gas at the designated Receipt Point(s) and/or Pooling Point(s) on the designated date, requested by Shipper under a PALS Request Order and approved by MEP, MEP's holding of such parked quantity of Gas for Shipper's account and MEP's redelivery of the parked quantity of gas to Shipper at the designated Delivery Point(s) and/or Pooling Point(s) and on the designated date(s) set forth in such PALS Request Order.
 - (ii) **Loan Service:** shall consist of MEP lending a specified quantity of Gas, requested by Shipper and approved by MEP, from designated Delivery Point(s) and/or Pooling Point(s) set forth in Shipper's PALS Request Order and the Shipper's redelivery of and MEP's acceptance of such volumes for Shipper's account at the designated Receipt Point(s) and/or Pooling Point(s) on the designated date(s) set forth in such PALS Request Order.
11. For Parking service, subject to the terms and provisions of this Agreement (including the Request Order attached hereto) and of Rate Schedule PALS and the General Terms and Conditions of MEP's FERC Gas Tariff, as amended from time to time, Shipper agrees to deliver or cause gas to be delivered to MEP and MEP agrees (a) to receive a quantity of gas ("Parked Quantity"), up to the daily and total quantity of gas specified in the Request Order, not to exceed the MDQ and MAQ specified in this Agreement, on behalf of Shipper at the agreed upon Point(s) and at the agreed upon times on MEP's system; and (b) to hold the Parked Quantity on MEP's system and (c) to deliver, upon nomination by Shipper, the Parked Quantity to Shipper at the agreed upon point(s) and at the agreed upon time. Shipper shall make any necessary arrangements with MEP at the agreed upon point(s); provided, however, that such arrangements shall be compatible with the operating conditions of MEP's pipeline system, and the scheduling and curtailment priorities in the General Terms and Conditions of MEP's FERC Gas Tariff.
12. For Loan service subject to the terms and provision of this Agreement (Including the form of Request Order attached hereto) and of MEP's Rate Schedule PALS and the General Terms and Conditions of MEP's FERC Gas Tariff, as amended from time to time, MEP agrees to deliver or cause gas to be delivered to Shipper and Shipper agrees: (a) to receive a quantity of gas specified in the Request Order ("Borrowed Quantity"), not to exceed the Maximum Daily Quantity, and the Maximum Total Quantity as specified in this Agreement, at the available and agreed upon point(s) and at the agreed upon time on MEP's system; and (b) to return the Borrowed Quantity to MEP at the agreed point(s) and at the agreed upon time. Shipper shall make any necessary arrangements with MEP or third parties to receive gas from or deliver gas to MEP at the agreed upon point(s); provided, however, that such arrangements shall be compatible with the operating conditions of MEP's pipeline system and the scheduling and curtailment priorities in the General Terms and Conditions of MEP's FERC Gas Tariff and shall provide for coordinated scheduling with MEP.
13. Service rendered hereunder shall be subject to scheduling and curtailment or interruption in accordance with Rate Schedule PALS and the General Terms and Conditions of MEP's FERC Gas Tariff. In the event MEP is unable to provide the quantities of Rate Schedule PALS service requested by all Shippers under Rate Schedule PALS, then MEP shall allocate the available service among such Shippers in accordance with Rate Schedule PALS.
14. MEP shall render Park and Loan services to Shipper at the Point(s) agreed to by MEP and Shipper.

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CURRENTLY EFFECTIVE RATES
ENABLE OKLAHOMA LEASED CAPACITY CHARGES ^{1/}

~~Firm Transportation~~ ^{2/}

Waynoka	\$.17
Rose Valley	\$.17
Other West Zone	\$.15

~~Interruptible Transportation~~ ^{3/}

Waynoka	\$.17
Rose Valley	\$.17
Other West Zone	\$.15

~~Authorized Overrun~~ ^{3/}

Waynoka	\$.17
Rose Valley	\$.17
Other West Zone	\$.15

~~Fuel (Inclusive of Gas Lost and Unaccounted For)~~ ^{4/ 5/}

~~Leased Capacity Activity Charges~~ ^{6/}

-
-
- ~~1/ Enable Oklahoma Leased Capacity Charges are defined in Sections 1.23 and 1.24 of the General Terms and Conditions.~~
- ~~2/ Stated rate is a daily reservation rate. Monthly reservation is calculated as contract demand volume times rate times number of days per month.~~
- ~~3/ Rate is per Dth transported.~~
- ~~4/ The Fuel Rate applicable to Enable Oklahoma System's Eastern and Western Zone, as stated in Enable Oklahoma's currently effective Statement of Operating Conditions, including any separately stated Gas Lost and Unaccounted For rate, if applicable. Such rates will be posted on MEP's interactive website.~~
- ~~5/ The Waynoka Fuel rate and the Rose Valley Fuel rate is equal to the sum of Enable Oklahoma System's Eastern and Western Zone rates as stated in Enable Oklahoma's currently effective Statement of Operating Conditions.~~

~~6/ These charges will be in an amount which reflects billings to MEP by Enable Oklahoma which satisfy the definition of Leased Capacity Activity Charges as defined in Section 1.24 of the General Terms and Conditions.~~

Sheet No. 5 has been reserved for future use.

RATE SCHEDULE FTS

Delivery Points specified in or applicable to the FTS Agreement. MEP shall not be required to accept Gas tendered in excess of the Maximum Daily Quantity (MDQ), plus applicable Fuel Gas and Unaccounted For Gas, specified in the FTS Agreement for each Receipt Point or Delivery Point or for the aggregate of all primary Receipt Points or Delivery Points except as provided in Section 8 of this Rate Schedule FTS. Service hereunder shall not encompass gathering services, transportation through the facilities of any third party ~~(except for facilities leased by MEP which are part of MEP's system)~~, processing, transportation of liquids, or transportation to processing facilities unless the FTS Agreement so specifies.

2.4 Shipper shall only tender Gas for transportation under this Rate Schedule to the extent such service would qualify under the applicable statutes, regulations and Commission orders. For transportation to be provided under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to MEP certification including sufficient information in order for MEP to verify that the service qualifies under Subpart B of Part 284 of the Regulations. Where required by the Commission's Regulations, Shipper shall cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification prior to tendering Gas for transportation.

2.5 Awarding and allocation of capacity and scheduling and curtailment are all governed by the General Terms and Conditions of this Tariff.

2.6 Shipper may release capacity dedicated to service under Shipper's FTS Agreement(s) hereunder pursuant to MEP's Capacity Release Program to the extent permitted by, and subject to the terms and conditions contained in, the General Terms and Conditions of this Tariff.

2.7 MEP may negotiate with Foundation Shipper contractual provisions under which: (a) a Foundation Shipper has a right to cause MEP to construct Preapproved Capacity and also has the right to acquire such Preapproved Capacity at a mutually agreed rate and term, upon timely exercise by the Foundation Shipper of such capacity acquisition rights; and/or (b) a Foundation Shipper has the right, within a period of up to five (5) years after the Commencement Date, to acquire unsubscribed firm System capacity other than Preapproved Capacity at an agreed rate for an agreed term.

RATE SCHEDULE FTS

the FTS Agreement, after which Shipper shall have fifteen (15) days to provide the specified information. In the event such information is not received by MEP within fifteen (15) days, Shipper's request shall be null and void.

(c) MEP shall tender an FTS Agreement to Shipper for execution when Shipper's request for service is accepted. Shipper is obligated to execute an FTS Agreement hereunder within ten (10) days after an FTS Agreement has been tendered by MEP for execution in response to a valid request; provided, however, that MEP will waive this time period if the delay is not unreasonable. MEP will post on the Informational Posting portion of its Interactive Website if it declines to waive this time period.

3.2 Requests for service hereunder shall be deemed valid only after the information specified in this Section is provided by Shipper via MEP's Interactive Website or in writing to MEP's Gas Transportation Department, at 1001 Louisiana Street, Suite 1000, Houston, Texas 77002, or Telecopy Number (713) 369-9305. The information required for a valid request shall be as follows:

(a) GAS QUANTITIES

The request shall specify in Dth the MDQ for the FTS Agreement and the Point MDQ for each primary Receipt Point and Delivery Point under the FTS Agreement, exclusive of applicable Fuel Gas and Unaccounted For Gas; provided, however, that MEP shall not be obligated to accept requests for an MDQ of less than one hundred (100) Dth per Day. A Shipper shall be entitled to transport, in addition to its MDQ, a volume of Gas adequate to provide any applicable Fuel Gas and Unaccounted For Gas, ~~including any volumes required under the Leased Capacity Charges.~~

(b) RECEIPT POINT(S)

The request shall specify the primary point(s) at which Shipper desires MEP to receive Gas and the Point MDQ for each such point, which specification must be consistent with this Tariff.

(c) DELIVERY POINT(S)

The request shall specify the primary point(s) at which Shipper desires MEP to deliver Gas and the Point MDQ for each such point, which specification must be consistent with this Tariff.

RATE SCHEDULE FTS

4. TERM

(a) The term of service hereunder shall be set forth in the FTS Agreement between Shipper and MEP.

(b) The General Terms and Conditions of this Tariff shall govern the applicability of, and the terms and conditions relating to, rollovers and the right of first refusal vis a vis an FTS Agreement. Upon termination of any FTS Agreement, and subject to any such rollover or right of first refusal, service by MEP to Shipper thereunder shall be terminated and automatically abandoned.

5. RATE

5.1 (a) Shipper shall pay MEP each Month under this Rate Schedule FTS a two-part rate as set out in this Tariff consisting of: (i) a Reservation Charge, based on Shipper's MDQ, which consists of the Base Monthly Reservation Cost; and (ii) a Commodity Charge for each Dth of Gas received for transportation. Separate Reservation and Commodity rates will be set for Zone 1 and Zone 2. ~~Any Shipper using Leased Capacity will pay, in addition, the Leased Capacity Charges.~~ Reservation-based charges for Zone 1 and Zone 2 shall be assessed based on the MDQ only. Commodity charges for Zone 1 and Zone 2, as applicable, will be assessed based on all volumes delivered to MEP during the billing month. ~~Reservation charges associated with the Leased Capacity will be recovered as part of the Leased Capacity Charges.~~

(b) Shipper shall also pay, where applicable, other charges provided for in this Tariff, including but not limited to Balancing Service Charges. ~~With respect to Leased Capacity, a Shipper shall also pay any applicable Leased Capacity Activity Charges as part of the Leased Capacity Charges.~~

(c) Where a Shipper has agreed to pay a Negotiated Rate or a rate under a Negotiated Rate Formula, the rates assessed hereunder shall be governed by Section 30 of the General Terms and Conditions of this Tariff.

RATE SCHEDULE FTS

5.2 Shipper shall reimburse MEP for Fuel Gas and for Unaccounted For Gas as provided by Section 36 of the General Terms and Conditions of this Tariff. Separate Fuel Gas rates are set for Zone 1 and Zone 2. All Shippers shall pay a single Unaccounted For Gas rate for all volumes transported. In addition, a separate incremental Booster Compression fuel charge is set forth for point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies. Such rates are determined pursuant to Section 36 of the General Terms and Conditions. ~~Shippers using Leased Capacity will pay for fuel and unaccounted for gas on the Leased Capacity as part of the Leased Capacity Charges.~~ Certain Shippers have their Fuel amounts capped pursuant to arrangements under Section 30 of the General Terms and Conditions of this Tariff (relating to Negotiated Rates).

5.3 (a) Unless otherwise agreed by contract, Shipper shall reimburse MEP within thirty (30) days after costs have been incurred by MEP for all fees required by the FERC or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees (such as general rate case filing fees).

(b) Unless otherwise agreed by contract, if MEP constructs, acquires or modifies any facilities (excluding Preapproved Capacity facilities) to perform service hereunder, then, to the extent provided in Section 5 of the General Terms and Conditions of this Tariff and pursuant to a separate agreement, either:

(1) Shipper shall reimburse MEP for the cost of such facilities or facility modifications as described in the General Terms and Conditions of this Tariff; or

(2) MEP shall assess a Monthly charge reflecting such facility costs.

5.4 The ACA charge will be assessed, when applicable, as provided in the General Terms and Conditions of this Tariff, on volumes received by MEP from Shipper under this Rate Schedule FTS.

RATE SCHEDULE ITS

2.3 Service hereunder shall consist of the acceptance by MEP of Gas from or for the account of Shipper at Receipt Point(s) under the ITS Agreement, the transportation of that Gas through MEP's System, and the delivery of that Gas by MEP to Shipper or for Shipper's account at Delivery Point(s) under the ITS Agreement. MEP shall not be required: (a) to accept on any Day Gas tendered, or to deliver on any Day Gas requested, in excess of the Maximum Daily Quantity (MDQ), plus applicable Fuel Gas and Unaccounted For Gas, specified in the ITS Agreement, except as provided in Section 8 of this Rate Schedule ITS; or (b) to accept or deliver on any Day Gas hereunder which is not properly nominated pursuant to and to the extent required by the General Terms and Conditions of this Tariff. Service hereunder shall not encompass gathering services, transportation through the facilities of any third party ~~(except for facilities leased by MEP which are part of MEP's System)~~, processing, transportation of liquids, or transportation to processing facilities.

2.4 The service provided under this Rate Schedule ITS shall be performed under Part 284 of the Commission's Regulations. Shipper shall only tender Gas for transportation under this Rate Schedule ITS to the extent such service would qualify under the applicable statutes, regulations, Commission orders and the blanket certificate authorizing service by MEP under this Rate Schedule. For service under Subpart B of Part 284 of the Commission's Regulations, Shipper shall provide to MEP appropriate certification, including sufficient information in order for MEP to verify that the service qualifies under Subpart B of Part 284 of the Commission's Regulations. Where required by the Commission's Regulations, Shipper shall (prior to tendering Gas under an ITS Agreement) cause the intrastate pipeline or local distribution company on whose behalf the service will be provided to submit the necessary certification.

2.5 Service hereunder is provided on an interruptible basis. Scheduling and curtailment are governed by the General Terms and Conditions of this Tariff.

RATE SCHEDULE ITS

(c) MEP shall tender an ITS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by MEP, a request for service shall be invalid if Shipper fails to execute an ITS Agreement hereunder within ten (10) days after an ITS Agreement has been tendered by MEP for execution; provided, however, that MEP shall waive this time requirement if the delay is not unreasonable. MEP will post on the Informational Posting portion of its Interactive Website if it declines to waive the time period.

3.2 Requests for service hereunder shall be deemed valid only after the following information is provided by Shipper via MEP's Interactive Website or in writing to MEP's Gas Transportation Department, at 1001 Louisiana Street, Suite 1000, Houston, Texas 77002 or Telecopy Number (713) 369-9305:

(a) GAS QUANTITIES

The request shall specify in Dth the MDQ, exclusive of applicable Fuel Gas and Unaccounted For Gas; provided, however, that MEP shall not be obligated to accept requests for an MDQ of less than one hundred (100) Dth per Day. A Shipper shall be entitled to transport, in addition to its MDQ, a volume of Gas adequate to provide any applicable Fuel Gas and Unaccounted For Gas, ~~including any volumes required under the Leased Capacity Charges.~~

(b) AVAILABILITY OF POINTS

(1) A Shipper may utilize all available Receipt and Delivery Points on MEP's System within Zone 1 or Zone 2, or both, as applicable, under any ITS Agreement, as more fully set out in the General Terms and Conditions of this Tariff. The General Terms and Conditions also address the availability of points ~~on Leased Capacity and~~ during Interim Period Service.

RATE SCHEDULE ITS

5. RATE

5.1 (a) Shipper shall pay MEP each Month under this Rate Schedule ITS a one-part Commodity Charge as set out in this Tariff for each Dth of Gas received for transportation, together with such other charges as are identified in this Tariff. The maximum Monthly Commodity Charges for Zone 1 and Zone 2, as applicable, shall be the applicable maximum unit rate set out in this Tariff multiplied by the quantity of Gas actually delivered to MEP during the billing Month. Separate rates will be set for Zone 1 and Zone 2. ~~Any Shipper using Leased Capacity will pay the Leased Capacity Charges. The Leased Capacity Charges include commodity charges associated with the Leased Capacity.~~

(b) Shipper shall also pay, where applicable, other charges set forth in this Tariff, including but not limited to Balancing Service Charges. ~~With respect to Leased Capacity, a Shipper shall pay any applicable Leased Capacity Activity Charges as part of the Leased Capacity Charges.~~

(c) Where a Shipper has agreed to pay a Negotiated Rate or a rate under a Negotiated Rate Formula, the rates assessed hereunder shall be governed by Section 30 of the General Terms and Conditions of this Tariff.

5.2 Shipper shall reimburse MEP for applicable Fuel Gas and for Unaccounted For Gas as provided by Section 36 of the General Terms and Conditions. Separate Fuel Gas rates will be set for Zone 1 and Zone 2. All Shippers shall pay a single Unaccounted For Gas rate for all volumes transported. In addition, a separate incremental Booster Compression fuel charge is set forth for the point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies. Such rates are determined pursuant to Section 36 of the General Terms and Conditions. ~~Shippers using Leased Capacity will pay for fuel and unaccounted for gas on the Leased Capacity as part of the Leased Capacity Charges.~~

RATE SCHEDULE PALS

7. PALS POINTS OF SERVICE

Subject to the scheduling and curtailment priorities contained in the General Terms and Conditions of this Tariff, MEP will render service under this Rate Schedule at any Point(s) mutually agreeable to MEP and Shipper, including Pooling Points; ~~provided, however, that service under Rate Schedule PALS is not available for Points on Leased Capacity.~~ The Point(s) actually used in any park or loan service will be specified in a PALS Request Order. Gas parked or loaned at any point must be returned at the same Point unless the parties mutually agree on a different Point for the return and Shipper arranges for any transportation required to the different Point of return.

RATE SCHEDULE IBS
INTERRUPTIBLE BALANCING SERVICE

1. AVAILABILITY

(a) This Rate Schedule IBS is available to any entity (hereinafter called Shipper) which: (i) submits to Midcontinent Express Pipeline LLC (hereinafter called MEP) a valid request as defined in Section 3 hereof; (ii) executes an Interruptible Balancing Service Agreement (IBS Agreement) with MEP applicable to service under this Rate Schedule IBS; and (iii) meets the qualifications set out in subsection (b) of this Section.

(b) To be eligible for service under this Rate Schedule IBS, the Shipper must identify the service under its IBS Agreement as being for one specified end-use facility for each IBS Agreement; except that more than one facility may be specified to the extent limited aggregation of end-use facilities and points is permitted under Section 7(c) of this Rate Schedule IBS. Such end-use facilities need not be directly connected to MEP's system, but the conditions specified in Section 3.2(c) of this Rate Schedule IBS must be met. To be eligible for service hereunder, the Shipper must have and maintain in effect an FTS or ITS Agreement to which the IBS Agreement is linked, consistent with Section 3.2(a) of this Rate Schedule IBS. The IBS Agreement must also specify a single Delivery Point for each end-use facility; provided, however, that limited aggregation of end-use facilities and points is permitted under Section 7(c) of this Rate Schedule IBS. The Delivery Point may be any primary or secondary Delivery Point available under the linked transportation Agreement ~~except for any Point on Leased Capacity~~; provided that the Delivery Point must be consistent with the location of the end-use facility. An IBS Agreement may only be linked to one transportation Agreement. A transportation Agreement may have more than one IBS Agreement linked to it, provided that the other requirements of this Rate Schedule IBS are satisfied.

(c) The form of the IBS Agreement is contained in this Tariff. There is no limitation on the number of IBS Agreements any one Shipper may have.

RATE SCHEDULE IBS

(c) MEP shall tender an IBS Agreement to Shipper for execution when Shipper's request for service is accepted. Unless waived by MEP, a request for service shall be invalid if Shipper fails to execute an IBS Agreement hereunder within ten (10) days after an IBS Agreement which accurately reflects the requested service has been tendered by MEP for execution; provided, however, that MEP shall waive this time requirement if this delay is not unreasonable. MEP will post on the Informational Posting portion of its Interactive Website if it declines to waive the time requirement.

3.2 Requests for service hereunder shall be deemed valid only after the following information is provided by Shipper via MEP's Interactive Website or in writing to MEP's Gas Transportation Department at 1001 Louisiana Street, Suite 1000, Houston, Texas 77002, or Telecopy Number (713) 369-9305:

(a) **LINKED TRANSPORTATION AGREEMENT**

Shipper shall identify in its request an FTS or ITS Agreement to which service hereunder will be linked. Such linkage must be consistent with this Rate Schedule IBS. The balancing service hereunder shall relate to the volumes delivered to the Delivery Point(s) on behalf of the end-use facility or facilities under the linked transportation Agreement. The effectiveness of the IBS Agreement is contingent upon Shipper having and continuing in effect the linked FTS or ITS Agreement, unless the parties agree on a substitute linked transportation Agreement. The linked transportation Agreement may be a released transportation Agreement but the Releasing Shipper must enter into a separate IBS Agreement; it cannot rely on the IBS Agreement of the Releasing Shipper. ~~Service hereunder is not available at any Point on Leased Capacity.~~

(b) **CONTRACT QUANTITY**

The request must specify the MDQ under the IBS Agreement. The MDQ of the IBS Agreement may be equal to or less than the MDQ of the linked transportation Agreement. If the transportation Agreement is linked to more than one IBS Agreement, then the sum of the MDQs under IBS Agreements served by that linked transportation Agreement must be equal to or less than the transportation contract MDQ. The MDQ under an IBS Agreement must also be consistent with the Point MDQ under

GENERAL TERMS AND CONDITIONS

1.13 DTH

The term "Dth" shall mean one million (1,000,000) Btus and is equivalent to one (1) MMBtu.

1.14 ELECTRONIC DATA INTERCHANGE ("EDI")

The term "EDI" shall mean Electronic Data Interchange.

1.15 EQUIVALENT VOLUMES

"Equivalent Volumes" shall mean the sum of the volumes of Gas measured in Dth received by MEP for the account of a Shipper at the Receipt Points during any given period of time: (a) reduced by (i) that Shipper's share of Fuel Gas and Unaccounted For Gas and (b) adjusted for any variations in Btu content, as corrected for any water vapor in excess of five (5) pounds per million (1,000,000) cubic feet of Gas, it being the intent of the parties that the volumes of Gas delivered hereunder at the Delivery Point after transportation be the thermal equivalent of the volumes of Gas delivered at the Receipt Point for transportation, after reduction, correction and adjustment as provided above. In determining Equivalent Volumes for redelivery, MEP shall formulate a thermal balance evaluating inputs to, and deliveries from, the System at least once each Month. Fuel Gas and Unaccounted For Gas shall be determined pursuant to Section 36 of these General Terms and Conditions. ~~Equivalent volumes shall be determined separately for Leased Capacity by a corresponding calculation, reduced by Fuel Gas and Unaccounted For Gas applicable to Leased Capacity.~~

1.16 FERC

"FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which were exercisable by the Federal Energy Regulatory Commission.

GENERAL TERMS AND CONDITIONS

1.17 FOUNDATION SHIPPER

"Foundation Shipper" shall mean a Shipper holding one or more FTS Agreements utilized to support the initial certification of the System which were entered into prior to the Commencement Date; provided that, unless otherwise mutually agreed by MEP and the Foundation Shipper, such Shipper must hold in the aggregate at least 500,000 Dth/d of firm capacity in Zone 1 and at least 300,000 Dth/d of firm capacity in Zone 2 for a minimum term of 10 years under such FTS Agreements.

1.18 FUEL GAS

"Fuel Gas" means the thermal equivalent of that volume of Gas actually used or incurred by MEP (~~excluding fuel incurred on Leased Capacity~~) to effect the transportation of Gas hereunder from the Receipt Points to the Delivery Points. Consistent with Section 36 of these General Terms and Conditions, Booster Compression fuel incurred by MEP shall be determined separately and is not included in Fuel Gas.

1.19 GAS

"Gas" shall mean combustible hydrocarbon Gas.

1.20 HEATING VALUE

The term "heating value" shall mean the number of Btus per cubic feet of Gas at the base condition of 14.73 psia 60 degrees Fahrenheit dry. The Btu value will be determined utilizing the complete actual composition of the Gas according to the methods in GPA Standard 2172-96, titled "Calculation of Gross Heating Value, Relative Density and Compressibility Factor for Natural Gas Mixtures from Compositional Analysis," and corrected to the base conditions. For reporting purposes, Btu conversion factors will be reported to not less than three (3) decimal places and Pressure Base conversion factors will be reported to not less than six (6) decimal places. For calculation purposes, not less than six (6) decimal places will be used for both conversion factors.

GENERAL TERMS AND CONDITIONS

1.21 INTERACTIVE WEBSITE

The term "Interactive Website" shall mean the interactive internet web site maintained by MEP for communication regarding its transportation services in accordance with applicable Commission Regulations and NAESB Standards, as more fully described in Section 13 of these General Terms and Conditions.

1.22 INTERIM PERIOD SERVICE

"Interim Period Service" shall mean service provided by MEP prior to the time that all facilities certificated in Docket No. CP08-6 (except Preapproved Capacity facilities) are placed into service. Interim Period Service will terminate once all the facilities for which certificate authority has been requested in Docket No. CP08-6 (except for Preapproved Capacity facilities) have been completed and placed in service.

1.23 ~~RESERVED~~LEASED CAPACITY AND LEASED CAPACITY CHARGES

~~—————"Leased Capacity" shall mean the capacity in the Enable Oklahoma Intrastate Transmission, LLC's System ("Enable Oklahoma") leased by MEP from Enable Oklahoma. The Leased Capacity shall be treated as if it were MEP's own capacity and shall be used by MEP to provide the services set forth in the Rate Schedules and General Terms and Conditions herein. Any Shipper using the Leased Capacity shall pay incremental Leased Capacity Charges in addition to any applicable charges for Zone 1 and/or Zone 2. The Leased Capacity Charges shall represent the costs incurred by MEP under the lease with Enable Oklahoma, including fuel and unaccounted for gas, reservation type charges for firm service and a rate per Dth for interruptible service. The Leased Capacity Charges will reflect the charges assessed by Enable Oklahoma to MEP as they change from time to time, including any credits from Enable Oklahoma. Service to Shippers on the Leased Capacity differs from service on the remainder of the System in the following respects:~~

GENERAL TERMS AND CONDITIONS

— ~~———— (a) — Shippers are subject to different Gas quality standards for Gas receipts on the Leased Capacity (See Section 19 of these General Terms and Conditions).~~

— ~~———— (b) — Shippers have different secondary point rights on Leased Capacity (See Section 2.4 of these General Terms and Conditions).~~

— ~~———— (c) — Shippers have different rights to change points on the Leased Capacity (see Section 2.1(d) of these General Terms and Conditions).~~

— ~~———— (d) — Shippers cannot segment Leased Capacity (see Section 6.13 of these General Terms and Conditions).~~

— ~~———— (e) — Shippers pay separate Leased Capacity Charges which are designed to achieve a flow-through by MEP of charges paid Enable Oklahoma. The Leased Capacity Charges include: Reservation Charges for firm service, a rate per Dth for interruptible service, a rate for fuel which includes unaccounted for gas, and Leased Capacity Activity Charges (as defined below). Shippers do not pay MEP's Reservation Charges, Commodity Charges, Fuel Gas Charges, Unaccounted For Gas Charges, Balancing Service Charges or other charges with respect to Leased Capacity. Notwithstanding the foregoing, a Negotiated Rate or Negotiated Rate Formula may apply to the Leased Capacity.~~

— ~~———— (f) — A Releasing Shipper cannot segment Leased Capacity and the price for the release of Leased Capacity is capped at the level of the Leased Capacity Charges (See Section 14 of these General Terms and Conditions).~~

— ~~———— (g) — Rights of first refusal shall apply to Leased Capacity to the extent provided in Section 16.2(a) of these General Terms and Conditions).~~

GENERAL TERMS AND CONDITIONS

~~(h) — Flexible hourly take rights do not apply to the Leased Capacity (See Section 18.3 of these General Terms and Conditions). Provided, however, to the extent charges for hourly take services are incurred by MEP on behalf of its Shippers' activities on the Leased Capacity, the costs associated with such hourly take services shall be a Leased Capacity Activity Charge to be included as part of the Leased Capacity Charge.~~

~~———— (i) — Balancing Service Charges do not apply to the Leased Capacity. See Section 10 of these General Terms and Conditions. Provided, however, to the extent charges for balancing services are incurred by MEP on behalf of its Shippers' activities on the Leased Capacity, the costs associated with such balancing services shall be Leased Capacity Activity Charges, which will be included as a Leased Capacity Charge.~~

1.24 RESERVED~~LEASED CAPACITY ACTIVITY CHARGES~~

~~———— "Leased Capacity Activity Charges" shall mean any charges (other than reservation, commodity and fuel and including lost and unaccounted for gas charges) Enable Oklahoma assesses MEP attributable to the activities of MEP's Shippers on the Leased Capacity, including, but not limited to, hourly take rights or balancing services.~~

1.25 MCF

"Mcf" shall mean one thousand (1,000) cubic feet of Gas.

1.26 MDQ

"MDQ" shall mean the maximum daily quantity of Gas which MEP is obligated to transport and deliver in the aggregate, as specified in the Agreement, except for Authorized Overrun Gas.

GENERAL TERMS AND CONDITIONS

1.27 MONTH

"Month" shall mean the period beginning on the first day of any calendar month and ending on the first day of the next succeeding calendar month.

1.28 NEGOTIATED RATE

The term "Negotiated Rate" shall mean a rate provision under which MEP and Shipper have agreed on the amount to be charged for the service under Rate Schedule FTS, ITS, PALS or IBS which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate. Any Agreement entered into which provides for a rate under Rate Schedule FTS, ITS, PALS or IBS other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties, consistent with Commission policy, as to whether the pricing terms represent a discounted rate or a Negotiated Rate. A Negotiated Rate arrangement may cover Fuel Gas, Unaccounted For Gas and/or Booster Compression fuel. A Negotiated Rate Arrangement may apply to ~~Leased Capacity as well as~~ other capacity on MEP's System.

1.29 NEGOTIATED RATE FORMULA

The term "Negotiated Rate Formula" shall mean a rate formula provision which MEP and Shipper have agreed will be applied to service under Rate Schedule FTS, ITS, PALS or IBS which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate. Any Agreement entered into which provides for a rate under Rate Schedule FTS, ITS, PALS or IBS other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties, consistent with Commission policy, as to whether the pricing terms represent a discounted rate or a rate pursuant to a Negotiated Rate Formula. A Negotiated Rate Formula arrangement may cover Fuel Gas, Unaccounted For Gas and/or Booster Compression fuel. A Negotiated Rate Arrangement may apply to ~~Leased Capacity as well as~~ other capacity on MEP's System.

GENERAL TERMS AND CONDITIONS

1.41 STANDARD REPORTING BASIS

"Standard Reporting Basis" for Btu shall mean 14.73 psia and 60 degrees F (101.325 kPa and 15 degrees C, and dry). "Standard Reporting Basis" for gigacalorie shall mean 1.035646 Kg/cm squared and 15.6 degrees C, and dry.

"Standard Reporting Basis" for Gas volumes as cubic feet shall mean at standard conditions of 14.73 psia, 60 degrees F, and dry. For Gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.

1.42 SYSTEM

"System" shall mean the pipeline, any compression and related facilities owned ~~or leased~~ by MEP, including Zone 1, and Zone 2 ~~and the Leased Capacity~~.

1.43 UNACCOUNTED FOR GAS

"Unaccounted For Gas" shall mean the thermal equivalent of the difference between the sum of all input volumes of Gas to the System (including Fuel Gas) and the sum of all output volumes of Gas from the System plus Fuel Gas, which difference shall include but shall not be limited to Gas vented (other than Gas that can be attributed to an offending Shipper) line heater Gas and Gas lost as a result of an event of Force Majeure, the ownership of which cannot be reasonably identified; ~~provided, however, that unaccounted for Gas on the Leased Capacity shall not be included~~. Unaccounted For Gas shall be determined pursuant to Section 36 of these General Terms and Conditions. ~~The Leased Capacity Charges include any Unaccounted For Gas on the Leased Capacity.~~

1.44 UNAUTHORIZED GAS

"Unauthorized Gas" shall mean volumes of Gas received from or delivered to (or on behalf of) Shipper at a Point in excess of confirmed nominations.

GENERAL TERMS AND CONDITIONS

1.45 UNDERAGE AVERAGE MONTHLY INDEX PRICE (UAMIP)

The Underage Average Monthly Index Price or "UAMIP" shall mean the index price used in determining cashout amounts for underages as provided in Section 10.4 of these General Terms and Conditions.

1.46 YEAR

"Year" shall mean a period of three hundred sixty-five (365) consecutive days or three hundred sixty-six (366) consecutive days if such period includes February 29.

1.47 ZONE 1

"Zone 1" shall mean that portion of the System which extends from the beginning of the System in Bryan County, Oklahoma, to the interconnection with the facilities of Columbia Gulf Transmission Corporation near Perryville, Louisiana. ~~The Leased Capacity is not included in either Zone 1 or Zone 2.~~

1.48 ZONE 2

"Zone 2" shall mean that part of the System which extends from the terminus of Zone 1 to an interconnection with the facilities of Transcontinental Gas Pipe Line Corporation in Choctaw County, Alabama.

1.49 ZONE BOUNDARY TRANSFER POINT

"Zone Boundary Transfer Point" shall means a paper point available to effectuate transfers of Gas from the Zone 1 Pooling Point to Zone 2 (deemed located at the boundary of Zone 1 and Zone 2) for contracting purposes only, which may be used as a primary receipt point solely under a contract with firm capacity rights only in Zone 2. The Zone Boundary Transfer Point is available for the sole purpose of effectuating transfers between the Zone 1 Pooling Point and Zone 2 pursuant to Section 6.12(h) of the General Terms and Conditions, and is not available for the receipt of Gas nominated from any point in Zone 1 other than the Zone 1 Pooling Point.

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(7) CAPACITY AWARDED FOR LIMITED PERIOD

This provision applies in situations where firm capacity is awarded for a limited time period ending on a date no later than the date on which such capacity is required to provide service under one or more preexisting FTS Agreements or where firm capacity is operationally available only for a limited time period.

(i) MEP may market such capacity for all or any portion of the limited time period until service under the capacity award becomes effective, or until the capacity is no longer operationally available.

(ii) MEP shall limit the rights of the Shipper awarded the capacity to the limited time period, so that the Shipper has no rollover rights or rights of first refusal which extend beyond the limited time period. MEP will indicate in any open season posting for such capacity the limitation on rights which will apply to such firm capacity awarded for the limited time period.

(c) EVALUATION OF COMPETING BIDS AND REQUESTS

In comparing valid bids received in an open season or in comparing two or more valid and competing pending requests for service under the Request Procedure, MEP will award firm capacity based on the highest economic value, as defined in this Section 2.1(c).

(1) HIGHEST ECONOMIC VALUE

The highest economic value is the highest net present value of the stream of incremental revenue produced in the aggregate by a valid bid or request, or combination of valid bids or requests, received by MEP for firm capacity which is consistent with the reserve price where one has been established; ~~provided however, that such revenue shall not include revenue associated with Leased Capacity.~~ Incremental

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revenue is the additional revenue MEP would collect from a Shipper under any bid or request over and above the revenue MEP would otherwise have received after taking into account any revenue lost or affected by the bid or request (i.e., where an existing capacity holder submits a bid or request which is contingent upon turnback by that existing capacity holder of an existing capacity commitment, only the value of such a bid or request net of the revenue which would be lost to MEP due to the turnback of the existing contractual commitment will be considered).

(2) ONLY GUARANTEED REVENUE CONSIDERED

In the determination of highest economic value, MEP shall consider only reservation charge revenue and any other guaranteed revenue under bids or requests which meet any applicable reserve price, ~~excluding revenue associated with Leased Capacity~~. In the case of a bid or request for firm service involving a Negotiated Rate or Negotiated Rate Formula, the rules for calculating net present value set out in Section 30 of these General Terms and Conditions shall apply.

(3) POSTING OF CRITERIA

(i) MEP shall post the criteria to be used in the determination of highest economic value for comparing valid bids in any open season and for comparing pending requests which are valid and competing. The posting will consist of a net present value formula, together with all relevant factors and parameters. The discount rate to be utilized in the NPV formula shall be the FERC approved interest rate. These criteria shall be posted continuously on the Informational Postings portion of MEP's Interactive Website. MEP may change the criteria at any time in a manner not inconsistent with the other provisions of this Section 2.1(c), but the revised criteria may only be applied to an open season the posting of which commenced at least one (1) Business Day after the change in criteria has been posted. MEP cannot change the criteria for any on-going open season. The revised criteria shall apply immediately to all requests received after the change has been posted. In addition, the posting for each individual open season will include the following elements: the date to which all bids are discounted in the

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(iii) Unless MEP elects to post the reserve price as part of the posting of an open season, MEP shall provide the reserve price or reserve price matrix to an independent third party before the posting of an open season. A bidder in an open season may request the reserve price or reserve price matrix applicable to that open season at any time after the close of the open season and MEP will provide such information to the requesting bidder within one Business Day after MEP receives the request.

(d) POINT CHANGES

Any Shipper with an FTS Agreement may request a permanent change in primary Point ~~not involving Leased Capacity at any time~~. MEP will respond to such a request within two (2) Business Days. MEP shall grant such a request if firm transportation and point capacity is available to do so; provided that the parties can mutually agree on the rate unless the applicable FTS Agreement or related discount or Negotiated Rate or Negotiated Rate Formula agreement specifies the rate when there is such a permanent primary point change. Unless otherwise specifically agreed, if the Point change results in a shortened path which would reduce the applicable rate, the reservation rate applicable to the longer path shall apply for the remaining term of the Agreement, but the commodity rate applicable to the shortened path shall apply so long as the shortened path is in effect under the Agreement; provided, however, the Fuel Gas for the path utilized shall apply. Any such permanent point change shall be reflected in an amendment to the FTS Agreement. ~~Any change in primary receipt points on the Leased Capacity is subject to the Agreement of Enable Oklahoma and MEP.~~

2.2 REDUCTIONS IN FIRM SERVICES

(a) While firm services are not ordinarily interrupted due to lack of capacity, capacity constraints may exist from time to time or interruption of service may be necessary for certain other reasons. MEP may decline to schedule and/or may curtail firm service for any of the following reasons:

(1) If Shipper tenders Gas which does not conform to the applicable quality requirements under Section 19 of these General Terms and Conditions;

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- (2) For reasons of Force Majeure;
- (3) Pursuant to Sections 2.7 or 2.8 of these General Terms and Conditions;
- (4) To rectify imbalances, to conform physical flows to nominations or to effectuate payback of imbalances, to the extent consistent with the specific Rate Schedule;
- (5) If there is a dispute over title, ownership or right to tender or to receive Gas.

(b) Without limitation to the foregoing, unless otherwise agreed by contract, MEP shall have the right to reduce receipts or deliveries of Gas on any Day below Shipper's MDQ to permit maintenance, repair, overhaul, replacement, or construction of pipelines, compressors, metering, regulating, or other transmission facilities and equipment, or to maintain System integrity; provided, however, that with respect to routine repair and maintenance, MEP will attempt to schedule such activity during a period when it will not result in curtailment to firm services, or when such curtailment will be minimized, after consulting with the Shippers which could be affected.

(c) No later than fifteen days prior to the scheduled activity ~~(or, in the case of Leased Capacity, no later than one day after MEP receives notification from Enable Oklahoma)~~, MEP will post on the Informational Postings portion of its Interactive Website a tentative schedule of planned maintenance, construction, test, rehabilitation or repair activities to be performed which MEP anticipates may cause it to fail to tender delivery of Shipper's scheduled quantities of Gas. The schedule will include the dates the activities are scheduled to begin and end as well as the portions of the System and capacity expected to be affected. MEP will endeavor to perform the activities in accordance with the posted schedule.

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(2) Firm service at secondary points (scheduled pro rata based on nominations) within the primary path;

(3) Firm service at secondary points (scheduled pro rata based on nominations) outside the primary path;

(4) Interruptible service within MDQ and Authorized Overrun service under both firm and interruptible rate schedules (allocation of service pursuant to Section 2.5 of these General Terms and Conditions).

(b) In applying steps (2) and (3) under subsection (a), scheduling of Receipt and Delivery points will be pro rated based on nominations; points within the primary path are scheduled before points outside the primary path;

(c) For Shippers under Rate Schedule FTS, MEP shall provide notice of any curtailment or of any scheduling restriction as far in advance as feasible. MEP shall attempt to provide at least two (2) Days' prior notice, unless more timely action is necessary to respond to a Force Majeure situation, to balance the Agreement to the extent consistent with the applicable Rate Schedule, or to maintain System integrity. In addition to notifying the Shippers affected, MEP will post anticipated and effective curtailment and scheduling restrictions on the Informational Posting section of its Interactive Website.

(d) Released capacity has the same priority as non-released capacity;

(e) Firm Intraday nominations are entitled to bump scheduled interruptible volumes only during the Evening, Intraday 1 and Intraday 2 Nomination Cycles, as defined in Section 6.2. Firm Intraday nominations are not entitled to bump already scheduled firm volumes.

2.4 ZONES AND SECONDARY POINTS

(a) The System consists of two zones, Zone 1 and Zone 2, ~~plus the Leased Capacity~~, as those terms are defined in Section 1 of these General Terms and Conditions.

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(b) Subject to the priorities set out in Section 2.3 of the General Terms and Conditions, Shippers under Rate Schedule FTS shall have the right to use all Receipt and Delivery Points on MEP's System in either Zone 1 or Zone 2, to the extent the path of the FTS Agreement includes any part of that zone, as secondary Receipt and Delivery Points. Such points may be scheduled, however, only to the extent transmission and point capacity is available. The MDQ at any secondary point shall be equal to the MDQ for the Shipper within the zone. The priority of service at secondary points under Rate Schedule FTS shall be governed by Section 2.3 above. ~~With respect to Leased Capacity, Shippers shall only have secondary point rights at the Points permitted under the Lease with Enable Oklahoma and only up to the rights at such points under the Lease not utilized by Shippers with firm primary rights at these Points.~~ The Points available are posted on MEP's Interactive Website.

(c) If nominations by all Shippers for secondary point service for which such Shippers are eligible exceed MEP's available capacity on the applicable path, available capacity shall be allocated and scheduled pro rata based on a Shipper's confirmed nominations within MDQ within the applicable priority category as defined in Section 2.3 of these General Terms and Conditions.

(d) The primary Receipt and Delivery Points define the primary path(s) of an FTS Agreement, including the direction of "forward" flow for the primary path(s), and define whether a secondary point is "in path" or "out of path." Shippers may nominate service at secondary points so that the direction of flow is the same as or the opposite ("backhaul") from the primary path direction of flow, but if the direction of flow is opposite the primary path, such nomination shall be treated as being outside the primary path.

(e) Shippers under Rate Schedule ITS have access to all Points on MEP's System to the extent provided in Section 2.5(d) of these General Terms and Conditions. Shippers under Rate Schedules PALS and IBS have access to all Points on MEP's System, ~~except the Points on Leased Capacity~~, but the Points actually utilized for any specific service will be specified in the Request Order for Rate Schedule PALS and in the IBS Agreement for Rate Schedule IBS.

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(3) In the event MEP can provide some service under Rate Schedule IBS on any portion of its System but that its capability on any Day is insufficient to schedule all Access Requests under Rate Schedule IBS, first priority for scheduling and curtailment purposes shall be granted to Access Requests which are linked to a firm transportation Agreement (if allocation within this class is required, allocation shall be pro rata based on MDQ). If sufficient capability is available to serve some but not all Access Requests under IBS Agreements linked to interruptible transportation Agreements, service under Rate Schedule IBS shall be allocated based on the price paid under the linked interruptible transportation Agreement.

(4) Service under Rate Schedule PALS shall not be scheduled if doing so would have an adverse effect on any firm or secondary point service. Service under Rate Schedule PALS shall be scheduled and curtailed based on MEP's system operational and System operational capability. Service hereunder shall be interrupted and curtailed if continuation of such service would be detrimental to MEP's ability to provide any firm service or any secondary point service. While service hereunder is not ordinarily expected to affect transportation capacity, if providing service hereunder would have an adverse effect on providing interruptible transportation service, a PALS Agreement shall for scheduling and allocation purposes be assigned the same priority as service under Rate Schedule ITS. The same priority shall be applied for scheduling and allocation in relation to service under Rate Schedule IBS or other PALS Agreements. Once a park or loan has been scheduled on any day under Rate Schedule PALS, that park or loan shall not be interrupted or curtailed to effectuate any other interruptible service, except for secondary point service.

(d) An ITS Agreement shall specify whether it covers Zone 1, Zone 2 or both zones. An Agreement under Rate Schedule ITS will include all Receipt and all Delivery Points within the zone(s) covered. ~~With respect to Leased Capacity, Shippers shall only have rights at the Receipt and Delivery Points permitted under the Lease with Enable Oklahoma.~~ Applicable maximum rates are specified in this Tariff by zone. With respect to Interim Period Service, a Shipper under an ITS Agreement will have all points on the portion of Zone 1 which is in service.

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6.12 POOLING POINTS FOR DELIVERIES

(a) One Pooling Point has been designated each for Zone 1 and for Zone 2. These points are not physical points on the MEP System, but are paper points used for aggregation and nomination purposes and to provide pooling services, consistent with this Section 6.12. Subject to the remainder of this Section 6.12, any number and type of Agreements may be utilized to deliver Gas to or take Gas away from a Pooling Point. Under FTS agreements, pooling points within each zone are only accessible to firm shippers to the extent capacity is held in such zone, except for contracts with firm capacity rights only in Zone 2, which additionally have access to the Zone 1 Pooling Point as a secondary receipt point. ~~There is no Pooling Point for Leased Capacity.~~

(b) The Pooling Point in the applicable zone may also be a Receipt Point under either an ITS or FTS Agreement and be used for transportation to Delivery Points, including transportation across zone boundaries as provided in subsection (c) hereof and transportation within a zone. For transportation to a Pooling Point from a Receipt Point within the zone, Shipper will pay all applicable charges, including without limitation, reservation, commodity, Fuel Gas, Booster Compression Fuel and Unaccounted For Gas. There are no transportation commodity charges or Fuel Gas and Unaccounted For Gas charges applicable to transportation of gas from a Pooling Point to a Delivery Point within the zone.

(c) If Gas is transported from a Pooling Point in the zone of receipt to a Delivery Point, including a Pooling Point, in a zone other than the zone of receipt (New Zone), under either an FTS or an ITS Agreement, Shipper shall pay all applicable charges, including without limitation, reservation, commodity, Fuel Gas, Booster Compression Fuel, and Unaccounted For Gas for transportation in the New Zone.

(d) Gas may be delivered to a Pooling Point under either an FTS Agreement or an ITS Agreement.

(e) Nominations to and from Pooling Points will be subject to the same nomination and confirmation procedures as all other receipts and deliveries. For scheduling and curtailment purposes, the priority of service for transportation to or from a Pooling Point is based on the transportation Agreement under which Gas is delivered to the

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Pooling Point in that zone. For purposes of scheduling and curtailment and segmentation, as set out in subsection (f) below, in the case of Zone 1, the Pooling Point will be deemed to be located at the interconnect between MEP and Columbia Gulf Transmission; and (ii) in the case of Zone 2, the Pooling Point will be deemed to be located at the interconnect between MEP and Transco. All volumes nominated for transportation to a Pooling Point on any Day should be matched using NAESB package IDs or some other means acceptable to MEP, with nominations of those volumes for transportation from the same Pooling Point on the same Day. For any volumes not matched, the priority of service for transportation from the Pooling Point will be interruptible. No imbalances will be permitted at a Pooling Point, but Gas may be parked or loaned at Pooling Points subject to the provisions of Rate Schedule PALS.

(f) An FTS Agreement which is eligible for access to a Pooling Point in a zone pursuant to Section 6.12(d) may be segmented at any point within that zone(s), including the Pooling Point.

(g) Gas may be bought and sold at a Pooling Point, subject to the provisions of this Section 6.12.

(h) Zone Boundary Transfer Point. A Shipper with a contract that has firm capacity rights only in Zone 2 and with a Zone Boundary Transfer Point (that is a primary firm receipt point under such contract) may effectuate the transfer of Gas from Zone 1 to Zone 2 by nominating the Zone 1 Pooling Point (not the Zone Boundary Point) as a receipt point for delivery to Zone 2. Such transactions will only incur applicable charges for transportation in Zone 2 and are, therefore, subject to Section 6.12(c) hereof.

6.13 SEGMENTATION

(a) A Shipper may segment its firm capacity to the extent operationally feasible through the nomination process; provided, however, that ~~no segmentation will be permitted on the Leased Capacity and~~ segmentation involving Pooling Points is subject to Section 6.12. In addition, any Shipper may segment its firm capacity by releasing one or more segments of that capacity (the Releasing Shipper may retain one or more segments of its capacity), to the extent operationally feasible, by following the procedures set out in Section 14 of these General Terms and Conditions; ~~provided, however, that no segmentation will be permitted on the Leased Capacity.~~ In the case of segmentation

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through release, the Releasing Shipper may segment by nomination any portion of the capacity it retains to the extent operationally feasible and the Replacement Shipper may segment by nomination any portion of the capacity it obtains in the release to the extent operationally feasible.

(b) For the purposes of this Section 6.13 and subject to the other provisions hereof, whether segmentation is through nomination or results from the release of firm capacity on a segmented basis, the primary path under an Agreement may be segmented, and segmentation may extend outside the primary path to the extent consistent with this Sections 6.13, ~~except for Leased Capacity~~, and such segmentation shall be deemed operationally feasible unless:

(1) the segmentation would result in an increase in firm contractual obligation by MEP on any segment or portion of its system (through an overlap of segments); or

(2) the segmentation would result in a forward-haul in a direction opposite to the primary path of the Agreement being segmented [backhauls are addressed in (d) below].

(c) In the event a firm capacity path is segmented under this Section 6.13, each segment shall have access to all secondary points within either zone on MEP's System provided that any portion of the primary path segment is within that zone, except for Pooling Points, access to which is governed by Section 6.12 of these General Terms and Conditions. Any point which is outside the primary path for the segment shall be treated as out-of-path secondary in relation to nominations for that segment. In the case of a segmented release, if nominations result in an overlapping path, through nomination at out-of-path secondary points, overrun charges for volumes in excess of the MDQ under the original Agreement in the area of overlap shall be applied as follows:

(1) if a Shipper is nominating or flowing within the primary path under its segment, overrun shall not apply to that segment so long as such Shipper is within its MDQ on that segment and any overrun shall be assigned to the segment on which Shipper is nominating and flowing outside its path; (ii) if a Shipper is nominating or flowing in excess of its MDQ on a segment under the segmented release, the Shipper shall

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be assessed overrun based on the volume in excess of its MDQ; and (iii) where the Shipper on each segment is within its MDQ, but is nominating on a secondary out-of-path basis so as to create an overlap in nominated paths, and aggregate nomination by the Releasing and Replacement Shipper in the area of overlap are in excess of the original contract MDQ, then except as provided in (i) and (ii), overrun charges will be assessed to the Releasing Shipper unless the release specifies that such overrun charges are to be assessed to the Replacement Shipper.

(d) The direction of flow for path segments must be the same direction of flow as for the original path unless MEP agrees otherwise or unless such a change in direction of flow is consistent with the Agreement. A Shipper may segment a backhaul if such backhaul can be nominated and scheduled on any day on MEP's system. However, if Shipper desires assurance that it may segment a backhaul transaction for a longer period (beyond the current Gas Day), such segmentation shall be subject to review by MEP on a case-by-case basis as to whether a backhaul on each resulting segment is operationally feasible. The Shipper (or Replacement Shipper in the case of a release) may nominate service at Receipt and Delivery Points for the path segment that results in a reverse flow from the original path; however, such a nomination will be treated as being secondary outside of the path. Subject to the availability of point capacity and to ordinary nomination procedures, deliveries may be made at the same point for a forward haul on the upstream segment and a backhaul of the downstream segment and such nominations will not create a Point overrun so long as nominations in either direction do not exceed the MDQ. The forward haul will have priority at the Point if the Point capacity is not adequate. At the point of segmentation, deliveries may be nominated on the upstream segment up to MDQ and receipts may be nominated on the downstream segment up to MDQ, subject to constraints on Point capacity and ordinary scheduling procedures and priorities.

(e) (1) Subject to the remainder of this subsection 6.13(e), the Releasing and Replacement Shipper involved in a segmented release may each choose primary Receipt Points and primary Delivery Points equal to their respective contract MDQs after the release; provided, however, ~~that the primary Points chosen are not on the Leased Capacity and~~ that the resulting segments may not overlap in a way that exceeds the MDQ of the original contract on a segment. If the points chosen are within the path of the original Agreement and do not involve changing a primary point thereunder, the point designations shall be accepted, subject only to the availability of firm capacity at those

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Flow Order. In the event that for any Month, no penalty revenues are distributed because all Shippers failed to comply with Operational Flow Orders that Month, then the amount of penalty revenue for that Month may be held by MEP for application under Section 9.3(a) for a period of up to two (2) years, at which time that amount will be included in the amounts for distribution in the then current annual period to the extent not offset by costs under Section 9.3(a). The refunds in the prior sentence shall be calculated on a Monthly basis but distribution of the credit shall be annual. If the costs to be netted against penalty revenue exceed the penalty revenue in any Month, the excess costs may be carried forward to be applied against penalty revenue in subsequent Months. Thus, while distribution is made annually, the net penalty revenue credit shall be calculated on a Monthly basis, subject to the carry forward of costs as stated in the prior sentence. A Shipper which incurred Unauthorized Gas Charges or which failed to comply with an Operational Flow Order shall be excluded from distribution of net penalty revenues only for the Month in which that violation occurred.

(2) Where capacity has been released, any amounts distributed to the Original Shipper and the calculation and amounts distributed to the Original Shipper shall be based on the MDQ and flowing volumes of Gas for that Shipper (without considering any contracts of Replacement Shippers) during the relevant annual period; provided, however, that in the case of a permanent release, any amounts distributed hereunder with respect to the released capacity shall be distributed to the Replacement Shipper and the calculation and the amounts distributed to the Replacement Shipper shall be based on the MDQ and flowing volume for that Replacement Shipper during the relevant annual period. MEP shall file with the Commission a refund report for each annual distribution of penalty revenue under this subsection.

~~—————(c)———— Penalty revenue associated with the Leased Capacity Charges shall not be subject to this Section 9.3 or included in any calculation hereunder because such revenue is all passed on by MEP to Enable Oklahoma.~~

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10. IMBALANCES AND SCHEDULING CHARGES

10.1 RESPONSIBILITY FOR BALANCING

Shippers are obligated to deliver and receive Gas in conformance with their confirmed nominations. MEP will attempt to enter into OBAs which deal with imbalances. If an OBA is not feasible or the imbalance is beyond the terms of the OBA, however, Shippers are also responsible for conforming their takes at Delivery Points with their deliveries to MEP at Receipt Points each Day. MEP has no obligation to deliver for the account of a Shipper more volumes of Gas than MEP has received for the account of the Shipper or to accept for the account of the Shipper more volumes of Gas than are being delivered for the account of the Shipper on any Day.

10.2 NETTING AND TRADING OF IMBALANCES

At the end of each calendar Month, to the extent the net receipts (with the appropriate deductions for the applicable Fuel Gas and Unaccounted For Gas) do not equal deliveries under an Agreement on a Dth basis [such imbalances shall be separately determined by Operational Impact Area as defined in Section 10.4(d) hereof] and for imbalances that may be created at a point level in specific Operational Impact Areas due to the differences between the nominated and or confirmed and allocated activity, but may offset at the contract level, the following netting and trading procedures will apply ~~(imbalances on the Leased Capacity will be determined separately with appropriate deductions for fuel and unaccounted for gas applicable to the Leased Capacity):~~

(a) Imbalances under a Shipper's different Agreements will then be netted together for each Operational Impact Area to obtain the Shipper's aggregate imbalance for each Operational Impact Area, which will be either an Overage Imbalance or an Underage Imbalance as defined in Section 10.4 hereof. Netting must be done within the Operational Impact Areas defined in Section 10.4(d) of these General Terms and Conditions. Shippers may only decrease their Overage and Underage Imbalances through trading and must do so within the Operational Impact Area where the imbalance exists.

(b) To assist Shippers in arranging trades, MEP will post on its Interactive Website the Total aggregate Imbalance by Operational Impact Area of any Shipper which has notified MEP that it has elected to have such information posted.

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(c) The Monthly Index Price (MIP) is based on the applicable Average Weekly Index Price (AWIP). MEP shall use either the highest AWIP or the lowest AWIP determined for each Month as the MIP for all monthly Imbalances subject to cashout hereunder, as described below. The AWIPs to be used in determining each Month's highest AWIP and lowest AWIP shall include the AWIPs for the Seven Day Periods prior to each Monday within the calendar month in which the Imbalance occurred, plus the AWIP for the next Seven Day Period.

(1) For Gas owed MEP (Underage Imbalances), the MIP shall be the highest of the AWIPs for the applicable location indicated below for the Month in which the Imbalance occurred.

(2) For Gas owed Shipper (Overage Imbalances), the MIP shall be the lowest of the AWIPs for the applicable location indicated below for the Month in which the Imbalance occurred.

(d) Trading and cashout of imbalances shall be implemented within Operational Impact Areas (OIAs). There are ~~three~~four Operational Impact Areas on the MEP System. ~~OIA-1 is defined as the Interconnection of MEP or MarkWest and Enable Oklahoma and uses the NGPL Midcontinent Index Price.~~ The following defines the geographical boundaries of the ~~remaining~~ Operational Impact Areas and the price index utilized for each area for determination of cashout prices:

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(2) Bi-directional flow must be available at the Delivery and/or Receipt Points involved.

(3) The third party provider(s) must have the ability to get Gas onto or off of MEP's System in order to effectuate a true physical balancing.

(4) The Shipper or third party provider(s) may utilize services on another entity to perform imbalance management so long as all conditions of this Section 10.7 are satisfied; provided, however, that if any such entity is relying on facilities or resources it does not own or control, the entity which does own or control those facilities or resources must become a party to the Third Party Balancing Agreement.

(e) If MEP is required to backstop the third party service provider(s), either by agreement or because the imbalance management services specified by the Third Party Balancing Agreement are not performed, MEP must be authorized to assess charges and penalties against Shipper, the third party provider(s), or both, and the Third Party Balancing Agreement shall so provide.

(f) The Third Party Balancing Agreement will terminate if the Shipper no longer has service on MEP under the Agreements specified in the Third Party Balancing Agreement.

10.8 BALANCING SERVICE CHARGES

(a) During periods when a Critical Time or an Operational Flow Order is not in effect, Balancing Service Charges apply as set out in this subsection (a); ~~provided that such charges shall not apply to Leased Capacity.~~

(1) If the volumes allocated to any FTS or ITS Agreement fail to equal the confirmed nomination under such Agreement or if volumes allocated to any IBS or PALS Agreement are inconsistent with confirmed nominations and/or available

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rights, as applicable, the following Balancing Service Charges shall apply, subject to the availability of balancing service under Rate Schedule IBS consistent with its terms, based on the degree of variance between actual deliveries, and Shipper's rights and/or confirmed nominations (no charge hereunder shall apply for variances at Receipt Points):

<u>Variance</u>	<u>Charge</u>
0% to 5%	No additional charges
5% to 10%	\$0.10/Dth
10% to 20%	\$0.20/Dth
20% to 50%	\$0.30/Dth
Above 50%	\$0.50/Dth

Regarding the above Balancing Service Charges, no such charges shall apply as long as the variance is less than 100 Dth.

(2) Tiered Balancing Service Charges under this Section 10.8 shall be applied on a graduated basis, i.e., the specified charge shall apply only to that portion of the variance which is within the corresponding tier between its lower and upper percentage boundaries (variances within a range greater than the lower boundary and equal to or less than the upper boundary) and not to any portion of the variance falling within other tiers.

(b) On any day when an Operational Flow Order (but not a Critical Time) is in effect, if actual receipts or deliveries allocated to a Shipper at any point or under any Agreement do not conform to such Shipper's confirmed nominations applicable to such point and/or Agreement, Balancing Service Charges will be assessed on such variances that are detrimental to MEP's system, based on the conditions described in or giving rise to the Operational Flow Order; ~~provided, however, that such charges shall not apply with respect to Leased Capacity.~~ Notwithstanding the foregoing, Balancing Service Charges shall not be assessed for variance at Receipt Points unless explicitly stated in the Operational Flow Order. The Operational Flow Order shall also state whether the charges are to be based on variances at individual points, by zone or by other aggregation. Where Balancing Service Charges apply under this subsection (b), they shall be in lieu of Balancing Service Charges under subsection (a). Balancing Service Charges during this period will be as follows, based on the variance between actual receipts or deliveries and the applicable confirmed nominations.

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<u>Variance</u>	<u>Charge</u>
0% to 3%	No additional charges
3% to 10%	Greater of \$1.00/Dth or 50% of DIP
10% to 20%	Greater of \$2.00/Dth or 1 times DIP
20% to 50%	Greater of \$4.00/Dth or 2 times DIP
Above 50%	Greater of \$8.00/Dth or 4 times DIP

(c) On any day when a Critical Time is in effect, if actual receipts or actual deliveries allocated to Shipper at any point or under any Agreement do not conform to confirmed nominated volumes and rights applicable to such point or Agreement, Balancing Service Charges will be assessed for the variances that are to the detriment of MEP's system; ~~provided, however, that such charges do not apply with respect to Leased Capacity.~~ Charges hereunder shall be in lieu of any otherwise applicable Balancing Service Charges under subsections (a) and (b). The Balancing Service Charges in effect during a Critical Time will be as follows:

<u>Variance</u>	<u>Charge</u>
0% to 3%	Greater of \$4.00/Dth or 2 times DIP
3% to 10%	Greater of \$12.00/Dth or 6 times DIP
10% to 20%	Greater of \$40.00/Dth or 20 times DIP
20% to 50%	Greater of \$80.00/Dth or 40 times DIP
Above 50%	Greater of \$200.00/Dth or 100 times DIP

Any imbalance created during a Critical Time that is not eliminated before the end of the month will be subject to the cashout provisions of Section 10.4; provided, however, that any remaining imbalance created during a Critical Time which helped the System will be cashed out at 100% of the OAMIP or UAMIP used for calculating Underage or Overage Imbalances, as applicable, for the Operational Impact Area in which the imbalance occurred.

(d) MEP may discount or waive any charges under this Section 10.8 on a basis which is not unduly discriminatory.

10.9 Disposition of Net Cashout Balance

(a) On an annual basis for the period January 1 through December 31 (Annual Cashout Period), MEP shall determine its Net Cashout Balance. The "Net Cashout Balance" shall be the sum of the dollar amounts associated with all the remaining monthly imbalances (following the period for netting, offsetting, buying and/or selling

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The Releasing Shipper shall warrant that the computer diskette conforms to the bid evaluation procedure in the Capacity Release Request.

For the capacity release business process timing model, only the following methodologies are supported by MEP and provided to Releasing Shippers as choices from which they may select and, once chosen, will be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of MEP. However, MEP is not required to offer other choices or similar timeline treatment for other choices, nor is MEP held to the timeline should the Releasing Shipper elect another method of evaluation.

(b) The term of any release of capacity sought under this Section 14 shall be at least one full Day and shall not exceed the remaining term of the Eligible Firm Transportation Agreement.

(c) The quantity sought to be released under a Capacity Release Request shall not be less than the minimum quantity required for the Eligible Firm Transportation Agreement under MEP's Tariff.

(d) (1) No capacity release under this Section 14 shall result in an increase in the total capacity set forth in the Eligible Firm Transportation Agreement with the Original Shipper for any segment of a path covered by such Eligible Firm Transportation Agreement. Segmented releases are subject to Section 6.13 of these General Terms and Conditions. ~~Without limitation of the prior sentence, Leased Capacity may not be segmented.~~ If the capacity release is for a segment permitted under said Section 6.13, then a break point must be designated. The break point must be a physical location on the primary path of the Original Shipper's Agreement.

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(2) Except in the case of a permanent release, no Replacement Shipper or Subreplacement Shipper shall have the right to change the primary Receipt or Delivery Points listed in the Eligible Firm Transportation Agreement, unless the Original Shipper and MEP agree to amend the Eligible Firm Transportation Agreement to accordingly change the primary points. Point designations for segmented releases are governed by Section 6.13 of these General Terms and Conditions.

(3) (i) The maximum rates that may be bid and charged for a Released Firm Transportation Agreement that is for a term greater than one (1) year are the higher of the maximum lawful rates applicable to the Eligible Firm Transportation Agreement held by the Original Shipper or the Negotiated Rate (or rate under a Negotiated Rate Formula) being paid by the Releasing Shipper. If the Releasing Shipper is paying a Negotiated Rate or a rate under a Negotiated Rate Formula pursuant to Section 30 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the higher of such rate or the applicable Recourse Rate. A qualified Bidder may bid a rate form which would be a Negotiated Rate or Negotiated Rate Formula if and only if the rate form is one explicitly recognized in MEP's Tariff as available for capacity releases (such as volumetric rates). ~~Notwithstanding the foregoing, a release of Leased Capacity may not be at a rate which exceeds the Leased Capacity Charges in effect from time to time.~~

(ii) There is no maximum rate limitation applicable to bids for capacity release for a term of one (1) year or less, if the release is to take effect on or before one (1) year from the date on which MEP is notified of the release.

(4) Unless otherwise agreed, in no event shall any Negotiated Rate (or rate under a Negotiated Rate Formula) which is less than the Recourse Rate apply to overrun quantities.

(e) A Capacity Release Request may include the right by a Releasing Shipper to recall all or part of the capacity, and/or to reput all or part of the recalled capacity, at any time and from time to time. All recalls or reputs must be made in accordance with the other provisions of MEP's Tariff, including Section 14.14 of these General Terms and Conditions, and should be specified at the time of the deal. Reput methods and rights are individually negotiated between the Releasing Shipper and Replacement Shipper.

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(6) Agreement that the Qualified Bidder is bound by the terms and conditions of the capacity award by MEP pursuant to this Section 14 to the Qualified Bidder, including MEP's standard form of Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with MEP's Tariff. Bids shall be binding until notice of withdrawal is received by MEP on its Interactive Website.

(b) The volume in a Qualified Bid may not be less than the minimum volume required for an Eligible Firm Transportation Agreement under MEP's Tariff. Neither the volume nor the release term specified in a Qualified Bid may exceed the maximum volume or term specified in a Capacity Release Request, unless the Capacity Release Request specifically allows otherwise. A Qualified Bidder must accept all the terms and conditions of a Capacity Release Request submitted under Section 14.4 (involving a Prearranged Release) except for the level of the reservation charge and the MDQ and/or Point MDQ, unless the Capacity Release Request specifically allows otherwise.

(c) Except as provided herein, for releases for a term of more than one (1) year, a Qualified Bidder may not bid rates which would exceed MEP's maximum reservation charge applicable to the Eligible Firm Transportation Agreement capacity. If the Releasing Shipper is paying a Negotiated Rate or a rate under a Negotiated Rate Formula pursuant to Section 30 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the higher of: (i) the rate under the Negotiated Rate or Negotiated Rate Formula in the Releasing Shipper's contract; or (ii) the applicable Recourse Rate. The maximum Qualified Bid reservation charge includes all demand surcharges, including all direct-billed charges which are or may become applicable to the Eligible Firm Transportation Agreement capacity. ~~Notwithstanding the foregoing, a release of Leased Capacity may not be at a rate which exceeds the Leased Capacity Charges in effect from time to time.~~

(d) All Qualified Bids shall provide for payment of maximum commodity charges under MEP's Tariff for the capacity bid, as well as all other applicable add-on charges and surcharges under MEP's Tariff, such as, but not limited to, ACA, Fuel Gas and Unaccounted For Gas.

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16. PRE-GRANTED ABANDONMENT, CONTRACT ROLLOVERS, RIGHT OF FIRST REFUSAL AND BUY-OUTS OF EXISTING AGREEMENTS

16.1 GENERAL

Subject to Section 16.3, service performed by MEP under Part 284 of the Commission's Regulations shall expire, and shall be automatically abandoned, upon contract termination under: (a) any FTS transportation Agreement with a primary term of less than one (1) Year; and (b) any ITS, IBS or PALS Agreement regardless of term. Service under any FTS transportation Agreement with a term of one (1) Year or greater shall expire, and shall be automatically abandoned, on contract termination unless service is continued pursuant to Sections 16.2 or 16.3. Rights under this Section 16 shall not be available to the extent provided in Section 2.1(b)(7) of these General Terms and Conditions (relating to limited time period contracts). ~~The right of first refusal under Section 16.2 hereof shall apply to Leased Capacity to the extent provided in such section. In addition, contractual rollovers under Section 16.3 hereof may apply to Leased Capacity.~~

16.2 RIGHT OF FIRST REFUSAL

(a) Any Shipper under a firm service Agreement with a term of one (1) Year or greater ~~(including Leased Capacity)~~ (unless otherwise agreed) and with a rate equal to the applicable maximum rate shall have the right to continue receiving service after the expiration of its existing Agreement to the extent consistent with this Section 16.2; ~~provided however, that with respect to Leased Capacity, Shipper shall only be entitled to continue receiving service on the Leased Capacity pursuant to this section through the then remaining term of the Enable Oklahoma Lease.~~ The prior sentence shall (unless otherwise agreed) include any such firm Agreement which incorporates a Negotiated Rate or Negotiated Rate Formula if (unless otherwise agreed) the revenue under such an Agreement equals or exceeds the revenue at the applicable maximum rate. MEP shall set out in the posting described in subsection 16.2(b) below the forms of bids which may be submitted in the Right of First Refusal. Bids may always be submitted in the rate form underlying the applicable maximum rate. Bids in the form of a Negotiated Rate or Negotiated Rate Formula may only be submitted if permitted in the posting. A match by the existing Shipper must be made in a bid form permitted under the posting. MEP shall not be required to provide service under the Right of First Refusal procedure at a

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16.3 CONTRACTUAL ROLLOVERS

The term of service under any FTS, ITS, PALS or IBS Agreement ~~(including an Agreement covering Leased Capacity)~~ may be extended pursuant to a rollover or evergreen provision in such Agreement, which provision may supersede any otherwise applicable rollover or Right of First Refusal pursuant to this Section. In addition, the parties may subsequently negotiate rollover or evergreen provisions which differ from this Section. MEP is not obligated to offer or agree to any such rollover or evergreen provisions; provided, however, that to the extent it offers or agrees to any such provision, it must do so on a non-discriminatory basis for similarly situated Shippers. Without limitation of the foregoing, a contractual rollover provision may include a unilateral right on the part of Shipper to extend the term of the Agreement by notice to MEP by a time specified and rights of first refusal in addition to those specified in this Section 16.

16.4 VALID REQUEST CRITERIA

Unless waived by MEP, the requirements for a valid request under the applicable Rate Schedule (including the applicable credit analysis) apply to any rollover Agreement.

16.5 BUY-OUTS OF EXISTING AGREEMENTS

MEP and a Shipper may agree to reduce the MDQ of a FTS transportation Agreement (“MDQ Reduction”) or to terminate an existing FTS transportation Agreement before the expiration of the term of the Agreement (“Early Termination”) in the following circumstance: In response to an observable deterioration, based upon a review of the criteria specified in Section 12.1(a) of these General Terms and Conditions, of a Shipper’s financial ability to perform the payment of obligations due to MEP over the term of the existing Agreement. As a condition of an MDQ Reduction or Early Termination, MEP may require that a Shipper provide a payment to MEP equal to all or a portion of the reservation charges that shipper would be obligated to pay MEP for the remaining term of the Agreement. MEP shall be under no obligation to agree to a MDQ Reduction or Early Termination. MEP shall negotiate MDQ Reductions and Early Terminations with Shippers on a not unduly discriminatory basis.

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18. PRESSURE AND DELIVERY CONDITIONS

18.1 RECEIPT POINT PRESSURE

Unless otherwise agreed by contract, Shipper shall deliver Gas to MEP at each Receipt Point at the pressure prevailing in MEP's System at that point.

18.2 DELIVERY POINT PRESSURE

Unless otherwise agreed by contract, MEP shall deliver Gas to Shipper at each Delivery Point at the pressure available in MEP's System at such point.

18.3 HOURLY TAKES

On any Day, Gas shall be delivered by MEP in uniform hourly quantities, based on Shipper's confirmed Daily nomination quantity divided by twenty-four (24), subject to the operating conditions on MEP's System. At a Shipper's request, MEP will deviate from such uniform hourly quantities to the extent in MEP's judgment it can support such deviations operationally without adversely affecting other Shippers ~~provided that such flexibility shall not apply to Leased Capacity~~. If, after written request by MEP, Shipper fails to restrict its hourly takes as specified herein, MEP may install and operate a load limiting device at any Delivery Point where such failure has occurred. The cost for such device, including the cost of installation, shall be paid by Shipper within 30 days of its receipt of the bill therefore.

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19. QUALITY OF GAS

19.1 SPECIFICATIONS

(a) In order to permit delivery into downstream facilities, the Gas received under any Agreement by MEP on any portion of the System, ~~except for Gas receipts on Leased Capacity which are governed by subsection (e)~~, shall meet the following requirements, unless otherwise agreed:

(1) shall be free from objectionable liquids, odors, solid matter, dust, gums, and gum forming constituents, or any other substance which might interfere with the merchantability of the Gas stream, or cause interference with proper operation of the lines, meters, regulators, other appliances through which it may flow, or transportation through any downstream pipeline;

(2) shall contain not more than seven (7) pounds of water vapor per one thousand (1,000) MCF;

(3) shall contain not more than 0.3 grain of hydrogen sulfide per one hundred (100) cubic feet of Gas;

(4) shall contain not more than twenty (20) grains of total sulphur per one hundred (100) cubic feet of Gas, including mercaptans and hydrogen sulfide;

(5) shall contain not more than two percent (2%) by volume of carbon dioxide;

(6) shall contain not more than one percent (1%) by volume of combined oxygen;

(7) shall have a temperature of not more than one hundred twenty degrees Fahrenheit (120 degrees F) and shall have a minimum temperature of not less than forty degrees Fahrenheit (40 degrees F);

(8) shall have a Btu content no less than 980 Btu/cf and no greater than 1110 Btu/cf;

GENERAL TERMS AND CONDITIONS

(9) shall have a combined composition of not more than one and one-half (1.5) mole percentage of butane plus, including isobutene, normal butane and all heavier hydrocarbons (C4+);

(10) shall have a combined composition of total inert gases (principally nitrogen and carbon dioxide) of not more than four (4) mole percent; and

(11) shall have a Wobbe Index of not greater than 1400, calculated using Higher Heating Value (HHV), dry, based on the following mathematical definition:

$$\text{HHV} / (\text{Sqrt} (\text{SG}_{\text{gas}}))$$

Where:

HHV = Higher Heating Value (Btu/scf)

SG_{gas} = Specific Gravity

Sqrt = Square Root of

(b) MEP may, from time to time, as operationally necessary, establish and post on the Informational Postings portion of its Interactive Website an upper limit on the dew point for receipts on specified segments or other specified locations on its System ~~(other than Leased Capacity)~~ to prevent hydrocarbon fallout, or to assure that Gas will be accepted for delivery into downstream entities. MEP will include in such posting the anticipated duration of the limitation. MEP will provide as much prior notice as reasonably practicable and will attempt to provide in the posting at least ten (10) Business Days prior notice before the limitation becomes effective. If such prior notice is not practicable, MEP will explain the reason in the posting why it was unable to give such prior notice. Upon request, MEP will provide current information regarding the dew point at any point of receipt into MEP's System affected by the posting to the operator of that point or any producer, purchaser, supply aggregator or Shipper with Gas being tendered at that point. MEP shall not post, under this section, a cricondentherm dew point temperature of less than fifteen degrees Fahrenheit (15 degrees F).

~~(c) With respect to Leased Capacity, Gas received on the Leased Capacity must meet the Gas quality standards established by Enable Oklahoma. MEP will post on its Interactive Website the Gas quality standards in effect for the Leased Capacity.~~

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20. FORCE MAJEURE

20.1 EFFECT OF FORCE MAJEURE

In the event of either MEP or Shipper being rendered unable by Force Majeure (on its part or that of a necessary third party) to carry out, wholly or in part, its obligations under the provisions of an Agreement, it is agreed that the obligations of the party affected by such Force Majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

20.2 DEFINITION OF FORCE MAJEURE

(a) The term "Force Majeure" means any event or condition or combination of events and/or conditions which prevents, hinders, or delays the performance of any obligation subject hereto, in whole or in part, which is not within the reasonable control of the person claiming suspension by reason of Force Majeure, and which the party claiming suspension is unable to prevent or overcome by the exercise of due diligence. ~~A situation of Force Majeure on the Leased Capacity will constitute Force Majeure on the Leased Capacity. It will also constitute Force Majeure on MEP generally to the extent that it prevents, hinders or delays the performance of MEP's obligations.~~ For the purposes of the definition of "Force Majeure," the exercise of due diligence shall mean acting in good faith with the intention of performing contractual obligations, and the exercise of a degree of skill, diligence, prudence, and foresight that would reasonably and ordinarily be exercised by a skilled and experienced person complying with applicable law and engaged in the same type of undertaking under the same or similar circumstances and conditions. Such events or conditions, provided that the foregoing requirement are met, include, but are not limited to acts of God, strikes, lockouts, acts of a public enemy, acts of sabotage, wars, blockades, riots, insurrections, epidemics, landslides, subsidence, earthquakes, fires, hurricanes, storms, tornadoes, storm warnings, floods, washouts, accidents, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, and explosions ~~and a Force Majeure event on the Leased Capacity~~. Failure by the party claiming suspension to prevent or settle any strike or strikes shall not be considered to be an event or condition within the control of such party.

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30.2 AWARD OF FIRM CAPACITY

To the extent the revenue level pursuant to the Negotiated Rate(s) or Negotiated Rate Formula provided for in Section 30.1 above should equal or exceed the revenue level at the Recourse Rate, the Shipper paying such Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula shall be treated, for capacity award purposes, as if the rate(s) paid had been equal to the Recourse Rate. Any Shipper, existing or new, paying the Recourse Rate(s) has the same right to capacity for capacity award purposes as a Shipper willing to pay an equal or higher Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula. If the Negotiated Rate or the rate under a Negotiated Rate Formula are always higher than the corresponding Recourse Rate, the Recourse Rate rather than the Negotiated Rate will be used as the price cap for the Right of First Refusal pursuant to Section 16.2 of these General Terms and Conditions. Where the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula results in revenue which is greater than the Recourse Rate during certain portions of the relevant evaluation period but less than the revenue at the Recourse Rate during other portions of the relevant evaluation period (but the revenue pursuant to the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula equals or exceeds that which would be generated at the Recourse Rate for the entire evaluation period), the value of bids and requests at the Negotiated Rate(s) or rate(s) under a Negotiated Rate Formula for capacity award purposes shall be evaluated as though the Recourse Rate applied under such bid or request for the entire evaluation period. Where the Negotiated Rate(s) or rate(s) under the Negotiated Rate Formula result in revenue which is less than revenue at the Recourse Rate over the relevant evaluation period, the value of the bids or requests at the Negotiated Rate(s) or rate(s) under the Negotiated Rate Formula for capacity award purposes shall be evaluated based on such lower revenue and shall be afforded a correspondingly lower priority in a capacity award procedure than bids or requests at the Recourse Rate. ~~In applying this Section 30.2, revenue associated with the Leased Capacity Charges, which passed through to Enable Oklahoma, will not be considered.~~

30.3 ACCOUNTING FOR COSTS AND REVENUES

The allocation of costs to and the recording of revenues from service at Negotiated Rate(s) or under a Negotiated Rate Formula will follow MEP's normal practices associated with all of its services under this Tariff. MEP will maintain separate records of Negotiated Rate and Negotiated Rate Formula transactions for each billing period.

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33. CAPACITY ON OTHER ENTITIES

33.1 ACQUIRED CAPACITY

(a) MEP may from time to time enter into transportation agreements, including storage agreements, with upstream or downstream entities, including other interstate pipelines, intrastate pipelines, or local distribution companies (Acquired Capacity). MEP may use Acquired Capacity for its System operational needs and/or to render service to its customers. Except as provided in subsection (b), MEP states that, if it transports or stores Gas for others using Acquired Capacity, it will apply to such services the same rates and tariffs as are applicable to on-system customers, as such rates and tariffs may change from time to time. For purposes of any use of Acquired Capacity covered by this Section 33(a), the "Shipper must hold title" requirement is waived.

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

33.2 REQUESTED CAPACITY

(a) At the request of a Shipper or Shippers, MEP may enter into transportation or storage agreements with upstream or downstream entities, including other interstate pipelines, intrastate pipelines or local distribution companies for the benefit of the requesting Shipper(s) (Requested Capacity). MEP may pass on the requesting Shipper(s) any and all charges MEP is obligated to pay for Requested Capacity under such agreements, with such charges to be reflected on the next Monthly bill to the requesting Shipper(s).

(b) The understanding between MEP and the requesting Shipper(s) as to such capacity will be set out in a separate contract.

33.3 ~~RESERVED~~LEASED CAPACITY

~~Nothing in this Section 33 shall be read to govern or relate to Leased Capacity.~~

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36. PERIODIC RATE ADJUSTMENTS FOR FUEL GAS, UNACCOUNTED FOR GAS AND BOOSTER COMPRESSION FUEL

36.1 PURPOSE AND APPLICABILITY

(a) This Section 36 establishes a semi-annual periodic rate adjustment provision, for the recovery by MEP of Fuel Gas and Unaccounted For Gas. These adjustments result in the Fuel Gas and the Unaccounted For Gas Reimbursement Percentages as set forth on Sheet Nos. 12 through 15 of this Tariff. Separate Fuel Gas percentages are set out for Zone 1 and Zone 2. One Unaccounted For Gas Reimbursement Percentage applies to all volumes transported on the System and is determined hereunder on a System-wide basis. ~~With respect to the Leased Capacity, a separate Fuel Gas Percentage which includes lost and unaccounted for gas on the Leased Capacity is set out on Sheet No. 5. Section 36.7 specifies the procedures to be utilized in adjusting the Fuel Gas Percentage applicable to the Leased Capacity.~~ In addition, a separate incremental Booster Compression fuel percentage is set out for point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies. Fuel Gas charges will not be assessed for any transportation involving all or any portion of the path between Bennington and the interconnection with Natural or with ETC near Natural's Compressor Station No. 802. In addition, Fuel Gas charges will not be assessed for any transportation that represents a physical backhaul. Mainline fuel will be assessed on volumes transported on the CenterPoint Lateral based on whether the transportation was a forward haul or backhaul on the mainline. No separate Fuel Gas or Unaccounted For Gas charges shall apply to service under Rate Schedules PALS or IBS.

(b) This Section 36 specifies the procedures to be utilized in adjusting such percentages to reflect changes in Fuel Gas, in Unaccounted For Gas and in Booster Compression fuel per unit of service. All amounts for the reimbursement of Fuel Gas, of Unaccounted For Gas and of Booster Compression fuel shall be recovered by MEP in-kind by applying the percentages to the volumes of Gas transported on its System under Rate Schedules FTS and ITS. If percentages which differ from those determined hereunder are established for any Shipper pursuant to Section 30 of these General Terms and Conditions (relating to Negotiated Rates or a Negotiated Rate Formula), that contractual percentage shall be used in determining delivery volumes for that Shipper (Equivalent Volumes, etc), but shall be without prejudice to MEP recovering additional future amounts from such a Shipper consistent with Section 30.5 of these General Terms and Conditions.

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~~(c) Fuel Gas and Unaccounted for Gas associated with the Leased Capacity are to be recovered pursuant to Section 36.7 hereof.~~

36.2 DEFINITIONS

(a) "Unaccounted For Gas," "Fuel Gas" and "Booster Compression" shall have the meanings set out in Section 1 of these General Terms and Conditions.

(b) "Base Period" shall mean the six (6) Months ended three (3) Months prior to the commencement of a new Recovery Period.

(c) "Recovery Period" shall mean the period during which the revised percentages are to be in effect, which shall be a six (6) Month period commencing with the effective date of the next redetermination as specified in Section 36.3.

(d) "Receipt Quantity" shall mean the volume of Gas received by MEP at the various Receipt Points on its System on which Fuel Gas or Unaccounted For Gas should be assessed pursuant to this Section 36. Separate Receipt Volumes shall be calculated for Zone 1, Zone 2 and for Interim Period Service. For purposes of the incremental Booster Compression fuel percentage, the Receipt Quantity shall mean all volumes received at the point(s) listed on Sheet Nos. 12 through 15 where Booster Compression applies.

(e) "Initial Effective Date" shall mean the first Day of the Month in which Interim Period Service is first provided.

36.3 PERIODIC RATE ADJUSTMENT

(a) The initial level of the Fuel Gas Reimbursement Percentage and of the Unaccounted For Gas Reimbursement Percentage shall be established in MEP's certificate proceeding for its System, to be effective on the Initial Effective Date. These percentages shall be redetermined effective on each six (6) months anniversary of the Initial Effective Date. Separate Fuel Gas percentages are determined for Zone 1 and Zone 2. One Unaccounted For Gas Reimbursement Percentage applies to all volumes transported on the System. ~~In addition, a separate fuel gas percentage is applicable to the Leased Capacity and shall be redetermined in accordance with the provisions of Section~~

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~~36.7 hereof. The Leased Capacity Fuel Gas Percentage, includes lost and unaccounted for gas on the Leased Capacity.~~ Separate percentages are established for Interim Period Service. A separate incremental Booster Compression fuel charge will be established for each point(s) listed on Sheet Nos. 12 and 13 where Booster Compression applies, to be initially effective on the first Day of the Month in which any Booster Compression is placed into service.

(b) MEP shall file its adjustment to each of the reimbursement percentages at least thirty (30) days prior to the effective date of the redetermination. The revised percentage(s) in any tracking filings shall be the sum of the Current Component determined under Section 36.4 and the Deferred Component determined under Section 36.5. Any tracking filing submitted in accordance with this Section shall become effective, subject to refund, on the designated effective date which is consistent with Section 36.3(a). Any changes from the prior tracking level shall be subject to review in the tracking filing proceeding.

36.4 CURRENT COMPONENT

The methodology used to derive the Current Component of the Fuel Gas Reimbursement Percentage, of the Booster Compression fuel percentage and of the Unaccounted For Gas Reimbursement Percentage is as follows:

(a) Fuel Gas, Booster Compression fuel and Unaccounted For Gas are each divided by the relevant Receipt Quantity to calculate the Current Component of the respective percentages. Separate Fuel Gas percentages are determined for Zone 1 and for Zone 2. One value for Unaccounted For Gas Reimbursement shall be calculated, which applies once to all volumes transported on the System. The Booster Compression fuel percentage is an incremental rate applicable to Shippers with gas being compressed by Booster Compression.

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(i) MEP shall debit the relevant deferral account in the event the current Month actual amounts exceed the amounts that MEP recovered hereunder for that Month.

(ii) MEP shall credit the relevant deferral account in the event the current Month actual amounts are less than the total amount MEP recovered hereunder.

(d) To transition to volume-based deferred subaccount balances for each of the reimbursement percentages for Fuel Gas, Unaccounted for Gas, and Booster Compression Fuel, each of the deferred subaccount balances as of November 30, 2015 will be converted from dollar-valued to a volumetric equivalent, by dividing each deferred subaccount balance by the Average Monthly Index Price, as defined in Section 1.4(a) of the General Terms and Conditions, for November 2015.

36.6 EFFECTIVE DATE

The Fuel Gas Reimbursement Percentage and the Unaccounted For Gas Reimbursement Percentage will be assessed beginning on the Initial Effective Date and shall be revised hereunder on a periodic basis as set out in Section 36.3. The incremental Booster Compression fuel percentage will be assessed beginning on the in-service date of the initial Booster Compression and shall be revised on a periodic basis as set out in Section 36.3. ~~The Leased Capacity Fuel Percentage Gas Percentage will be assessed on the Initial Effective Date, and shall be revised on a periodic basis, as set out in Section 36.7 hereof.~~

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~~36.7 PERIODIC RATE ADJUSTMENT FOR THE LEASED CAPACITY
FUEL GAS PERCENTAGE:~~

~~(a) The Leased Capacity Fuel Gas Percentage reflects the charges assessed by Enable Oklahoma to MEP for fuel gas and lost and unaccounted for gas, as such charges are on file with the Commission, and may be revised from time to time. The initial Leased Capacity Fuel Gas Percentage shall be the currently effective charges for fuel gas and lost and unaccounted for gas applicable to the Leased Capacity that Enable Oklahoma has on file with the Commission to be effective on the Initial Effective Date. These percentages shall be redetermined in accordance with Section (b) hereof.~~

~~(b) MEP will adjust the Leased Capacity Fuel Gas Percentage on a periodic basis, consistent with the timing of FERC filings made by Enable Oklahoma, pursuant to its Statement of Operating Conditions, revising the fuel gas percentages applicable to Enable Oklahoma's system. The fuel percentages on Enable Oklahoma's system include a component for lost and unaccounted for gas. The adjustments to the Leased Capacity Fuel Gas Percentage will reflect the fuel gas percentage Enable Oklahoma has on file with the Commission applicable to the Leased Capacity and will be posted on MEP's interactive website. MEP will maintain a deferred account to account for any differences, should they occur, between Enable Oklahoma's fuel charges and MEP's collections of same from its Shippers.~~

[FOR RATE SCHEDULE PALS]

Contract No. _____

**MIDCONTINENT EXPRESS PIPELINE LLC (MEP)
RATE SCHEDULE PALS
AGREEMENT DATED _____
UNDER SUBPART _____ OF PART 284
OF THE FERC'S REGULATIONS
(CON'T)**

10. PARK AND LOAN QUANTITY:

- (i) Park Service: shall consist of MEP's receipt of a quantity of Gas at the designated Receipt Point(s) and/or Pooling Point(s) on the designated date, requested by Shipper under a PALS Request Order and approved by MEP, MEP's holding of such parked quantity of Gas for Shipper's account and MEP's redelivery of the parked quantity of gas to Shipper at the designated Delivery Point(s) and/or Pooling Point(s) and on the designated date(s) set forth in such PALS Request Order.
 - (ii) Loan Service: shall consist of MEP lending a specified quantity of Gas, requested by Shipper and approved by MEP, from designated Delivery Point(s) and/or Pooling Point(s) set forth in Shipper's PALS Request Order and the Shipper's redelivery of and MEP's acceptance of such volumes for Shipper's account at the designated Receipt Point(s) and/or Pooling Point(s) on the designated date(s) set forth in such PALS Request Order.
11. For Parking service, subject to the terms and provisions of this Agreement (including the Request Order attached hereto) and of Rate Schedule PALS and the General Terms and Conditions of MEP's FERC Gas Tariff, as amended from time to time, Shipper agrees to deliver or cause gas to be delivered to MEP and MEP agrees (a) to receive a quantity of gas ("Parked Quantity"), up to the daily and total quantity of gas specified in the Request Order, not to exceed the MDQ and MAQ specified in this Agreement, on behalf of Shipper at the agreed upon Point(s) and at the agreed upon times on MEP's system; and (b) to hold the Parked Quantity on MEP's system and (c) to deliver, upon nomination by Shipper, the Parked Quantity to Shipper at the agreed upon point(s) and at the agreed upon time. Shipper shall make any necessary arrangements with MEP at the agreed upon point(s); provided, however, that such arrangements shall be compatible with the operating conditions of MEP's pipeline system, and the scheduling and curtailment priorities in the General Terms and Conditions of MEP's FERC Gas Tariff.
12. For Loan service subject to the terms and provision of this Agreement (Including the form of Request Order attached hereto) and of MEP's Rate Schedule PALS and the General Terms and Conditions of MEP's FERC Gas Tariff, as amended from time to time, MEP agrees to deliver or cause gas to be delivered to Shipper and Shipper agrees: (a) to receive a quantity of gas specified in the Request Order ("Borrowed Quantity"), not to exceed the Maximum Daily Quantity, and the Maximum Total Quantity as specified in this Agreement, at the available and agreed upon point(s) and at the agreed upon time on MEP's system; and (b) to return the Borrowed Quantity to MEP at the agreed point(s) and at the agreed upon time. Shipper shall make any necessary arrangements with MEP or third parties to receive gas from or deliver gas to MEP at the agreed upon point(s); provided, however, that such arrangements shall be compatible with the operating conditions of MEP's pipeline system and the scheduling and curtailment priorities in the General Terms and Conditions of MEP's FERC Gas Tariff and shall provide for coordinated scheduling with MEP.
13. Service rendered hereunder shall be subject to scheduling and curtailment or interruption in accordance with Rate Schedule PALS and the General Terms and Conditions of MEP's FERC Gas Tariff. In the event MEP is unable to provide the quantities of Rate Schedule PALS service requested by all Shippers under Rate Schedule PALS, then MEP shall allocate the available service among such Shippers in accordance with Rate Schedule PALS.
14. MEP shall render Park and Loan services to Shipper at the Point(s) agreed to by MEP and Shipper ~~(such Points may not include any Points on Leased Capacity).~~