

FERC GAS TARIFF
THIRD REVISED VOLUME NO. 1
(Superseding Second Revised Volume No. 1)

of

MOJAVE PIPELINE COMPANY, L.L.C.

Filed With

Federal Energy Regulatory Commission

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Tehachapi-Cummings County Water District #TCF-1

PRELIMINARY STATEMENT

Mojave Pipeline Company L.L.C. ("Mojave" or "Transporter"), a Delaware limited liability company, is a natural gas company engaged in the business of transporting for Shippers natural gas owned by Shippers from an interconnection near Topock, Arizona, with the pipeline facilities of El Paso Natural Gas Company, L.L.C. ("EPNG") and Transwestern Pipeline Company, LLC, an interconnection at Cadiz, California with EPNG, and an interconnection at Daggett, California with Kern River Gas Transmission Company to various points of delivery along the pipeline route, which terminates near Bakersfield, California.

The transportation of natural gas in interstate commerce is provided by Mojave pursuant to the Certificate of Public Convenience and Necessity granted to Mojave by the Federal Energy Regulatory Commission ("FERC") under Section 7(c) of the Natural Gas Act, and pursuant to the Blanket Certificate of Public Convenience and Necessity issued by FERC to Mojave for the activities specified in Part 284, Subpart G, of the FERC's Regulations, as amended from time to time.

Transporter's system map can be found using:

<http://pipeline2.kindermorgan.com/default.aspx?code=MOPC> link

Use the Informational Postings menu and select Tariff, then select the Map link to view the System Map.

POINTS OF CONTACT

Payments:

Payments are subject to the terms and conditions of this Tariff including but not limited to Section 12 of the General Terms and Conditions ("GT&C").

Wire Funds To:

Mojave Pipeline Company, L.L.C.

(See the address and account number identified on the invoice.)

Notices:

Any notice provided for in a TSA or in this Tariff shall be in writing and shall be considered as having been given if e-mailed or hand carried, faxed, or mailed by United States mail, postage prepaid, to the following addresses:

Mojave Pipeline Company, L.L.C.
P. O. Box 1087
Colorado Springs, Colorado 80944
Attention: Marketing Department
Facsimile No. (719) 520-4878
Telephone No. (719) 520-4245 or 520-4250
E-mail: #KMWestMarketing@KinderMorgan.com

Nominations:

Nominations are subject to the terms and conditions of this Tariff, including but not limited to Section 6 of the GT&C.

Mojave Pipeline Company, L.L.C.
P. O. Box 1087
Colorado Springs, Colorado 80944
Attention: Transportation/Storage Services Department
Facsimile No. (719) 520-4698
Telephone No. (800) 238-3764

Formal Complaints:

Mojave Pipeline Company, L.L.C.
P. O. Box 1087
Colorado Springs, Colorado 80944
Attention: Vice President, Regulatory

Informal Complaints:

Vice President, Regulatory (719) 520-3778

STATEMENT OF RATES
 (Rates per MMBtu)

	<u>Rate 1/</u>
<u>RATE SCHEDULE FT-1</u>	
Daily Reservation Fee/Charge	
Maximum	\$0.0842
Minimum	\$0.0000
Transportation Charge	
Maximum	\$0.0038
Minimum	\$0.0038
<u>RATE SCHEDULE IT-1</u>	
Interruptible Transportation Service	
Maximum	\$0.0880
Minimum	\$0.0038
<u>RATE SCHEDULE PAL</u>	
Parking Rate	
Maximum	\$0.0880
Minimum	\$0.0000
Lending Rate	
Maximum	\$0.0880
Minimum	\$0.0000
<u>OTHER CHARGES:</u>	
Authorized Overrun Charge	
Maximum	\$0.0880
Minimum	\$0.0038
Imbalance Trading Fee: 2/	
Maximum	\$0.0200
Minimum	\$0.0000

<u>Fuel and L&U 3/</u>	<u>Collection Period</u>	<u>Volumetric True-up</u>	<u>Total Retention</u>
Fuel	0.44%	0.02%	0.46%
L&U	0.14%	0.13%	0.27%
Fuel Charge			0.73%

1/ Surcharge(s) shall be added as applicable.

Maximum Minimum
 ACA Posted on the Commission website at <http://www.ferc.gov>

2/ Applicable to imbalance trading transactions marketed by Transporter at request of Shipper, pursuant to Section 10 of the General Terms and Conditions.

3/ See Section 13 of the General Terms and Conditions.

RATE SCHEDULES

RATE SCHEDULE FT-1
Firm Transportation Service

1. AVAILABILITY

This Rate Schedule is available to those Shippers with whom a Service Agreement has been executed for the firm transportation of natural gas by Mojave Pipeline Company, L.L.C. from receipt points located on its pipeline system to the delivery point or points specified in the applicable executed Service Agreements.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all gas delivered by Transporter for Shippers through the Mojave pipeline system for firm transportation service. Deliveries of gas shall be firm and not subject to curtailment or interruption except as provided in the General Terms and Conditions.

Each Shipper shall agree to use its best efforts to take gas on a uniform daily basis.

3. RATE

The charge for transportation service shall consist of the sum of the charges specified in Sections 3.1, 3.2, 3.3, and 3.4, less any credits calculated pursuant to Section 3.5:

- 3.1 Reservation Fee: Shipper's Reservation Fee shall be Shipper's Maximum Daily Quantity, as stated in Shipper's executed Service Agreement times the number of days in the billing month multiplied by the Reservation Fee, which has been mutually agreed upon between Shipper and Transporter as set forth in Exhibit B of the applicable Service Agreement. Such rate shall not be greater than the Maximum Reservation Fee nor less than the Minimum Reservation Fee as set forth on the Statement of Rates.
- 3.2 Transportation Charge: Shipper shall pay to Transporter a Transportation Charge for each MMBtu of gas delivered by Transporter for Shipper which on any day is equal to or less than the Maximum Daily Quantity for such Shipper. The rate per MMBtu which will apply to all gas transported up to Shipper's Maximum Daily Quantity shall be that rate which has been mutually agreed upon between Shipper and Transporter as set forth in Exhibit B of the applicable Service Agreement. Such rate shall not be greater than the Maximum Transportation Charge nor less than the Minimum Transportation Charge as set forth on the Statement of Rates.
- 3.3 Authorized Overrun Charge: Shipper shall pay Transporter for each MMBtu of Authorized Overrun Gas, as defined in Section 10 of this Rate Schedule. The rate per MMBtu which will apply to all Authorized Overrun Gas shall be that rate which has been mutually agreed upon between Shipper and Transporter as set forth on Exhibit B of the executed Service Agreement. Such rate shall not be greater than the Maximum Rate nor less than the Minimum Rate as set forth on the Statement of Rates.

- 3.4 Incidental Charges: Shipper shall reimburse Transporter for any incidental charges incurred by Transporter in providing this service. Such charges may include but not be limited to reporting or filing fees, construction or acquisition of new facilities necessary to render service and any other costs that are directly attributable to the rendering of service under this Rate Schedule that may be incurred by Transporter from time to time. Transporter shall make such filings as may be required by Section 4 and Section 7(c) of the Natural Gas Act and the FERC's Regulations thereunder as may be necessary to construct and operate such facilities and recover such charges.
- 3.5 Third Party Charges: Shipper may, on a non-discriminatory basis, be required to pay to Transporter, if applicable, any Third Party Charges in accordance with Section 4.11 of the General Terms and Conditions. In no event shall such Third Party Charges paid by Shipper exceed the amount incurred and paid by Transporter for the applicable off-system capacity

4. FUEL AND L&U

Gas used for compressor station fuel and other utility purposes, including but not limited to line losses and other unaccounted-for gas (including gas lost through explosion, fire or other calamity not caused by Transporter's negligence) in the operation of Transporter's pipeline system (which for purposes of this Tariff shall be defined as "fuel" and "L&U"), shall be furnished in kind by Shippers, except as provided in Section 13 of the General Terms and Conditions of this Tariff. The fuel charge, and the fuel and L&U components, shall be set forth on the applicable Statement of Rates sheet and shall be subject to adjustment in accordance with Section 13 of the General Terms and Conditions of this Tariff. The fuel component may be discounted by Transporter; provided, however, the discounted charge, which shall be provided on a not unduly discriminatory basis, shall not be less than actual fuel incurred for the transactions being discounted.

5. MAXIMUM DAILY QUANTITY

The Maximum Daily Quantity shall be the maximum quantity of natural gas, in MMBtu, which Transporter shall be obligated to receive from Shipper (or for Shipper's account), as set forth in the Service Agreement between Transporter and such Shipper, at the receipt point(s) for transportation.

6. DETERMINATION OF DELIVERIES

Transporter shall not be obligated to deliver a total volume of gas on any day which is greater than the quantity of gas received from Shipper less the quantities of gas furnished by Shipper pursuant to Section 4 of Rate Schedule FT-1, all as computed on a thermally equivalent basis. Refer to Section 6 of the General Terms and Conditions for scheduling of deliveries.

7. MEASUREMENT BASE

Refer to Section 2 of the General Terms and Conditions.

8. OPERATING TOLERANCES

Refer to Section 11 of the General Terms and Conditions.

9. FLOW DAY DIVERSION

Flow day diversions, pursuant to Section 6.4 of the General Terms and Conditions, are available to Rate Schedule FT-1 Shippers.

10. RECEIPT AND DELIVERY ARRANGEMENTS

Transporter shall not be obligated to negotiate, provide, or otherwise arrange for any transportation service on behalf of Shipper either prior to receipt, or after delivery, of the natural gas tendered hereunder by Shipper for transportation by Transporter.

11. AUTHORIZED OVERRUN GAS

Authorized Overrun Gas shall be (a) the amount by which the daily delivery quantity authorized and scheduled by Transporter for firm transportation service to Shipper under Rate Schedule FT-1 exceeds Shipper's Maximum Daily Quantity plus (b) quantities authorized for correcting imbalances.

12. UNAUTHORIZED OVERRUN GAS

Unauthorized Overrun Gas shall be the quantity either delivered to or taken from Transporter's Facilities by Shipper on any day that exceeds the sum of: (1) Shipper's Maximum Daily Quantity; (2) Authorized Overrun Gas; (3) the quantity of interruptible transportation service provided by Transporter to Shipper under Rate Schedule IT-1; (4) quantities furnished by Shipper in-kind for fuel and L&U; (5) imbalance quantities within the operating tolerances specified in Section 11 of the General Terms and Conditions; and (6) quantities necessary for Transporter or Shipper to make up prior imbalances.

- 12.1 Critical Period Unauthorized Overruns - During a Critical Period, Shipper shall pay Transporter for Unauthorized Overrun Gas, including quantities recalled during an intraday scheduling cycle, at a rate equal to two times the maximum Rate Schedule IT-1 rate. Such payment shall be in addition to all other charges payable by Shipper to Transporter under this Rate Schedule.

- 12.2 Non-Critical Period Unauthorized Overruns - During a non-Critical Period, Shipper shall pay Transporter for Unauthorized Overrun Gas, including quantities recalled during an intraday scheduling cycle, at a rate equal to the maximum Rate Schedule IT-1 rate. Such payment shall be in addition to all other charges payable by Shipper to Transporter under this Rate Schedule.

13. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the Transportation Service Agreement, all of the Transportation General Terms and Conditions contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said General Terms and Conditions, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof.

RATE SCHEDULE IT-1
Interruptible Transportation Service

1. AVAILABILITY

This Rate Schedule is available to those Shippers with whom a Service Agreement has been executed for the interruptible transportation of natural gas by Mojave Pipeline Company, L.L.C. from receipt points located on its pipeline system to the delivery point or points specified in the applicable executed Service Agreement.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all gas delivered by Transporter for Shippers through the Mojave pipeline system on an interruptible basis. Deliveries of gas shall be subject to the availability of pipeline capacity to provide interruptible transportation service.

2.1 Transportation service shall consist of the acceptance by Mojave of natural gas on behalf of Shipper for transportation at the receipt point(s), the transportation of that natural gas through Mojave's pipeline system, and the delivery of that natural gas, after appropriate reductions, by Mojave to Shipper or for Shipper's account at the delivery point(s).

3. RATE

The charge for transportation service shall consist of the sum of the charges specified in Sections 3.1, 3.2, and 3.3:

3.1 Transportation Charge: Shipper shall pay to Transporter a Transportation Rate for each MMBtu of gas delivered by Transporter for Shipper on any day. The Transportation Rate per MMBtu shall be that rate which has been mutually agreed upon between Shipper and Transporter as set forth in the applicable Service Agreement. Such rate shall not be greater than the Maximum Rate nor less than the Minimum Rate as set forth on the Statement of Rates.

3.2 Authorized Overrun Charge: Shipper shall pay Transporter for each MMBtu of Authorized Overrun Gas, as defined in Section 10 of this Rate Schedule. The rate per MMBtu which will apply to all Authorized Overrun Gas shall be that rate which has been mutually agreed upon between Shipper and Transporter as set forth on Exhibit B of the executed Service Agreement. Such rate shall not be greater than the Maximum Rate nor less than the Minimum Rate as set forth on the Statement of Rates.

- 3.3 Incidental Charges: Shipper shall reimburse Transporter for any incidental charges incurred by Transporter in providing this service. Such charges may include but not be limited to reporting or filing fees, construction or acquisition of new facilities necessary to render service and any other costs that are directly attributable to the rendering of service under this Rate Schedule that may be incurred by Transporter from time to time. Transporter shall make such filings as may be required by Section 4 and Section 7(c) of the Natural Gas Act and the FERC's Regulations thereunder as may be necessary to construct and operate such facilities and recover such charges.
- 3.4 Third Party Charges: Shipper may, on a non-discriminatory basis, be required to pay to Transporter, if applicable, any Third Party Charges in accordance with Section 4.11 of the General Terms and Conditions. In no event shall such Third Party Charges paid by Shipper exceed the amount incurred and paid by Transporter for the applicable off-system capacity.

4. FUEL AND L&U

Gas used for compressor station fuel and other utility purposes, including but not limited to line losses and other unaccounted-for gas (including gas lost through explosion, fire or other calamity not caused by Transporter's negligence) in the operation of Transporter's pipeline system (which for purposes of the Tariff shall be defined as "fuel" and "L&U"), shall be furnished in kind by Shippers, except as provided in Section 13 of the General Terms and Conditions of this Tariff. The fuel charge, and the fuel and L&U components, shall be set forth in the applicable Statement of Rates section and shall be subject to adjustment in accordance with Section 13 of the General Terms and Conditions of this Tariff. The fuel component may be discounted by Transporter; provided, however, the discounted charge, which shall be provided on a not unduly discriminatory basis, shall not be less than actual fuel incurred for the transactions being discounted.

5. DAILY QUANTITY

The Daily Quantity shall be the maximum quantity of natural gas, in MMBtu, which Transporter shall be obligated to receive from Shipper (or for Shipper's account), as set forth in the Service Agreement between Transporter and such Shipper, at the receipt point(s) for transportation provided that Transporter has pipeline capacity to provide interruptible transportation under this Rate Schedule.

Transporter shall not be obligated to deliver a total volume of gas on any day which is greater than the quantity of gas received from Shipper less the quantities of gas furnished by Shipper pursuant to Section 4 of Rate Schedule IT-1, all as computed on a thermally equivalent basis.

6. MEASUREMENT BASE

Refer to Section 2 of the General Terms and Conditions.

7. OPERATING TOLERANCES

Refer to Section 11 of the General Terms and Conditions.

8. RECEIPT AND DELIVERY ARRANGEMENTS

Transporter shall not be obligated to negotiate, provide, or otherwise arrange for any transportation service on behalf of Shipper either prior to receipt, or after delivery, of the natural gas tendered hereunder by Shipper for transportation by Transporter.

9. FLOW DAY DIVERSION

Flow day diversions, pursuant to Section 6.4 of the General Terms and Conditions, are available to Rate Schedule IT-1 shippers

10. AUTHORIZED OVERRUN GAS

Authorized overrun gas shall be (a) the amount by which the daily delivery quantity authorized and scheduled by Transporter for interruptible transportation service to Shipper under Rate Schedule IT-1 exceeds Shipper's Daily Quantity, plus (b) quantities authorized for correcting imbalances.

11. UNAUTHORIZED OVERRUN GAS

Unauthorized Overrun Gas shall be the quantity either delivered to or taken from Transporter's Facilities by Shipper on any day that exceeds the sum of: (1) Shipper's Daily Quantity; (2) Authorized Overrun Gas; (3) the quantity of interruptible transportation service provided by Transporter to Shipper under Rate Schedule IT-1; (4) quantities furnished by Shipper in-kind for fuel and L&U; (5) imbalance quantities within the operating tolerances specified in Section 11 of the General Terms and Conditions; and (6) quantities necessary for Transporter or Shipper to make up prior imbalances.

11.1 Critical Period Unauthorized Overruns - During a Critical Period, Shipper shall pay Transporter for Unauthorized Overrun Gas at a rate equal to two times the maximum Rate Schedule IT-1 rate. Such payment shall be in addition to all other charges payable by Shipper to Transporter under this Rate Schedule.

11.2 Non-Critical Period Unauthorized Overruns - During a non-Critical Period, Shipper shall pay Transporter for Unauthorized Overrun Gas at a rate equal to the maximum Rate Schedule IT-1 rate. Such payment shall be in addition to all other charges payable by Shipper to Transporter under this Rate Schedule.

12. GENERAL TERMS AND CONDITIONS

All the General Terms and Conditions for this Tariff are applicable to this IT-1 Rate Schedule and hereby made a part thereof.

RATE SCHEDULE PAL
Interruptible Parking and Lending Service

1. AVAILABILITY

This Rate Schedule is available to any party (hereinafter referred to as "Shipper") for the short-term parking and lending ("PAL") of natural gas on an interruptible, non-discriminatory basis, by Mojave Pipeline Company, L.L.C. (hereinafter referred to as "Transporter") when and to the extent that:

- 1.1 Transporter has determined, using its reasonable discretion, that capacity is available on its existing facilities and that it has the operational flexibility to provide interruptible Parking and Lending service without detriment or disadvantage to Transporter's firm obligations, system operational needs and interruptible transportation services;
- 1.2 Shipper has met the creditworthiness provisions of Section 4.17 of the General Terms and Conditions of Transporter's Tariff.
- 1.3 Shipper and Transporter have executed an interruptible Parking and Lending service agreement ("Agreement") and related Park and Loan Service Request Order ("PAL RO") pursuant to the terms of this Rate Schedule and the PAL Form of Service Agreement. When executed by Transporter and Shipper, the underlying PAL RO shall evidence the parties' agreement as to the terms of the particular transaction(s) to park and loan Gas pursuant to the Agreement.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all PAL services rendered by Transporter for Shipper.

- 2.1 All receipt and delivery locations on Transporter's system are eligible for PAL service ("PAL Points") unless otherwise posted by Transporter on its EBB from time to time. All PAL Points will be made available to Shipper on a non-discriminatory basis.
- 2.2 PAL service under this Rate Schedule is an interruptible service providing for:
 - (a) Parking Service -- Parking Service shall consist of a Shipper delivering gas quantities to Transporter at a designated PAL Point on a designated date(s), as requested in the PAL RO and approved by Transporter, for holding and Transporter's subsequent withdrawal of parked quantities of gas to Shipper on the date(s) designated in the PAL RO at the same PAL Point where Shipper delivered the gas, pursuant to the PAL RO and Section 4 of this Rate Schedule.

2.2 (Continued)

- (b) Lending Service -- Lending Service shall consist of Transporter's advancement of gas quantities to Shipper at a designated PAL Point on the designated date(s), as specified in the PAL RO and approved by Transporter, and Shipper's subsequent payback of such advanced (loaned) quantities by Shipper to Transporter at the same PAL Point where the loan occurred, pursuant to the PAL RO and Section 4 of this Rate Schedule.
- (c) Parked quantities must be withdrawn or loaned quantities must be paid back to the original designated point. The PAL RO cannot be used to transport Gas to or from the original PAL Point specified in the PAL RO.
- (d) Gas quantities may be delivered to a PAL Point for parking or payback of a loan under Shipper's PAL RO from points of receipt on Transporter's pipeline system.

2.3 Service under this Rate Schedule shall be subject to all applicable provisions of the General Terms and Conditions of this Tariff, the executed Agreement, and the executed PAL RO.

2.4 Parking and Lending service rendered under this Rate Schedule shall be provided for a minimum term of one (1) day.

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

3. RATE

3.1 Transporter, at its sole discretion, may from time to time and at any time selectively discount any or all of the rates in the Statement of Rates section applicable to any individual Shipper pursuant to Section 4.18 of the General Terms and Conditions; provided, however, that such discounted rates shall not exceed the applicable Maximum Rate(s) nor shall they be less than the Minimum Rate(s) set forth in the currently effective Statement of Rates. Downward adjustment to any rate shall be for a specific term.

3. RATE (Continued)

- 3.2 Shipper shall pay to Transporter each month the following charges for gas parked or loaned at each point for Shipper's account as set forth in the PAL RO. Daily parked quantities and loaned quantities on the same PAL RO shall be netted for daily billing purposes. The PAL RO shall be posted on Transporter's Electronic Bulletin Board ("EBB").
- (a) Parking and Lending Charge: The rate per MMBtu specified in the executed PAL RO multiplied by the total quantity of gas parked or loaned at each PAL Point for Shipper's account for each day service is rendered by Transporter.
 - (b) Surcharges: No surcharges are applicable to PAL service under this Rate Schedule.
 - (c) Fuel Charges: Fuel charges are not applicable to service under this Rate Schedule.
- 3.3 Authorized overrun charges shall be assessed on a daily basis for any nominated and confirmed quantities that exceed the PAL RO's Daily PAL Quantity. Authorized overrun charges will be assessed at the Maximum Parking/Lending rate listed in the Statement of Rates section, unless otherwise agreed to in writing by Transporter.
- 3.4 In circumstances where Transporter is unable to confirm a valid PAL nomination to pay back a loan or to remove parked quantities:
- (a) the Parking or Lending charge shall be reduced to \$0.0000 per MMBtu for that day for the quantities Transporter is unable to confirm. If the Day on which Transporter is unable to confirm a valid nomination under this Rate Schedule to pay back loaned quantities or to withdraw parked quantities is the final Day of the term of the PAL RO, the term of the PAL RO shall be automatically extended for one Day and the applicable service charge(s) for the additional Day shall be \$0.0000 per MMBtu.
 - (b) Transporter and Shipper may mutually agree to extend the term of the PAL RO and the rate applicable to the PAL RO for an additional amount of time.

4. SCHEDULING PAL SERVICE

- 4.1 Shipper shall nominate PAL service under this Rate Schedule in accordance with the nomination procedures set forth in the General Terms and Conditions of this Tariff.
- 4.2 PAL service may be interrupted at any time and such interruptions may be in effect for extended periods of time. Interruption of PAL service may include decreasing, temporarily suspending, or discontinuing the receipt or delivery of gas if Transporter in its reasonable discretion determines that such decrease, suspension or discontinuance is necessary to maintain system integrity or when a higher priority service so requires.
- 4.3 Scheduling of PAL services will be based on the priorities for parking and lending services established in Section 6 of the General Terms and Conditions of this Tariff. If allocations become necessary, curtailment will be based on the priorities established in Section 6.3 of the General Terms and Conditions of this Tariff.
- 4.4 Shipper shall not pay back more than the quantity loaned nor withdraw more than the quantity parked under the PAL RO.

5. INTERRUPTION OR TERMINATION OF PAL

- 5.1 Shipper may be required, upon notification from Transporter, to withdraw quantities of gas previously provided to Transporter under the Parking Service, or pay back quantities of gas previously loaned to Shipper under the Lending Service. Such notification shall only be made when the required Shipper action is necessary to protect the operational integrity of Transporter's pipeline system or to allow Transporter to fulfill higher priority commitments. Such notification shall be made pursuant to the notification procedures of Section 6.1 (e) of the General Terms and Conditions.
- 5.2 Should Transporter notify Shipper to withdraw or pay back quantities of gas pursuant to Section 5.1, Transporter's notification shall specify the time by which Parking Service quantities shall be withdrawn, and/or Lending Service quantities shall be paid back. The time period in which Shipper must act will be determined based on the necessity to protect and ensure firm service. However, absent a mutual agreement between Transporter and Shipper, in no event shall the specified time be less than three calendar days from the date of Transporter's notification. Quantities withdrawn or paid back on dates other than those indicated on the PAL RO pursuant to this Section 5.2 shall be assessed the rates stated in the PAL RO.

5. INTERRUPTION OR TERMINATION OF PAL (Continued)

- 5.3 Unless otherwise agreed by Shipper and Transporter, any parked quantity not withdrawn as required by Section 5.1 of this Rate Schedule shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims, and, any loaned quantity not paid back as required by Section 5.1 of this Rate Schedule shall be sold to Shipper at the highest price, determined as 200% of the Bidweek Price published in Natural Gas Intelligence Bidweek Survey - Spot Gas Prices as the Southern Cal. Border Average price, among either:
- (a) the month in which the authorized loan occurred,
 - (b) the month in which pay back of the authorized loan was scheduled but did not occur, or;
 - (c) any month between (a) and (b) above.
- 5.4 Should Transporter receive a valid PAL nomination complying with a notification pursuant to Section 5.1 but is unable to confirm or schedule such nomination, the obligation of Shipper to comply with that notification, but not the obligation to submit nominations, shall be suspended until such time as Transporter's operational conditions permit such nomination to be confirmed and scheduled. Furthermore, under the circumstances described by Section 5.4, the penalty provision of Section 5.3 shall not apply until such nomination is able to be confirmed and scheduled. Additionally, Transporter and Shipper may mutually agree to extend the agreed upon term of the PAL RO for the amount of time that the transaction was unable to be scheduled.
- 5.5 Shipper is required to withdraw all parked quantities and pay back all loaned quantities no later than the termination date of the PAL RO. In the event parked quantities remain in Transporter's system and/or loaned quantities have not been paid back to Transporter's system after the expiration of any PAL RO executed by Shipper and Transporter, the resolution of such quantities shall occur under the following procedures:
- (a) Transporter and Shipper may mutually agree to modified terms of the PAL RO (including an extended time frame and/or the rate) to permit Shipper to pay back and/or withdraw such quantities.
 - (b) If Transporter and Shipper do not agree to modified terms pursuant to Section 5.5(a) of this Rate Schedule, any parked quantity remaining in Transporter's system shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims, and any loaned quantity not paid back shall be sold to Shipper the highest price, determined as 200% of the Bidweek Price published in Natural Gas Intelligence Bidweek Survey - Spot Gas Prices as the Southern Cal. Border Average price, among either:

5. INTERRUPTION OR TERMINATION OF PAL (Continued)

5.5 (b) (Continued)

- (i) the month in which the authorized park occurred,
- (ii) the month in which withdrawal of the authorized park was scheduled but did not occur, or;
- (iii) any month between (a) and (b) above.

5.6 Shipper or its suppliers shall be responsible for reporting and payment of any royalty, tax, or other burdens on natural gas volumes received by Transporter and Transporter shall not be obligated to account for or pay such burdens.

6. EXECUTION OF AGREEMENTS

Upon Shipper's request for PAL service, Transporter will provide one Agreement to be electronically executed to each Shipper requesting PAL service. The Agreement will evidence the intent of the parties that the Agreement, in combination with information provided on all subsequent PAL ROs executed by Shipper, will comprise the contractual agreement of the parties.

7. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the executed Agreement and PAL RO(s), all of the General Terms and Conditions contained in this Tariff, including without limitation any future modifications, additions or deletions to said General Terms and Conditions, are applicable to service rendered under this Rate Schedule and, by reference, are made a part hereof. For purposes of this Rate Schedule, the term "PAL RO" shall be substituted for all references to the term "Transportation Service Agreement" (or "TSA") where such term appears in the General Terms and Conditions

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

- 1.1 The term "billing month" shall mean the month of service hereunder which immediately precedes the month in which Transporter is obligated to render a bill for such service.
- 1.2 The term "btu" shall mean British Thermal Unit and is defined as the amount of heat required to raise the temperature of one pound of water one degree (1°) Fahrenheit at standard conditions.
- 1.3 The term "business day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the United States, and similar holidays for transactions occurring in Canada and Mexico. (NAESB WGQ Standard 3.2.1)
- 1.4 The term "contract year" shall mean a period of twelve (12) consecutive months from the first day of the month following the date gas is first delivered.
- 1.5 The term "cubic foot of gas" shall mean that quantity of gas which, at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of 14.73 pounds per square inch absolute, occupies one (1) cubic foot.
- 1.6 The term "Daily PAL Quantity" shall mean the maximum daily quantity that may be parked and/or loaned at the PAL Point as specified in the executed PAL RO. The PAL RO may specify a range for the quantity of a park and/or loan.
- 1.7 The term "Daily Quantity" shall mean the maximum quantity of gas, in MMBtu, which Transporter shall be obligated to receive from a Rate Schedule IT-1 Shipper (or for Shipper's account), as set forth in the Service Agreement between Transporter and such Shipper, at the receipt point(s) for transportation provided that Transporter has pipeline capacity to provide interruptible transportation.
- 1.8 The word "day" or "Day" shall mean a period of 24 consecutive hours, except for those days that are adjusted for Daylight Savings Time, beginning and ending at 7:00 o'clock a.m. Pacific Clock Time ("PCT"). "Gas Day" shall mean a period of 24 consecutive hours commencing and ending at 7:00 a.m., PCT, adjusted for Daylight Savings Time when appropriate. Standard time for the Gas Day should be 9 a.m. to 9 a.m. (Central Clock Time) (NAESB WQG Standard 1.3.1) "Clock time" indicates that Transporter will adjust its gas day to reflect changes for Daylight Savings Time.
- 1.9 The terms "Electronic Bulletin Board" and "EBB" shall mean Transporter's EBB which is available at Transporter's designated interactive Internet Website, pursuant to Section 20.1 of the General Terms and Conditions.
- 1.10 The term "fuel charge," for purposes of Section 13 of this Tariff, shall mean the sum of Transporter's applicable fuel and L&U charges.

- 1.11 The word "gas" or "Gas" shall mean gas from gas wells, casinghead gas produced with crude oil, and residue gas resulting from the processing of either gas well gas or casinghead gas or both.
- 1.12 The term "gross heating value" shall mean the number of Btus produced by the complete combustion, at a constant pressure, of the amount of Gas which would occupy a volume of 1 cubic foot at a temperature of 60 degrees Fahrenheit on a water-free basis and at a pressure of 14.73 psia with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of the Gas and air, and when the water formed by combustion has condensed to the liquid state.
- 1.13 The term "interconnect" shall mean a point at which any facility, including third-party plants and gathering systems, connects with Transporter's transmission system.
- 1.14 The terms "Maximum Daily Quantity" and "MDQ" shall mean the maximum quantity of gas, in MMBtu, which Transporter shall be obligated to receive from a Rate Schedule FT-1 Shipper (or for Shipper's account), as set forth in the Service Agreement between Transporter and such Shipper, at the receipt point(s) for transportation.
- 1.15 Reserved
- 1.16 The term "Maximum PAL Quantity" shall mean Shipper's maximum PAL quantity permitted to be parked and/or loaned in Shipper's account as specified in the executed PAL RO.
- 1.17 The term "mcf" shall mean one thousand (1,000) cubic feet of gas and shall be measured as set forth in Paragraph 4 hereof.
- 1.18 The terms "MMBtu" or "dekatherm" or "Dth" shall mean an amount of gas with a gross heating value of one million (1,000,000) Btus of gas.
- 1.19 The word "month" shall mean a period extending from the beginning at 8:00 o'clock a.m. PCT of the first day in a calendar month to the beginning of the first day in the next succeeding calendar month.
- 1.20 The term "NAESB or NAESB WGQ Standards" shall mean business practices and electronic communication practices promulgated by the Wholesale Gas Quadrant ("WGQ") of the "North American Energy Standards Board" ("NAESB") and adopted and codified by the Commission compliance with 18 CFR, Section 284.12, as described in Section 22 of the General Terms and Conditions.

- 1.21 The term "Operator" shall mean the person or entity that controls the movement of gas through an interconnect.
- 1.22 The term "PAL Point" shall mean the transaction point(s) on Transporter's system where parking and lending services are provided to Shipper, as specified in the executed PALRO. PAL points will be associated with existing locations on Transporter's system.
- 1.23 The term "PIN" shall mean Transporter's Point Identification Number.
- 1.24 The term "psig" shall mean pounds per square inch gauge.
- 1.25 The term "Rate Default" shall mean that for index-based capacity release transactions, the Rate Default is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default. (NAESB WGQ Standard 5.2.5)
- 1.26 The term "Rate Floor" shall mean that for index-based capacity release transactions, the Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Transporter's minimum reservation rate or zero cents when there is no stated minimum reservation rate. (NAESB WGQ Standard 5.2.4)
- 1.27 The term "Releasing Shipper" shall mean any Shipper with a TSA under Rate Schedule FT-1 who elects to release all or a portion of its firm capacity, subject to the capacity release program contained in Section 9 of the GT&C.
- 1.28 The term "Replacement Shipper" shall mean any Shipper who acquired capacity rights from a Releasing Shipper through Transporter's capacity release program as contained in Section 9 of the General Terms and Conditions.
- 1.29 The terms "Service Agreement", "Transportation Service Agreement" and "TSA" shall mean the contract between Transporter and Shipper setting forth rights and obligations of the parties with respect to the transportation of Natural Gas.
- 1.30 The term "Shipper" shall mean that Party on whose behalf Gas is being Transported.
- 1.31 The term "thermally equivalent" shall mean an equal number of Btu's.
- 1.32 The terms "Transporter", "Transportation Service Provider" and "Mojave" shall mean Mojave Pipeline Company, L.L.C.

2. MEASUREMENT

- 2.1 Unit of Measurement and Metering Base - The volumetric measurement base shall be 1 cubic foot of Gas at a pressure base of 14.73 pounds per square inch absolute, at a temperature base of 60 degrees Fahrenheit, and without adjustment for water vapor.

The cutoff for closing measurement is five Business Days after the business Month (NAESB WGQ Standard 2.3.7). Measurement data that is missing or late at the cutoff is to be estimated pursuant to NAESB WGQ Standard 2.3.13. For treatment of measurement prior period adjustments, treat the adjustment by taking it back to the production Month. A meter adjustment becomes a prior period adjustment after the fifth Business Day following the business Month (NAESB WGQ Standard 2.3.11). For reporting measurement prior period adjustments, report it with the restated line item with the new total quantity for the Day and the Month (NAESB WGQ Standard 2.3.12).

- 2.2 Atmospheric Pressure. For the purpose of measurement, calculation and meter calibration, the average absolute atmospheric (barometric) pressure shall be based on the actual altitude of each point of measurement irrespective of variations in natural atmospheric pressure from time to time.
- 2.3 Temperature. The temperature of the Gas shall be determined at the points of measurement by means of a properly installed temperature transmitter of standard manufacture determined by Transporter in exercise of its reasonable judgment to be installed in accordance with the recommendations contained in API 14.3 and 21.1 First Edition (Orifice Metering of Natural Gas). In the event electronic computer measurement is used, average daily temperature will be computed as a running average of data determined during each computer scan.
- 2.4 Determination of Heating Value and Specific Gravity. The gross Heating Value and specific gravity of the Gas may be determined by Gas chromatographic analysis or any other method mutually agreed upon. This shall be done by either a Gas sample or by an on-line Gas chromatograph. In the event a spot or continuous Gas sampling device is used, intervals mutually agreed upon should not be less than every Month. The determination of gross Heating Value and specific gravity from chromatograph shall input continuously into the computer for quantity calculations. In the event a spot or continuous Gas sampler is installed, then the gross Heating Value and specific gravity shall be determined in the laboratory by chromatograph and will be used from the date the analysis is downloaded into the flow computer until the date the next sample is analyzed and downloaded to the flow computer. All gross Heating Value and specific gravity determinations made with a chromatograph shall use physical Gas constants for Gas compounds, as outlined in AGA 5 with any subsequent amendments or revisions to which the parties may mutually agree.
- 2.5 Compressibility. The measurement hereunder shall be corrected for deviation from Boyle's law in accordance with AGA Report No. 8, as amended from time to time.

2.6 Measurement Equipment

- (a) Unless otherwise agreed between Transporter and Operator/Interconnecting Party, Transporter will install, maintain, operate or cause to be installed, maintained and operated, measuring stations equipped with flow meters and other necessary metering and measuring equipment by which the volumes of Gas received and delivered hereunder shall be determined. Subject to the terms of the interconnect agreement at Transporter's sole election, Shipper may install check-measuring equipment at its own cost and expense, provided such equipment shall be so installed as not to interfere with the operations of Transporter. The measurement equipment of Shipper shall be for check purposes only and, except as expressly provided in the applicable interconnect agreement, shall not be used in the measurement of Gas for purposes of the Agreement.
- (b) Orifice Meters. Orifice meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 3 "Orifice Metering of Natural Gas."
- (c) Ultrasonic Meters. Ultrasonic meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 9 "Measurement of Gas by Multipath Ultrasonic Meters."
- (d) Positive Displacement Meters. Positive displacement meters shall be installed and Gas volumes computed in accordance with generally accepted industry practices.
- (e) Turbine Meters. Turbine meters shall be installed and Gas volumes computed in accordance with the standards prescribed in AGA Report No. 7 "Measurement of Natural Gas by Turbine Meter".
- (f) Electronic Flow Computers. Electronic flow computers shall be used for direct computation of Gas flows for custody transfer in accordance with the standards prescribed in API 21.1.
- (g) New Measurement Techniques. If, at any time, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted by Transporter in exercise of its reasonable judgment provided that the new method or technique reflects generally accepted industry practices. Transporter shall promptly inform all Shippers of any new technique adopted.

2.6 (Continued)

- (h) Calibration and Test of Meters. The accuracy of all measuring equipment shall be verified by Transporter at reasonable intervals, and if requested, in the presence of representatives of Shipper, but neither Shipper nor Transporter shall be required to verify the accuracy of such equipment more frequently than once in any 30-Day period. If either party at any time desires a special test of any measuring equipment, it will promptly notify the other, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment.
- (i) Correction of Metering Errors. If, upon test, the measuring equipment is found to be in error by not more than one percent (1%), previous recordings of such equipment shall be considered accurate in computing deliveries, but such equipment shall be adjusted at once to record accurately. If, upon test, the measuring equipment shall be found to be inaccurate by an amount exceeding one percent (1%), at a recording corresponding to the average Hourly rate of flow for the period since the last preceding test, then any previous recordings of such equipment shall be corrected to zero error for any period that is known definitely or agreed upon between Transporter and Shipper/Operator. In case the period is not known or agreed upon by Transporter and Shipper/Operator, such correction shall be for a period equal to one-half of the time elapsed since the date of the last test.
- (j) Failure of Measuring Equipment. In the event any measuring equipment is out of service or is found registering inaccurately and the error is not determinable by test or by previous recordings, receipts or deliveries through such equipment shall be estimated and agreed to by the parties upon the first of the following methods which is feasible:
 - (i) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation.
 - (ii) By using the registration of any check meter or meters, if installed and accurately registering.
 - (iii) By estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

2.6 (Continued)

- (k) **Inspection of Equipment and Data:** The reading, calibrating, and adjusting of electronic computer components and/or mechanical recording instruments thereof shall be done only by the equipment owner or such owner's representative, unless otherwise agreed upon. Both Transporter and Shipper shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment; provided, however, failure of either Transporter or Shipper to witness such an operation shall not affect the validity of such operation in any way. Unless the parties otherwise agree, each party shall preserve all original test data, charges and other similar records in such party's possession, for a period of time prescribed by NAESB WGQ Standard 4.3.4.
- (l) **Information for Billing:** When information necessary for billing by Transporter is in the control of Shipper, Shipper shall furnish the actual information to Transporter on or before the fifth business day of the month following the billing month.
- (m) **Verification of Computations:** The records for measuring equipment shall remain the property of their owner, but upon request, each party will submit within 10 Days to the other its records, together with calculations therefrom, for inspection, subject to return within 30 Days after receipt thereof.
- (n) **Measurement data corrections** shall be performed pursuant to NAESB WGQ Standard 2.3.14. Measurement data corrections should be processed within 6 Months of the production Month with a 3-Month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods (NAESB WGQ Standard 2.3.14). This 3-Month rebuttal period shall begin with the interested party issuing a written notification that a measurement dispute exists. These disputes will apply to measurement errors that involve quantities for which Transporter has direct custody transfer responsibilities, as well as volumes measured by other companies that have been audited by Transporter.
- (o) **Measurement data available upstream of aggregated points** should be sent to the allocating party and used to allocate the aggregated volume back to the upstream points (NAESB WGQ Standard 2.3.8).
- (p) **Transporter's measurement information provided via electronic delivery mechanism (EDM)** shall conform to the requirements of the Data Dictionary standards as set forth in NAESB WGQ Standards 2.4.4 and 2.4.5.

3. QUALITY

- 3.1 Quality Standards: The gas which Transporter delivers hereunder to Shipper and the gas which Shipper delivers hereunder to Transporter for transport shall be merchantable gas, at all times complying with the following quality requirements:
- (a) Liquids: The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered. The gas shall in no event contain more than seven (7) pounds of water vapor per one million (1,000,000) cubic feet.
 - (b) Hydrocarbon Dew Point: The gas shall not have a hydrocarbon dew-point in excess of twenty degrees (20°) Fahrenheit at pressures up to six hundred (600) psig.
 - (c) Total Sulfur: The gas shall not contain more than three-quarters (3/4) grain of total sulfur per one hundred (100) cubic feet.
 - (i) Hydrogen Sulfide: The gas shall not contain more than one-quarter (1/4) grain of hydrogen sulfide per one hundred (100) cubic feet.
 - (ii) Mercaptan Sulfur: The gas shall not contain more than three-tenths (0.3) grain of mercaptan sulfur per one hundred (100) cubic feet.
 - (d) Oxygen: The gas shall be as free of oxygen as it can be kept through the exercise of all reasonable precautions, and shall not in any event contain more than two-tenths percent (0.2%) by volume of oxygen.
 - (e) Carbon Dioxide: The gas shall not contain more than three percent (3%) by volume of carbon dioxide.
 - (f) Diluents: The total of the carbon dioxide, nitrogen and other diluent components shall not be in excess of four percent (4%) by volume.
 - (g) Dust, Gums and Objectionable Substances: The gas shall be commercially free from sand, dust, gums, crude oil, impurities and other objectionable substances which may be injurious to pipelines or which may interfere with its transmission through pipelines or its commercial utilization.
 - (h) Heating Value: The gas delivered hereunder shall have a gross heating value of not less than nine hundred seventy (970) Btu's per cubic foot. Transporter may, however, with the consent of Shipper, deliver gas at a gross heating value of less than nine hundred seventy (970) Btu's per cubic foot.
 - (i) Temperature: The gas shall have a temperature not less than fifty degrees (50°) Fahrenheit nor in excess of one hundred five degrees (105°) Fahrenheit.

- 3.2 Delivery Point Obligations. Upon mutual agreement between Transporter, the downstream Interconnecting Party, and other affected parties, Transporter may temporarily deliver Gas that does not conform to the quality specifications set forth in Section 3.1 of the General Terms and Conditions, if Transporter, in its reasonable operational judgment and in a not unduly discriminatory manner, determines that such delivery of Gas will not interfere with Transporter's ability to: (1) maintain prudent and safe operation of part or all of Transporter's pipeline system, (2) ensure that such agreement does not adversely affect Transporter's ability to provide service to others, and (3) ensure that such agreement does not adversely affect Transporter's ability to tender Gas for delivery to another downstream pipeline or end-user. Transporter may post waivers on its EBB at its discretion and will report waivers in accordance with Part 358 of the Commission's Regulations.
- 3.3 Transporter may accept any Gas that does not meet the specifications set forth in Section 3.1 of the General Terms and Conditions on a short-term basis for operational reasons which may include plant start-ups, plant upsets, or line freeze-offs.
- 3.4 Waiver of Quality Specifications. Transporter, in its reasonable discretion and judgment, may waive the Gas quality specifications at any receipt point to accept Gas that does not conform to the quality specifications set forth in Section 3.1 of the General Terms and Conditions, if Transporter determines that such acceptance will not interfere with Transporter's ability to: (1) maintain prudent and safe operation of part or all of Transporter's pipeline system, (2) ensure that such Gas does not adversely affect Transporter's ability to provide service to others, and (3) ensure that such Gas does not adversely affect Transporter's ability to tender Gas for delivery to a downstream pipeline or end-user. Transporter may post waivers on its EBB at its discretion and will report waivers in accordance with Part 358 of the Commission's Regulations.
- 3.5 Commingling. Gas delivered by Shipper will be commingled with the Gas of other Shippers in the system. Accordingly, Shipper's Gas shall be subject to such changes in gross Heating Value and other specifications as may result from such commingling.
- 3.6 Biomethane. Biomethane refers to the portion of biogas that has been cleaned of other gases from sources that may include feedstock waste, landfill gas, wastewater treatment operations, co-digestion facilities. Biomethane must be free from bacteria, pathogens, and any other substances injurious to utility facilities or that would cause the gas to be unmarketable and it shall conform to all gas quality specifications in this Section 3 of the General Terms and Conditions.
- 3.7 Merchantability. Transporter will not be required to schedule delivery of gas into its system at any receipt point if a downstream pipeline or third party refuses to confirm the nomination because the gas fails to satisfy the downstream pipeline's gas quality standards.

- 3.8 Shipper's Failure to Meet Specifications. Should any Gas tendered by Shipper to Transporter hereunder fail at any time to conform to any of the specifications of this section, Transporter shall notify the Shipper responsible for any such failure, and Transporter may suspend all or a portion of the receipt of any such Gas which may jeopardize Transporter's ability to meet its obligations to its other Shippers or endanger the safe operation and integrity of Transporter's System. Transporter shall be relieved of its obligations hereunder to the extent of rightful suspension for the duration of such time as such off-specification Gas tendered by such Shipper does not meet the specifications; provided, however, such suspension by Transporter shall not relieve Shipper of its payment obligations hereunder. Upon receipt of notice by Transporter, Shipper shall, at its expense, make a diligent effort to correct such failure by treatment, heating, cooling, or dehydration consistent with prudent operation so as to tender Gas conforming to the specification in GT&C Section 3.

4. REQUESTS FOR SERVICE

4.1 Requests for Service

- (a) In order to complete a valid request for service, a Shipper must comply with the provisions of this Section 4.1 and Section 4.17 of the General Terms and Conditions. In order to complete a valid request for service, a Shipper must comply with the provisions of this Section 4.1. A request for service shall be deemed valid and complete upon the following information being accurately and properly entered into Transporter's EBB. A Shipper may either enter the information directly into Transporter's EBB or furnish the information to Transporter and request that Transporter enter the information into Transporter's EBB on behalf of the Shipper; in which case, the entry of such information shall be deemed to be the act of the Shipper. If the Shipper requests that Transporter enter the information into Transporter's EBB website on Shipper's behalf, then Shipper's request for service shall not be deemed valid and complete until such time as the information is actually entered into Transporter's EBB.
- (i) The full legal name, business address and phone number, and state of incorporation of the Shipper requesting service and all contact information, including the name of the person(s) who should be contacted.
 - (ii) A designation of whether Shipper is a local distribution company, intrastate pipeline company, interstate pipeline company, producer, end-user or marketer. For a local distribution company, intrastate pipeline company, or Hinshaw pipeline, the state(s) in which Shipper's natural gas facilities are located.
 - (iii) The extent of Shipper's affiliation with Transporter.
 - (iv) Shipper's Dun and Bradstreet (DUNS) number.
 - (v) Type of service: applicable rate schedule.
 - (vi) The initial term of the service, including beginning and ending dates and if an evergreen term is requested.
 - (vii) The Maximum Delivery Quantity under the contract.
 - (viii) Receipt and delivery point(s) requested and associated PIN(s).
 - (ix) Daily Quantity at each receipt point _____ MMbtu per Day
Daily Quantity at each delivery point _____ MMbtu per Day

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

4.1 Requests for Service (Continued)

- (b) If Section 311, 18 C.F.R. Part 284, Subpart B Transportation Service is requested, the Shipper must provide the following information to Transporter:
 - (i) A declaration explaining how the requested service qualifies as Section 311 service;
 - (ii) The name of the local distribution company or intrastate pipeline on whose behalf the gas will be transported;
 - (iii) Certification from a local distribution company or an intrastate pipeline that the service is being provided on its behalf prior to commencing transportation service.

4.2 By submitting a valid and complete request for service (or authorizing Transporter to submit such a request as set forth in Section 4.1) Shipper is certifying that Shipper has title to or the right to ship Gas under the Commission's regulations or has a current contractual right to acquire the same, and that Shipper has secured or will have secured, prior to commencement of service, all necessary arrangements for upstream and downstream transportation, if applicable.

4.3 In lieu of submitting a valid request for service pursuant to Section 4.1, any Shipper other than an affiliate of Transporter may negotiate with Transporter either a Service Agreement or another form of agreement, such as a precedent agreement, providing for transportation services to be rendered under Rate Schedules FT-1, IT-1 and/or PAL and for a specified amount of capacity or a level of service thereunder. In such event, the valid request date used to establish priority of service shall be the date of the execution of the Service Agreement or the other agreement, whichever is earliest. Shipper may, at any time during negotiations with Transporter, establish a valid request date by submitting a valid request for delivery pursuant to Section 4.1 of the General Terms and Conditions.

4.4 Prospective Sale of Available Capacity

- (a) Transporter may grant requests for firm service on a not unduly discriminatory basis within the following time periods and subject to the below listed conditions:
 - (i) For service with a term of one year or longer, the service must be requested to begin no later than three months from the date the request is granted;
 - (ii) For service with a term greater than three months but less than one year, the service must be requested to begin no later than one month from the date the request is granted;

4.4 Prospective Sale of Available Capacity

(a) (Continued)

(iii) For service with a term of three months or less, the service must be requested to begin no later than ten business Days from the date the request is granted.

(b) Transporter will consider, on a not unduly discriminatory basis, requests for firm service outside of the above specified time periods if the request involves any of the following conditions:

(i) The request is associated with an open season;

(ii) The request involves capacity that is available due to the termination of an existing contract or the reduction of contracted volume under an existing contract; or

(iii) The request involves the modification or construction of facilities or the issuance of any necessary certificate authorization.

(c) Should Transporter conduct an open season, it will post a notice of availability of the uncontracted-for capacity on its EBB to afford all potential Shippers an opportunity to acquire the capacity. Any party wishing to purchase the capacity, and who meets Transporter's creditworthiness requirements, may participate in the open season. Transporter will award the capacity on a net present value basis using nondiscriminatory and objective posting and evaluation criteria specified in the notice of open season. When an open season is being conducted, all applicable requests for service will be treated under this open season process.

(d) Transporter will conduct an open season (involving either an open offer to sell capacity or a pre-arranged transaction) if it wishes to sell capacity where the requested start date extends one year or more into the future. The open season will comply with the requirements of Section 4.4(c) above.

(e) If Transporter sells firm capacity pursuant to Section 4.4(b)(i), capacity will be made available to other shippers on an interim basis up to the commencement date of the prospective firm transportation service agreement. Where the requested start date of the prospective capacity extends more than one year into the future and the interim capacity would otherwise be eligible for the right of first refusal ("ROFR") if it is acquired at the maximum applicable tariff rate, Transporter will limit the ROFR rights of such interim capacity. If ROFR rights are limited, the transportation service agreement will note the limitation.

4.5 Availability of Firm Service

If Transporter determines that it has any uncommitted firm capacity on its system, it shall use the following procedures when selling that capacity.

- (a) If the firm capacity is to be sold within the time periods specified in the capacity sales timeline of Section 4.4 of the General Terms and Conditions, the procedures of Section 4.6 of the General Terms and Conditions below shall be followed except when Transporter elects to use Section 4.7 of the General Terms and Conditions.
- (b) If the firm capacity is to be sold outside the time periods specified in the capacity sales timeline of Section 4.4, the competitive bidding procedures of Section 4.7 shall be followed.

4.6 Obtaining Firm Service Within the Sales Timeline

- (a) For firm posted capacity to be sold within the timeline of Section 4.4, Shipper must submit a valid request for service using the EBB. Transporter will evaluate Shipper's request and post its acceptance of the request on the EBB. If Transporter is unable to accept the service request, it will notify the Shipper in writing.
- (b) Transporter will respond to such service requests within 30 days. Transporter shall award such capacity on a first/come-first/served basis; however, Transporter reserves its right to refuse service if the rate offered by Shipper is less than the maximum rate for the service set forth in the Statement of Rates section of this Tariff.
- (c) If Transporter accepts Shipper's request for service, the Service Agreement will be deemed electronically executed pursuant to Section 4.13 of the General Terms and Conditions.

4.7 Obtaining Firm Service Outside the Sales Timeline

- (a) For firm capacity to be sold outside the timeline of Section 4.4 of the General Terms and Conditions or where Transporter elects to conduct competitive bidding, Transporter will post such capacity on its EBB for competitive bidding. The capacity shall be awarded using the procedures specified by Section 9 of the General Terms and Conditions.
- (b) Pre-arranged Shippers are permitted to match tied bids pursuant to Section 9 of the General Terms and Conditions. Transporter shall not be obligated to accept any bid for uncommitted capacity that is for less than the applicable maximum reservation charge and reservation surcharge.

4.7 Obtaining Firm Service Outside the Sales Timeline (Continued)

- (c) Transporter and Shipper may negotiate rates that exceed the maximum reservation or usage rates pursuant to Section 4.19(a) of the General Terms and Conditions. For purposes of evaluating bids, Transporter will award capacity pursuant to the evaluation criteria of Section 9.6 and will include any contractual usage revenue commitments in the application of such criteria.
- (d) For proposed system expansions where an open season has been held through a notice posted on the EBB, the open season procedures will be deemed to satisfy the competitive bidding requirements of this section.

4.8 Upon receipt of all of the information required in Section 4.1 of the General Terms and Conditions for a valid request for transportation service, Transporter shall prepare and tender to Shipper for execution (electronically or in traditional paper form) a Service Agreement in the form contained in this Third Revised Volume No. 1 Tariff. If Shipper fails to execute the Transportation Service Agreement or any amendment thereto within thirty (30) days of the date tendered, Shipper's request shall be deemed null and void.

4.9 Capacity Reserved for Future Expansion Projects. Transporter may elect to reserve for future expansion projects, any unsubscribed capacity or capacity under expiring or terminating TSAs where such TSAs do not have a right of first refusal (ROFR) or Shipper does not exercise its ROFR.

- (a) Capacity may be reserved up to one year prior to Transporter filing for certificate authority for construction of proposed expansion facilities, and thereafter until all expansion facilities related to the certificate filing are placed into service.
- (b) Transporter may only reserve capacity for a future expansion project for which an open season has been or will be held within one year of the date that Transporter posts such capacity as being reserved. Transporter will post said capacity for at least five business days before capacity can be reserved. Transporter will not, absent Commission approval, accept advance payments to reserve capacity under this Section 4.9.
- (c) If Transporter elects to reserve capacity, it will notify Shippers of its intent as part of its posting of capacity on its EBB, and will post and award all available capacity before reserving such capacity for the expansion in accordance with the tariff requirements of the General Terms and Conditions Section 9. Transporter's posting for reserved capacity for future expansion projects shall include the following information: (i) a description of the project for which the capacity will be reserved; (ii) the total quantity of capacity to be reserved; (iii) the location of the proposed reserved capacity on the pipeline system; (iv) whether, and if so when, Transporter anticipates that an open season for the capacity will be held or the reserved capacity

4.9 Capacity Reserved for Future Expansion Projects (Continued)
(c) (Continued)

will otherwise be posted for bids; (v) the projected in-service date of the new facilities; and (vi) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a ROFR. To the extent Transporter has not already solicited turnback capacity, the posting for reserved capacity shall also include a non-binding solicitation for turnback capacity to serve the expansion project, provided that Transporter shall post the non-binding solicitation for turnback capacity no later than 90 Days after the close of the expansion project open season specifying the minimum term for a response to solicitation. Transporter shall make reasonable efforts to update the posting up to the in-service date of the project to reflect any material project changes.

- (d) Transporter will make capacity available through an open season or an EBB capacity posting before Transporter reserves such capacity for a future expansion project. If Transporter elects to hold an open season to make capacity generally available, Transporter shall have the right to state in the open season posting minimum terms and conditions for bids that would be acceptable for consideration that are the same as the minimum terms and conditions anticipated for the future expansion project open season. In the event that the subsequent expansion project open season imposes minimum terms and conditions that are materially different from the terms and conditions imposed in the previous capacity open season, Transporter shall hold another open season for the capacity that uses the same minimum terms and conditions as were imposed for the expansion project open season. If the expansion project open season is held prior to or during the reservation of capacity open season, Transporter shall use the same minimum terms and conditions as used for the expansion project open season.
- (e) Any interim capacity resulting from a reservation of future capacity shall be made available for transportation service pursuant to these General Terms and Conditions on a limited-term basis up to the in-service date of the expansion project(s). For such limited-term TSAs, Transporter reserves the right to limit any term extension rights provided in the TSA and pursuant to Section 4.15(c) of the General Terms and Conditions commensurate with the proposed in-service date of the expansion project. Transporter will indicate in any open season posting of the capacity any limitations on term extension rights that will apply to such limited-term transportation service.
- (f) Any capacity reserved for a project that does not go forward for any reason shall be reposted on the EBB as generally available capacity within 30 Days of the date that the project terminates.

4.10 Obtaining Interruptible Service

- (a) Requests for interruptible transportation shall be invalid and shall not be considered if service is requested to commence later than six months after the information specified in Section 4 is provided to Transporter.
- (b) After receiving a valid request for interruptible service, Transporter will evaluate Shipper's request for service and post its acceptance of the request on the electronic bulletin board ("EBB"). If Transporter is unable to accept the service request, it shall notify the Shipper in writing.
- (c) If Transporter accepts the Shipper's request for service, the TSA shall be deemed electronically executed pursuant to Section 4.12.

4.11 Off-System Capacity

- (a) Transporter may enter into transportation and/or storage agreements with upstream and downstream entities, including other interstate and intrastate pipelines and storage providers ("off-system capacity"). In the event Transporter acquires off-system capacity, Transporter will use such capacity for operational reasons or to render service for its Shippers on the acquired capacity, pursuant to Transporter's Tariff and subject to Transporter's currently approved rates (including any third party charges required to be paid pursuant to Section 4.11(b)). In the event the off-system capacity is subject to renewal limitations, as specified in the third-party pipeline's tariff and/or provided by FERC Regulations, Transporter will indicate in its posting of firm unsubscribed capacity any limitation to the extension rights that will apply as a result of such limitations on the off-system capacity. For purposes of transactions entered into subject to this section, the "Shipper must hold title" requirement shall not be applicable to the acquired capacity.
- (b) Third Party Charges. If Transporter acquires off-system capacity from a third party(s) pursuant to Section 4.11(a) above and provides transportation and/or storage service for the benefit of Shipper(s), such Shipper(s) may, on a not unduly discriminatory basis, be required to pay Transporter, in addition to any applicable rates and charges assessed pursuant to Transporter's Tariff, the rates and charges Transporter is obligated to pay such third party(s) for the off-system capacity acquired on behalf of the shipper. Off-system capacity charges incurred by Transporter shall be borne by the Shipper(s) using the off-system capacity. Such charges may include, but are not limited to, daily reservation and commodity charges and applicable surcharges, fuel and power charges or retention, compression fees, balancing or storage fees, measurement fees, processing fees and/or facility charges that are assessed by the third party. Unless otherwise mutually agreed, such Third Party Charges shall be assessed by Transporter to Shipper(s) in the same manner (fixed rate, volumetric, etc.) the charges are assessed

4.11 Off-System Capacity (Continued)

(b) (Continued)

to Transporter and set forth as separate items on the monthly invoices rendered to Shipper. If capacity is acquired on behalf of multiple Shippers, any fees or charges not directly attributable to reservation and/or usage charges will be allocated pro rata among those Shippers based on the contract quantity of each Shipper.

- (i) If Transporter receives refunds or credits from a third party pipeline which are directly related to Third Party Charges, such refund or credits shall be flowed through to the appropriate Shipper(s) to the extent that the rate paid by the Shipper exceeds the net rate (after refund) Transporter has actually paid and Transporter has otherwise fully recovered its costs for such off system capacity.

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

- (i) If on any Day, Transporter schedules for the benefit of a Shipper(s) from/to secondary or segmented point(s), on any off-system capacity held by Transporter, such quantities shall be subject to Transporter's third party reservation rate. The third party reservation rate shall be calculated by converting the applicable third party's reservation rate to a daily rate. If on any Day, Transporter schedules interruptible transportation from/to point(s) on any off-system capacity held by Transporter, such quantities shall be subject to Transporter's third party interruptible rate. The third party interruptible rate shall be the equivalent of the applicable third party reservation rate. In addition, for both such firm and interruptible quantities scheduled, Shipper shall pay any other charges specifically incurred by Transporter related to the applicable off-system capacity as a result of the Shipper's transportation on the off-system capacity for that Day, e.g., commodity charges, surcharges, additional reservation charges (due for example because of a higher rate at non-primary points), out-of-zone charges, FL&U charges, compression fees, etc.; provided however, Shipper shall not be required to pay for any penalties assessed to Transporter by the off-system pipeline for activities that were beyond the control of the Shipper.

4.11 Off-System Capacity (Continued)

- (c) (ii) If Transporter holds more than one off-system contract with a third party, Transporter shall determine the third party reservation and commodity rates to be billed for secondary and/or interruptible service using the method described below. Such third party rates shall be determined by calculating a monthly weighted average rate based on the rates paid and the contract/reservation quantities invoiced Transporter by the third party. The calculated weighted average rate will then be multiplied by the secondary and/or interruptible transport quantity to determine the third party charges. The sum of the third party charges, commodity charges and applicable surcharges, as described in Section 4.11(d) will be included on Shipper's monthly invoice as Third Party Charges, if applicable.
- (iii) Transporter shall post the third party rates for all off-system locations and any applicable FL&U reimbursement charges on its electronic bulletin board.
- (d) For purposes of capacity release, any off-system capacity acquired by Transporter from a third party will be treated under the terms and conditions of Transporter's Tariff.

4.12 Form: Shipper shall enter into a contract with Transporter under Transporter's appropriate standard form of Service Agreement. If Shipper desires to change its transportation service, it must request the change using the process described in Section 4.1. If Transporter agrees to the requested amendment, it will prepare and tender to Shipper an amendment to the Agreement.

4.13 Electronic Execution of Agreements - All Park & Loan service agreements, Park and Loan Service Request Orders, and Transportation Service Agreements and amendments to existing agreements ("Service Agreements" or "Agreements"), may be executed electronically by Transporter and Shipper, or by signing a traditional paper agreement. If Shipper elects to sign a traditional paper agreement, then Shipper shall not submit Nominations for service while the paper Service Agreement is pending execution. For Service Agreements requiring filing with the Commission, Transporter may submit either electronic or traditional paper Service Agreements.

- (a) For service under Rate Schedule PAL, a PAL RO shall be deemed to be executed by Shipper when the required information pursuant to Section 4.1 of the General Terms and Conditions is submitted on Transporter's EBB and accepted by Shipper on the EBB. For all other Service Agreements, such agreement shall be deemed to be executed by Shipper when the Shipper accepts the Service Agreement electronically via Transporter's EBB. Unless otherwise agreed, all Service Agreements (including PAL ROs) shall be deemed to be in the form of the Form of Service Agreement for the applicable rate schedule upon execution by Shipper. Service Agreements shall be deemed to be executed by Transporter when Transporter accepts the Shipper's Service Agreement using the EBB. Upon

4.13 Electronic Execution of Agreements (Continued)

(a) (Continued)

acceptance by both Shipper and Transporter, the Service Agreement will be deemed to be fully executed. A Service Agreement that is executed in this manner shall be deemed to have been "signed" and to constitute an "original" when printed from electronic files or records.

- (b) If a Service Agreement contains provisions that must be reviewed by the Commission and the Service Agreement is not accepted by the Commission, then Transporter and Shipper shall collaborate to remedy any deficiencies.

4.14 Transporter and Shipper may mutually agree to include an evergreen, renewal or rollover provision in the Service Agreement that would allow the agreement to continue in effect beyond its primary term with the mutual consent of the parties. For purposes of this provision, if the parties elect to extend the agreement, the right of first refusal requirements of Section 4.15 of the General Terms and Conditions and the posting requirements of Section 20.1 of the General Terms and Conditions of this Tariff will only apply when the Service Agreement reaches the end of such extension period. If a Shipper has entered into a firm Service Agreement utilizing off-system capacity contracted for pursuant to Section 4.11 of the General Terms and Conditions, such Shipper may not elect to extend the term of its Service Agreement beyond the term of Transporter's agreement for such off-system capacity.

4.15 Right of First Refusal:

- (a) Upon expiration of the term of a Service Agreement providing for service for 12 months or more at the applicable maximum tariff rate, a "right-of-first-refusal" as prescribed in this Section 4.15 shall be available. In order to avail itself of its right-of-first-refusal, the Shipper must give Transporter its written notice of intent to exercise such right of first refusal not later than (i) the date of the notice period provided for in Shipper's contract; or (ii) six months prior to the expiration of the term of the contract, whichever shall first occur
- (b) Transporter shall post on its EBB the terms and conditions of the available capacity under the expiring contract as follows:
- (i) firm daily quantities stated in MMBtu/d;
 - (ii) the receipt and delivery points at which capacity is available identified by PIN and the firm quantities at such point(s);
 - (iii) effective date;

4.15 Right of First Refusal:

(b) (Continued)

- (iv) term;
- (v) the rate (i.e., Reservation Charge/Fee(s) and Transportation Charge(s) applicable;
- (vi) minimum conditions; and
- (vii) the criteria by which bids are to be evaluated.

Shippers exercising right-of-first-refusal for a portion of their Maximum Daily Demand will not be required to retain primary rights on a geographic proportionate basis.

- (c) Expiring capacity with a right-of-first-refusal will be made available on a not unduly discriminatory basis and will be assigned on the basis of an open season for a period of not less than 20 business days' duration. Capacity that is sold on an interim basis in accordance with Section 4.9 of the General Terms and Conditions, Capacity Reserved for Future Expansion/Extension Projects, shall not be eligible for a right-of-first-refusal unless Transporter and Shipper agree to a conditional contractual right-of-first-refusal that would take effect upon a determination that the proposed project will not go forward. Capacity that is sold on an interim basis pursuant to Section 4.4, Prospective Sale of Available Capacity, shall not be eligible for a right-of-first-refusal. Capacity offered pursuant to Section 4.11 of the General Terms and Conditions will be limited to the extension rights of the off-system capacity.
 - (i) Shipper(s) desiring to acquire such available capacity shall notify Transporter, via its electronic bulletin board, during the open season. Such bidding shall be conducted in conformance with the requirements of Section 9 of the General Terms and Conditions of this Tariff.
 - (ii) Shipper's bid must include:
 - (A) Shipper's legal name, DUNS number and, if applicable, the contract number under which it desires to acquire capacity;
 - (B) the quantity of capacity to be acquired at each receipt and delivery point;
 - (C) the term of the acquisition; and
 - (D) the maximum rate Shipper is willing to pay for the capacity.
 - (iii) The potential Shipper must satisfy the other provisions of this Tariff applicable to requests for firm transportation.

4.15 Right of First Refusal (Continued)

- (d) Transporter shall not be obligated to accept any offer for expiring right-of-first-refusal capacity at less than the maximum applicable tariff rate. For purposes of (1) determining best bids, (2) awarding capacity and (3) applying matching procedures, Transporter will utilize the evaluation criteria of Section 9 of the General Terms and Conditions, and will include any contractual transportation usage revenue commitments in the application of such criteria. In the event Transporter accepts an offer, Transporter shall inform the existing Shipper of the terms of such offer. The existing Shipper shall have 10 business days in which to inform Transporter that it agrees to match such offer as to the entire quantity or any partial quantity. Such agreement shall be irrevocable. The existing Shipper or the offering Shipper, as appropriate, shall execute a Service Agreement containing the terms offered or matched. If the existing Shipper matches and retains only a partial quantity of one or more of the acceptable offer(s), the remainder of the capacity shall be allocated to the winning offering Shipper(s). If Transporter accepts an offer which is a negotiated rate, the highest rate that the existing Shipper must match if it desires to retain all or a portion of its existing capacity is the maximum applicable tariff rate.

- (e) Transporter will notify the existing shipper if no acceptable bid was received for all or a portion of the contract quantity, pursuant to Section 4.15(d) above. Following such notification, the existing Shipper and Transporter shall have ten Business Days in which to mutually agree to acceptable terms for a new firm TSA.

The existing Shipper is entitled to transportation service under a new TSA upon the expiration of its contract if such Shipper agrees to pay the maximum applicable tariff rate for all or a portion of the contract quantity for which no acceptable bid was received; however, to obtain a right-of-first-refusal, Shipper must agree to a new TSA for all or a portion of the contract quantity for which no acceptable bid was received for a term of at least one Year. In the alternative, Shipper may continue to receive service under a new TSA if Transporter and Shipper mutually agree within the ten Business Days to a discounted rate and term. Transporter is not required to accept any rate less than the maximum applicable tariff rate.

- (f) If a Shipper's transportation service agreement does not qualify for the right-of-first-refusal under this Section 4.15 Transporter and any such Shipper may mutually agree to include a right-of-first-refusal clause in their agreement. To the extent Transporter agrees to any such provision, it will do so on a not unduly discriminatory basis. The contractual right-of-first-refusal clause would allow the Shipper to exercise a right-of-first-refusal using the procedures of this Section 4.15.

4.16 Extension of Executed TSAs

- (a) Transporter and Shipper may mutually agree to the early termination of one or more Agreements in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. To the extent that Transporter and Shipper have mutually agreed to this arrangement, Shipper need not participate in an open season for the extension nor must the underlying capacity be posted on Transporter's EBB as unsubscribed, available capacity prior to the extension.
- (b) Prior to the expiration of the term of an Agreement, Transporter and Shipper may mutually agree to an extension of the term of the Agreement with respect to all or part of the underlying capacity (the exact terms of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner). If an Agreement has a regulatory right-of-first-refusal, the agreement to extend must be reached prior to the receipt of an acceptable bid submitted pursuant to Section 4.15 of these General Terms and Conditions.
- (c) When an agreement is subject to a regulatory right of first refusal, or contains a contractual right of first refusal, or a rollover clause, extension rights apply to each increment of capacity that expires in increments (i.e., on a step-down basis) during the term of the agreement.

4.17 Creditworthiness Requirement. A Shipper wishing to obtain service must first comply with the creditworthiness requirements of Section 4.17.

Prior to execution of a Transportation Service Agreement providing for service under Rate Schedules FT-1, IT-1, and PAL, Shipper shall be required to establish creditworthiness with Transporter. Transporter shall not be required to execute a Transportation Service Agreement providing for service under Rate Schedules FT-1, IT-1 or PAL on behalf of any Shipper who fails to meet Transporter's standards for creditworthiness or to initiate or continue service to a Shipper who fails to meet Transporter's standards for creditworthiness or to continue service to a Shipper who fails to pay Transporter for transportation service as provided for in Shipper's Transportation Service Agreement.

For purposes herein, the determination of Shipper's creditworthiness shall be based upon:

- (a) a credit rating of investment grade, defined as a rating of at least "BBB-" by Standard & Poor's Corporation, or a rating of at least "Baa3" by Moody's Investors Service, or (b) if Shipper is not rated by Standard & Poor's or Moody's, an equivalent rating of investment grade as determined by Transporter based on the financial rating methodology, criteria and ratios for the industry of the prospective Shipper as published by the above rating agencies from time to time, or (c) approval by the lenders providing the financing for Transporter's pipeline ("Lenders"). In the event that Transporter determines the Shipper does not have an equivalent rating of investment grade, Shipper may, at its own expense, obtain a private rating from Standard & Poor's or Moody's, or, as an alternative, request that an independent accountant or an independent financial consultant, mutually acceptable to Shipper and Transporter, prepare an equivalent evaluation based on the financial rating methodology,

4.17 Creditworthiness Requirement (Continued)

criteria and ratios for the industry of the prospective Shipper as published by the above rating agencies from time to time.

If Shipper fails to establish creditworthiness when required to do so, Shipper may still receive service under this rate schedule provided it either (a) furnishes and maintains for the term of the Transportation Service Agreement a written guarantee in a form satisfactory to Transporter and Transporter's Lenders from a third party which is creditworthy as determined above, or (b) furnishes other security acceptable to Transporter's Lenders.

To permit Transporter to conduct such review, any Shipper or prospective Shipper under this Rate Schedule shall, upon request by Transporter, render to Transporter complete audited financial statements prepared in accordance with generally accepted accounting principles or, for non-U.S.-based Shippers, prepared in accordance with equivalent principles.

4.18 Discounting. In the event that Transporter agrees to discount its rate to Shipper below Transporter's maximum rate under any of Transporter's rate schedules, the following discount terms may be reflected in the applicable Service Agreement(s), or separate discount agreement(s), and will apply without the discount constituting a material deviation from Transporter's Form of Service Agreement; provided, however, that any such discounted rates set forth below shall be between the minimum and maximum rates applicable to the service provided under the applicable rate schedule.

- (a) Transporter and Shipper may agree that a specified discounted rate will apply under the following conditions:
 - (i) to specified quantities under the agreement or related scheduled overrun transportation;
 - (ii) to specified quantities achieving or not exceeding a certain level;
 - (iii) in a specified relationship to quantities actually transported;
 - (iv) to specified quantities during specified periods of time or during specified periods of the year;
 - (v) to specified quantities at specific receipt or delivery points or other geographical locations;
 - (vi) that provides for increasing (decreasing) a discounted rate for service under one rate schedule to make up for a decrease (increase) in the maximum rate for service under a separate rate schedule, and any such discount shall specify the rate component to be discounted;

4.18 Discounting (Continued)

(a) (Continued)

- (vii) to production reserves committed by the Shipper; and/or
- (viii) that a specified discounted rate is based on a formula including, but not limited to, published index prices for specific receipt and/or delivery points or other agreed upon published pricing reference points (such discounted rate may be based upon the differential between published prices or arrived at by formula). Any agreement containing such discounted rate shall specify the rate component(s) to be discounted (i.e., reservation charge or usage charge or both) and any formula will provide a reservation rate per unit of contract demand. To the extent the firm reservation charge is discounted, the index price differential rate formula shall be calculated to state a rate per Maximum Daily Quantity. Furthermore, such discount shall not change the underlying rate design of the service being provided or include any minimum bill or minimum take provision that would have the effect of guaranteeing revenue;
- (ix) that provides for increasing (or decreasing) a discounted rate for service under one rate schedule to make up for a decrease (or increase) in the rate for a separate service provided under another rate schedule;
- (x) where the rate provision incorporates a mutually agreeable marketing fee pursuant to Section 9.7 of the General Terms and Conditions; and/or
- (xi) that includes a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate or is less than the applicable minimum rate due to a change in Transporter's maximum (minimum) rates so that such rate component must be adjusted downward (upward) to equal the new applicable maximum (minimum) rate, then other rate components may be adjusted upward (downward) to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. Nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

- (b) In the event Transporter discounts the total rate under Shipper's firm TSA, it will discount the reservation charge. The transportation charge and the ACA Surcharge are not discountable rate components.

4.19 Negotiated Rate Authority

- (a) Authority and Conditions. Notwithstanding anything to the contrary contained in this Tariff, including the rate schedules contained herein, Transporter and Shipper may agree to a rate or rates to be charged for service pursuant to any rate schedule contained in this Tariff that may vary in form or level from the maximum-to-minimum ranges set forth on the Statement of Rates section of this Tariff ("Negotiated Rate"). This provision does not allow Transporter and Shipper to negotiate terms and conditions of service.
 - (i) Transporter's maximum applicable rates (plus all applicable surcharges) for service under any such rate schedule are available as recourse rates for any Shipper that elects not to negotiate a Negotiated Rate.
 - (ii) Negotiated Rates shall be mutually agreed to and set forth in writing.
 - (iii) Transporter and Shipper may agree to a Negotiated Rate for the entire term of a Service Agreement, or may agree to a Negotiated Rate for some portion of the term of a Service Agreement. Transporter and Shipper may agree to apply the Negotiated Rate to all or a portion of capacity under Shipper's Service Agreement.
 - (iv) During the period a Negotiated Rate is in place, the Negotiated Rate shall govern and apply to Transporter's service under the Service Agreement and the otherwise applicable rate, rate component, charge or credit shall not apply or be available to the Shipper. Only those rates, components, charges or credits which are superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed, required, established, or imposed by this Tariff shall remain in effect. At the end of the period during which Negotiated Rates are in effect, the otherwise applicable Tariff rates or charges shall govern any service provided to Shipper.
 - (v) Prior to or on the same day as commencing service at such Negotiated Rate, Transporter shall file either: (i) the Negotiated Rate agreement; or (ii) a tariff section advising the Commission of such Negotiated Rate agreement, stating the exact legal name of Shipper and specifying the actual Negotiated Rate or rate formula included in such agreement.

4.19 Negotiated Rate Authority (Continued)

- (b) Impact on Other Provisions. A Shipper paying for service under a Negotiated Rate that is higher than the maximum rate for such service stated in the Statement of Rates section is deemed to have paid the maximum rate for purposes of scheduling and capacity allocation pursuant to Section 6 of the General Terms and Conditions, for purposes of evaluating right-of-first-refusal bids pursuant to Section 4.15 of the General Terms and Conditions, and for purposes of selling capacity pursuant to Section 4.4 of these General Terms and Conditions. The highest rate the Shipper must match for right-of-first-refusal matching purposes is the maximum rate set forth in this Tariff.
- (c) Accounting for Costs and Revenues. Transporter will maintain accounting records so that revenues can be tracked to each Negotiated Rate transaction.
- (d) Discount-Type Adjustment. Subject to the limitations set forth below, Transporter may seek to include Negotiated Rates in a discount-type adjustment to the level of Transporter's recourse rates in general rate changes initiated by Transporter under Section 4 of the Natural Gas Act and rate changes initiated by others under Section 5 of the Natural Gas Act. Transporter may seek to include Negotiated Rates in such recourse rate adjustment whenever the rate for service is below the posted maximum rate for service under the applicable rate schedule for all or part of the 12-Month base period and/or the nine Month adjustment period for such rate change proceeding. However, if the Negotiated Rate Service Agreement(s) was/were not in effect during the base period, such discount may still be requested in the recourse rate adjustment when the rate for service under the Negotiated Rate Service Agreement is projected to be in effect with rates below the otherwise applicable maximum recourse rate as of the end of the 9-Month adjustment period applicable to such rate proceeding.
 - (i) A discount adjustment to recourse rates shall only be allowed to the extent that Transporter can meet the standards required of an affiliate discount-type adjustment, including requiring that Transporter shall have the burden of proving that any discount granted is required to meet competition. Transporter shall be required to demonstrate that any discount-type adjustment does not have an adverse impact on recourse rate Shippers by:
 - (A) Demonstrating that, in the absence of Transporter's entering into such non-conforming Negotiated Rate agreement providing for such discount, Transporter would not have been able to contract for such capacity at any higher rate, and that recourse rates would otherwise be as high or higher than recourse rates which result after applying the discount adjustment; or

4.19 Negotiated Rate Authority (Continued)

(d) (i) (Continued)

(B) Making another comparable showing that the non-conforming Negotiated Rate discount contributes more fixed costs to the system than could have been achieved without the discount.

(ii) Transporter may also seek to include in a discount-type adjustment non-conforming Negotiated Rate Service Agreements that were converted from pre-existing discounted Part 284 Service Agreements to non-conforming Negotiated Rate Service Agreements.

4.20 Governmental Regulations. These General Terms and Conditions, the Rate Schedules to which they apply and any executed Service Agreements are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

4.21 Assignments

(a) Assignable Parties. A Shipper may assign its Service Agreement to

(i) any person, firm, or corporation acquiring all, or substantially all, of the natural gas business of said Party;

(ii) a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities; but it may not be otherwise assigned without the consent of the other Party hereto. Whenever any corporation is referred to herein, such reference shall be deemed to include the successors and assignees of such corporation.

(b) If a Shipper wishes to assign a portion or all of its firm capacity under a Service Agreement to a party not described above, it must do so using the capacity release provisions of this Tariff.

5. SERVICE CONDITIONS

5.1 Pressure.

If mutually agreed upon in the Service Agreement, Transporter may commit to maximum and minimum receipt and/or delivery pressure levels on a not unduly discriminatory basis and, where necessary, upon specified conditions to ensure that that such commitments do not have any adverse effects on Transporter's system. Transporter shall post on its EBB any agreed upon maximum and minimum receipt and/or delivery pressure commitments and any applicable operating conditions. Transporter shall not agree to a maximum or minimum receipt or delivery pressure that will render it unable to meet any of its firm obligations and, upon request, will provide a written explanation to the Shipper explaining the operational basis for rejecting any request for a maximum or minimum pressure.

Unless it is otherwise agreed upon in Shipper's Rate Schedule FT-1 or Rate Schedule IT-1 Service Agreement, deliveries of gas to Transporter for transportation hereunder shall be made at points on Transporter's pipeline system at a pressure sufficient to enter the pipeline system, and deliveries of gas from Transporter for Shipper shall be made at points on Transporter's pipeline system as specified in the executed Service Agreement.

6. Nominations and Scheduling Procedures

6.1 Nominations and Scheduling Procedures

- (a) Unless otherwise mutually agreed, Shipper shall nominate in advance of initiation or changes to service, the following information:
 - (i) The contract number under which service is being nominated;
 - (ii) The quantity of gas to be tendered at each receipt point identified by the associated PIN;
 - (iii) The quantity of gas to be delivered at each delivery point identified by the associated PIN;
 - (iv) The estimated term of the nomination;

If Shipper fails to comply with the provisions of this Section 6 then Transporter shall not schedule the initiation of or changes to service nominated by Shipper. Transporter shall schedule such nominations in accordance with Section 6 of the General Terms and Conditions of this Tariff.

Transporter reserves the right to take any necessary action to verify that gas is flowing as scheduled by Transporter. Upon request of Transporter, Shipper shall contact its source of supply and verify to Transporter that the source is flowing as scheduled hereunder.

It is the intention of Transporter that receipt of natural gas by Transporter for transportation under Rate Schedules FT-1 and IT-1, less the quantity used by Transporter shall be approximately equal to deliveries by Transporter to Shipper. Both Transporter and Shipper recognize, however, that due to variations in operating conditions, daily and monthly deliveries hereunder by Transporter may be greater or less than the corresponding receipts, less gas used by Transporter for transportation hereunder. Shipper and Transporter agree that any excess or deficiency in such receipts, less gas used, and deliveries shall be adjusted or corrected in gas as soon as operating conditions reasonably permit, but in no event longer than provided in Shipper's Service Agreement.

New deliveries by Shipper, or for Shipper's account, to Transporter shall be made at the point of receipt at the pressure set forth in an executed Service Agreement. Deliveries to the Shipper's system, or for Shipper's account, shall be made by Transporter at the point of delivery at the pressure set forth in an executed Service Agreement.

If the gas offered for transportation hereunder shall fail at any time to conform to the quality provisions set forth in Section 3 of the General Terms and Conditions or if such gas may cause harm to its facilities, then Transporter shall notify Shipper of such deficiency and may, at its option, refuse to accept delivery pending correction by Shipper.

6.1 Nominations and Scheduling Procedures (Continued)

- (b) Transporter shall support the NAESB WGQ Standard 1.3.2 nomination cycles, as modified for the extension of the nomination periods for an additional fifteen minutes. All times are Central Clock Time pursuant to NAESB WGQ Standard 0.3.17.

(i) The Timely Nomination Cycle

On the day prior to gas flow:

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

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

(ii) The Evening Nomination Cycle

On the day prior to gas flow:

- 6:15 p.m. Nominations leave control of the SR;
- 6:30 p.m. Nominations are received by the Transporter (including from TTTSPs);
- 6:30 p.m. Transporter sends the quick response to the SR;
- 8:30 p.m. Transporter receives completed confirmations from confirming parties;
- 9:00 p.m. SR and point operator receive scheduled quantities from the Transporter.

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

6.1 Nominations and Scheduling Procedures (Continued)

(b) (Continued)

(iii) The Intraday 1 Nomination Cycle

On the current Gas Day:

10:15 a.m. Nominations leave control of the SR;

10:30 a.m. Nominations are received by the Transporter (including from TTTSPs);

10:30 a.m. Transporter sends the quick response to the SR;

12:30 p.m. Transporter receives completed confirmations from confirming parties;

1:00 p.m. Transporter provides scheduled quantities to the affected SR and point operator, including bumped parties (notice to bumped parties).

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

(iv) The Intraday 2 Nomination Cycle

On the current Gas Day:

2:45 p.m. Nominations leave control of the SR;

3:00 p.m. Nominations are received by the Transporter (including from TTTSPs);

3:00 p.m. Transporter sends the quick response to the SR;

5:00 p.m. Transporter receives completed confirmations from confirming parties;

5:30 p.m. Transporter provides scheduled quantities to the affected SR and point operator, including bumped parties (notice to bumped parties).

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

6.1 Nominations and Scheduling Procedures (Continued)

(b) (Continued)

(v) The Intraday 3 Nomination Cycle

On the current Gas Day:

7:15 p.m. Nominations leave control of the SR;

7:30 p.m. Nominations are received by the Transporter (including from TTTSPs);

7:30 p.m. Transporter sends the quick response to the SR;

9:30 p.m. Transporter receives completed confirmations from confirming parties;

10:00 p.m. Transporter provides scheduled quantities to the affected SR and point operator.

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

(vi) For purposes of Section 6.1(b)(ii), (iii), (iv), and (v), the word "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

(c) Intraday Scheduling - All Transportation Service Providers should allow for intraday nominations. (NAESB WGQ Standard 1.3.8) Shippers may each day submit intraday nominations in accordance with the applicable NAESB standards. Intraday nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas (NAESB WGQ Standard 1.3.11). Shippers may request the transportation of additional quantities or reduce previously scheduled quantities. Transporter will schedule such requests using the scheduling priorities set forth in this Tariff, except that a Releasing Shipper's request to recall released capacity may result in the reduction of a Replacement Shipper's previously scheduled quantities. An intraday scheduling transaction may change another Shipper's scheduled transaction in accordance with the applicable NAESB standards.

6.1 Nominations and Scheduling Procedures (Continued)

- (d) Section 284.10(c)(1)(i): In compliance with the Commission's Regulations, Transporter will 1) give scheduling priority to an intraday nomination submitted by a firm shipper over nominated and scheduled volumes for interruptible shippers, 2) provide the interruptible shipper with advance notice of any reduction resulting from an intraday nomination, and 3) indicate whether daily penalties will apply for the Gas Day for which quantities are reduced (NAESB WGQ Standard 1.3.51). Intraday nominations submitted on the day prior to gas flow will take effect at the start of the Gas Day at 9:00 a.m. (central clock time).
- (e) Bumping Notice Procedures: Transportation Service Providers should provide affected parties with notification of intraday bumps, operational flow orders and other critical notices through the affected party's choice of Electronic Notice Delivery mechanism(s) (NAESB WGQ Standard 5.3.34). Electronic Notice Delivery is the term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM (NAESB WGQ Standard 5.2.2).

6.2 Transporter shall schedule all firm transportation quantities prior to the scheduling of any interruptible quantities. For scheduling priority purposes only, capacity released at a rate that exceeds the maximum reservation rate shall be deemed equivalent to the maximum reservation rate.

Transportation quantities shall be scheduled in accordance with the following priorities:

- (a) Firm transportation quantities within Shipper's Maximum Daily Quantity under the FT-1 Rate Schedule.
- (b) Authorized Overrun Quantities under the FT-1 Rate Schedule, as defined in Section 10 of said Rate Schedule, and Interruptible transportation quantities within Shipper's Daily Quantities under the IT-1 Rate Schedule.
- (c) Authorized Overrun Quantities under the IT-1 Rate Schedule, as defined in Section 10 of said Rate Schedule.
- (d) Authorized Parking and Lending Service quantities under Rate Schedule PAL, respectively.
- (e) Authorized Overrun Quantities under the PAL Rate Schedule, as defined in Section 3.3 of said Rate Schedule.

6.2 (Continued)

Scheduling within categories (a) through (c) above will be on a first come, first served basis, based on the Shipper's valid request for service date established pursuant to Section 4 of these General Terms and Conditions. Scheduling for category (d) and (e) volumes will be by reference to the rate being paid with the highest rate being scheduled first. Shippers paying the same rate shall be allocated on a pro rata basis based on the daily scheduled quantity. Shippers with a common valid request for service date under priority (a) above will be scheduled based on the total Aggregate Rate as set forth on Exhibit B to each Shipper's Service Agreement. Shippers under priorities (b) and (c) above will be scheduled, based on the Transportation Charge as set forth on Exhibit B to each Shipper's Service Agreement.

- 6.3 When Transporter temporarily needs to curtail or interrupt service to Shipper hereunder in any portion of the said pipeline system due to Force Majeure events or for the purpose of making necessary alterations or repairs thereon, Transporter shall give Shipper as much notice as possible up to the amount of time specified in Shipper's Service Agreement, but not less than forty-eight (48) hours except in case of emergency. Transporter shall endeavor to arrange such curtailments or interruptions so as to inconvenience Shipper as little as possible and to continue same only for such time as is necessary.

Service shall be curtailed as follows:

- (a) Last - Firm transportation quantities within Shipper's Maximum Daily Quantity under FT-1 Rate Schedule.
- (b) Fourth - Interruptible transportation quantities within Shipper's Daily Quantities under IT-1 Rate Schedule and Authorized Overrun Quantities under FT-1 Rate Schedule, as defined in Section 11 of said Rate Schedule.
- (c) Third - Authorized Overrun Quantities under IT-1 Rate Schedule, as defined in Section 10 of said Rate Schedule.
- (d) Second - Authorized Parking and Lending Service volumes under Rate Schedule PAL, respectively.
- (e) First - Authorized Overrun Quantities under Rate Schedule PAL, as defined in Section 3.3 of said Rate Schedule.

Curtailments within category (a) above will be on a pro rata basis, established by reference to each Shipper's Maximum Daily Quantity. Curtailments within categories (b) and (c) above will be based on a first come, first served basis established by reference to each Shipper's valid request date for the service being curtailed. Curtailments within categories (d) and (e) above will be by reference to the rate being paid with the lowest rate being curtailed first. Shippers paying the same rate shall be allocated on a pro rata basis based on the daily scheduled quantity.

- 6.4 Flow Day Diversion. Subject to any other limitations set forth in each rate schedule, during any intraday nomination cycle of the Gas Day a Shipper moving gas pursuant to Rate Schedules FT-1 and/or IT-1 of this Tariff may divert scheduled quantities to a receipt or delivery point, as detailed in this Section 6.4. Any receipt or delivery point flow day diversion pursuant to this Section 6.4 is subject to the conditions set forth below:
- (a) Delivery Point. Shipper may divert scheduled quantities to a delivery point (“Flow Day Diversion – Delivery” or “FDD”) as long as such diversion occurs under the same Service Agreement. A Releasing Shipper, as a term of release, may utilize such FDD as a means of recalling capacity on an expeditious basis. Additionally, a Replacement Shipper may utilize FDD for the same Day return of such recalled capacity.
 - (i) The Shipper who desires to divert gas to an alternate delivery point must:
 - (A) Contact the Operator of the delivery point to which the gas was originally scheduled and arrange for that Operator to decrease the quantity to be received from Transporter, and
 - (B) Arrange with the Operator of the alternate delivery point to receive the gas.
 - (ii) The Operator of the delivery point from which the gas is to be diverted must notify Transporter, via Transporter's electronic scheduling system, that a Shipper's gas is to be diverted and to whom and where it is to be diverted.
 - (iii) The Operator of the alternate delivery point must notify Transporter, via Transporter's electronic scheduling system, that said Operator has agreed to receive the diverted gas and must specify the quantities to be diverted to such alternate delivery point.
 - (iv) Transporter shall compare the notifications to verify that the transactions correspond and shall determine if all or part of the requested transaction can be accommodated given the current and anticipated pipeline loading and operating conditions. An FDD may have the effect of bumping a Shipper moving gas under Rate Schedule IT-1 of this Tariff.
 - (v) If all or part of the transaction can be accommodated, Transporter shall notify the Shipper and Operators involved what portion of the transaction has been accepted.
 - (vi) The quantities scheduled to be diverted shall be assumed to have flowed such that no daily imbalance exists as a result of the FDD transactions at the end of the Day of flow. Any imbalance resulting from the difference between the total scheduled quantities (including diversion quantities) and the actual measured quantities shall be accounted for at the original delivery point or on a Service Agreement.

6.4 Flow Day Diversion (Continued)

- (b) Receipt Point. Shipper may divert scheduled quantities to a receipt point (“Flow Day Receipt” or “FDR”) as long as such diversion occurs under the same Service Agreement and does not involve a capacity increase at any constraint point between the new receipt point and the scheduled delivery point. A receipt point diversion is subject to the following conditions:
 - (i) Shipper shall reduce its previously scheduled receipt-to-delivery path by a quantity greater than or equal to the quantity to be nominated from the new receipt point. Should Shipper not reduce its previously scheduled path quantities, Transporter shall automatically reduce the new FDR nomination(s) based on priorities provided by Shipper in such nomination(s).
 - (ii) The FDR nomination shall include the same delivery point information (i.e., location, downstream party, package number, etc.) as the original nomination.
 - (iii) The FDR nomination shall not include a scheduled quantity greater than the quantity previously scheduled through the constraint point(s) in the prior scheduling cycle.
 - (iv) To the extent the requirements noted above are met, the FDR nomination will be processed in the current intraday cycle as “previously scheduled” rather than as a new, incremental nomination. All intraday nominations will be scheduled by Transporter pursuant to the provisions of Sections 6.1, 6.2 and 8.1 of the GT&C.

6.5 Pooling

- (a) If requested by a Shipper or supplier on a Transportation Service Provider’s system, the Transportation Service Provider should offer at least one pool. (NAESB WGQ Standard 1.3.17) Transporter shall provide one or more pools for purposes of facilitating the aggregation and disaggregation of gas received into its system. The process of aggregating and disaggregating gas receipts shall be deemed pooling.
- (b) At a minimum, Transporter should be responsible for accommodating Title Transfer Tracking (“TTT”) services at all points identified by the Transporter as pooling points, where TTT services are requested. In absence of existing pooling points or in addition to existing pooling points where access to TTT activity is not reasonably accessible for supply receipt locations covered by an OBA, Transporter should be responsible for accommodating TTT at no less than one location. (NAESB WGQ Standard 1.3.64)

6.5 Pooling (Continued)

- (c) The Title Transfer Tracking services should be supported by means of the nominations, quick responses and scheduled quantities processes. At Transporter's election, the confirmation process may also be utilized with Title Transfer Tracking Service Providers within Transporter's system. (NAESB WGQ Standard 1.3.65)
- (d) Transporter shall provide service as a Title Transfer Tracking Provider ("TTTSP") at its designated pooling points. Third Party Account Administrators ("3PADS") must follow the procedures and requirements for nominations, quick responses and scheduled quantities.
- (e) Transporter may facilitate TTT service(s) at individual locations where such service(s) is requested.

7. RESPONSIBILITY FOR GAS AND PRODUCTS

As between Transporter and Shipper, Shipper shall be deemed to be in control and possession of, and responsible for, all gas delivered to Transporter at the Point(s) of Receipt set forth in an executed Service Agreement, after which Transporter shall be deemed to be in control and possession of, and responsible for, such gas until it is delivered at the Point(s) of Delivery set forth in an executed Service Agreement.

8. OPERATING PROVISIONS

8.1 Operating Provisions

- (a) Primary and Secondary Receipt and Delivery Points: The receipt points listed in the Service Agreement of each Shipper shall be deemed that Shipper's Primary receipt points. The sum of contracted receipt point quantities shall be equal to shipper's Maximum Daily Quantity. All other of Transporter's receipt points shall be deemed that Shipper's Secondary receipt points. The delivery points listed in the Service Agreement of each Shipper shall be deemed that Shipper's Primary delivery points. The sum of contracted delivery point quantities shall be equal to shipper's Maximum Daily Quantity. All other of Transporter's delivery points shall be deemed that Shipper's Secondary delivery points.
- (b) Flexible Receipt Points: Any Shipper may designate a Secondary receipt point for delivery of gas to Transporter, subject to the availability of capacity at and from that receipt point. Notwithstanding the priorities described in Section 6 of the General Terms and Conditions, in the event that there is inadequate capacity for Transporter to receive all deliveries scheduled at a receipt point, capacity at and from that receipt point shall be allocated as follows:
 - (i) First, capacity shall be allocated to all Shippers under Rate Schedule FT-1 for whom such receipt point is a Primary receipt point.
 - (ii) Second, capacity shall be allocated to all Shippers under Rate Schedule FT-1 for whom such receipt point is a Secondary receipt point and such point is within the primary path of the receipt and delivery points listed in the Shipper's Service Agreement.
 - (iii) Third, capacity shall be allocated to all Shippers under Rate Schedule FT-1 for whom such receipt point is a Secondary receipt point and such point is outside the primary path of the receipt and delivery points listed in the Shipper's Service Agreement.
 - (iv) Fourth, capacity shall be allocated to all Shippers under Rate Schedule IT-1 for whom such receipt point is a Primary receipt point.
 - (v) Last, capacity shall be allocated to all Shippers under Rate Schedule IT-1 for whom such receipt point is a Secondary receipt point.
 - (vi) In the event that there is inadequate capacity to serve all Shippers at and from a receipt point within any one of the categories described above, scheduling of those Shippers shall be in accordance with Section 6 of the General Terms and Conditions.

8.1 (Continued)

- (c) Flexible Delivery Points: Any Shipper may designate a Secondary delivery point for receipt of gas from Transporter, subject to the availability of capacity to and at that delivery point. Notwithstanding the priorities described in Section 6 of the General Terms and Conditions, in the event that there is inadequate capacity for Transporter to make all deliveries scheduled to and at a delivery point, capacity at that delivery point shall be allocated as follows:
 - (i) First, capacity shall be allocated to all Shippers under Rate Schedule FT-1 for whom such delivery point is a Primary delivery point and who are transporting gas from a Primary receipt point.
 - (ii) Second, capacity shall be allocated to all Shippers under Rate Schedule FT-1 for whom such delivery point is a Secondary delivery point and such point is within the primary path of the receipt and delivery points listed in the Shipper's Service Agreement.
 - (iii) Third, capacity shall be allocated to all Shippers under Rate Schedule FT-1 for whom such delivery point is a Secondary delivery point and such point is outside the primary path of the receipt and delivery points in the Shipper's Service Agreement.
 - (iv) Fourth, capacity shall be allocated to all Shippers under Rate Schedule IT-1 for whom such delivery point is a Primary delivery point and who are transporting gas from a Primary receipt point.
 - (v) Fifth, capacity shall be allocated to all Shippers under Rate Schedule IT-1 for whom such delivery point is a Secondary delivery point and who are transporting gas from a Primary receipt point.
 - (vi) Sixth, capacity shall be allocated to all shippers under Rate Schedule IT-1 for whom such delivery point is a Primary delivery point and who are transporting gas from a Secondary receipt point.
 - (vii) Last, capacity shall be allocated to all shippers under Rate Schedule IT-1 for whom such delivery point is a Secondary delivery point and who are transporting gas from a Secondary receipt point.
 - (viii) In the event that there is inadequate capacity to serve all Shippers to and at a delivery point within any one of the categories described above, scheduling of those Shippers shall be in accordance with Section 6 of the General Terms and Conditions.

8.1 (Continued)

- (d) **Additional Primary Delivery Points:** Subject to the requirements of Section 8.1(c) above, a Shipper may at any time designate any delivery point as a Primary delivery point. If a Shipper designates a delivery point as a Primary delivery point and there is inadequate capacity (either at the delivery point or the mainline), Transporter shall so inform such Shipper. Shipper must either reduce or withdraw its designation or else make a contribution in aid of construction (including reimbursement of resulting tax liability) to reimburse Transporter for the costs of increasing capacity to that delivery point.
- (e) **No Impact On Total Capacity:** Nothing in this Section 8 permits a Shipper to schedule more transportation services than that Shipper's total Maximum Daily Quantity or Daily Quantity.
- (f) **Market Centers:** Nothing in Transporter's Tariff shall inhibit the development of market centers on Transporter's pipeline.

8.2 FIRM SERVICE

- (a) **Segmentation of Capacity:** A Shipper may make use of the firm capacity for which it has contracted by segmenting that capacity into separate parts for its own use or for the purpose of releasing that capacity to Replacement Shippers, to the extent such segmentation is operationally feasible.
 - (i) A firm Shipper may segment capacity for its own use through the scheduling process by contemporaneously nominating quantities at the combination of receipt and delivery points that create the segmented capacity desired. Capacity may be segmented at any physical or virtual scheduling point located on Transporter's system.
 - (ii) When segmenting capacity for its own use or for capacity release, a Shipper may designate new primary points pursuant to Section 8.2(a).
 - (iii) Shippers may segment capacity for the purpose of releasing that capacity to Replacement Shippers pursuant to Section 9 of the General Terms and Conditions. Shippers releasing capacity do not retain any primary or alternate rights on the released capacity. Replacement shippers obtain primary and alternate rights only on the acquired segment.

8.2(a) (Continued)

- (iv) Segments created for a Shipper's own use or for capacity release may overlap so long as the Maximum Daily Quantity for that Service Agreement is not exceeded. If nominations are received that create overlapping segments that exceed the Maximum Daily Quantity, Transporter will schedule the overlapping quantities up to the Maximum Daily Quantity of the original Service Agreement. If allocations are required, Shippers nominating quantities within their contract path will be scheduled first (or pro rata if more than one Shipper) and then any remaining quantities will be scheduled for out-of-path nominations (or pro rata if more than one Shipper), unless the Releasing Shipper specifies in its release whether the Releasing Shipper or the Replacement Shipper is to be scheduled first.
- (v) A firm Shipper (or a Releasing Shipper and a Replacement Shipper participating in a capacity release) may segment its capacity by simultaneously transporting its full Maximum Daily Quantity in a forward haul and its full Maximum Daily Quantity in a backhaul (opposite to the contract path) to the same delivery point.

Transactions that are opposite to the contract path are distinguished from the Shipper's Primary capacity and shall be scheduled as Secondary capacity up to the Shipper's Maximum Daily Quantity.

8.3 INTERRUPTIBLE SERVICE

- (a) Service provided under any IT-1 Service Agreement entered into after Mojave's pipeline has been placed in service must commence within six (6) months of execution of the Service Agreement or Shipper's request shall be deemed null and void.

9. CAPACITY RELEASE PROGRAM

- 9.1 Procedure for Making Offer to Release: Any Shipper or Replacement Shipper under this Rate Schedule FT-1 shall be entitled to release all or a portion of its capacity to Transporter for resale. Any Shipper or Replacement Shipper releasing capacity will be called "Releasing Shipper." Any person purchasing released capacity shall be called "Replacement Shipper."
- (a) Releasing Shipper shall post on Transporter's electronic bulletin board ("EBB") an offer to release capacity for resale and shall include in such offer the following information:
 - (i) Whether such release will be on a permanent or temporary basis,
 - (ii) Whether the capacity released will be subject to recall, as well as the terms on which the recalled capacity will be returned (reput) to the Replacement Shipper if such capacity can be returned (reput), and whether the Replacement Shipper has the option to accept such returned (reput) capacity. The Transportation Service Provider should support the ability for the Releasing Shipper to specify, as a condition of a release, whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day (NAESB WGQ Standard 5.3.51);
 - (iii) The specific quantity to be released, the duration of release and any other conditions of the offer to release;
 - (iv) The Shipper's name, DUNS number, address and telephone number of the representative authorized to act on behalf of the Releasing Shipper with respect to the offer to release;
 - (v) The Receipt and Delivery points identified by the PIN associated with the offer, which shall be the primary receipt and delivery points for the Replacement Shipper (with all other receipt and delivery points designated as secondary receipt and delivery points for the Replacement Shipper);
 - (vi) The length of time the offer to release should be posted on Transporter's electronic bulletin board, which length of time shall not be less than the minimum periods described in Section 9.1(c) below; the deadline for submitting bids; and the date and time the offer to release was made;

9.1 Procedure for Making Offer to Release

(a) (Continued)

- (vii) Whether bids must be on (i) a reservation charge basis only, (ii) a volumetric basis only, (iii) either a volumetric or reservation charge basis, in which event non-discriminatory objective criteria for comparing the two types of bids must be provided, or (iv) an index-based formula (under one of the methods listed below). If the bid involves a volumetric commitment, the commitment must be stated as a percentage of the capacity awarded;
 - (A) a percentage of the formula,
 - (B) a dollars and cents differential from the formula, or
 - (C) a dollars and cents differential from the Rate Floor;
- (viii) Whether bids for the released capacity shall be evaluated based on (i) the economic value of the reservation fee/Charge portion of the bid, as calculated pursuant to Section 9.6 of the General Terms and Conditions; (ii) the reservation fee/Charge per MMBtu of the bid; or (iii) other objective and non-discriminatory criteria provided by the Releasing Shipper to Transporter; however, Transporter will not accept first-come, first served as a valid bid evaluation methodology;
- (ix) Whether bids for less than the full amount of capacity offered will be accepted and, if so, how such bids should be evaluated;
- (x) Any minimum bid level below which capacity will not be released;
- (xi) Whether a contingent bid will be accepted and, if so, how a contingent bid will be evaluated and whether the second place bidder will be expected to keep its bid open until the contingency is resolved;
- (xii) Reserved.
- (xiii) If two or more persons submit bids of equal value, the released capacity will be allocated based on the tie breaking method designated by the Releasing Shipper, and if none is specified, by a lottery. The lottery shall be conducted by Transporter on a non-discriminatory basis. Capacity shall be awarded in accordance with the offer of the draw, with capacity awarded to the first-drawn bidding Shipper up to the quantity bid by such Shipper, and if any released capacity remains after such award, it shall be offered to other bidding Shippers in the lottery in accordance with the order of the draw. Any bidding Shipper who, by virtue of its place in the order of draw, receives less than the minimum acceptable bid quantity shall not be obligated to accept released capacity. The result of the lottery shall be posted on the EBB.

9.1 Procedure for Making Offer to Release (Continued)

- (b) The amount of capacity offered for release at each delivery point shall not be less than 100 MMBtu per Day, so as to avoid measurement difficulties relative to smaller amounts and disproportionate administrative burden.
- (c) Minimum posting periods shall be as follows (NAESB WGQ Standard 5.3.2): All times are Central Clock Time pursuant to NAESB WGQ Standard 0.3.17

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

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

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

- (viii) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- (ix) Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
- (x) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
- (xi) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.

9.1 Procedure for Making Offer to Release (Continued)

(c) (continued)

- (xii) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m. Noon.
- (xiii) The contract is issued within one hour of the award posting (with a new contract number, when applicable).
- (xiv) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For non-biddable releases:

- (xv) The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2. The posting deadlines are:
 - (A) Timely Cycle 12:00 Noon
 - (B) Evening Cycle 5:00 p.m.
 - (C) Intraday 1 Cycle 9:00 a.m.
 - (D) Intraday 2 Cycle 1:30 p.m.
 - (E) Intraday 3 Cycle 6:00 p.m.
- (xvi) The contract is issued within one hour of the award posting (with a new contract number, when applicable).
- (xvii) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.
- (d) A Releasing Shipper may withdraw its offer to release capacity at any time prior to the close of the bidding period, provided that it has an unanticipated need for the capacity and no bid meeting the minimum criteria specified in the notice has been received (NAESB WGQ Standard 5.3.16). No offer to release may be withdrawn for any discriminatory purpose.
- (e) Transportation Service Providers should support volumetric releases with volumetric commitments by fully accounting for volumetric and reservation components, consistent with the rules and regulations enunciated by the Commission. (NAESB WGQ Standard 5.3.5)

9.2 Competitive Bidding Procedure:

- (a) Either Transporter or Releasing Shipper shall post on Transporter's electronic bulletin board each offer to release for the length of time specified pursuant to Section 9.1 of the General Terms and Conditions, and shall post all of the other information required pursuant to Section 9.1 of the General Terms and Conditions.
- (b) Potential Replacement Shippers may tender to Transporter bids to accept an offer posted on the electronic bulletin board which must be received by Transporter prior to the expiration of the time for posting of such an offer.
- (c) Subject to the requirements of Section 9.2(e), any bid may include an offer to pay a rate greater than or equal to Transporter's Maximum Reservation Fee/Charge set forth on the Statement of Rates, regardless of the Reservation Fee/Charge provided in the Releasing Shipper's Service Agreement. Any bid for a release that is made on a volumetric basis may include an offer to pay up to Transporter's Maximum Aggregate Rate set forth on the Statement of Rates regardless of the Aggregate Rate, provided in the Releasing Shipper's Service Agreement.
- (d) No bidder may submit more than one bid for the same capacity, nor may any bidder submit a bid when there is an open bid for the same capacity submitted by an affiliate or a person acting in conjunction with the bidder. Any bid may be withdrawn at any time prior to the closing of the bid period, provided that neither the bidder nor any of its affiliates nor any party acting in conjunction with the bidder may resubmit a lower bid (although any such person may submit a higher bid) than the withdrawn bid.
- (e) Except as stated in this Section 9.2(e), a bidder may not bid a reservation charge(s) less than the minimum reservation charge(s) nor more than the sum of the maximum reservation charge(s) and reservation surcharge(s), nor may the quantity or the term of the release of such bid exceed the maximum quantity or term specified by the Releasing Shipper. No maximum rate limitation applies to a release of capacity, including an index-based release, for a period of one year or less if the release is to take effect on or before one year from the date on which Transporter is notified of the release.
- (f) All bids shall be posted on Transporter's electronic bulletin board, except that the identity of the bidder shall be kept confidential.
- (g) Upon expiration of the time for bidding as described in Section 9.1 of the General Terms and Conditions, Transporter shall remove such offer of release from its electronic bulletin board and determine the winning bid.

9.2 Competitive Bidding Procedure (Continued)

- (h) In all cases, Replacement Shippers will be subject to all requirements of this Tariff, including the creditworthiness standards. For prearranged releases, the Replacement Shipper shall indicate whether or not it is an asset manager or a marketer participating in a state regulated retail access program, as defined by FERC regulations at 18 C.F.R. 284.8.
- (i) Transporter shall contract with the Replacement Shipper which otherwise satisfies the requirements of this Tariff and whose bid is highest under the non-discriminatory criteria specified to Transporter by Releasing Shipper.
- (j) The successful bidding Shipper (or successful prearranged Shipper) for capacity shall become the Replacement Shipper and its bid for capacity or acceptance of prearranged release pursuant to this Section 9 shall be binding. The bid submitted by the Replacement Shipper as supplemented by the posting of the notice of capacity release on Transporter's EBB shall constitute the Replacement Shipper Service Agreement, which shall be deemed to be in the form of the Agreement found in Part V: Service Agreements for the applicable rate schedule. The Replacement Shipper(s) will gain rights to nominate firm capacity consistent with the capacity acquired from the Releasing Shipper for the term as agreed to by the Releasing Shipper and subject to all other terms of the underlying Agreement and Section 9 of the General Terms and Conditions. The Releasing Shipper(s) will relinquish its firm entitlement rights to nominate consistent with the same terms.

Any Shipper that utilizes Transporter's capacity release program shall maintain on file with Transporter the name(s) of those person(s) who have been designated on behalf of such Shipper to perform those functions required by this Section 9 as well as Shipper's signature code which shall be represented by each of the identification numbers ("IDs") assigned to the representatives authorized by Shipper to perform the functions in this Section 9. The use of an ID will be deemed to be Shipper's consent to be bound by the capacity release transaction. When capacity is awarded, an ID shall be automatically, electronically affixed on the electronic record of the capacity release transaction. Entry of this ID in all cases shall evidence that the Replacement Shipper has accepted the transaction. No paper copy of the contract for a capacity release transaction will be issued.

9.2 Competitive Bidding Procedure (Continued)

(j) (Continued)

Transporter may revoke a Replacement Shipper's ID if Transporter has reasonable suspicion to believe that one of the following events has occurred or may occur:

- (i) Fraudulent or unauthorized use of the ID;
 - (ii) An action resulting in a breach of security such as loss, theft, unauthorized disclosure or use of data contained on Transporter's EBB; or
 - (iii) Conduct that threatens the viable operations of Transporter's EBB or wrongly interferes with the business transactions of another party.
- (k) Upon the award of capacity, the capacity release transaction is electronically executed between Transporter and the Replacement Shipper.

9.3 Prearranged Releases. Prearranged releases shall not be subject to the competitive bidding procedures if the release is: (1) for more than one year at the maximum reservation charge(s) and reservation surcharge(s); (2) for any period of thirty-one days or less, pursuant to Section 9.11 of the General Terms and Conditions; (3) to an asset manager as defined by FERC regulations at 18 C.F.R. 284.8; or (4) to a marketer participating in a state-regulated retail access program as defined by FERC regulations at 18 C.F.R. 284.8.

- (a) A Shipper electing to release capacity on a prearranged basis not subject to competitive bidding procedures must post the notice of release on Transporter's EBB pursuant to the timeline for non-biddable releases in Section 9.1(c).
- (b) Releasing Shipper shall have the right to tender an offer for all or a portion of the released capacity accepted by a potential Replacement Shipper otherwise satisfying the terms of this Tariff who is found by the Releasing Shipper. Releasing Shipper shall include with the offer the name of the prearranged Replacement Shipper as well as all of the other information required by Section 9.1 hereof. The offer to release shall be posted for the minimum time periods specified in Section 9.1 of the General Terms and Conditions. Such potential Replacement Shipper found by the Releasing Shipper shall have the right of first refusal, exercisable within the timeline provided under Section 9.1 of this section, to match the highest price of any bid for such capacity, based on the criteria of the prearranged transaction.

9.3 Prearranged Releases (Continued)

- (c) In the event the Replacement Shipper found by the Releasing Shipper matches the highest bid, capacity shall be allocated to that Replacement Shipper. In the event a potential Replacement Shipper found by the Releasing Shipper agrees to pay the maximum rate applicable to the released capacity for the duration of the release and otherwise agrees to the terms and conditions of the offer, then such offer to release shall not be subject to the competitive bidding procedure, unless the Releasing Shipper requests otherwise.

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

9.5 Term: Any release under this Section shall be for a minimum term of one day and may have a maximum term up to the earlier of (a) the expiration date of this Tariff provision; (b) the expiration of the remaining term of the underlying FT-1 Service Agreement; or (c) termination of Transporter's capacity release program by the Commission.

9.6 Calculation of Economic Value: The economic value of each bid hereunder shall be determined by using the evaluation method selected by the Releasing Shipper. Transporter shall offer the following methods for bid evaluation. In addition, Transporter may offer additional evaluation methods at its discretion; except that Transporter will not offer first-come, first-served as a valid bid evaluation methodology.

(a) Highest Rate. The highest bid rate that meets the minimum terms and conditions of the release.

(b) Present Value Method

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

where: i = interest rate per Day using the current FERC annual interest rate as defined in Section 154.501(d)(1) of the Commission's regulations and converted for daily application
 n = number of days
 R = the bid rate per unit of capacity
 Q = quantity (MMBtu per day)

(c) Net Revenue Method

$$R \times n \times Q = \text{net revenue}$$

where: R = the bid rate per unit of capacity
 n = number of days
 Q = quantity (MMBtu per day)

For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology. If the Releasing Shipper specifies an index-based formula in its capacity release offer, the Bid Rate (R) used in the bid evaluation options of this Section 9.6 will be based on: 1) the dollars and cents differential or percentage of the Rate Default, or 2) the dollars and cents differential of the Rate Floor, as applicable, as defined in the capacity release offer.

- 9.7 Marketing Fee: Subject to the agreement of the Releasing Shipper, Transporter shall have the right to market all or a portion of the released capacity to potential Replacement Shippers who, as a result of such marketing activity, bid for such capacity during the competitive bidding procedure. If Transporter contracts with a Replacement Shipper found by Transporter, Transporter shall be entitled to a marketing fee negotiated beforehand between Transporter and Releasing Shipper. Each Replacement Shipper found by Transporter shall submit with its bid a statement attesting to Transporter's marketing efforts in connection with such Replacement Shipper's decision to purchase released capacity.
- 9.8 Billing Adjustment: Transporter shall continue to bill Releasing Shipper for the released capacity as follows:
- (a) Releasing Shipper shall continue to be billed for its contractual Reservation Fee/Charge.
 - (b) The Releasing Shipper's invoice shall include a credit for the Reservation Fee/Charge billed by Transporter to its Replacement Shipper that Month, up to the amount of the Reservation Fee/Charge per MMBtu set forth in Releasing Shipper's transportation Service Agreement.
 - (c) If Replacement Shipper's Reservation Fee/Charge is greater than Releasing Shipper's contractual Reservation Fee/Charge, Releasing Shipper's invoice shall include a credit for the amount paid over its maximum contractual Reservation Fee/Charge.
 - (d) In the event that Replacement Shipper has not paid all or a portion of its Reservation Fee/Charge in the previous month by the date required pursuant to Section 12 of the General Terms and Conditions, Releasing Shipper shall also be billed for the unpaid portion of the Reservation Fee/Charge, up to its contractual Maximum Reservation Fee/Charge.
 - (e) In the event that Transporter is entitled to a marketing fee pursuant to Section 9.7 of the General Terms and Conditions, Transporter shall deduct such marketing fee from the credits otherwise due Releasing Shipper pursuant to paragraphs (c) and (d) hereof.
 - (f) Releasing Shipper shall remain fully obligated under the terms of its Service Agreement with Transporter during and irrespective of any capacity release, for all charges described above. Releasing Shipper shall not be liable for other charges incurred by any Replacement Shipper that has purchased capacity released by the Releasing Shipper, including, but not limited to, the usage fees to be paid by Replacement Shipper, surcharges, overruns, imbalance penalties or other charges or penalties.
 - (g) In the month following the termination of Replacement Shipper's Service Agreement, Transporter shall pay Releasing Shipper an amount equal to any credit that otherwise would be due under this Section 9.8.

- 9.9 Replacement Shipper's Rights and Obligations: By acquiring released capacity pursuant to this Section 9, Replacement Shipper shall become a Shipper on Transporter's system, subject to the terms and conditions of this Tariff and the Replacement Shipper Service Agreement. Replacement Shipper shall be fully obligated to Transporter for all obligations assumed in the Replacement Shipper Service Agreement.
- 9.10 Scheduling and Recalls: The Replacement Shipper shall be responsible for all scheduling of capacity released to a Replacement Shipper except that, for any firm release of capacity subject to the right by Releasing Shipper for recall, Releasing Shipper may assume scheduling responsibility upon notice received by Transporter. Upon receipt of such notice, Transporter shall follow scheduling instructions only from Releasing Shipper until Transporter's receipt of notice from Releasing Shipper that it no longer is assuming scheduling responsibility. Transporter shall treat such notice from Releasing Shipper as conclusive evidence that the released capacity has been recalled.
- (a) All Transportation Service Providers ("TSPs") should support the following recall notification periods for all released capacity subject to recall rights: (NAESB WGQ Standard 5.3.44). All times are Central Clock Time pursuant to NAESB WGQ Standard 0.3.17.
 - (i) Timely Recall Notification:
 - (A) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
 - (B) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due;
 - (ii) Early Evening Recall Notification:
 - (A) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
 - (B) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due;
 - (iii) Evening Recall Notification:
 - (A) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;
 - (B) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due;

9.10 Scheduling and Recalls

(a) (Continued)

(iv) Intraday 1 Recall Notification:

- (A) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
- (B) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due; and

(v) Intraday 2 Recall Notification:

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

(vi) Intraday 3 Recall Notification:

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

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

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

- (c) Releasing Shipper's notice of recall and reput must be submitted using Transporter's on-line capacity release system. Reput method and rights should be specified at the time of the deal. Reput method and rights are individually negotiated between the Releasing Shipper and Replacement Shipper. (NAESB WGQ 5.3.8)

9.10 Scheduling and Recalls (Continued)

- (d) Releasing Shipper, when returning recalled capacity to the Replacement Shipper, shall give Transporter and Replacement Shipper notice of its intent to repute the capacity back to the Replacement Shipper. The deadline for notifying the Transportation Service Provider of a repute is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day (NAESB WGQ Standard 5.3.54). When capacity is recalled, it may not be repute for the same Gas Day (NAESB WGQ Standard 5.3.53).
- (e) In the event of an intraday capacity recall, the Transportation Service Provider ("TSP") should determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity ("EPC"). Variations to the use of EPC may be necessary to reflect the nature of the TSP's tariff, services, and/or operational characteristics. (NAESB WGQ Standard 5.3.56)
- (f) The recall notice must detail receipt and delivery point(s) and quantities being recalled. The notification shall also state the length of the recall period and the conditions of any repute of the Releasing Shipper and repute obligations of the Replacement Shipper as may have been negotiated at the time of the release (see Section 9.1(a)(ii)).

9.11 Releases During One Calendar Month: Subject to Section 9.3 of the General Terms and Conditions, a Releasing Shipper may release capacity during any calendar month (provided that such release shall be less than 31 days) without following the procedures set forth in Sections 9.1, 9.2 and/or 9.3 of the General Terms and Conditions.

- (a) When a release of capacity is exempt from bidding pursuant to Section 9.3, a firm Shipper may not rollover, extend or in any way continue the release to the same Replacement Shipper using the 31 days or less bidding exemptions until 28 days after the first release period has ended. The 28-day hiatus does not apply to any re-release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding in Section 9.3.

9.12 Prequalification:

- (a) Any person may request that Transporter determine that it is qualified to be a Replacement Shipper prior to submitting a bid to purchase capacity. Such prequalification by Transporter shall remain effective for six months subsequent to the determination by Transporter. Any person who has obtained a prequalification must report any subsequent material adverse change in its situation to Transporter, which shall then make a new determination of that person's qualifications. If Transporter determines that any Replacement Shipper that obtained capacity based on a prequalification suffered a material adverse change in its situation prior to obtaining capacity without reporting that fact to Transporter, such Replacement Shipper must immediately demonstrate to Transporter that it is qualified to be a Replacement Shipper under Transporter's Tariff, or Transporter shall have the right to terminate such Replacement Shipper's Replacement Service Agreement.

9.13 Permanent Release A Shipper may offer to make a permanent release of capacity pursuant to the procedures of Section 9.2 or 9.3 of the General Terms and Conditions with the Releasing Shipper fully released from all of its obligations under its Transportation Service Agreement and this Rate Schedule FT-1. Transporter may, on a not unduly discriminatory basis, refuse to allow any permanent release if it has a reasonable basis to conclude that it will not be financially indifferent to the release. Transporter shall provide written notification and the reasons for any denial of a request for permanent release to the affected Releasing Shipper.

9.14 Refunds: Transporter shall make all refunds to the Releasing Shipper. In no event shall Transporter be liable to Replacement Shipper for refunds for providing transportation service. It shall be Releasing Shipper's sole responsibility to flow refunds through to its Replacement Shipper.

9.15 Right to Terminate a Temporary Capacity Release

- (a) Using the notice procedures of Section 12 of the General Terms and Conditions, Transporter may elect to terminate a Replacement Service Agreement upon 30 days written notice to the Replacement Shipper, and to FERC, under the following conditions.
 - (i) Transporter has or will terminate the Releasing Shipper's service pursuant to: (i) the Termination of Service provisions of Section 12 of the General Terms and Conditions, or (ii) the creditworthiness requirements of this Tariff; and
 - (ii) The rate stated in the Replacement Service Agreement is less than the rate for service under the Service Agreement with the Releasing Shipper.

9.15 Right to Terminate a Temporary Capacity Release (Continued)

- (b) A creditworthy Replacement Shipper may continue an existing Replacement Service Agreement by notifying Transporter prior to the end of the 30-Day notice period that it agrees to pay a rate that is the lesser of:
 - (i) the applicable maximum rate; or
 - (ii) the same rate as is in the Service Agreement between Transporter and the Releasing Shipper; or
 - (iii) a mutually agreed upon rate.

10. IMBALANCE MANAGEMENT

- 10.1 Imbalance Netting: Netting of imbalances is defined as the combination of positive and negative contract imbalances for a Shipper. For purposes of resolving an imbalance on a Shipper's contracts, Transporter shall net Shipper's firm and interruptible imbalances, on a non-discriminatory basis, between contracts with such Shipper.
- 10.2 Imbalance Trading: Trading is the offsetting of Shipper imbalances between contracts belonging to different Shippers. Trading will always have the effect of reducing Shipper's contract imbalances. To assist Shipper in correcting imbalances, Mojave will permit Shippers and their agents to trade imbalances with other Shippers in accordance with this section. If Shipper desires to trade imbalances, Shipper must consent to Transporter posting Shipper's imbalance information on Transporter's EBB. During the first ten days of each month, Transporter will make such imbalance information from the previous month available on its EBB to all Shippers. Unless otherwise mutually agreed to by Transporter and Shipper, Shipper shall have until the close of business on the third business day prior to the end of the month to trade imbalances with other Shippers to reduce or eliminate any imbalances that have occurred during the previous month.
- (a) Once Shippers have agreed to trade imbalances, each Shipper must notify Transporter by submitting to Transporter by telecopy, or by other means approved by Transporter, a gas imbalance trading notice indicating the agreement to trade imbalances and the amount of imbalances to be traded. This notice to Transporter will be deemed to be the Shipper's direction to Transporter to make the imbalance trade on the Shipper's account. If the Shippers' notices coincide, Transporter will adjust Shippers' accounts to reflect the imbalance trade.
 - (b) Shippers are responsible for making arrangements deemed necessary to finalize and document the imbalance trade. Transporter shall not be liable for any losses incurred by a Shipper if a Shipper is unable to complete an imbalance trade once Shipper has notified Transporter of its desire to make an imbalance trade.
 - (c) Upon request by a Shipper, Transporter will actively market imbalances for the fee specified in the Statement of Rates, as negotiated between Transporter and Shipper.
- 10.3 Similar Imbalance Management Services: Transporter will provide its Shippers the opportunity to obtain similar imbalance management services from other providers and shall provide those Shippers using other providers access to transportation and other pipeline services without undue discrimination or preference.

- 10.4 **Imbalance Resolution Upon Termination:** Upon termination of a Service Agreement, any imbalance shall be eliminated through the procedures set forth in this section.
- (a) Within three-months after the Service Agreement terminated, Shipper may resolve any terminated Service Agreement imbalance associated with a terminated Service Agreement through the methods described above.
 - (b) Any imbalance remaining three months after the Service Agreement terminated will be cashed out to eliminate the imbalance in accordance with Section 10.7.
 - (c) The cash-out of terminated Service Agreement imbalances will not be required if a resolution to the imbalance is mutually agreed to in writing prior to the end of the three-month period of the month following the Service Agreement termination date. Any such written imbalance resolution will be agreed to on a not unduly discriminatory basis and posted on Transporter's EBB.
- 10.5 **Inactive Service Agreement Imbalances:** An inactive Service Agreement is defined as any Service Agreement with an imbalance that has remained unchanged for a consecutive three month period. Any such Inactive Service Agreement imbalance quantity will be cashed out in accordance with Section 10.6. Transporter will provide notice to the Inactive Service Agreement Shipper 30 days prior to the pending cash-out.
- 10.6 **Cash-Out:** The term "cash-out" shall refer to the valuation of an imbalance at a price pursuant to this section. Application of the cash-out process will result in a monetary value due to the Shipper or Transporter which upon payment, will result in reduction of the imbalance to zero.
- Shippers shall have the opportunity to reduce the Service Agreement imbalance pursuant to the imbalance trading procedures above. Such reductions, if any, shall determine a final Service Agreement imbalance.
- (a) Transporter shall determine the imbalance quantity applicable to each terminated/Inactive Service Agreement.
 - (b) The cash-out price will be the highest price for imbalances due Transporter and the lowest price for imbalances due Shipper, determined as the Bidweek Price published in Natural Gas Intelligence Bidweek Survey - Spot Gas Prices as the Southern California Border Average price, of either (i) the month in which the imbalance occurred; or (ii) the month in which the imbalance(s) is reconciled.
 - (c) Cash-outs owed to the Shipper or Transporter will be the amount determined by multiplying the imbalance for the terminated/ Inactive Service Agreement by the cash-out price.

- 10.7 Transporter shall pay or credit the account, as appropriate, of Shipper for any cash-out amounts due Shipper for a terminated Service Agreement/Inactive Service Agreement. Shipper shall pay Transporter for any cash-out amounts due Transporter. Upon payment of the appropriate cash-out amounts, the imbalance amounts for the affected Service Agreement will be reduced to zero.
- (a) If the Shipper has an existing agreement with Transporter, credit will be given through invoice. If the Shipper does not have an existing agreement with Transporter, credit will be by cash.

11. SYSTEM OPERATIONAL PARAMETERS

11.1 Notice of Changes in Operating Conditions. Transporter and Shipper shall notify each other from time to time as necessary of expected changes in the rates of delivery or receipt of gas, or in the pressures or other operating conditions, and the reason for such expected changes, to the end that the other party may be prepared to meet them when they occur.

11.2 Tolerance Levels:

- (a) It is recognized that receipts from Shipper and deliveries by Transporter may vary above or below the quantities scheduled on any day. Such variations shall be kept to the minimum permitted by operating conditions and shall be balanced as soon as practicable within the time provided in Shipper's Service Agreement, but in no event shall exceed an allowable daily variation of 10% of the scheduled quantities, and provided further that the cumulative net variations during any month above or below the quantities scheduled shall not exceed 2.5% of the sum of the scheduled quantities for each day of such month. Transporter and Shipper agree to correct any cumulative net variations from scheduled quantities as soon as practicable.
- (b) Transporter will use the following operational measures to assist shippers in keeping within allowed operating tolerances: (i) contacting customers that are currently out of daily balance to coordinate adjustments to their scheduled quantities and actual flows; (ii) offsetting, to the extent possible, packs and drafts on Transporter's system to minimize impact on customers; (iii) assessing results after the next intra-day scheduling cycle and contact customers that remain out of balance; and (iv) using flow control devices as necessary to maintain system integrity.

11.3 Critical Operating Procedures:

- (a) Transporter may post a Critical Period Alert when one or more of the following conditions have been triggered which threaten the system integrity of its pipeline: (i) when a system outage occurs; (ii) when extreme weather conditions develop; (iii) when line pack exceeds (above or below) operational tolerances; or (iv) when Transporter determines that Shippers' deviations from scheduled quantities adversely affect its ability to receive and deliver gas for its Shippers. Shippers will be required to take immediate action to bring their scheduled quantities and actual flows into balance.

11.3 (Continued)

- (b) If the condition(s) continue to exist after the Alert has been in effect for one intraday scheduling cycle, Transporter may post on its EBB a notice making the Critical Period effective. Transporter agrees to provide as much advance notice as possible but, at a minimum, will give Shippers at least one intraday scheduling cycle to adjust quantities to meet the requirements of the Alert. The Critical Period shall be limited to the smallest area of the system so that the fewest number of Shippers are affected.
- (c) Transporter will post on its EBB, as soon as available, information about the status of the operational variables described above that determine when the Critical Period will begin and end. Transporter will lift the Critical Period when it determines that such conditions no longer threaten the system integrity of the pipeline.
- (d) While the Critical Period is in effect, an Unauthorized Overrun Gas charge will be assessed on those quantities defined in Sections 12 and 11 of Rate Schedules FT-1 and IT-1, respectively.
- (e) Transporter will post information on its EBB after the Critical Period is lifted that provides information on the factors that caused the Critical Period to be issued and then lifted.

11.4 Transporter's Policy on Delivery Laterals: Transporter shall construct, replace, or recondition laterals (at its own expense) to comply with contractual commitments, or to conform to Department of Transportation Regulations or other safety related requirements. Transporter shall also construct laterals, as requested by a Shipper, when that Shipper has agreed to reimburse Transporter for the construction and related costs. For purposes of this Section 11.4, "laterals" mean any pipeline extension (other than mainline extension) built from an existing pipeline facility to deliver gas to one or more customers, including new delivery points and enlargements or replacements of existing laterals.

11.5 Force Majeure.

- (a) If either party shall fail to perform any obligation imposed upon it by these General Terms and Conditions or by an executed Service Agreement, and such failure shall be caused, or materially contributed to, by: any acts of God; strikes; lockouts; or other industrial disturbances; act of public enemies; sabotage; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; floods; storms; fires; washouts; arrests and restraints of rulers and peoples; civil disturbances; explosions; breakage of or accidents to machinery or lines of pipe, materials or equipment; the failure of any of Shipper's gas suppliers to deliver gas, or failure of Shipper to receive gas, in accordance with its obligations if such failure is occasioned by an event or occurrence of the character described in this Section as constituting force majeure; any legislative, administrative or judicial action which has been resisted in good faith by all reasonable legal means; any act or omission whether of the kind herein enumerated or otherwise not within the control of the party invoking this Section and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning machinery, equipment, or pipelines, not resulting from the fault or negligence of such party; such failure shall be deemed not to be a breach of the obligation of such party, but such party shall use reasonable diligence to put itself in a position to carry out its obligations. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of the opposing parties.
- (b) No such cause affecting the performance of either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any such cause relieve either party from any obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.
- (c) The obligations and liabilities of Shipper with respect to payment of the Reservation Fee under circumstances of non-delivery shall be negotiated by Transporter and Shipper and reflected in Shipper's Service Agreement. Except as explicitly provided therein, such obligations and liabilities shall not be subject to any counterclaim, set-off, deduction or defense based upon any claim that Shipper may have against the Transporter or any other person or entity (whether arising under the Service Agreement or otherwise), and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstance or condition that might constitute a legal or equitable discharge or defense of Shipper or any other reason (whether or not Shipper shall have any knowledge or notice thereof).

12. BILLING AND PAYMENT

- 12.1 The imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be rendered on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered (made available) to the designated site. (NAESB WGQ Standard 3.3.14)
- (a) Invoices shall be deemed rendered when Transporter posts notification on its EBB that invoices are final unless the Shipper has elected to have invoices rendered via U.S. Mail. If the Shipper elects to have invoices rendered via U.S. Mail, then Shipper's invoice shall be deemed rendered when Transporter places such invoice in the U.S. Mail service with sufficient postage for delivery to the person and address designated pursuant to the applicable Service Agreement.
 - (b) A Shipper may request a complimentary e-mail notification of posting of the invoice on the EBB, provided that it is the Shipper's responsibility to maintain current e-mail information on Transporter's EBB to ensure delivery.
 - (c) A Shipper may elect to change its invoice delivery mechanism by notifying Transporter before the end of the month to be effective for the next billing cycle.
- 12.2 **Payment:** Payment to Transporter for services rendered during the preceding Month shall be due ten (10) Days from the date the invoice for such service was issued by Transporter and shall be paid by Shipper on or before such due date, or the next business day in the event the payment due date is a weekend or holiday. Unless otherwise agreed, Shipper shall pay Transporter, in immediately available funds, the amount of the bill rendered by Transporter for the billing month in accordance with Section 12.1. Any payment shall be considered to have been made on the date such payment is transferred by Shipper to the address designated by Transporter.
- 12.3 **Interest on Unpaid Amounts:** Should Shipper fail to pay the amount of any bill rendered by Transporter when such amount is due, interest shall accrue thereon at a rate of interest equal to the then effective rate computed in the manner set forth in Section 154.501(d)(1) of the Commission's Regulations. Transporter shall not bill interest when such amount is less than \$10.
- 12.4 **Remedies for Failure to Pay:** If such failure to pay continues for sixty (60) days after payment is due, Transporter, in addition to any other remedy it may have, may (subject to obtaining requisite regulatory approval) suspend further delivery of gas until such amount is paid unless Shipper in good faith disputes the amount claimed.
- 12.5 **Late Billing:** If presentation of a bill by Transporter is delayed after the due date, then the time for payment shall be extended correspondingly unless Shipper is responsible for such delay.

- 12.6 Adjustment of Billing Error: In the event an error is discovered in any bill rendered by Transporter, the amount of such error shall be adjusted within thirty (30) days of the determination of the error subject to the time periods stated in this Section 12.6 Prior period adjustment time limits shall be six months from the date of the initial transportation invoice and seven months from the date of initial sales invoice with a three-month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between the parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ Standard 3.3.15)

13. FUEL AND L&U

- 13.1 The fuel charge (which includes fuel and L&U, as defined in Section 4 of Rate Schedules FT-1 and IT-1) will be determined pursuant to this Section 13. The fuel charge will include two components: 1) a current reimbursement percentage which is designed to recover the fuel and L&U attributable to current transportation service, and 2) a volumetric "True-Up" of any volume differences between actual fuel and L&U amounts retained.
- 13.2 The Fuel and L&U Reimbursement Percentages shall be stated in the Statement of Rates section and shall apply to those Rate Schedules requiring assessment of Fuel and L&U.
- (a) Except as otherwise specified in this Section 13.2, all transactions regardless of type will be assessed a Fuel and L&U charge.
 - (b) Fuel will be assessed on each segment where fuel is actually consumed.
 - (c) Fuel shall not be assessed on the following types of transactions:
 - (i) Displacement transactions not consuming fuel such as those involving receipts from Transporter's Oxy 17Z Point of Receipt flowing east to Point(s) of Delivery; or
 - (ii) Displacement transactions not consuming fuel such as those involving deliveries flowing west to east to Topock; or
 - (iii) Transactions involving transportation service from Transporter's Daggett Point of Receipt to the Cadiz Point of Delivery.
- 13.3 The Fuel and L&U Reimbursement Percentages shall be computed annually using the procedures described in this section.
- (a) Transporter shall file the Fuel and L&U Reimbursement Percentages no later than November 30 to become effective on January 1 of each calendar year.
 - (i) For the Fuel and L&U Reimbursement Percentages to be effective January 1, 2008, the data collection period used to establish the percentages will be the 12 months ending the previous September 30, 2007. Prior period adjustments, either credits or debits, will be included; however no prior period adjustments affecting periods prior to October 1, 2006 will be included. Commencing on January 1, 2009 and for each year after that, the data collection period will be the 12 months ending the previous September 30 except with regard to the fuel and L&U adjustments data collection periods described below.

13.3(a) (Continued)

- (ii) For the Fuel and L&U Volumetric True-Up Reimbursement Percentages described in Sections 13.6 and 13.7, the data collection period will commence with March 1, 2007 production month through the September 30, 2007 production month for the percentages to be effective January 1, 2008. Prior period adjustments, either credits or debits, will be included; however no prior period adjustments affecting periods prior to March 1, 2007 will be included. For each year after that, the adjustment data collection period will be the 12 months ending the previous September 30.
- (b) In addition to the obligation in subsection (a) herein, Transporter shall have the right, but not the obligation, to make an out-of-time fuel and L&U charge filing to update the current reimbursement percentage if Transporter deems necessary.
- (c) Information related to the source (e.g. purchase) and disposition (e.g. sale) of gas for fuel and L&U, including without limit other gas balancing requirements, shall be included in Transporter's annual fuel and L&U Filing. Such information shall include: (i) the source of the gas purchased/sold including imbalance cash-out activity, (ii) the date(s) of such purchase/sale, (iii) the gas volume(s), (iv) the purchase/sale price, (v) the costs and revenues from the purchase/sale, and (vi) the disposition of the associated costs and revenues.

- 13.4 Derivation of Fuel and L&U Reimbursement Percentages. The derivation of the Fuel Reimbursement Percentage shall be based on a calculation of fuel used, receipt point throughput, and fuel retained. The Fuel Reimbursement Percentage shall be equal to the sum of the Current Fuel Reimbursement Period Percentage (see Section 13.5) and the Fuel Volumetric True-Up Reimbursement Percentage for past periods (see Section 13.6).

Fuel Reimbursement Percentage = Current Fuel Reimbursement Period Percentage + Fuel
Volumetric True-Up Reimbursement Percentage

The derivation of the L&U Reimbursement Percentage shall be based on a calculation of L&U used, receipt point throughput, and L&U retained, including but not limited to, adjustments for gas purchased and sold as well as fluctuations in index prices for the data collection period. The L&U Reimbursement Percentage shall be equal to the sum of the Current L&U Reimbursement Period Percentage (see Section 13.5) and the L&U Volumetric True-Up Reimbursement Percentage for past periods (see Section 13.7).

L&U Reimbursement Percentage = Current L&U Reimbursement Period Percentage +
L&U Volumetric True-Up Reimbursement
Percentage

- 13.5 The Current Fuel Reimbursement Period Percentage shall be based on Historical Fuel Data divided by the sum of Total Receipt Throughput. Total Receipt Throughput is the sum of all transportation receipt transactions on which fuel is retained. Historical Fuel Data and/or Total Receipt Throughput may be adjusted for quantifiable projected activities expected to occur on Transporter's system during the Current Reimbursement Period.

$$\begin{array}{lcl} \text{Current Fuel} & & \text{Historical Fuel Data} \\ \text{Reimbursement} & = & \text{-----} \\ \text{Percentage} & & \text{Applicable Total Receipt Throughput} \end{array}$$

The Current L&U Reimbursement Period Percentage shall be based on Historical L&U Data divided by the sum of Total Receipt Throughput. Total Receipt Throughput is the sum of all transportation receipt transactions on which L&U is retained. Historical L&U Data and/or Total Receipt Throughput may be adjusted for quantifiable projected activities expected to occur on Transporter's system during the Current Reimbursement Period.

$$\begin{array}{lcl} \text{Collection L\&U} & & \text{Historical L\&U Data} \\ \text{Reimbursement} & = & \text{-----} \\ \text{Percentage} & & \text{Applicable Total Receipt Throughput} \end{array}$$

- 13.6 The Fuel Volumetric True-Up Reimbursement Percentage shall be calculated to true-up volumetric differences in the fuel amounts retained and amounts that actually occurred. Fuel Over/Under Collection Percentage shall be determined by dividing the difference between the amount of Fuel Used and Fuel Retained by the Total Receipt Throughput.
- 13.7 The L&U Volumetric True-Up Reimbursement Percentage shall be the true-up volumetric differences in the L&U amounts retained and amounts that actually occurred. L&U Over/Under Collection Percentage shall be determined by dividing the difference between the amount of L&U Used and L&U Retained by the Total Receipt Throughput.
- 13.8 The derivation of the Fuel Reimbursement Percentages described above shall include the fuel quantity attributable to electric compression or treating facilities, if any. Variable electric fuel costs shall be converted to an equivalent quantity of gas by dividing Transporter's actual electric expenses during the data collection period by the Average System Spot Price (see Section 13.9).
- 13.9 Average System Spot Price shall be the Bidweek Price published in Natural Gas Intelligence Bidweek Survey - Spot Gas Prices as the Southern Cal. Border Average price.

14. PENALTIES

- 14.1 Unauthorized Overrun Gas. Transporter shall refund on a monthly basis all amounts in excess of the maximum Rate Schedule IT-1 rate assessed and collected from any and all Shippers delivering Unauthorized Overrun Gas, as such gas is defined in Rate Schedules FT-1 and IT-1, during a particular calendar month. Transporter's refund to each individual shipper shall be on a pro rata basis expressed as a function of each Shipper's Maximum Daily Quantity. Any Shipper delivering Unauthorized Overrun Gas during a particular month shall not be eligible to receive a refund of any such penalty assessed and collected as a result of its unauthorized delivery of gas.
- 14.2 Retained Gas Crediting. In the event gas is retained pursuant to Section 5 of Rate Schedule PAL, the value of such gas, as determined pursuant to Rate Schedule PAL, less Transporter's demonstrable out-of-pocket costs, shall be credited to all Rate Schedule FT-1 and IT-1 Shippers by invoice credit. Such credit shall be in proportion to the revenues, excluding surcharges, paid by each Shipper during the subject calendar year and shall be made not later than March 1 of the following year.
- 14.3 Acquired Gas Crediting. In the event Shipper is required to pay for loaned gas that Shipper fails to redeliver to Transporter, the value of such gas, as determined by Section 5 of Rate Schedule PAL, shall be credited, net of Transporter's replacement gas costs, to all Rate Schedule FT-1 and IT-1 Shippers by invoice credit. Such credit shall be in proportion to the revenues, excluding surcharges, paid by each Shipper during the subject calendar year and shall be made not later than March 1 of the following year.

15. RESERVED

16. MISCELLANEOUS SURCHARGES

16.1 Gas Research Institute Funding

- (a) Purpose: Transporter participates in the activities and financing of Gas Research Institute (GRI), an Illinois not for profit corporation. GRI has been organized for the purpose of sponsoring Research, Development and Demonstration (RD&D) programs in the field of natural and manufactured gas for the purpose of assisting all segments of the gas industry in providing adequate, reliable, safe, economic and environmentally acceptable gas service for the benefit of gas consumers and the general public.
- (b) "Check the Box" Procedure - Mojave has agreed to be a collection agent for shippers who voluntarily choose to support GRI programs through a "check the box" procedure on Mojave's invoices. If requested by the shipper, Mojave will collect and remit to GRI an amount specified by the shipper. The amounts collected pursuant to this procedure will not be part of Mojave's rates and the Commission will not review any such amounts or programs.
- (c) Remittance to GRI: Transporter shall remit to GRI all monies received by virtue of the GRI "check the box" mechanism.

17. ANNUAL CHARGE ADJUSTMENT SURCHARGE

17.1 Annual Charge Adjustment Provision

- (a) Purpose: The purpose of Section 17 is to establish an ACA Clause as permitted by Section 154.402 of the Federal Energy Regulatory Commission (Commission) Regulations under the Natural Gas Act, which allows a natural gas pipeline company to recover from its customers annual charges assessed it by the Commission under Part 382 of the Commission's Regulations.

This Section establishes an ACA unit charge, calculated by the Commission, to be applicable to the following rate schedules:

Rate Schedule FT-1 - Firm Transportation

Rate Schedule IT-1 - Interruptible Transportation

The Company shall not recover the annual charges assessed by the Commission and recorded in FERC Account No. 928 in a NGA Section 4 rate case for any time period during which this ACA Clause is in effect.

- (b) Basis of the ACA Unit Charge: The Rate Schedules specified in Section 17.1 herein shall include an ACA unit charge. Such ACA unit charge shall be the unit charge shown on the Commission's website, as revised and posted annually. Such surcharge is incorporated by reference into Transporter's currently effective FERC Gas Tariff.
- (c) The proposed effective date of the surcharge pursuant to this section shall be October 1.

18. WAIVERS

- 18.1 Non-Waiver of Future Default: No waiver by either party of any default by the other in the performance of any provisions of an executed Service Agreement shall operate as a waiver of any continuing or future default, whether of a like or different character.
- 18.2 Waivers of Past or Future Defaults. Transporter may, from time to time and on a not unduly discriminatory basis, waive any of its rights hereunder and compliance with the provisions of this Tariff. All such waivers shall be limited to past defaults or other past occurrences or case-by-case in advance waivers addressing specific, short-term operational problems.

19. DESCRIPTIVE HEADINGS

- 19.1 Effect of Headings: The headings used through these General Terms and Conditions and in executed Service Agreements are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any paragraph nor to be deemed in any way to qualify, modify or explain the effects of any such terms or provisions.

20. ELECTRONIC BULLETIN BOARD

- 20.1 Electronic Bulletin Board: Transporter has established an electronic bulletin board to publicize information concerning its services and available transportation capacity. The electronic bulletin board is available at Transporter's designated Internet Web site. Transporter's electronic bulletin board is available on a non-discriminatory basis for use by persons that have access to the Internet.

Transporter's electronic bulletin board shall contain, at a minimum, information regarding:

- (a) the capacity available on Transporter's system for firm and interruptible transportation, including capacity availability by pipeline segment and at receipt points and delivery points;
 - (b) the firm transportation release information described in Section 9 of the General Terms and Conditions;
 - (c) standards of conduct information under Order No. 717; and
 - (d) offers to purchase released transportation rights from firm Shippers.
- 20.2 Features of the Electronic Bulletin Board: Transporter shall update the information on its electronic bulletin board as frequently as is necessary. Transporter's electronic bulletin board is menu-driven and incorporates search functions, an on-line help feature and the capability for users to download information. The electronic bulletin board displays the most recent information ahead of less current data. Information from completed transactions shall be purged from current files. Transporter shall cause daily back-up records of the information displayed on the electronic bulletin board to be retained and will make provisions for such records to be available for review upon request for at least three years. Notwithstanding this Section 20.2, Transporter shall retain its affiliate waiver log for five years from the date of posting. Persons that wish to utilize the electronic bulletin board, or to make inquiries about the information posted on the electronic bulletin board, should contact Transporter using Transporter's Point of Contact information noted in Part I: Overview – Section 4.

- 20.3 Accuracy of Information: Transporter shall use reasonable efforts to ensure the accuracy of information presented on the electronic bulletin board; however, Transporter makes no representation or warranty of any kind to any person concerning the use of Transporter's electronic bulletin board, including, without limitation, the accuracy of any posted information, and shall not be liable to any person for any damages, including without limitation any special, incidental, or consequential damages which may arise in connection with Transporter's posting of information on the electronic bulletin board, or as a result of any person's use, abuse or misuse of Transporter's electronic bulletin board.
- 20.4 Shippers desiring to exchange information using Transporter's designated Internet site must first enter into an agreement conforming to the NAESB Model Trading Partner Agreement.
- 20.5 EBB users shall have access to all the information specifically identified in FERC Order Nos. 497, 636, 637 and 717. EBB access, including historical data, shall be available to state regulatory commissions and state consumer advocates on the same basis as any other party. Transporter shall maintain backup copies of the data contained on its EBB for three years, which may be archived to off-line storage. Parties may access the on-line data directly through the EBB. In the event the data has been archived off-line, parties may request the data through the EBB's electronic mail service. EBB users shall be allowed to download files so their contents can be reviewed in detail without tying up access to the EBB. Information on the most recent transactions shall be listed before older information. EBB users shall be able to split large files into smaller parts for ease of use. On-line help shall be available to assist the EBB users along with a search function allowing users to locate all information concerning a specific transaction, and menus that permit users to separately access offers to release capacity, capacity available directly from the pipeline, and standards of conduct information.
- 20.6 Transporter's currently effective Third Revised Volume No. 1 Tariff, as revised from time to time, is posted on Transporter's EBB. Therefore, Transporter shall provide paper copies of the effective tariff to customers and interested state commissions only when specifically requested.

21. AFFILIATE-RELATED INFORMATION

- 21.1 Transporter is affiliated through a corporate parent (El Paso Corporation) with corporations which may have marketing function employees as defined in Section 358 of the Commission's Regulations.
- 21.2 Any shared facilities between transmission function employees of Transporter and marketing function employees of Transporter's affiliates are listed on Transporter's Internet web site.
- 21.3 The specified information and format required from a Shipper for a valid request for transportation service, including transactions in which an affiliated marketer is involved, are set forth in Section 4 of the General Terms and Conditions of this Tariff.
- 21.4 Transporter shall keep a log containing the information required by Section 250.16(c)(2) of the Commission's Regulations for all contracts for service that rely upon contract information or other data to allocate capacity. The log data relating to each contract shall be maintained as long as the contract is used to allocate capacity and for three years thereafter.

22. Compliance with 18 CFR, Section 284.12

Transporter has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 CFR Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Standards not Incorporated by Reference and their Location in Tariff:

Pursuant to NAESB's Copyright Procedure Regarding Member and Purchaser Self-Executing Waiver, as adopted by the NAESB Board of Directors on April 4, 2013, Transporter may publish in its tariff, compliance filings, in communications with customers or stakeholders in conducting day to day business or in communications with regulatory agencies some or all of the language contained in NAESB standards protected by copyright, provided that Transporter includes appropriate citations in the submission.

Transporter has elected to reproduce only the following Business Practices and Electronic Communication standards, NAESB WGQ Version 3.2, that are protected by NAESB's copyright. With respect to each reproduced standard (including any minor corrections), Transporter incorporates the following: © 1996 - 2020 North American Energy Standards Board, Inc., all rights reserved.

<u>NAESB Standard</u>	<u>Tariff Record</u>
1.3.1	Part IV: General Terms and Conditions ("GT&C") Section 1.8
1.3.2(i – vi)	GT&C Section 6.1
1.3.8	GT&C Section 6.1(c)
1.3.11	GT&C Section 6.1(c)
1.3.17	GT&C Section 6.5(a)
1.3.51	GT&C Section 6.1(d)
1.3.64	GT&C Section 6.5(b)
1.3.65	GT&C Section 6.5(c)
2.3.7	GT&C Section 2.1
2.3.8	GT&C Section 2.6(o)
2.3.11	GT&C Section 2.1
2.3.12	GT&C Section 2.1
2.3.14	GT&C Section 2.6(n)
3.2.1	GT&C Section 1.3
3.3.14	GT&C Section 12.1
3.3.15	GT&C Section 12.6
5.2.2	GT&C Section 6.1(e)
5.2.4	GT&C Section 1.25
5.2.5	GT&C Section 1.24
5.3.2	GT&C Section 9.1(c)

5.3.5	GT&C Section 9.1(e)
5.3.8	GT&C Section 9.10(c)
5.3.16	GT&C Section 9.1(d)
5.3.34	GT&C Section 6.1(e)
5.3.44	GT&C Section 9.10(a)
5.3.45	GT&C Section 9.10(b)
5.3.51	GT&C Section 9.1(a)(ii)
5.3.53	GT&C Section 9.10(d)
5.3.54	GT&C Section 9.10(d)
5.3.56	GT&C Section 9.10(e)

Standards Incorporated by Reference:

Additional Standards:

General:

Definition:

0.2.5

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

Standards:

0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

Gas/Electric Operational Communications:

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed:

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Data Sets:

0.4.2, 0.4.3

Location Data Download:

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Dataset:

0.4.4

Storage Information:

Data Set:

0.4.1

Nominations Related Standards:

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:

1.3.3, 1.3.4, 1.3.5, 1.3.6, 1.3.7, 1.3.9, 1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.18, 1.3.19, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.80, 1.3.81, 1.3.82

Data Sets:

1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7

Flowing Gas Related Standards:

Definitions:

2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.9, 2.3.10, 2.3.13, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Datasets:

2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.17, 2.4.18

Invoicing Related Standards:

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.3.27

Datasets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.62, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108, 4.3.109, 4.3.110

Capacity Release Related Standards:

Definitions:

5.2.1, 5.2.3

Standards:

5.3.1, 5.3.3, 5.3.4, 5.3.7, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.13, 5.3.14, 5.3.15, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.26, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.52, 5.3.55, 5.3.57, 5.3.58, 5.3.59, 5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.70, 5.3.71, 5.3.72, 5.3.73

Datasets:

5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.20, 5.4.21, 5.4.22, 5.4.23, 5.4.24, 5.4.25, 5.4.26, 5.4.27

Internet Electronic Transport Related Standards:

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23,

10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.2.39

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27, 10.3.28, 10.3.29

Standards for which Waiver or Extension of Time to Comply have been granted:

<u>NAESB Standard</u>	<u>Waiver, Variance or Extension of Time</u>	<u>Relevant Tariff Section and/or Description</u>	<u>Initial Order Granting Request</u>	<u>Most Recent Order Granting Continuation</u>
0.4.1	Extension	Extension for EDI Implementation		
1.3.2	Variance	GT&C Section 6.1(b) Extension of nomination cycle deadlines.	RP06-33-000, November 4, 2005 (unpublished letter order) 154 FERC ¶ 61,250 (2016)	168 FERC ¶ 61,061 (2019)
2.4.1	Extension	Extension for EDI Implementation		
2.4.2	Extension	Extension for EDI Implementation		
2.4.3	Extension	Extension for EDI Implementation		
2.4.4	Extension	Extension for EDI Implementation		
2.4.5	Extension	Extension for EDI Implementation		
2.4.6	Extension	Extension for EDI Implementation		
3.4.1	Extension	Extension for EDI Implementation		
3.4.2	Extension	Extension for EDI Implementation		
3.4.3	Extension	Extension for EDI Implementation		
3.4.4	Extension	Extension for EDI Implementation		
4.3.60	Waiver	Requirement for multi-factor authentication.		

23. WARRANTY

- 23.1 Shipper warrants that it will at the time of delivery have title to or good right to deliver all gas delivered by it to Transporter for transportation by Transporter free and clear of liens and encumbrances and adverse claim of every kind. Transporter warrants that at the time of delivery of such gas to Shipper such gas will be free and clear of all liens and encumbrances. Transporter and Shipper will each indemnify the other and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising out of the adverse claim of any person or persons to said gas for any taxes, licenses, fees, royalties or charges which are applicable prior to the time of delivery of such gas to such other party. Shipper will indemnify Transporter and save it harmless from all taxes and assessments levied and assessed upon the sale and delivery of such gas prior to and upon delivery of such gas to Transporter for transportation. Transporter will indemnify Shipper and save it harmless from all taxes and assessments levied and assessed upon the transportation and redelivery of such gas to Shipper.

24. RESERVED

25. INDEMNIFICATION/LIABILITY

- 25.1 Each party to an executed Service Agreement or Replacement Service Agreement shall bear responsibility for all of its own breaches, tortious acts, or tortious omissions connected in any way with the executed Service Agreement or Replacement Service Agreement causing damages or injuries of any kind to the other party or to any third party, unless otherwise expressly agreed in writing between the parties. Therefore, the offending party as a result of such offense shall hold harmless and indemnify the non-offending party against any claim, liability, loss, or damage whatsoever suffered by the non-offending party or by any third party. As used herein: the term "party" shall mean a corporation or partnership entity or individual and its officers, agents, employees and contractors; the phrase "damages or injuries of any kind" shall include without limitation, litigation expenses, court costs, and attorneys' fees, and the phrase "tortious acts or tortious omissions" shall include without limitation, sole or concurrent simple negligence, recklessness, and intentional acts or omissions.

26. COMPLAINT PROCEDURES

26.1 The procedures used to address and resolve complaints by Shippers and potential Shippers are as follows:

- (a) Written complaints by any Shipper or potential Shipper, clearly stating the issue(s), facts relied on by Shipper, and the Shipper's position, should be mailed by certified mail or delivered by courier to:

Mojave Pipeline Company, L.L.C.
Post Office Box 1087
Colorado Springs, Colorado 80944
Attention: Director
Transportation Marketing Department
(Street Address: 2 North Nevada, Colorado Springs,
Colorado 80903)

- (b) Upon receipt by Transporter, a complaint will be date stamped and recorded in the Transportation Service Complaint Log maintained by Transporter.
- (c) Transporter will respond initially to all complaints by the most appropriate communication means available within 48 hours of receipt and will respond to all complaints filed with Transporter in writing within 30 days. Transporter's written response will be mailed by certified mail or delivered by courier to Complainant and filed in the Transportation Service Complaint Log. The final resolution of the complaint will be dependent upon the nature of the complaint and the time necessary to investigate the complaint, verify the underlying cause(s) and determine the relevant facts.

27. RESERVED

28. RESERVED

29. INCIDENTAL SALES

- 29.1 Incidental Sales. Transporter may sell operational gas to the extent necessary to maintain system pressure, fuel quantities, line pack, and to implement the gas retention requirements of Rate Schedule PAL.

FORMS OF SERVICE AGREEMENTS

Preliminary Statement

Pursuant to Transporter's "Tariff Re-Organization" filing in Docket No. RP10-706; and subsequent filing pursuant to the electronic tariff requirements of Docket No. RM01-5, the pro forma service agreements contained in this Tariff are modified to reflect revised GT&C section references. (See below for the new section references.) As such, the currently Executed TSAs shall remain in effect and shall not be rendered non-conforming due to these modified references.

<u>Former Section Reference</u>	<u>Current Section Reference</u>
Section 11	Section 4.6.3
Section 12	Section 4.11.5
Section 26	Section 4.8.0
Section 34	Section 4.9.0
Section 31	Section 4.4.18
Section 7	Section 4.12.0

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE FT-1

Agreement No. _____

FIRM TRANSPORTATION SERVICE AGREEMENT

RATE SCHEDULE FT-1

between

MOJAVE PIPELINE COMPANY, L.L.C.

and

(Shipper)

DATED: _____

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

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE FT-1

Agreement No. _____

Transportation Service Agreement
Rate Schedule FT-1
Dated: _____

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

1. Transporter: MOJAVE PIPELINE COMPANY, L.L.C.
2. Shipper: _____
3. Applicable Tariff and Incorporation by Reference: Transporter's FERC Gas Tariff Third Revised Volume No. 1, as the same may be amended or superseded from time to time ("Tariff"). This Agreement in all respects shall be subject to and shall incorporate as if set forth herein the provisions of the Tariff, as filed with, and made effective by FERC, as they may change from time to time. Capitalized terms used and not otherwise defined in this Agreement have the meanings given to them in the Tariff.
4. Changes in Rates and Terms: Transporter shall have the right to propose to FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.
5. Transportation Service: Transportation service at and between primary receipt point(s) and primary delivery point(s) shall be on a firm basis in accordance with the Tariff. Receipt and delivery of quantities at secondary receipt point(s) and/or secondary delivery point(s) shall be in accordance with the Tariff.

[Insert the applicable portion(s) of the following provision when service involves the construction of facilities.]

The parties recognize that Transporter must construct additional facilities in order to provide transportation service for Shipper under this Agreement. Parties agree that on in-service date the following provisions no longer apply. Transporter's obligations under this Agreement are subject to:

- (i) The receipt and acceptance by Transporter of a FERC certificate for the additional facilities, as well as the receipt by Transporter of all other necessary regulatory approvals, permits and other authorizations for the additional facilities in form and substance satisfactory to Transporter in its sole discretion.

- (ii) The approval of the appropriate management, management committee, and/or board of directors of Transporter and/or its parent companies to approve the level of expenditures for the additional facilities.
- (iii) _____.)
6. Receipt and delivery points: Shipper agrees to tender Natural Gas for transportation service and Transporter agrees to accept receipt quantities at the primary receipt point(s) identified in Exhibit A. Transporter agrees to provide transportation service and deliver Natural Gas to Shipper (or for Shipper's account) at the primary delivery point(s) identified in Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.
7. Rates and Surcharges: As set forth in Exhibit B. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate or a negotiated rate pursuant to the rate provisions of Rate Schedule FT-1 and Section 4.18 or Section 4.19 of the GT&C.
8. Negotiated Rate: Yes _____ No _____
9. Maximum Daily Quantity ("MDQ")
- | MDQ
(Dth/Day) | Effective Date |
|------------------|----------------|
| _____ | _____ |
| _____ | _____ |
10. Term of Firm Transportation Service: _____
- [Insert term of service including any (i) construction contingencies, (ii) extension rights such as an evergreen or rollover provision, (iii) contractual rights of first refusal, (iv) interim capacity limitations and/or (v) related termination provisions, as applicable.]
11. Notices, Statements, and Bills:
- To Shipper:
- _____
- _____
- Attn: _____
- To Transporter: See "Points of Contact" in the Tariff.
12. Effect on Prior Agreement(s): _____.

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

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

TRANSPORTER:

SHIPPER:

MOJAVE PIPELINE COMPANY, L.L.C. _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Accepted and agreed to this

Accepted and agreed to this

_____ day of _____, ____.

_____ day of _____, ____.

EXHIBIT A
to
FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FT-1

between

MOJAVE PIPELINE COMPANY, L.L.C.

and

(Shipper)

Dated: _____

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

Maximum Daily Quantity (MDQ): (See ¶)
Primary Points of Receipt 1/
Primary Points of Delivery 1/
Effective Dates (See ¶)
Primary Point of Receipt Quantity (MMbtu/d) 2/
Primary Point of Delivery Quantity (MMbtu/d) 3/
Receipt Pressure 4/
Delivery Pressure 5/

Notes: [Insert as applicable]

- 1/ Information regarding points of receipt and points of delivery shall be posted on Transporter's electronic bulletin board. Transporter shall update such information from time to time to include additions, deletions, or any other revisions deemed appropriate by Transporter.
- 2/ Each point of receipt quantity may be increased by an amount equal to Transporter's Fuel Reimbursement percentage. Shipper shall be responsible for providing such Fuel Reimbursement at each point of receipt on a pro rata basis based on the quantities received on any Day at a point of receipt divided by the total quantity delivered at points of delivery under this transportation service agreement.
- 3/ The sum of the delivery quantities at point(s) of delivery shall be equal to Shipper's Maximum Daily Quantity.
- 4/ Necessary pressure to enter Transporter's system and, except as otherwise noted, not in excess of any pressure specified above.

- 5/ Unless otherwise specified, the Delivery Pressure(s) for the point(s) listed above shall be the pressure existing from time to time at the metering facility; however, Transporter reserves the right to deliver quantities at the pressures up to the MAOP of that facility.

EXHIBIT B

to

FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FT-1

Between

MOJAVE PIPELINE COMPANY, L.L.C.

and

(Shipper)

Dated: _____

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

Primary Point(s) of Receipt
Primary Point(s) of Delivery
Reservation Fee/Charge 1/
Transportation Charge 1/
Effective Dates (See ¶)
Fuel Reimbursement 2/
Surcharges 3/
Authorized Overrun Rate
Secondary Point(s) of Receipt
Secondary Point(s) of Delivery

Notes: [Insert as applicable]

- 1/ Unless otherwise agreed by the Parties in writing, the rates for service shall be Transporter's maximum rates, as may change from time to time, for service under Rate Schedule FT-1, or other superseding Rate Schedules. The reservation rates shall be payable regardless of quantities transported.

and/or

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

As provided in Section 4.18 of the General Terms and Conditions of Transporter's Tariff, the parties agree to the following discount rate(s) _____ (insert if applicable) which shall be payable regardless of quantities transported. The rate(s) charge under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in Transporter's Tariff.

and/or

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

As provided in Section 4.19 of the General Terms and Conditions of Transporter's Tariff, the parties agree to the following negotiated rate(s) _____ (insert if applicable) which shall be payable regardless of quantities transported.

- 2/ Fuel reimbursement shall be as stated on Part II: Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the parties.
- 3/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rates as stated in Part II: Statement of Rates in the Tariff; as such surcharges may change from time to time.

ACA:

The ACA surcharge shall be assessed pursuant to Section 17 of the General Terms and Conditions.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE IT-1

Agreement No. _____

INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT

RATE SCHEDULE IT-1

between

MOJAVE PIPELINE COMPANY, L.L.C.

and

(Shipper)

DATED: _____

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

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE IT-1

Agreement No. _____

Transportation Service Agreement
Rate Schedule IT-1
Dated: _____

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

1. Transporter: MOJAVE PIPELINE COMPANY, L.L.C.
2. Shipper: _____
3. Applicable Tariff and Incorporation by Reference: Transporter's FERC Gas Tariff Third Revised Volume No. 1, as the same may be amended or superseded from time to time ("Tariff"). This Agreement in all respects shall be subject to and shall incorporate as if set forth herein the provisions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time. Capitalized terms used and not otherwise defined in this Agreement and have the meanings given to them in the Tariff.
4. Changes in Rates and Terms: Transporter shall have the right to propose to the FERC such changes in rates and terms of service as it deems necessary, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.
5. Transportation Service: Transportation service at and between receipt point(s) and delivery point(s) shall be on an interruptible basis.
6. Rates and Surcharges: As set forth in Exhibit A. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. Transporter and Shipper may mutually agree to a discounted rate or a negotiated rate pursuant to the provisions of Rate Schedule IT-1 and Section 4.18 or Section 4.19 of the General Terms and Conditions of the Tariff.
7. Exhibit A, attached to this Agreement, is hereby incorporated by reference as part of this Agreement.
8. Negotiated Rate: Yes _____ No _____
9. Term of Interruptible Transportation Service: _____.

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

10. Notices, Statements, and Bills:

To Shipper:

Invoices: _____

Attn: _____

All Notices:

Attn: _____

To Transporter: See "Points of Contact" in the Tariff.

11. Effect on Prior Agreement(s): _____.

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

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

TRANSPORTER:
MOJAVE PIPELINE COMPANY, L.L.C.

SHIPPER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Accepted and agreed to this
_____ day of _____, ____.

Accepted and agreed to this
_____ day of _____, ____.

EXHIBIT A

to

INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE IT-1

between

MOJAVE PIPELINE COMPANY, L.L.C.

and

(Shipper)

Dated: _____

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

Daily Quantity
Transportation Charge 1/
Effective Dates (See ¶)
Fuel Reimbursement 2/
Authorized Overrun Charge
Surcharges 3/

NOTES: [Insert as applicable]:

- 1/ Unless otherwise agreed by the Parties in writing, the rates for service shall be Transporter's maximum rates, as may be changed from time to time, for service under Rate Schedule IT-1 or other superseding Rate Schedules.

and/or

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

As provided in Section 4.18 of the General Terms and Conditions of Transporter's Tariff, the parties agree to the following discount rate(s) _____. The rate(s) charge under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in Transporter's Tariff.

and/or

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

As provided in Section 4.19 of the General Terms and Conditions of Transporter's Tariff, the parties agree to the following negotiated rate(s) _____.

- 2/ Fuel Reimbursement shall be as stated on Part II: Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed between the parties.
- 3/ Surcharges, if applicable: All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates in the Tariff, as it may be changed from time to time, unless otherwise agreed to by the parties.

ACA:

The ACA surcharge shall be assessed pursuant to Section 17 of the General Terms and Conditions.

FORM OF INTERRUPTIBLE PARKING AND LENDING SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE PAL

Agreement No. _____

INTERRUPTIBLE PARKING AND LENDING SERVICE AGREEMENT

RATE SCHEDULE PAL

between

MOJAVE PIPELINE COMPANY, L.L.C.

and

(Shipper)

DATED: _____

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

FORM OF INTERRUPTIBLE AGREEMENT
APPLICABLE TO RATE SCHEDULE PAL

Agreement No. _____

Interruptible Parking and Lending Service Agreement
DATED: _____

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

1. Transporter: MOJAVE PIPELINE COMPANY, L.L.C.
2. Shipper: _____
3. Applicable Tariff and Incorporation by Reference: Transporter's FERC Gas Tariff Third Revised Volume No. 1, as the same may be amended or superseded from time to time ("Tariff"). This Agreement and the associated Park and Loan Service Request Order(s) ("PAL RO") in all respects shall be subject to and shall incorporate as if set forth herein the provisions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time. Capitalized terms used and not otherwise defined in this Agreement and the associated PAL RO(s) have the meanings given to them in the Tariff.
4. Changes in Rates and Terms: Transporter shall have the right to propose to the FERC such changes in its rates and terms of service as it deems necessary, and this Agreement and the associated PAL RO(s) shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.
5. Parking and Lending Service: Upon Shipper's request Transporter may, on any Day and on an interruptible basis,
 - (a) hold (park) the quantity nominated to be parked for Shipper's account at the designated PAL Point on the designated date(s) specified in Shipper's PAL RO upon approval from Transporter and withdraw such quantity at the same point on the designated date(s) as set forth in the PAL RO;
 - (b) advance (loan) the quantity nominated by Shipper at the PAL Point on the designated date(s) specified in Shipper's PAL RO and approved by Transporter. Shipper shall pay back such advanced quantities on the designated date(s) at the same point where the loan occurred as set forth in the PAL RO.
6. Rates and Surcharges: As set forth in the PAL RO.

7. Term of Parking and Lending Service: _____.

This Agreement shall continue in full force and effect from month to month thereafter unless terminated upon 30 day written notice from one party to the other. (Use only when applicable.)

8. Effect on Prior Agreement(s): _____.

9. Contact Information:

To Shipper: _____.

_____.

_____.

Attn: _____.

To Transporter: See "Points of Contact" in the Tariff.

10. Governing Law: Transporter and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction. (Agreements executed prior to September 1, 2007 will be subject to the governing law provisions stated in such Agreements.)

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

TRANSPORTER:

SHIPPER:

MOJAVE PIPELINE COMPANY, L.L.C.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Accepted and agreed to this

Accepted and agreed to this

_____ day of _____, ____.

_____ day of _____, ____.

Request Order No. _____

PAL SERVICE REQUEST ORDER ("PAL RO")
 related to
 INTERRUPTIBLE PARKING AND LENDING SERVICE AGREEMENT
 RATE SCHEDULE PAL

between

MOJAVE PIPELINE COMPANY, L.L.C.

and

 (Shipper)

Dated: _____

1. PAL Agreement No: _____ Type of Service: Park _____ Loan _____
2. Maximum PAL Quantity: _____ (Dth)
3. PAL Point: _____
4. Schedule:

Date(s) Service to be Provided (May Reflect a Range of Dates)		Daily PAL Quantity (Dth) (May Reflect a Range of Quantities)			
<u>From</u>	<u>Through</u>	<u>Park or Loan Payback</u>		<u>Loan or Park Withdrawal</u>	
		<u>Minimum</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Maximum</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

5. Park and Loan Rates: Unless otherwise agreed by the Parties in this PAL RO, the Park and Loan Rates for service shall be Transporter's then effective maximum rates for service under Rate Schedule PAL or other superseding Rate Schedule, as such rates may be changed from time to time. Should a discount rate or a negotiated rate apply pursuant to Section 4.18 or Section 4.19 of the General Terms and Conditions, respectively, such rate shall apply for only parked or loaned quantities withdrawn or paid back on the specified dates set forth above. Rates may vary based on quantity, time period, etc., as set forth in this PAL RO.

<u>From</u>	<u>Through</u>	<u>PAL Rate</u>
_____	_____	_____
_____	_____	_____

6. Negotiated Rate: Yes _____ No _____

7. Contact Information:

To Shipper: _____

Attn: _____

To Transporter: See "Points of Contact" in the Tariff.

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

TRANSPORTER:

MOJAVE PIPELINE COMPANY, L.L.C

Accepted and agreed to this

_____ day of _____, ____.

SHIPPER:

Accepted and agreed to this

_____ day of _____, ____.

Reserved

GRAPHICAL ILLUSTRATIONS

(For future reference)

NON-CONFORMING AGREEMENTS

Section 1 Tehachapi-Cummings County Water District #TCF-1

Firm Transportation Service Agreement
Rate Schedule FT-1

between

Mojave Pipeline Company, L.L.C.

and

Tehachapi-Cummings County Water District

Dated: March 1, 2011

Transportation Service Agreement

Applicable to Rate Schedule FT-1

THIS AGREEMENT made this 1st day of March, 2011,

BETWEEN

MOJAVE PIPELINE COMPANY, L.L.C., having its principal office in the state of Colorado, (hereinafter referred to as Transporter) and TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT ("Shipper") having its principal office in the state of California.

WHEREAS Transporter is a natural gas pipeline whose principal purpose is the transportation of natural gas; and

WHEREAS Shipper desires Transporter to transport volumes of natural gas for it Transporter is willing to do so subject to the terms and conditions hereof and of its FERC Gas Tariff; and

WHEREAS Transporter and Shipper desire to amend and restate Service Agreement No. TCF-1 dated January 26, 1995, providing for continuous service between that prior agreement and this agreement.

NOW, THEREFORE, the parties agree as follows:

1. BASIC OBLIGATIONS AND CONDITIONS

- 1.1 It is recognized that, as a condition precedent to performance hereunder, Transporter and Shipper shall have obtained, in form acceptable to them, all permits, certificates and other authorizations necessary for the transportation service to be performed hereunder.
- 1.2 **Applicable Tariff:** Transporter's FERC Gas Tariff Third Revised Volume No. 1, as the same may be amended or superseded from time to time ("the Tariff"). Capitalized terms used in this Agreement and not defined elsewhere have the meanings given to them in the Tariff.
- 1.3 **Primacy of Tariff and Incorporation by Reference:** This Agreement in all respects shall be subject to and shall incorporate as if set forth herein the provisions of Rate Schedule FT-1 and the General Terms and Conditions of the Tariff ("GT&C") as filed with, and made effective by, the FERC as same may change from time to time.
- 1.4 Transporter agrees to receive, transport and deliver daily volumes of gas in accordance with Paragraph 2.
- 1.5 Shipper agrees to pay Transporter in accordance with Paragraph 5.

2. MAXIMUM DAILY QUANTITY ("MDQ")

- 2.1 The Maximum Daily Quantity at the point(s) of receipt referred to in Paragraph 3 is set forth in Exhibit A. No adjustment in the Maximum Daily Quantity shall be made except pursuant to Section 8 of the General Terms and Conditions of Transporter's Tariff.

Agreement No. TCF-1

2.2 The Maximum Daily Quantity at the point(s) of delivery referred to in Paragraph 4 is set forth in Exhibit A. No adjustment in the Maximum Daily Quantity shall be made except pursuant to Section 8 of the General Terms and Conditions of Transporter's Tariff.

2.3 Transporter shall not be obligated to deliver a total volume of gas on any day which is greater than the quantity of gas received from Shipper less the quantities of gas furnished by Shipper for fuel and L&U, all as computed on a thermally equivalent basis. Transporter shall not be obligated to deliver at the delivery point(s) a volume on any day which exceeds the Maximum Daily Quantity, also on a thermally equivalent basis.

3. POINT OF RECEIPT

The point or points of receipt for gas to be transported hereunder are as designated in the Exhibit A attached hereto.

4. POINTS OF DELIVERY

The point or points of delivery of gas transported hereunder are as designated in the Exhibit A attached hereto.

5. APPLICABLE RATE SCHEDULE, INCORPORATION BY REFERENCE

5.1 Rates: The rates for transportation service hereunder shall be as listed on Exhibit B which is attached hereto and made a part hereof.

6. DELIVERY PRESSURE

Shipper agrees to deliver or cause to be delivered the gas to Transporter at not less than the pressure specified on Exhibit A, unless otherwise agreed. Transporter agrees to make deliveries of gas at the point of delivery at not less than the pressure set forth on said Exhibit A, unless otherwise agreed.

7. TERM OF AGREEMENT

7.1 Effective Date: This Agreement shall become effective on March 1, 2011, which shall not be later than thirty (30) days following the date of execution of this Service Agreement.

7.2 Termination Date: This Agreement shall continue in full force and in effect for an initial term through September 30, 2025, unless terminated by written notice from Shipper to Transporter given no less than 6 months in advance.

7.3 Termination Obligations: Termination of this Agreement shall not relieve Transporter and Shipper of the obligation to correct any volumes imbalances hereunder, or Shipper of the obligation to pay money due hereunder to Transporter.

8. NOTICE, STATEMENTS, AND BILLS:

To Shipper -

Invoices and Notices:
Tehachapi-Cummings County Water District
P. O. Box 326
Tehachapi, CA 93561
Attn: General Manager

Agreement No. TCF-1

To Transporter -

Notices and Contacts:
Mojave Pipeline Company, L.L.C.
Two North Nevada
Colorado Springs, Colorado 80903
Attn: Director, Transportation Marketing Department

Payment: See Tariff

9. ADJUSTMENTS TO RATE SCHEDULE AND THE GENERAL TERMS AND CONDITIONS

Any company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entity, of Shipper, or of Transporter, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement.

10. EFFECT ON PRIOR AGREEMENTS

When this Agreement becomes effective, it shall amend and restate the following agreement(s) between the Parties: Agreement No. TCF1 dated January 26, 1995. Service under this agreement shall be a continuation and restatement of the prior agreement.

11. GOVERNING LAW

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

IN WITNESS THEREOF the Parties have this Agreement.

Transporter:

MOJAVE PIPELINE COMPANY, L.L.C.

By: Mojave Pipeline Operating Company,
Its Agent

By: _____

Name: Robert L. Perez

Title: Vice President

Accepted and agreed to this
_____ day of _____, 2011.

Shipper:

**TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT**

By: _____

Name: _____

Title: _____

Accepted and agreed to this
_____ day of _____, 2011.

Agreement No. TCF-1

Exhibit A
 To Service Agreement
 Under Rate Schedule FT-1

<i>Points of Receipt 1/</i>	<i>Effective Dates</i>	<i>Receipt Quantity 2/</i>	<i>Receipt Pressure 4/</i>
TOPEPNG (DRN 90469) Interconnection between facilities of Transporter and El Paso Natural Gas, S35, T16N, R21W, Mojave County, Arizona	03/01/2011 – 09/30/2025	3,000 Dth/d	MAOP

<i>Points of Delivery</i>	<i>Effective Dates</i>	<i>Delivery Quantity 3/</i>	<i>Delivery Pressure 5/</i>
TEHCWD (DRN 218209) Tehachapi-Cummings WD S1, T11N R19W, Kern County, California	03/01/2011 – 09/30/2025	3,000 Dth/d	450 psia

Maximum Daily Quantity: 3,000 Dth/d

Total: 3,000 Dth/d

- 1/ Each point of receipt quantity may be increased by an amount equal to Transporter's fuel reimbursement percentage. Shipper shall be responsible for providing such fuel reimbursement at each point of receipt on a pro rata basis based on the quantities received on any day at a point of receipt divided by the total quantity delivered at all point(s) of delivery under this Agreement.
- 2/ The sum of the receipt quantities at point(s) of receipt shall be equal to Shipper's Maximum Daily Quantity.
- 3/ The sum of the delivery quantities at point(s) of delivery shall be equal to Shipper's Maximum Daily Quantity.
- 4/ Necessary pressure to enter Transporter's system and, except as otherwise noted, not in excess of any pressure specified above. Assumed Barometric pressure of 14.32 psia
- 5/ Unless otherwise specified, the Delivery Pressure(s) for the point(s) listed above shall be the pressure existing from time to time at the metering facility; however, Transporter reserves the right to deliver quantities at the pressures up to the MAOP of that facility, but not less than 450 psia. Assumed Barometric pressure of 13.92 psia.

Agreement No. TCF-1

Exhibit B

To Transportation Service Agreement
 Between

Mojave Pipeline Company, L.L.C. (Transporter)
 and

Tehachapi-Cummings County Water District (Shipper)

Date: March 1, 2011

Point of Receipt	Point of Delivery	Reservation Fee	Transportation Rate	Total Unit Rate	Term of Rate	Authorized Overrun Rate
1/ TOPEPNG (DRN 90469) Interconnection between facilities of Transporter and El Paso Natural Gas, S35, T16N, R21W, Mojave County, Arizona	TEHCWD (DRN 218209) Tehachapi-Cummings WD S1, T11N R19W, Kern County, California	3/	2/	2/ 3/	09/30/2025	3/

Secondary Point(s) of Receipt	Secondary Point(s) of Delivery	Reservation Fee	Transportation Rate	Total Unit Rate	Term of Rate	Authorized Overrun Rate
OXY 17Z (DRN 237138) Interconnect located in S17, T30S, R22E, Kern County, CA		3/	2/	2/3/	09/30/2025	3/
TOPTRNS (DRN 68288) Interconnection between facilities of Transporter and Transwestern Pipeline Co., S17, T16N, R21W, Mojave County, Arizona						

Negotiated Rate: Yes ☒ No ☐

In addition to the charges set forth above, the currently effective surcharge(s) reflected on the Statement of Rates is also applicable for each MMBtu delivered at the Point of Delivery.

- 1/ Fuel reimbursement shall be as stated on Transporter's Statement of Rates, as they may be changed from time to time, unless otherwise agreed between the parties. Quantities scheduled by Transporter from/to secondary or segmented point(s) on any off-system capacity held by Transporter shall be subject to Transporter's Third Party Charges as posted on Transporter's EBB.

Exh. B-1

Agreement No. TCF-1

- 2/ Unless otherwise agreed by the Parties in writing, the rates for service shall be Transporter's maximum rate for service under Rate Schedule FT-1, or other superseding Rate Schedules, as such rates may be changed from time to time. Quantities scheduled by Transporter from/to secondary or segmented point(s) on any off-system capacity held by Transporter shall be subject to Transporter's Third Party Charges as posted on Transporter's EBB.
- 3/ Shipper shall pay each month an aggregate reservation charge calculated by multiplying a maximum rate daily reservation charge, by the greater of (i) the sum of volumes, excluding overrun volumes, transported during the month under the TSA; or (ii) the monthly transport or pay obligation, which shall be 3.3334% of Shipper's transportation contract demand multiplied by the number of days in the applicable month.

Exh. B-2

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**Mojave Pipeline Company, L.L.C.
Third Revised Volume No. 1
Tariff**

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Section 7.1.1. Version 0.0.0 March 1, 2011

Section 7.1.2. Version 0.0.0 March 1, 2011