



September 28, 2023

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

Attention: Ms. Kimberly D. Bose, Secretary

Re: Wyoming Interstate Company, L.L.C.,  
Bakken Leased Capacity Compliance Filing,  
Docket No. RP23-

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Commissioners:

Wyoming Interstate Company, L.L.C. ("WIC") tenders for filing and acceptance by the Federal Energy Regulatory Commission ("Commission") the tariff records listed in the attached Appendix A for inclusion in the Third Revised Volume No. 2 of its FERC Gas Tariff ("Tariff"):

Proposed with an effective date of November 1, 2023, these tariff records implement the *pro forma* tariff provisions reviewed by the Commission in WIC's Docket No. CP22-508-000 proceeding, as further described below.

### **Reason for Filing**

On September 8, 2022, WIC filed an application in Docket No. CP22-508-000 pursuant to Section 7(c) of the Natural Gas Act ("NGA"), and Part 157 of the Commission's Regulations seeking authorization to, among other things, lease natural gas transportation capacity from Fort Union Gas Gathering, L.L.C. and Bighorn Gas Gathering, L.L.C. ("Bakken Leased Capacity") to provide transportation service to shippers under the terms of its Tariff.

In its application, WIC submitted *pro forma* tariff records for the Commission's review and approval to implement the incremental firm and interruptible transportation service rates and the applicable incremental fuel and lost and unaccounted-for charges ("FL&U"), as well as other related tariff updates as described below. By order issued March 9, 2023 ("March Order"), the Commission granted the requested authorizations and directed WIC to file to implement the *pro forma* tariff records in advance of the acquisition of the Bakken Leased Capacity.<sup>1</sup> Based on its current schedule, WIC anticipates acquisition of the Bakken Leased Capacity to be finalized by November 1, 2023. Accordingly, WIC is proposing the tariff records to become effective on such date.

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<sup>1</sup> See *Wyoming Interstate Company, L.L.C.*, 182 FERC ¶ 62,138 (2023).

### **Description of Filing**

WIC is submitting the following tariff records pursuant to Subpart C of Part 154<sup>2</sup> of the Commission's regulations in compliance with Paragraph 28 of the March Order to implement the *pro forma* tariff provisions.<sup>3</sup>

Part 2, Sections 1.1 and 1.2 updates the Statement of Rates to reflect the addition of both incremental firm and interruptible service rates applicable to the Bakken Leased Capacity.

Part II: Section 2, Fuel and L&U Rates updates the Statement of Rates to add the applicable incremental FL&U charges.

Part II: Section 3, Footnotes adds footnotes applicable to the Bakken Leased Capacity in footnotes 7 and 8.

Part III: Sections 1 and 2 updates Rate Schedule FT and Rate Schedule IT to include provisions applicable to the Bakken Leased Capacity.

Part IV: Section 1 adds a reference to the leased capacity and includes the Bakken Leased Capacity as a WIC operational area.

Part IV: Section 4 adds a contractual right of first refusal applicable to leased capacity to the Tariff.

### **Procedural Matters**

In accordance with the applicable provisions of Part 154 of the Commission's regulations,<sup>4</sup> WIC is submitting an eTariff XML filing package, which includes the following:

- a. a transmittal letter;
- b. Appendix A, a list of the proposed tariff sections; and
- c. clean and marked versions of the tariff sections in PDF format.

WIC respectfully requests the Commission accept the tendered tariff records for filing and permit them to become effective on November 1, 2023. With respect to any tariff record the Commission allows to go into effect without

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<sup>2</sup> 18 C.F.R. §§ 154.201 – 154.210 (2022) (Subpart C).

<sup>3</sup> WIC notes that it has marked changes against the applicable currently effective tariff record version. Specifically, certain tariff records have been updated to reflect changes accepted by the Commission in Docket No. RP23-893-000 (Aug.21, 2023) (unpublished letter order) and Docket No. RP23-932-000 (Aug. 24, 2023) (unpublished letter order). The provisions marked on the tariff records submitted herein are identical to the *pro forma* provisions accepted in the March Order.

<sup>4</sup> 18 C.F.R. §§ 154.101 – 154.603 (2022).

change, WIC hereby moves to place the tendered tariff record into effect at the end of any minimal suspension period established by the Commission.

Correspondence and communications concerning this filing should be directed to:

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These persons have been designated for service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.203 (2022)).

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

Respectfully submitted,

**WYOMING INTERSTATE COMPANY, L.L.C.**

By: \_\_\_\_\_/s/  
Ryan Leahy  
Director, Regulatory

Enclosures

Certificate of Service

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

Dated at Birmingham, Alabama as of this 28<sup>th</sup> day of September 2023.

/s/

Ryan Leahy

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

WYOMING INTERSTATE COMPANY, L.L.C.  
Bakken Leased Capacity Compliance Filing

Third Revised Volume No. 2

Part II: Stmt. of Rates

|             |                     |                |
|-------------|---------------------|----------------|
| Section 1.1 | Firm Rates          | Version 10.0.0 |
| Section 1.2 | Interruptible Rates | Version 11.0.0 |
| Section 2   | Fuel and L&U Rates  | Version 60.0.0 |
| Section 3   | Footnotes           | Version 9.0.0  |

Part III: Rate Schedules

|           |                  |               |
|-----------|------------------|---------------|
| Section 1 | Rate Schedule FT | Version 5.0.0 |
| Section 1 | Rate Schedule IT | Version 6.0.0 |

Part IV: General Terms and Conditions

|           |                       |                |
|-----------|-----------------------|----------------|
| Section 1 | Definitions           | Version 15.0.0 |
| Section 4 | Requests for Services | Version 7.0.0  |

## **MARKED TARIFF SECTIONS**

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
 RATES PER DTH

|                                       | <u>Rate</u> |
|---------------------------------------|-------------|
| <u>Rate Schedule FT:</u><br>(Note 1)  |             |
| <u>Mainline Rates</u>                 |             |
| Reservation Rate (Note 2)             |             |
| Maximum Rate .....                    | \$1.6008    |
| Minimum Rate .....                    | \$0.0000    |
| Commodity Rate -                      |             |
| Maximum Rate.....                     | \$0.0026    |
| Minimum Rate.....                     | \$0.0026    |
| Overrun Rate -                        |             |
| Maximum Rate.....                     | \$0.0552    |
| Minimum Rate.....                     | \$0.0026    |
| <u>Powder River Incremental Rates</u> |             |
| Reservation Rate (Note 2)             |             |
| Maximum Rate.....                     | \$1.0646    |
| Minimum Rate.....                     | \$0.0000    |
| Commodity Rate -                      |             |
| Maximum Rate.....                     | \$0.0000    |
| Minimum Rate.....                     | \$0.0000    |
| Overrun Rate -                        |             |
| Maximum Rate.....                     | \$0.0350    |
| Minimum Rate.....                     | \$0.0000    |
| <u>Medicine Bow Incremental Rates</u> |             |
| Reservation Rate (Note 2)             |             |
| Maximum Rate.....                     | \$2.7345    |
| Minimum Rate.....                     | \$0.0000    |
| Commodity Rate -                      |             |
| Maximum Rate.....                     | \$0.0000    |
| Minimum Rate.....                     | \$0.0000    |
| Overrun Rate -                        |             |
| Maximum Rate.....                     | \$0.0899    |
| Minimum Rate.....                     | \$0.0000    |

Rate-

Rate Schedule FT:

(Note 1)

Bakken Leased Capacity Incremental Rates

Reservation Rate (Note 2)(Note 8)

Maximum Rate..... \$6.0833

Minimum Rate..... \$0.0000

Commodity Rate -

Maximum Rate..... \$0.0000

Minimum Rate..... \$0.0000

Overrun Rate -

Maximum Rate..... \$0.2000

Minimum Rate..... \$0.0000

Piceance Basin Incremental Rates

Reservation Rate (Note 2)

Maximum Rate..... \$4.2911

Minimum Rate..... \$0.0000

Commodity Rate -

Maximum Rate..... \$0.0004

Minimum Rate..... \$0.0004

Overrun Rate -

Maximum Rate..... \$0.1415

Minimum Rate..... \$0.0004

Kanda Lateral Incremental Rates

Reservation Rate (Note 2)(Note 10)

Maximum Rate..... \$4.4040

Minimum Rate..... \$0.0000

Commodity Rate -

Maximum Rate..... \$0.0001

Minimum Rate..... \$0.0001

Overrun Rate -

Maximum Rate..... \$0.1449

Minimum Rate..... \$0.0001



Rate Schedule FDBS:

(Note 1)

Medicine Bow Rates

Reservation Rate

Maximum Rate..... \$3.6369

Minimum Rate..... \$0.0000

Commodity Rate

Maximum Rate..... \$0.0000

Minimum Rate..... \$0.0000

Unauthorized Overrun Rate ..... \$0.2391

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
RATES PER DTH

|  | <u>Rate</u>     |
|--|-----------------|
| <u>Rate Schedule IT:</u>                                       |                 |
| <u>Mainline Rates</u>  |                 |
| Commodity Rate -   |                 |
| Maximum Rate.....  | \$0.0552        |
| Minimum Rate.....  | \$0.0026        |
| <u>Powder River Interruptible Incremental Rates</u>            |                 |
| Commodity Rate -   |                 |
| Maximum Rate.....  | \$0.0350        |
| Minimum Rate.....  | \$0.0000        |
| <u>Medicine Bow Interruptible Incremental Rates</u>            |                 |
| Commodity Rate -   |                 |
| Maximum Rate.....  | \$0.0899        |
| Minimum Rate.....  | \$0.0000        |
| <u>Bakken Leased Capacity Incremental Rates</u>                |                 |
| <u>Commodity Rate -</u>  |                 |
| <u>Maximum Rate.....</u>                                       | <u>\$0.2000</u> |
| <u>Minimum Rate.....</u>                                       | <u>\$0.0000</u> |
| <u>Piceance Basin Interruptible Incremental Rates</u>          |                 |
| Commodity Rate -   |                 |
| Maximum Rate.....  | \$0.1415        |
| Minimum Rate.....  | \$0.0004        |
| <u>Kanda Lateral Interruptible Incremental Rates (Note 10)</u> |                 |
| Commodity Rate -   |                 |
| Maximum Rate.....  | \$0.1449        |
| Minimum Rate.....  | \$0.0001        |

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
 RATES PER DTH

|   | <u>Rate</u> |
|---|-------------|
| <u>Rate Schedule PAL:</u>                                   |             |
| <u>WIC East and West Mainline Parking or Lending Rates</u>  |             |
| Initial Rate -  |             |
| Maximum Rate.....   | \$0.0552    |
| Minimum Rate.....   | \$0.0000    |
| Balance Rate -  |             |
| Maximum Rate.....   | \$0.0276    |
| Minimum Rate.....   | \$0.0000    |
| Completion Rate -   |             |
| Maximum Rate.....   | \$0.0552    |
| Minimum Rate.....   | \$0.0000    |
| <u>Medicine Bow Parking and Lending Incremental Rates</u>   |             |
| Initial Rate -  |             |
| Maximum Rate.....   | \$0.0899    |
| Minimum Rate.....   | \$0.0000    |
| Balance Rate -  |             |
| Maximum Rate.....   | \$0.0449    |
| Minimum Rate.....   | \$0.0000    |
| Completion Rate -   |             |
| Maximum Rate.....   | \$0.0899    |
| Minimum Rate.....   | \$0.0000    |
| <u>Piceance Basin Parking and Lending Incremental Rates</u> |             |
| Initial Rate -  |             |
| Maximum Rate.....   | \$0.1415    |
| Minimum Rate.....   | \$0.0000    |
| Balance Rate -  |             |
| Maximum Rate.....   | \$0.0708    |
| Minimum Rate.....   | \$0.0000    |
| Completion Rate -   |             |
| Maximum Rate.....   | \$0.1415    |
| Minimum Rate.....   | \$0.0000    |

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
RATES PER DTH

Rate

Rate Schedule PAL:

Kanda Lateral Parking and Lending Incremental Rates

Initial Rate -

|                   |          |
|-------------------|----------|
| Maximum Rate..... | \$0.1449 |
| Minimum Rate..... | \$0.0000 |

Balance Rate -

|                   |          |
|-------------------|----------|
| Maximum Rate..... | \$0.0725 |
| Minimum Rate..... | \$0.0000 |

Completion Rate -

|                   |          |
|-------------------|----------|
| Maximum Rate..... | \$0.1449 |
| Minimum Rate..... | \$0.0000 |

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
 RATES PER DTH

| Particulars<br>-----                  | Current<br>Reimbursement<br>----- | True-up<br>----- | Total<br>----- |
|---------------------------------------|-----------------------------------|------------------|----------------|
| Mainline System                       |                                   |                  |                |
| Fuel Gas Percentage (Note 3)          | 0.41%                             | -0.41%           | 0.00%          |
| L&U Percentage (Note 3)               | 0.00%                             | 0.00%            | 0.00%          |
|                                       | -----                             | -----            | -----          |
| Total FL&U Percentage                 | 0.41%                             | -0.41%           | 0.00%          |
| L&U Percentage (Note 11)              | 0.00%                             | 0.00%            | 0.00%          |
| Powder River Incremental              |                                   |                  |                |
| Fuel Gas Percentage (Note 3) (Note 4) | 0.00%                             | 0.00%            | 0.00%          |
| L&U Percentage (Note 3) (Note 4)      | 0.00%                             | 0.00%            | 0.00%          |
|                                       | -----                             | -----            | -----          |
| Total FL&U Percentage                 | 0.00%                             | 0.00%            | 0.00%          |
| L&U Percentage (Note 11)              | 0.00%                             | 0.00%            | 0.00%          |
| Medicine Bow Incremental              |                                   |                  |                |
| Fuel Gas Percentage (Note 3) (Note 6) | 0.17%                             | -0.08%           | 0.09%          |
| L&U Percentage (Note 3) (Note 6)      | 0.00%                             | 0.00%            | 0.00%          |
|                                       | -----                             | -----            | -----          |
| Total FL&U Percentage                 | 0.17%                             | -0.08%           | 0.09%          |
| L&U Percentage (Note 11)              | 0.00%                             | 0.00%            | 0.00%          |

|   |     |     |       |
|---|-----|-----|-------|
| <u>Bakken Leased Capacity Incremental</u> |     |     |       |
| Fuel Gas Percentage (Note 7)              | n/a | n/a | 2.00% |
| L&U Percentage (Note 7)                   | n/a | n/a | 0.00% |
| -----                                     |     |     |       |
| Total FL&U Percentage                     | n/a | n/a | 2.00% |
|   |     |     |       |
| L&U Percentage                            | n/a | n/a | 0.00% |

Piceance Basin Incremental

FL&U Percentages detailed below (Note 3)(Note 9)(Note 12):

Piceance Lateral

|  |       |       |       |
|--|-------|-------|-------|
| Fuel Gas Percentage To Transporter's Mainline System | 0.37% | 0.09% | 0.46% |
| L&U Percentage To Transporter's Mainline System      | 0.00% | 0.00% | 0.00% |
| -----  |       |       |       |
| Total FL&U Percentage                                | 0.37% | 0.09% | 0.46% |
|  |       |       |       |
| L&U Percentage (Note 11)                             | 0.00% | 0.00% | 0.00% |
|  |       |       |       |
| Fuel Gas Percentage To Other Pipelines               | 0.37% | 0.09% | 0.46% |
| L&U Percentage To Other Pipelines                    | 0.00% | 0.00% | 0.00% |
| -----  |       |       |       |
| Total FL&U Percentage                                | 0.37% | 0.09% | 0.46% |
|  |       |       |       |
| L&U Percentage (Note 11)                             | 0.00% | 0.00% | 0.00% |

Kanda Lateral Incremental  
 FL&U Percentages detailed below (Note 3) (Note 9) (Note 13):

|  |       |       |       |
|--|-------|-------|-------|
| Fuel Gas Percentage To Transporter's Mainline System | 0.00% | 0.00% | 0.00% |
| L&U Percentage To Transporter's Mainline System      | 0.00% | 0.00% | 0.00% |
|  | ----- | ----- | ----- |
| Total FL&U Percentage                                | 0.00% | 0.00% | 0.00% |
| L&U Percentage (Note 11)                             | 0.00% | 0.00% | 0.00% |
| Fuel Gas Percentage To Other Pipelines               | 0.00% | 0.00% | 0.00% |
| L&U Percentage To Other Pipelines                    | 0.00% | 0.00% | 0.00% |
|  | ----- | ----- | ----- |
| Total FL&U Percentage                                | 0.00% | 0.00% | 0.00% |
| L&U Percentage (Note 11)                             | 0.00% | 0.00% | 0.00% |

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS

FOOTNOTES

- (1) The transportation rate shall be adjusted to include the FERC Annual Charge Adjustment (ACA).
- (2) For Capacity Release transactions only, Transporter has adopted the following NAESB standards. On the bidding formats, the number of decimal places for offers, bids and awards shall be equal to the number of decimal places in Transporter's stated rates (NAESB Standard 5.3.21). Converting a Daily rate to a Monthly rate is accomplished by multiplying the Daily rate times the number of Days in the rate period, dividing the result by the number of Months in the rate period and taking the remainder out to 5 decimal places, and rounding up or down to the Transporter's specified decimal place. Converting a Monthly rate to a Daily rate is accomplished by multiplying the Monthly rate by the number of Months in the rate period; dividing the result by the number of Days in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to the Transporter's specified decimal place (NAESB Standard 5.3.22). Furthermore, for capacity release purposes, all Tariff rates shall be adjusted to reflect a standard calculation of Daily and Monthly rates, in conformance with NAESB Standard 5.3.23.
- (3) The "FL&U" percentage(s) shall be adjusted quarterly. Such adjustment(s) shall not subject Transporter to any obligation to justify its other costs or revenues or throughput. Transporter shall be allowed to adjust the percentage(s) independent of and without regard to other rates. As applicable to the use of off-system capacity, Transporter will assess L&U or FL&U Third Party Charges pursuant to General Terms and Conditions Section 4.5(b); in the absence of any provision in the FTSA to the contrary, any Shipper utilizing off-system capacity will be responsible for all costs, charges, and surcharges (including but not limited to L&U and when assessed, fuel) imposed by the off-system capacity provider. To the extent off-system capacity is used in conjunction with Transporter's mainline and/or incremental rate lateral facilities' capacity, Transporter will also assess the applicable mainline and/or incremental rate lateral L&U or FL&U charges. To the extent off-system capacity is not used in conjunction with Transporter's mainline and/or incremental rate lateral facilities' capacity, Transporter will only assess the off-system L&U or FL&U charges.
- (4) Reserved
- (5) Reserved
- (6) All Shippers transporting from the Medicine Bow Lateral to Cheyenne shall be subject to the Medicine Bow Incremental FL&U Percentages, but shall not be subject to the mainline FL&U Percentages.
- (7) All Shippers utilizing Bakken Leased Capacity shall be subject to the Bakken Leased Capacity Incremental Fuel and Lost and Unaccounted for "Bakken Leased Capacity FL&U Percentages". The Bakken Leased Capacity FL&U Percentages shall be adjusted at least



quarterly, based on information provided by Bighorn Gas Gathering, L.L.C. and/or Fort Union Gas Gathering, L.L.C. Such Bakken Leased Capacity FL&U will be passed through in-kind to Shipper(s) and is not subject to the provisions of General Terms and Conditions Section 13. Shippers utilizing the Bakken Leased Capacity on a firm secondary basis shall be assessed all applicable incremental FL&U charges. To the extent Bakken Leased Capacity is used in conjunction with Transporter's mainline and/or other incremental rate lateral facilities' capacity, Transporter will also assess the applicable mainline and/or incremental rate lateral charges. Reserved

- (8) Any Bakken Leased Capacity which is not used by Shipper(s) shall be offered to other Shippers on a secondary and interruptible basis, pursuant to Transporter's FERC Gas Tariff ("Tariff") and subject to Transporter's currently effective rates as such Tariff and rates may change from time to time. Reserved
- (9) All Shippers transporting from the Piceance Basin Lateral or Kanda Lateral to such lateral or a receipt or delivery point on Transporter's mainline shall be subject to individual Incremental FL&U Percentages To Transporter's Mainline System. However, all Shippers transporting from the Piceance Basin Lateral or Kanda Lateral to a pipeline other than Transporter's mainline shall be subject to individual Incremental FL&U Percentages To Other Pipelines. The Piceance Basin Incremental Fuel Gas percentage, Piceance Lateral L&U percentages and Kanda Lateral Incremental FL&U percentages shall be calculated in accordance with the approved methodology set forth in Section 13 contained in the General Terms and Conditions of this Tariff.
- (10) The actual Kanda Lateral interruptible revenues that are in excess of costs during a calendar year shall be credited to all Kanda Lateral firm and interruptible Shippers pro rata based on the total revenues received from each such Kanda Lateral Shipper during the calendar year in relation to the total revenues received from all such Shippers as a group. Following each calendar year, Transporter shall apply such allocated amounts as an invoice credit on Shipper's invoice for the service provided during March of any year. If a credit amount cannot be applied, a cash payment shall be made to Shipper.
- (11) Pursuant to Section 13.6 of the GT&C, specified Shippers shall only be assessed an L&U charge and not a Fuel Gas charge.
- (12) New firm service, secondary, and interruptible transport on the Piceance Basin Lateral will be assessed the Piceance Basin Incremental Fuel Gas percentage and the Piceance Lateral L&U percentage.

RATE SCHEDULE FT  
FIRM TRANSPORTATION SERVICE

1. Availability

- 1.1 This Rate Schedule is available, on the basis described in Section 4 of the General Terms and Conditions of this Tariff and subject to all of the other terms of this Tariff for Transportation Service by Wyoming Interstate Company, L.L.C. (hereinafter called Transporter), for any person (hereinafter called Shipper) when Shipper desires firm Transportation Service and:
- (a) Transporter has determined that other than such new taps, valves, measurement equipment, and other minor facilities which may be required at the Point(s) of Receipt or Point(s) of Delivery to effect receipt or Delivery of the Gas it has available or will secure sufficient uncommitted capacity to provide the service requested by Shipper as well as all of its other firm service commitments;
  - (b) Shipper makes a valid request pursuant to Section 4 of the General Terms and Conditions of this Tariff;
  - (c) Shipper executes a Firm Transportation Service Agreement ("Agreement") pursuant to the terms of this Rate Schedule in the form attached hereto; and
  - (d) Shipper has met the creditworthiness requirements and other service requirements specified in Section 4 of the General Terms and Conditions.
- 1.2 When new and/or expanded facilities at Points of Receipt or Points of Delivery, such as new taps, valves, measurement equipment, and other minor facilities, are required to accommodate receipt and/or Delivery of Gas under this Rate Schedule FT and will not impair service to any existing Shipper or threaten the integrity of Transporter's System, Transporter will construct such facilities. Transporter shall require Shipper to pay all construction costs pursuant to Section 3.11 of this Rate Schedule, including any filing fees, notifications, and a reimbursement amount to compensate for federal and state income tax effects associated with such facilities.
- 1.3 Any Contribution in Aid of Construction (CIAC) pursuant to this Section 1 shall be increased by an amount (Tax Reimbursement) to compensate for the federal and state income tax effects thereof, according to the following formula:
- $$\text{Tax Reimbursement} = [\text{Tax Rate} \times (\text{CIAC} - \text{Present Value of Tax Depreciation})] \times [1 + \{\text{Tax Rate}/(1 - \text{Tax Rate})\}]$$
- 1.4 Any construction of additional facilities to provide service for a Shipper will be subject to any applicable laws and appropriate regulations.

## 2. Applicability and Character of Service

- 2.1 Transportation Service, up to Shipper's Maximum Delivery Quantity shall be considered firm, and not subject to interruption by Transporter except as provided in the General Terms and Conditions of this Tariff.
- 2.2 Upon mutual agreement of Shipper and Transporter, the Agreement may be amended to add or delete Points of Receipt and/or Delivery.
- 2.3 Transporter shall not be required to provide Transportation Service if the quantities Tendered are so small as to cause operational difficulties, such as measurement. Transporter shall promptly notify Shipper if such operating conditions exist.
- 2.4 Service Options. Shippers may contract for firm transportation service as set forth in this Section 2.4. Unless otherwise agreed, Shipper's MDQ as defined in Section 1 of the General Terms and Conditions shall remain the same throughout each season, each season within an annual contract or for the annual period. Shipper's Primary Point of Receipt Quantity and Primary Point of Delivery Quantity and any differing levels in such quantities, as well as the period of such differing levels, shall be specified in the executed transportation service agreement.
  - (a) Firm transportation service available for the five consecutive Months during the November through March winter period ("Winter Contract"). A Winter Contract may be for a term of multiple years.
  - (b) Firm transportation service available for the seven consecutive Months during the April through October summer period ("Summer Contract"). A Summer Contract may be for a term of multiple years.
  - (c) Firm transportation service available for twelve consecutive Months or more ("Annual Contract").
  - (d) Shippers may contract for firm transportation service separately with a Summer or Winter Contract, or jointly to create an Annual Contract.

## 3. Transportation Service Charges

- 3.1 Applicable Rates: The applicable minimum and maximum rates for service hereunder are set forth on the Statement of Rates, as adjusted from time to time.
- 3.2 Reservation Charge: Each Month Shipper shall be charged a Reservation Charge determined by multiplying the Reservation Rate set forth in the Agreement by Shipper's Maximum Delivery Quantity. Shipper shall begin paying the Reservation Charge on the effective date provided in the Agreement.

- 3.3 Powder River Incremental Reservation Charge - Shipper shall be subject to the Powder River Incremental Reservation Charge for any entitlement from a Point of Receipt or to a Point of Delivery on the Powder River Lateral. This charge shall be a monthly reservation charge equal to the product of (1) Shipper's currently effective Maximum Receipt Quantity from Point(s) of Receipt or Maximum Delivery Quantity to Point(s) of Delivery on the Powder River Lateral and (2) Transporters currently effective Powder River Incremental Reservation Rate. In the event on any Day Transporter has scheduled and confirmed from/to Secondary or Segmented Point(s) on the Powder River Lateral for Shipper not having a Primary Point on the Powder River Lateral, such quantities shall be subject to Transporter's daily Powder River Incremental Reservation Rate to be calculated in the same manner as defined in Note 2 contained on the Statement of Rates. In addition to the Powder River Incremental Reservation Charge, Shipper shall also pay Transporter's applicable mainline Reservation Rate when Shipper uses Transporter's mainline system. Shipper shall only be subject to the Powder River Incremental Reservation Rate for any entitlement where both the Point of Receipt and Point of Delivery are on the Powder River Lateral.
- 3.4 Medicine Bow Incremental Reservation Charge - Shipper shall be subject to the Medicine Bow Incremental Reservation Charge for any entitlement from a Point of Receipt or to a Point of Delivery on the Medicine Bow Lateral. This charge shall be a monthly reservation charge equal to the product of (1) Shipper's currently effective Maximum Receipt Quantity from Point(s) of Receipt or Maximum Delivery Quantity to Point(s) of Delivery on the Medicine Bow Lateral, and (2) Transporter's currently effective Medicine Bow Incremental Reservation Rate. In the event on any Day Transporter schedules from/to Secondary or Segmented Point(s) on the Medicine Bow Lateral for Shipper such quantities shall be subject to Transporter's daily Medicine Bow Incremental Reservation Rate to be calculated in the same manner as defined in Note 2 on the Statement of Rates. In addition to the Medicine Bow Lateral Incremental Reservation Charge, Shipper shall also pay Transporter's applicable mainline Reservation Rate when Shipper uses Transporter's mainline system. Shipper shall only be subject to the Medicine Bow Incremental Reservation Charge for any entitlement where both the Point of Receipt and Point of Delivery are on the Medicine Bow Lateral.
- 3.5 Bakken Leased Capacity Incremental Reservation Charge - Shipper shall be subject to the Bakken Leased Capacity Incremental Reservation Charge for any entitlement from the Bighorn Point of Receipt to the Point of Delivery located at the interconnection of the Fort Union Gas Gathering, L.L.C. with Transporter's Medicine Bow Lateral. This charge shall be a monthly reservation charge equal to the product of (1) Shipper's currently effective Maximum Receipt Quantity from Point(s) of Receipt or Maximum Delivery Quantity to Point(s) of Delivery utilizing the Bakken Leased Capacity, and (2) Transporter's currently Bakken Leased Capacity Incremental Reservation Rate. In the event on any Day Transporter schedules from/to Secondary Point(s) utilizing Bakken Lateral Capacity such quantities shall be subject to Transporter's daily Bakken Leased Capacity Incremental Reservation Rate to be calculated in the same manner as defined in Note 2 on the Statement of Rates. In addition to the Bakken Leased Capacity Incremental Reservation Charge, Shipper shall also pay Transporter's applicable Medicine Bow Incremental Reservation Rate when Shipper uses Transporter's Medicine Bow Lateral. To the extent Bakken Leased

Capacity is used in conjunction with Transporter's mainline and/or other incremental rate lateral facilities' capacity. Transporter will also assess the applicable mainline and/or incremental rate lateral charges.~~Reserved~~

- 3.6 Piceance Basin Incremental Reservation Charge - Shipper shall be subject to the Piceance Basin Incremental Reservation Charge for any entitlement from a Point of Receipt or to a Point of Delivery on the Piceance Basin Lateral. This charge shall be a monthly reservation charge equal to the product of (1) Shipper's currently effective Maximum Receipt Quantity from Point(s) of Receipt or Maximum Delivery Quantity to Point(s) of Delivery on the Piceance Basin Lateral and (2) Transporter's currently effective Piceance Basin Incremental Reservation Rate. In the event on any Day Transporter schedules from/to Secondary or Segmented Point(s) on the Piceance Basin Lateral for Shipper not having a Primary Point on the Piceance Basin Lateral, such quantities shall be subject to Transporter's Piceance Basin Incremental Reservation Rate. In addition to the Piceance Basin Incremental Reservation Charge, Shipper shall also pay Transporter's applicable mainline Reservation Rate when Shipper uses Transporter's mainline system. Shipper shall only be subject to the Piceance Basin Incremental Reservation Charge for any entitlement where both the Point of Receipt and Point of Delivery are on the Piceance Basin Lateral.
- 3.7 Kanda Lateral Incremental Reservation Charge - Shipper shall be subject to the Kanda Lateral Incremental Reservation Charge for any entitlement from a Point of Receipt or to a Point of Delivery on the Kanda Lateral. This charge shall be a monthly reservation charge equal to the product of (1) Shipper's currently effective Maximum Receipt Quantity from Point(s) of Receipt or Maximum Delivery Quantity to Point(s) of Delivery on the Kanda Lateral and (2) Transporter's currently effective Kanda Lateral Incremental Reservation Rate. In the event on any Day Transporter schedules from/to Secondary or Segmented Point(s) on the Kanda Lateral for Shipper not having a Primary Point on the Kanda Lateral, such quantities shall be subject to Transporter's Kanda Lateral Incremental Reservation Rate. In addition to the Kanda Lateral Incremental Reservation Charge, Shipper shall also pay Transporter's applicable mainline Reservation Rate when Shipper uses Transporter's mainline system. Shipper shall only be subject to the Kanda Lateral Incremental Reservation Charge for any entitlement where both the Point of Receipt and Point of Delivery are on the Kanda Lateral.
- 3.8 Commodity Charge: Shipper shall be charged an amount obtained by multiplying the Commodity Rate set forth in the Agreement, including, as applicable, the incremental lateral commodity rate, by the quantity of Gas in Dth's Delivered (exclusive of any Overrun Gas) each Month by Transporter to Shipper at the Point(s) of Delivery.

- 3.9 FL&U: Shipper shall provide FL&U in kind as described in Section 13.4 ("FL&U Adjustment") of the General Terms and Conditions. The FL&U Percentages shall be applied to the quantities received from Shipper for Transportation Service to determine Shipper's FL&U.

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Shippers utilizing Bakken Leased Capacity shall provide FL&U in kind pursuant to the reimbursement percentages posted on Transporter's EBB for the applicable month. These percentages shall be applied to the quantities received from Shipper for Transportation Service to determine Shipper's FL&U. Such quantities shall be passed through to the Shipper and are not subject to the provisions of General Terms and Conditions Section 13.

- 3.10 Venting of Gas: Shipper shall be responsible for Unauthorized Overrun Gas Tendered by it to Transporter which is vented pursuant to Section 3.3 of the General Terms and Conditions hereof.
- 3.11 Incremental Facility Charge: When the construction of new minor facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. The Parties shall agree as to whether Shipper shall (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter. The facility charge will include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties, if the Shipper elects to reimburse Transporter for the facilities over a period of time.
- 3.12 Adjustment of Rates: Subject to the terms of the Agreement, Transporter reserves the right to prescribe and/or adjust at any time any of the rates applicable to service under any individual Agreement without adjusting any other rates for service under other Agreements. Downward adjustment to any rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term specified in Exhibit B to the Agreement, the rate for Transportation Service shall revert to the maximum rate under this Rate Schedule.
- 3.13 Imbalance Management: Shipper shall be subject to the imbalance management provisions set forth in Section 10 of the General Terms and Conditions.
- 3.14 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 4.5 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.
- 3.15 Other Charges: Shipper shall pay to Transporter, when incurred by Transporter, all charges related to service provided under this Rate Schedule, including any costs incurred by Transporter on behalf of Shipper.

4. Overrun Transportation

Upon request of Shipper and at Transporter's option, Shipper may Tender and Transporter may accept for transportation, on any Day, quantities of Gas in excess of Shipper's Maximum Delivery Quantity ("Overrun Gas"). All quantities transported as Overrun Gas shall be transported on an interruptible basis. Unless otherwise agreed, Shipper shall pay an amount obtained by multiplying the quantity of such Overrun Gas during the Month by the Maximum Overrun Rate, and when applicable the Maximum Incremental Overrun Rate, as set forth in the Statement of Rates.

5. General Terms and Conditions

The General Terms and Conditions contained in this Tariff, except as modified in the Agreement to accommodate specific operational requirements, are applicable to this Rate Schedule and are hereby made a part hereof.

RATE SCHEDULE IT  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. Availability

- 1.1 This Rate Schedule is available on the basis described in Section 4 of the General Terms and Conditions of this Tariff and subject to all of the other terms of this Tariff for Transportation Service by Wyoming Interstate Company, L.L.C. (hereinafter called Transporter), for any person (hereinafter called Shipper) when Shipper desires interruptible Transportation Service, and:
- (a) Transporter can render such service with its existing transmission system without need for construction of any additional pipeline facilities other than such new taps, valves, measurement equipment and other facilities which may be required at the Point(s) of Receipt or Point(s) of Delivery to effect receipt or delivery of the Gas;
  - (b) Shipper makes a valid request pursuant to Section 4 of the General Terms and Conditions of this Tariff;
  - (c) Shipper executes an interruptible transportation service agreement ("Agreement") pursuant to the terms of this Rate Schedule in the form attached hereto; and
  - (d) Shipper has met the creditworthiness requirements and other service requirements specified in Section 4 of the General Terms and Conditions.
- 1.2 When new and/or expanded facilities at Points of Delivery or Receipt, such as new taps, valves, measurement equipment, and other minor facilities, are required to accommodate receipt and/or Delivery of Gas under this Rate Schedule IT and will not impair service to any existing Shipper or threaten the integrity of Transporter's system, Transporter will construct such facilities. Transporter shall require Shipper to pay all construction costs pursuant to Section 3.5 of this Rate Schedule, including any filing fees, notifications, and a reimbursement amount to compensate for tax effects associated with such facilities.
- 1.3 Any Contribution in Aid of Construction (CIAC) pursuant to this Section 1 shall be increased by an amount (Tax Reimbursement) to compensate for the federal and state income tax effects thereof, according to the following formula:
- $$\text{Tax Reimbursement} = [\text{Tax Rate} \times (\text{CIAC} - \text{Present Value of Tax Depreciation})] \times [1 + \{\text{Tax Rate}/(1 - \text{Tax Rate})\}]$$
- 1.4 Any construction of additional facilities to provide service for a Shipper will be subject to any applicable laws and appropriate regulations.



2. Applicability and Character of Service

- 2.1 Incorporation by Reference: The Agreement in all respects shall be subject to the provisions of this Rate Schedule and the General Terms and Conditions of this Tariff as filed with and accepted by the FERC from time to time.
- 2.2 Transportation Service hereunder is interruptible, and subject to interruption by Transporter at any time. Transportation Service under this Rate Schedule will be performed when Transporter has capacity available to provide such service without detriment or disadvantage to Transporter's firm Shippers. Service interruption for interruptible Shippers will be determined in accordance with the provisions of Section 6 of the General Terms and Conditions.
- 2.3 Receipt: Subject to the General Terms and Conditions of this Tariff, Shipper agrees to Tender and Transporter agrees to accept Receipt Quantities at the Point(s) of Receipt nominated by Shipper pursuant to Section 6 of the General Terms and Conditions.
- 2.4 Delivery: Subject to the General Terms and Conditions of this Tariff, Transporter agrees to transport and Tender Delivery Quantities to Shipper or for Shipper's account at Point(s) of Delivery nominated by Shipper pursuant to Section 6 of the General Terms and Conditions.
- 2.5 Rates of Flow: At each Point of Receipt and Point of Delivery, each Party shall use reasonable efforts to Tender, or cause to be Tendered, Gas at reasonably uniform hourly and daily rates of flow.
- 2.6 Transporter shall not be required to provide Transportation Service if the quantities Tendered are so small as to cause operational difficulties, such as measurement. Transporter shall promptly notify Shipper if such operating conditions exist.

3. Transportation Service Charges

- 3.1 Applicable Rates: The applicable rates for service hereunder shall, subject to the other provisions hereof, be the rates agreed to by Transporter and Shipper as set forth in Exhibit A to the Agreement provided that such rates shall be not less than the minimum nor more than the maximum rates for service pursuant to this Rate Schedule, as set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 2, or any effective superseding Rate Schedule on file with the FERC.

- 3.2 **Commodity Charge:** Shipper shall be charged an amount obtained by multiplying the commodity rate set forth in Exhibit A, including as applicable the incremental lateral commodity rate, to the Agreement by the quantity of Gas in Dth Delivered each Month by Transporter to Shipper at the Point(s) of Delivery. The commodity rate set forth in the Agreement shall not be greater than the maximum rate set forth on the Statement of Rates nor less than the minimum rate set forth on the Statement of Rates. As provided in the General Terms and Conditions the maximum commodity rate shall be subject to adjustment monthly to reflect changes in Transporter's interest expense.
- 3.3 **Powder River Interruptible Incremental Rate:** Shipper shall be subject to the Powder River interruptible incremental rate for quantities scheduled and confirmed at Point(s) of Receipt and/or Delivery on the Powder River Lateral. Shipper shall be charged an amount obtained by multiplying the Powder River interruptible incremental rate set forth in Exhibit A to the Agreement by the quantity of Gas in Dth received or Delivered on the Powder River Lateral each Month. In addition to the Powder River interruptible incremental rate, Shipper shall also pay Transporter's applicable mainline interruptible commodity rate when Shipper uses Transporter's mainline system.
- 3.4 **Medicine Bow Interruptible Incremental Rate:** Shipper shall be subject to the Medicine Bow interruptible incremental rate for quantities scheduled and confirmed at Point(s) of Receipt and/or Delivery on the Medicine Bow Lateral. Shipper shall be charged an amount obtained by multiplying the Medicine Bow interruptible incremental rate set forth in Exhibit A to the Agreement by the quantity of Gas in Dth received or Delivered on the Medicine Bow Lateral each Month. In addition to the Medicine Bow interruptible incremental rate, Shipper shall also pay Transporter's applicable mainline interruptible commodity rate when Shipper uses Transporter's mainline system.
- 3.5 **Bakken Leased Capacity Interruptible Incremental Rate:** Shipper shall be subject to the Bakken Leased Capacity interruptible incremental rate for quantities scheduled and confirmed at Point(s) of Receipt and/or Delivery utilizing Bakken Leased Capacity. Shipper shall be charged an amount obtained by multiplying the Bakken Leased Capacity interruptible incremental rate set forth in Exhibit A to the Agreement by the quantity of Gas in Dth received or Delivered on the Bakken Leased Capacity each Month. In addition to the Bakken Leased Capacity interruptible incremental rate, Shipper shall also pay any other applicable incremental or mainline commodity rate when Shipper utilizes Transporter's mainline or other incremental facilities.~~Reserved~~
- 3.6 **Piceance Basin Interruptible Incremental Rate:** Shipper shall be subject to the Piceance Basin interruptible incremental rate for quantities scheduled and confirmed at Point(s) of Receipt and/or Delivery on the Piceance Lateral. Shipper shall be charged an amount obtained by multiplying the Piceance Basin interruptible incremental rate set forth in Exhibit A to the Agreement by the quantity of Gas in Dth received or Delivered on the Piceance Lateral each Month. In addition to the Piceance Basin interruptible incremental rate, Shipper shall also pay Transporter's applicable mainline interruptible commodity rate when Shipper uses Transporter's mainline system.

- 3.7 Kanda Lateral Interruptible Incremental Rate: Shipper shall be subject to the Kanda Lateral interruptible incremental rate for quantities scheduled and confirmed at Point(s) of Receipt and/or Delivery on the Kanda Lateral. Shipper shall be charged an amount obtained by multiplying the Kanda Lateral interruptible incremental rate set forth in Exhibit A to the Agreement by the quantity of Gas in Dth received or Delivered on the Kanda Lateral each Month. In addition to the Kanda Lateral interruptible incremental rate, Shipper shall also pay Transporter's applicable mainline interruptible commodity rate when Shipper uses Transporter's mainline system.
- 3.8 FL&U: Shipper shall provide the FL&U in kind as described in Section 13.4 ("FL&U Adjustment") of the General Terms and Conditions. The quantities retained for FL&U shall be computed by multiplying the percentages by the applicable Receipt Quantities from Shipper for Transportation Service.
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- Shippers utilizing Bakken Leased Capacity shall provide FL&U in kind pursuant to the reimbursement percentages posted on Transporter's EBB for the applicable month. These percentages shall be applied to the quantities received from Shipper for Transportation Service to determine Shipper's FL&U. Such quantities shall be passed through to the Shipper and are not subject to the provisions of General Terms and Conditions Section 13.
- 3.9 Venting of Gas: Shipper shall be responsible for Unauthorized Overrun Gas Tendered to Transporter which is vented pursuant to Section 3.3 of the General Terms and Conditions hereof.
- 3.10 Incremental Facilities and Charges: When the construction of new minor facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. The Parties shall agree as to whether Shipper shall (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter. The facility charge will include the cost of the facilities, plus related taxes, plus interest as agreed to by the Parties, if the Shipper elects to reimburse Transporter for the facilities over a period of time.
- 3.11 Adjustment of Rates: Subject to the terms of the Agreement, Transporter reserves the right to prescribe and/or adjust at any time any of the rates applicable to service under any individual Agreement without adjusting any other rates for service under other Agreements. Downward adjustment to any rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term specified in Exhibit A to the Agreement, the rate for Transportation Service shall revert to the maximum rate under this Rate Schedule.
- 3.12 Imbalance Management: Shipper shall be subject to the imbalance management provisions set forth in Section 10 of the General Terms and Conditions.
- 3.13 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 4.5 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.

- 3.14 Other Charges: Shipper shall pay to Transporter when incurred by Transporter all charges related to service provided under this Rate Schedule, including any costs incurred by Transporter on behalf of Shipper.

4. Term

- 4.1 Termination Date: The Agreement shall continue in effect for the term described in Section 3 of the Agreement or the date which Transporter receives authority to, or is required to, abandon service rendered pursuant to its "blanket" transportation certificate of public convenience and necessity issued in FERC Docket No. CP90-706.

Transporter may terminate the Agreement with respect to service under Section 311 of the NGPA if it also terminates like service for others on a nondiscriminatory basis which is consistent with applicable regulatory law and regulations and secures any necessary regulatory approval(s).

5. General Terms and Conditions

The General Terms and Conditions contained in this Tariff, except as modified in the Agreement to accommodate specific operational requirements, are applicable to this Rate Schedule and are hereby made a part hereof.

## 1. DEFINITIONS

- 1.1 "Begin Date" shall mean the Day specified by a Shipper on which a Gas transaction is to begin. Most Gas transactions are to be effective for a full Gas Day. However, Shippers may indicate a requested beginning time when submitting Intraday Nominations.
- 1.2 "Bidding Shipper(s)" is any Shipper who is prequalified pursuant to Section 9 of the General Terms and Conditions to bid for capacity or who is a party to a prearranged release.
- 1.3 "Btu" shall mean 1 British thermal unit, which is the amount of heat required to raise the temperature of 1 pound of water 1 degree from 59 degrees to 60 degrees Fahrenheit. The reporting basis for Btu is 14.73 p.s.i.a. and 60 degrees F (101.325 kPa and 15 degrees C, and dry). Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm<sup>2</sup> and 15.6 degrees C and dry. "MMBtu" shall mean 1 million Btu. One "Dth" (Dekatherm) is equivalent to one MMBtu. Thermal Conversion factors shall be stated using not less than three decimal places. However, for calculation purposes, not less than 6 decimal places should be used.
- 1.3A "Bakken Leased Capacity" shall mean that portion of Transporter's transmission system beginning at Transporter's Bighorn Point of Receipt located in Sheridan County, Wyoming and extending southward to the interconnection of Fort Union Gathering, L.L.C. with Transporter's Medicine Bow Lateral at the Fort Union Gas Gathering, L.L.C. Point of Delivery located in Converse County, Wyoming.
- 1.4 "Bumping" or "Bump" shall mean:
- (a) The reduction of a previously Scheduled and Confirmed Interruptible Transportation Quantity to permit Transporter to schedule and confirm a firm Transportation Nomination which has a higher priority and which was submitted as an Intraday Nomination.
  - (b) In the event that a discount is granted that affects previously scheduled quantities, "Bumping" or "Bump" shall also mean the reduction of a Firm Transportation Quantity previously scheduled and confirmed to permit Transporter to schedule and confirm a firm Transportation Intraday Nomination which has a higher priority.
  - (c) In the event of an intraday recall of released capacity, "Bumping" or "Bump" shall also mean the reduction of the Replacement Shipper's previously Scheduled and Confirmed Firm Transportation Quantity.

Bumping that affects transactions on multiple Transportation Service Providers' systems should occur at grid-wide synchronization times only (NAESB WGQ Standard No. 1.3.39). Pursuant to NAESB Standard 1.2.12, absent an agreement to the contrary between Transporter, Shipper and any affected interconnect Party, a Bump shall not result in a Scheduled Quantity that is less than the applicable elapsed pro rated flow quantity.

- 1.5 "Business Day" shall mean Monday, Tuesday, Wednesday, Thursday, and Friday, excluding Federal Bank Holidays.
- 1.5A "Carbon Dioxide Monitoring Location" or "CDM Location" shall mean a location on Transporter's system where Transporter monitors carbon dioxide content in the gas stream and is identified as a CDM Location on Transporter's interactive website, along with associated carbon associated carbon dioxide information. CDM Locations will be sited, as determined by Transporter in its in its reasonable operating judgment, at various locations on Transporter's system to allow Transporter to monitor and meet its carbon dioxide Tariff specification on its laterals and mainlines.

- 1.6 "Cash Out Index Price" shall mean the price calculated as the average of the daily average index prices for CIG as published on the Natural Gas Intelligence ("NGI") Daily Gas Price Index. Should the NGI Daily Gas Price Index become unavailable, Transporter shall base the Cash Out Index Price on information posted in a similar publication. The Cash Out Index Price shall be calculated and posted on Transporter's electronic bulletin board no later than 5:00 p.m. CCT on the fifth Business Day of the Month following the production month.
- 1.7 "Central Clock Time" or "CCT" shall mean Central Standard Time (CST) except for that period when daylight savings is in effect. During this period, CCT shall mean Central Daylight Time (CDT). Unless otherwise stated, all times in this Tariff are Central Clock Time (CCT).
- 1.8 "Confirmation" shall mean the verification of the Confirmed Quantity by the Confirming Parties. A Confirmation Response is a report provided via EDM which conforms to the requirements of the Data Dictionary standards as set forth in NAESB Standard 1.4.4. The Explicit Confirmation process requires that the Confirming Party respond to a Request for Confirmation or initiate an unsolicited Confirmation Response. Absent mutual agreement to the contrary, Explicit Confirmation is the default methodology. (NAESB WGQ Standard No. 1.3.40)
- (a) A "Confirmation Requester" is a Service Provider (including a Point Operator or an Interconnecting Party) which is seeking to confirm a quantity of Gas via the information outlined in NAESB WGQ Standard No. 1.4.3 with another Service Provider (the Confirming Party) with respect to a Nomination at a location. (NAESB WGQ Standard No. 1.2.8)
  - (b) A "Confirming Party" is a Service Provider (including a Point Operator an Interconnecting Party) which provides a Confirmation for a quantity of Gas via the information outlined in NAESB WGQ Standard No. 1.4.4 to another Service Provider (the Confirmation Requester) with respect to a Nomination at a location. (NAESB Standard 1.2.9)
  - (c) The term "Confirming Parties" refers to the Confirmation Requester and the Confirming Party. (NAESB Standard 1.2.10)

1.8 "Confirmation" (continued)

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

- 1.9 "Confirmed Quantity" shall mean the final result of the confirmation process and is the quantity of gas stated in MMBtu or Dth which has been determined as authorized to flow on a specified Gas Day at a specified Point of Receipt or Delivery on behalf of a Shipper or Shippers. Transporter's Scheduled Quantity reports provided via EDM shall conform to the requirements of the Data Dictionary standards as set forth in NAESB Standards 1.4.5 and shall reflect Confirmed Quantities.
- 1.10 "Critical Notices" are defined, in conformance with NAESB Definition 5.2.1, as those notices which pertain to information of conditions on Transporter's system that affect scheduling or adversely affect scheduled gas flow.
- 1.11 "Cubic Foot" shall mean the volume of gas which would occupy a space of 1 cubic foot at a temperature of 60 degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute (p.s.i.a.). "Mcf" shall mean 1,000 cubic feet. "MMcf" shall mean 1,000,000 cubic feet. Pressure Base conversion factors should be reported to not less than 6 decimal places. However, the reporting basis for Gas transactions is thermal. See definition of Dekatherm.
- 1.12 "Daily Nomination" or "Timely Nomination" shall mean a Nomination submitted by a Nominating Party in conformance with the Timely Nomination Schedule set forth in Section 6 of these General Terms and Conditions, one calendar day prior to the Begin Date of a Gas transaction.
- 1.13 Reserved
- 1.14 "Day" or "Gas Day" shall mean a period beginning at 9:00 a.m. Central Clock Time and ending at 9:00 a.m. Central Clock Time on the next calendar day.
- 1.15 "Dekatherm" or "Dth" shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units (MMBtu). One Dekatherm of Gas shall mean the quantity of Gas which contains one Dekatherm of heat energy and will be reported on a dry MMBtu or Dth basis. Dth is the standard quantity unit for Nominations, Confirmations and Scheduled Quantities in the United States. The standard conversion factor between Dth and Canadian Gigajoules (Gj) is 1.055056 Gjs per Dth and between dekatherms and gigacalories (Mexico) is 0.251996 gigacalories per dekatherm. As used in this Tariff, related services agreements, statements and invoices, MMBtu and Dth are considered synonymous.



- 1.16 "Deliver" (or Delivers or Delivered) shall mean the Tender by Transporter to Shipper, or to a third party for Shipper's account, and the acceptance by Shipper or a third party for Shipper's account at the Point of Delivery under Shipper's agreement of quantities of Gas containing the same thermal content as the quantities received by Transporter for Transportation Service less the FL&U Adjustment.
- 1.17 "Delivery Quantities" (or Deliveries) shall mean the quantities of natural Gas Delivered at the Point of Delivery. The Delivery Quantities so determined shall be further adjusted, if appropriate, by any Gas vented as provided in Section 3.3 hereof during the same period of time.
- 1.18 "Downstream Party" shall mean the entity (name or identifying number) receiving Gas at a designated location as identified by a Shipper's Nomination.
- 1.18A "Echo Springs Lateral" shall mean that portion of Transporter's transmission system including all Point(s) of Receipt beginning at Transporter's interconnecting points located in Section 1, Township 19 North, Range 93 West, Carbon County, Wyoming and extending northeasterly terminating at Transporter's mainline in Section 17, Township 20 North, Range 92 West, Sweetwater County, Wyoming.
- 1.19 "Electronic Delivery Mechanism" or "EDM" shall mean the electronic communication methodology used to transmit and receive data related to Gas transactions. Transporter shall designate an electronic "site" at which Shippers and Transporter may exchange data electronically. All data provided at such site shall be considered as being delivered to the appropriate party.
- Transporter's use and implementation of EDM shall conform to all appropriate NAESB Standards.
- Furthermore, Transporter's implementation of EDM shall be specified in an Electronic Data Interchange Trading Partner Agreement, which shall substantially conform to the NAESB Model EDI Trading Partner Agreement.
- 1.20 "Electronic Transmission" or "Electronic Communication" shall mean the transmission of information via Transporter's electronic bulletin board, Transporter's standardized internet website, Electronic Data Interchange (EDI), including information exchanged via EDM. These terms exclude facsimile.
- 1.21 "End Date" shall mean the Day specified by a Shipper on which a Gas transaction is to end. Most Gas transactions are to be effective for a full Gas Day. However, Shipper may indicate a requested end time when submitting Intraday Nominations.

- 1.22 "Equivalent Quantities" shall mean the sum of the quantities of Gas measured in Dth received by Transporter for the account of Shipper at the Points of Receipt during any given period of time reduced by the FL&U Adjustment and any Gas vented as provided in Section 3.3 hereof during the same period of time. In determining Equivalent Quantities for Delivery, each Shipper shall provide the FL&U Adjustment based on the actual quantity of Gas Tendered by such Shipper to Transporter; provided, however, that each Shipper shall be responsible for Unauthorized Overrun Gas Tendered by it to Transporter which is vented under Section 3.3; provided further, that the FL&U Adjustment shall be modified periodically to reflect Transporter's actual operating experience as described in Section 1.27 ("FL&U Requirement"). Each Shipper's share of Transporter's total FL&U Requirement shall be calculated as a percentage of each Shipper's Gas at each Point of Receipt.
- 1.23 "FERC" shall mean the Federal Energy Regulatory Commission or any federal commission, agency, or other governmental body or bodies succeeding to, lawfully exercising, or superseding any powers which are exercisable by the Federal Energy Regulatory Commission.
- 1.24 "FL&U" shall mean Fuel Gas and Lost and Unaccounted-for Gas.
- 1.25 "FL&U Adjustment" shall mean the quantity of Gas to be retained by Transporter to replace its requirement for FL&U, and shall be reflected as a portion of all Receipt Quantities.
- 1.26 "FL&U Percentage", reported separately for Fuel Gas and L&U, shall refer to the percentages derived by dividing: (i) the sum of the Projected FL&U Requirement and the FL&U Requirement Adjustment (numerator); by (ii) the projected Receipt Quantities related to the anticipated Transportation Service for Shippers charged Fuel Gas and all Shippers charged L&U during the projected FL&U Requirement period (denominator).
- 1.27 "FL&U Requirement" shall mean the quantity of Gas expected to be required by Transporter during the effective period of FL&U Adjustment as determined by Transporter.
- 1.28 "Flow Path Secondary Capacity" shall mean the capacity status assigned to that portion of a Transportation transaction for which the Point of Receipt or the Point of Delivery lie outside the Primary Receipt-to-Delivery Flow Path when at least some part of such transaction passes through Shipper's Primary Receipt-to-Delivery Flow Path. Additionally, the Flow Path Secondary priority shall apply to any non-primary point that lies within Shipper's Primary Receipt-to-Delivery Flow Path, and such point shall be designated a Flow Path Secondary Point. Flow Path Secondary Capacity is limited by the capacity entitlement of the underlying transportation service agreement on the Primary Receipt-to-Delivery Flow Path Segment being used.
- 1.29 "Fuel Gas" shall mean the quantity of Gas which is required by Transporter for transportation related purposes to accomplish the Transportation Service for all Shippers.

- 1.30 "Gas" shall mean combustible hydrocarbon Gas.
- 1.31 "Gas Industry Standards Board" or "GISB" also known as "North American Energy Standards Board" or "NAESB" shall mean that accredited organization established to set standards for certain natural Gas industry business practices and procedures.
- 1.32 "GISB or NAESB or NAESB WGQ Standards" and "GISB or NAESB or NAESB WGQ Definitions" shall mean the standardized business practices, procedures, criteria, and definition of terms which have been adopted and published by the Wholesale Gas Quadrant of the North American Energy Standards Board and which have been adopted by reference by the FERC in compliance with 18 CFR, Section 284.12, as described in Section 22 of the General Terms and Conditions.
- 1.33 "Gross Heating Value" shall mean the number of Btu's produced by the combustion, at a constant pressure, of the amount of Gas which would occupy a volume of one cubic foot at a temperature of 60 degrees Fahrenheit on a water-free basis at a pressure of 14.73 p.s.i.a. with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of Gas and air and when the water formed by combustion is condensed to the liquid state. The value so determined shall be adjusted to reflect actual conditions of pressure and temperature. The calculations shall be based on dry Gas if the Gas at the measurement points contains less than 5 pounds of water per MMcf. If the Gas at the measurement point contains more than 5 pounds of water per MMcf, an appropriate correction factor determined by Transporter for the actual water vapor content in the delivered Gas stream will be applied to the Btu calculations to correct for this water content.
- 1.34 "Interconnecting Party" shall mean the party or such party's designee that is responsible for operations of a natural Gas system which interconnects with Transporter's pipeline system and is responsible for verifying Nominations and scheduling Gas flow at such point of interconnections. An Interconnecting Party is also a Confirming Party and Confirmation Requester. Each Interconnecting Party is required to conform to the schedules set forth in Section 6 of these General Terms and Conditions of this Tariff, unless specifically exempted by Transporter.
- 1.35 "Intraday Nomination" shall mean a Nomination submitted by a Nominating Party after the Timely Nomination Deadline set forth in Section 6 of these General Terms and Conditions. Intraday Nominations shall be accepted for the following cycles pursuant to the schedule set forth in Section 6 of these General Terms and Conditions:
- a) Evening Cycle - the day prior to the Gas Day
  - b) Intraday 1 Cycle - during the Gas Day
  - c) Intraday 2 Cycle - during the Gas Day
  - d) Intraday 3 Cycle – during the Gas Day

1.35A Reserved.

1.35B "Loan", "Loaned", "Lend", or "Lending" shall mean Transporter's advancement of quantities of Gas to a Shipper pursuant to Rate Schedule PAL.

1.36 "Lost and Unaccounted-for Gas" or "L&U" shall mean the quantity of Gas required by Transporter to replace lost or otherwise unaccounted-for Gas (including vented Gas, other than Gas vented pursuant to Section 3.3 of the General Terms and Conditions) for Transportation Service for all Shippers. Lost and Unaccounted-for Gas shall be calculated by reducing the actual total system fuel and lost quantity (receipts minus Deliveries) by the actual Fuel Gas for the data collection period.

1.37 "Maximum Delivery Quantity" or "MDQ" shall mean the maximum quantity of Gas, expressed in Dths per Day, which Transporter shall be obligated under a service agreement to Deliver to Shipper or for Shipper's account.

— The MDQ listed on the service agreement between Transporter and Shipper is based on a thermal content for the operational area of Shipper's Primary Points of Receipt. The thermal content used for MDQ determinations for the ~~six~~<sup>five</sup> operational areas of Transporter's system are:

| <u>Operational Area</u>                   | <u>Btu/cubic foot</u> |
|---|-----------------------|
| Medicine Bow Lateral                      | 968                   |
| <del>Bakken Leased Capacity</del>         | <del>968</del>        |
| Powder River Lateral                      | 981                   |
| Wyoming Mainline and Echo Springs Lateral | 1053                  |
| Piceance Basin Lateral                    | 1050                  |
| Kanda Lateral                             | 1050                  |

Transporter continuously measures the thermal content of Gas on its system. If the thermal content in any Month deviates from the Btu per cubic foot levels stated above, or the then-current thermal content on which MDQ's are based, and Transporter reasonably determines that it will not be able to fully provide firm service due to the thermal change, Transporter can adjust each firm Shipper's MDQ. The MDQ adjustment will be posted on Transporter's electronic bulletin board, and will become effective on the first Day of the Month following posting. If an adjustment causes Shipper to be in an overrun situation, Shipper will not be liable for any overrun charges that are incurred during the first thirty days after implementation of the adjustment. In the event of an MDQ adjustment, Transporter shall also adjust its rates to prevent any undercharge or overcharge to Shippers which might otherwise result from the MDQ adjustments. The adjusted rates shall also be posted on Transporter's electronic bulletin board. The adjusted rates will be calculated by multiplying the fraction (Btu level stated above applicable to Shipper, or the then-current thermal content, divided by the new thermal content) by Transporter's rates that were applicable to Shipper. The adjusted rates will take effect the first Day of the Month that begins after the posting. The net effect on total payment due as a result of Shipper's adjusted MDQ and rates will be zero. Transporter will seek FERC approval if the adjustment to MDQ and rates, due to changes to the thermal content of the Gas, is more

than 5 percent of the then-current thermal content. This provision also applies to Segmentation.

- 1.38 "Mcf" shall mean 1,000 cubic feet of Gas at a pressure of 14.73 p.s.i.a. and at a temperature of 60 degrees Fahrenheit. Pressure base conversion factors shall be stated with at least six decimal places. However, the reporting basis for Gas transactions is thermal. (See definition of Dth in this Section.)
- 1.39 "Medicine Bow Lateral" shall mean that portion of Transporter's transmission system including all Point(s) of Receipt beginning at Transporter's interconnecting points located in Section 33, Township 33 North, Range 73 West, Converse County, Wyoming and extending Southeasterly terminating at Transporter's mainline in Section 28, Township 12 North, Range 67 West, Weld County, Colorado.
- 1.40 "Month" shall mean the period beginning at 9:00 a.m. Central Clock Time on the first Day of the calendar month and ending at 9:00 a.m. Central Clock Time on the first Day of the next succeeding calendar month.
- 1.41 "Nominated Imbalance Quantity" shall mean any quantity of Gas which a Shipper includes in a Nomination for which the quantity at the Point of Receipt is not equal to the quantity at the Point of Delivery, after accounting for any appropriate FL&U. Nominated Imbalance Quantities may be Nominated by the Shipper at any time in anticipation of a prospective imbalance or to resolve an imbalance which occurred previously. Nominated Imbalance Quantities will be scheduled and confirmed in accordance with the provisions of Section 6 of these General Terms and Conditions.
- 1.42 "Nomination" or "Nominate" shall mean a request by a Shipper for a prospective transportation or pooling transaction under an executed service agreement and submitted to Transporter.
- (a) Valid Nomination is a data set which contains the mandatory data elements included in the NAESB Standards related to Nominations and any appropriate business conditional or mutually agreeable data elements, which is consistent with the provisions of the Shipper's service agreement, and which has been delivered to Transporter, or to Transporter via Electronic Communication, or when agreed to by Transporter, by facsimile. Shipper Nominations sent by EDM shall conform to the requirements of the Data Dictionary standards set forth in NAESB Standard 1.4.1.
- 1.43 "Nominating Party" shall mean a Shipper or such Shipper's designee authorized to submit Nominations to Transporter pursuant to Shipper's executed service agreements.
- 1.44 "Overrun Capacity" shall mean capacity other than Primary Capacity, Flow Path Secondary and/or Secondary Capacity on any portion of the Receipt-to-Delivery Flow Path as required under a firm transportation service agreement when Shipper Nominates for Transportation Service in excess of Shipper's contractual entitlements.

- 1.45 "Overrun Gas" shall mean the following:
- (a) Shipper may Nominate and Tender and Transporter may confirm and receive quantities in excess of Shipper's MDQ on a segment. Such quantities shall be considered as Overrun Gas and transported on an interruptible basis.
  - (b) In total, Shipper may nominate and Tender and Transporter may confirm and receive quantities pursuant to Segmentation transactions which exceed Shipper's MDQ. The quantity of capacity usage on any Segment which exceeds Shipper's MDQ shall be considered as Overrun Gas and shall be invoiced at the applicable maximum overrun rate.
- 1.46 "Package Identifier" or "Package ID" shall mean a Nomination data element which is provided at the service requestor's option to differentiate between discreet business transactions. (NAESB WGQ Standard No. 1.2.5) When used, Package ID should be:  
(a) supported for Nominating and scheduling; (b) mutually agreed between the applicable Parties for allocations and imbalance reporting; (c) supported for invoicing (sales and purchase); and (d) mutually agreed for Transport invoicing. (NAESB WGQ Standard No. 1.3.24) Package ID is not required for transportation invoicing. Use of the Package ID is at the discretion of the service requestor, and if sent, should be accepted and processed by the service provider. (NAESB WGQ Standard No. 1.3.25)
- 1.47 "Party" or "Parties" shall mean either Shipper or Transporter.
- 1.47A "Park" shall mean acceptance by Transporter of quantities of Gas Tendered by Shipper for Delivery at a later date pursuant to Rate Schedule PAL.
- 1.48 "Piceance Expansion" shall mean the expansion of the Piceance Basin Lateral certificated in Docket No. CP08-403-000.
- 1.49 "Point(s) of Delivery" shall mean the physical or logical point(s) (including Pool(s)) where Transporter Tenders Gas to Shipper or for Shipper's account.
- 1.50 "Point of Delivery Quantity" shall mean the quantity of Gas specified for Delivery to Shipper at a specific Point of Delivery under the agreement.
- 1.51 "Point(s) of Receipt" shall mean the physical or logical point(s) (including Pools) where Transporter receives Gas for the account of a Shipper for transportation.
- 1.52 "Point of Receipt Quantity" shall mean the quantity of Gas specified for receipt by Transporter at a specific Point of Receipt under the Agreement.
- 1.53 "Pool" shall mean a physical or logical point determined by Transporter at which supplies may be aggregated and disaggregated. Pool(s) are not valid Point(s) of Receipt or Delivery for determination of Primary Point(s), Capacity Scheduling or for Capacity Release.

- 1.54 "Pooler" shall mean that party holding an executed Pooling service agreement under this Tariff and on whose behalf Gas is being aggregated at a Pool. For purpose of Nominations, the term "Pooler" is synonymous with "Shipper".
- 1.55 "Pooling" shall mean the aggregation of multiple sources of supply to a single quantity and the disaggregation of such quantity to multiple markets or market contracts. "Headstation Pooling" shall mean the aggregation of supplies from one or more physical or logical Point(s) of Receipt to a designated Pool and the disaggregation of such aggregated quantities to one or more Transportation Service Agreement(s).
- 1.56 "Pooling Area" shall mean the area implied by the designation of various Segments and related to a specific Pool. Transporter's Pooling Area(s) and the Point(s) of Receipt and the related Headstation Pooling point(s) shall be posted on Transporter's electronic bulletin board.
- 1.57 "Powder River Lateral" shall mean that portion of Transporter's capacity, including all Point(s) of Receipt beginning at Transporter's interconnect with MIGC, Inc. located in Section 34, Township 33 North, Range 73 West, Converse County, Wyoming and extending Southward to the outlet of the WIC-Laramie Jumper Station in Section 21, Township 17 North, Range 76 West, Albany County, Wyoming.
- 1.58 "Primary Capacity" shall mean the transmission system capacity on any portion of the Primary Receipt-to-Delivery Flow Path reserved for a Shipper under a firm transportation service agreement. On any pipeline segment, Primary Capacity is limited by the Primary Point(s) of Receipt Quantity upstream of such segment and the Primary Point(s) of Delivery Quantity downstream of such segment, whichever is less.
- 1.59 "Primary Point(s)" shall mean those Point(s) of Receipt and Delivery where Shipper is entitled to firm service.
- 1.60 "Quick Response" shall mean the preliminary response record generated by Transporter and made available to the Nominating Party indicating the successful receipt of a Nomination and the fact that such Nomination is correct and able to be processed or is incorrect and rejected. Transporter's Quick Response shall conform to the requirements of the Data Dictionary standards as set forth in NAESB Standard 1.4.2.
- 1.61 "Rank" shall mean the relative value provided at the Nominating Party's option as a data element in a Nomination. Such value shall indicate the Nominating Party's requested scheduling priority among Nominations for the same period under the same contract. One (1) shall indicate the highest priority and nine hundred ninety-nine (999) is the lowest.

- 1.61A "Rate Default" - For index-based capacity release transactions, Rate Default is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default.
- 1.61B "Rate Floor" – Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Transporter's minimum reservation rate or zero cents when there is no stated minimum reservation rate.
- 1.62 "Receipt-to-Delivery Flow Path" shall mean the path of Gas through and from a Point of Receipt to and through a Point of Delivery. Furthermore, "Primary Receipt-to-Delivery Flow Path" shall mean the path of Gas through and from a Primary Point of Receipt to and through a Primary Point of Delivery. The authorized direction of flow shall be from the Primary Point of Receipt to the Primary Point of Delivery.
- 1.63 "Receipt Quantities" shall mean all quantities of Gas received by Transporter at the Point(s) of Receipt for the account of Shipper for Transportation Service.
- 1.64 "Releasing Shipper" is any Shipper who has a transportation service agreement under Rate Schedule FT who elects to release all or a portion of its firm capacity, subject to the capacity release program contained in Section 9 of the General Terms and Conditions.
- 1.65 "Render" shall mean postmarked, or electronically delivered via Electronic Communication.
- 1.66 "Replacement Capacity Agreement" is an agreement between Transporter and the Replacement Shipper setting forth the rate(s) and the terms and conditions of the service for using capacity rights acquired pursuant to Section 9 of these General Terms and Conditions.
- 1.67 "Replacement Shipper" is any Shipper who acquires capacity rights from a Releasing Shipper through Transporter's capacity release program as contained in Section 9 of the General Terms and Conditions.
- 1.68 "Request for Confirmation" shall mean the information provided via EDM which conforms to the Data Dictionary standards as set forth in NAESB Standard 1.4.3. A Request for Confirmation may be sent by any operator to an interconnected operator to initiate the communication of a Confirmation Response. (See definition of Confirmation in this Section.)



- 1.69 "Scheduled Quantity" shall mean the quantity of Gas Transporter has determined it can transport, based on a Shipper's Nomination, from a specific Point of Receipt to a specific Point of Delivery on a designated Gas Day subject to Transporter's available transportation system capacity. Such quantities shall be determined pursuant to the provisions of Section 6 of these General Terms and Conditions and are subject to final Confirmation. Transporter's Scheduled Quantity reports provided via EDM shall conform to the requirements of the Data Dictionary standards as set forth in NAESB Standard 1.4.5.
- 1.70 "Secondary Capacity" shall mean capacity other than Primary Capacity or Flow Path Secondary Capacity under a firm transportation service agreement when Shipper Nominates at Secondary Points which lie outside of Shipper's Primary Receipt-to-Delivery Flow Path.
- 1.71 "Secondary Point(s)" shall mean those Points of Receipt and Delivery which are not specified in the firm transportation service agreement as Primary Points. Secondary Points which lie in the Primary Receipt-to-Delivery Flow Path are automatically awarded a scheduling status of Flow Path Secondary.
- 1.72 "Secondary Point of Delivery" shall mean a Point of Delivery which is not specified in the firm transportation service agreement as Primary Point(s) of Delivery and which is located outside of Shipper's Primary Receipt-to-Delivery Flow Path.
- 1.73 "Secondary Point of Receipt" shall mean a Point of Receipt which is not specified in the firm transportation service agreement as Primary Point(s) of Receipt and which is located outside of Shipper's Primary Receipt-to-Delivery Flow Path.
- 1.74 "Segment" shall mean a discrete portion of Transporter's pipeline system between two specific locations. Transporter shall evaluate the operating capacity of the Segment against the capacity requested for Transportation Service(s) by Shippers. In the event the requested capacity exceeds the Segment operating capacity, Transporter will follow the procedures specified in General Terms and Conditions Section 6 to reduce the transportation requests to the Segment operating capacity.
- 1.74A "Segmentation" shall refer to the ability of a Shipper holding a contract for firm transportation capacity to subdivide such capacity into Segments and to use those Segments for different capacity transactions. Segmentation may be effected by the Shipper by designating a number of discrete Transportation combinations (Points of Receipt to Points of Delivery), each of which being equal to or less than Shipper's Primary Capacity for that pipeline segment. The applicability and prerequisites for Segmentation are described in Section 8.1 of the General Terms and Conditions.

- 1.75 "Segmentation Point(s)" shall mean any non-Primary Point of Receipt or Point of Delivery identified on a Segmentation transaction. All Segmentation Point(s) which lie within the Shipper's Primary Receipt-to-Delivery Flow Path are automatically awarded a scheduling status of Flow Path Secondary for Nominated quantities up to Shipper's Segment entitlement. Segmentation Points of Receipt and/or Delivery which lie outside of the Primary Receipt-to-Delivery Flow Path are considered Secondary for scheduling. Nothing in this section shall preclude Shipper from acquiring Primary Point rights at Segmentation Point(s) and using such capacity on a Primary Capacity scheduling priority basis.
- 1.76 "Shipper" shall mean that Party on whose behalf Gas is being transported.
- 1.77 "Standard Quantity" for Nominations, Confirmations and scheduling shall mean Dekatherms per Gas Day in the United States, gigajoules per Gas Day in Canada and Mexico, and gigacalories per Gas Day in Mexico for transactions that occurred prior to the enactment of Mexico Resolution/RES 267/2006 dated September 7, 2006. (For reference 1 dekatherm = 1,000,000 Btu's; 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the standard conversion factor between Dekatherms and gigajoules is 1.055056 gigajoules per Dekatherm and between Dekatherms and gigacalories is 0.251996 gigacalories per Dekatherm. The standard Btu is the International Btu, which is also called the Btu(IT); the standard joule is the joule specified in the SI system of units. (NAESB WGQ Standard No. 1.3.14)
- 1.78 "Tender" or "Tendered" shall mean making natural Gas available in accordance with all of the provisions of this Tariff and Shipper's transportation service agreement.
- 1.79 "Thermal Content" when applied to any volume of Gas shall mean the aggregate number of Btu's contained in such volume. The Thermal Content shall be determined by multiplying the volume of Gas in cubic feet by the Gross Heating Value of the Gas.
- 1.80 "Transportation Service" shall consist of the acceptance by Transporter of Gas Tendered by Shipper to Transporter at the Point(s) of Receipt, the transportation and Delivery of an equivalent quantity of Gas (minus FL&U Adjustment and any quantities vented pursuant to Section 3.3 hereof) to Shipper either directly, by displacement, or otherwise at the Point(s) of Delivery.
- 1.81 "Transporter" shall mean Wyoming Interstate Company, L.L.C., a limited liability company under the laws of the State of Colorado.
- 1.82 "Unauthorized Overrun Gas" shall mean Overrun Gas not accepted by Transporter for Nomination, pursuant to Section 6 hereof.
- 1.83 "Upstream Party" shall mean the entity (name or identifying number) Tendering Gas to Transporter at a designated location as identified by a Shipper's Nomination.

#### 4. REQUESTS FOR SERVICES

4.1 Request for Transportation Service. A Shipper wishing to obtain service must first satisfy the creditworthiness requirements of this Tariff. A request for service (including requests for changes to Point of Receipt and/or Delivery and requests for Segmentation) shall be deemed valid and complete upon the following information being accurately and properly entered into Transporter's interactive website. A Shipper may either enter the information directly into Transporter's interactive website or furnish the information to Transporter and request that Transporter enter the information into Transporter's interactive website on behalf of the Shipper, 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 interactive 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 interactive website.

- (a) 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.
- (b) A designation of whether Shipper is a local distribution company, intrastate pipeline company, interstate pipeline company, producer, end-user or marketer.
- (c) The extent of Shipper's affiliation with Transporter.
- (d) Shipper's Dun and Bradstreet (DUNS) number.
- (e) Type of service: FT, IT, HSP-1, PAL, or FDBS.
- (f) The initial term of the service, including beginning and ending dates.
- (g) The Maximum Delivery Quantity under the contract. For Rate Schedule FDBS, the Maximum Balancing Amount under the contract.
- (h) Receipt and delivery points requested.
- (i) Daily Quantity at each receipt point(s) \_\_\_\_Dth/Day.  
Daily Quantity at each delivery point(s) \_\_\_\_Dth/Day.

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

If Section 311, 18 C.F.R. Part 284, Subpart B transportation service is requested, the Shipper must provide the following information to Transporter:

- (j) A declaration explaining how the requested service qualifies as Section 311 service;

4.1 Request for Transportation Service (Continued)

- (k) The name of the local distribution company or intrastate pipeline company on whose behalf the Gas will be transported; and
- (l) 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 Prospective Sale of Available Capacity

- (a) New Service Requests. Transporter may grant requests for firm service on a not unduly discriminatory basis within the following time periods and subject to the below listed conditions:
  - (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;
  - (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 electronic bulletin board to afford all potential Shippers an opportunity to acquire the capacity. Any party wishing to purchase the capacity, and who meets Transporter's creditworthiness requirements, may participate in the open season. Transporter will award the capacity on a net present value 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.

4.2 Prospective Sale of Available Capacity (Continued)

- (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 4.2(c) above.
- (e) If Transporter sells firm capacity pursuant to Section 4.2(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.

4.3 If Transporter has submitted an agreement for execution to Shipper and Shipper fails to execute and return the agreement within 30 Days thereafter, then Shipper's request shall be null and void.

4.4 Capacity Reserved for Future Expansion/Extension Projects. Transporter may elect to reserve for future expansion/extension projects, any unsubscribed capacity or capacity under expiring or terminating firm transportation service agreements ("FTSAs") where such FTSAs do not have a ROFR or Shipper does not exercise its ROFR.

- (a) Capacity may be reserved up to one year prior to the date of filing for certificate approval for construction of proposed expansion or extension facilities, and thereafter until all expansion/extension facilities related to the certificate filing are placed into service.
- (b) Transporter shall conduct an open season for the expansion/extension within one year prior to or following the date that Transporter posts such capacity as being reserved. Transporter will not, absent Commission approval, accept advance payments to reserve capacity under this Section 4.4.

#### 4.4 Capacity Reserved for Future Expansion/Extension Projects (Continued)

- (c) If Transporter elects to reserve capacity, it will notify Shippers of its intent as part of its posting of capacity on its electronic bulletin board. Transporter's posting for reserved capacity for future expansion/extension projects shall include the following information: (i) a description of the project for which the capacity will be reserved; (ii) the total quantity of capacity to be reserved; (iii) the location of the proposed reserved capacity on the pipeline system; (iv) whether, and if so when, Transporter anticipates that an open season for the capacity will be held or the reserved capacity will otherwise be posted for bids; (v) the projected in-service date of the new facilities; and (vi) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a ROFR. If the expansion/extension project still requires the construction of facilities given the amount of reserved capacity, then Transporter shall post a non-binding solicitation for turnback capacity no later than 90 days after the close of the expansion project open season, specifying the minimum term for a response to the solicitation. Transporter shall make reasonable efforts to notify shippers of any material changes in the scope of the project.
- (d) When reserving capacity for future expansion/extension projects, Transporter shall first post all of its available capacity for at least five business days prior to the reservation period. Transporter shall post and award available capacity in accordance with the service request procedures of Section 4.1 of these General Terms and Conditions.
- (e) When the capacity to be reserved is offered through an open season, Transporter shall have the right to impose minimum terms and conditions for bids that would be acceptable. In the event that the subsequent expansion project open season imposes minimum terms and conditions that are materially different from the terms and conditions imposed in the previous capacity open season, Transporter shall hold another open season for the reserved capacity that uses the same minimum terms and conditions as were imposed for the expansion project open season. If the expansion project open season is held prior to or during the open season for the reserved capacity, Transporter shall use the same minimum terms and conditions as used for the expansion project open season.
- (f) Any capacity reserved under this Section 4.4 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 FTSA's, Transporter reserves the right to limit any term extension rights provided in the FTSA and pursuant to Section 4.10 commensurate with the proposed in-service date of the expansion project. Transporter will indicate in any posting of the reserved capacity any limitations on term extension rights that will apply to such limited-term transportation service.

#### 4.4 Capacity Reserved for Future Expansion/Extension Projects (Continued)

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

#### 4.5 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 Third Party Charges as described below. 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 capacity available for service 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. Notwithstanding Section 4.5(a) above, if a Shipper(s) requests, and Transporter agrees, to acquire off-system capacity from a third party(s) to provide transportation service for the benefit of such Shipper(s), Shipper(s) may, on a non-discriminatory basis, be required to pay Transporter, in addition to any applicable rates and charges assessed pursuant to this Tariff, the rates and charges Transporter is obligated to pay such third party(s) for the off-system capacity. Such charges may include, but are not limited to, daily reservation and commodity charges and applicable surcharges, fuel and power charges or retention, compression fees, balancing or storage fees, measurement fees, processing fees, and/or facility charges that are assessed by the third party. Such charges, unless otherwise agreed, shall be 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.

4.5 Off-System Capacity (Continued)

(b) Third Party Charges (Continued)

- (i) Any off-system capacity acquired by Transporter for the benefit of a Shipper(s) which is not used by that Shipper(s) 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 described below, 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.
- (A) 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 using the same method as defined in Note 2 on the Statement of Rates. 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.
- (B) 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 4.5(b) will be included on Shipper's monthly invoice as Third Party Charges, if applicable.



4.5 Off-System Capacity (Continued)

(b) (i) (Continued)

(C) Transporter shall post the third party rates for all off-system locations and any applicable FL&U reimbursement charges on its electronic bulletin board.

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

(c) For the 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.

4.6 Electronic Execution of Agreements. For all TSAs (including all Park & Loan Agreements, Park & Loan Service Request Orders, HSP-1 Agreements, FDBS Agreements and amendments to existing agreements) entered into on or after the effective date of this tariff provision (all of which shall be referred to as TSAs for purposes of this Section 4.6), Transporter and Shipper may execute such TSAs electronically or by signing a traditional paper agreement. If Shipper elects to sign a traditional paper agreement, then Shipper shall not submit nominations while the paper TSA is pending execution. For TSAs requiring filing with the Commission, Transporter may submit either electronic or traditional paper TSAs.

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

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

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

4.7 Reserved

- 4.8 Upon execution of an agreement with Transporter, Shipper shall provide to Transporter (1) the name of the corporate entity or entities ultimately receiving the Gas, if other than a local distribution company, or interstate pipeline company, or intrastate pipeline company purchasing Gas for its system supply, and such names shall be included in the agreement; (2) such other information as may be required in order for Transporter to comply with any FERC reporting requirements.
- 4.9 Transporter shall keep confidential all information furnished by Shipper in compliance with Sections 4.1 and 4.8 herein, subject to the requirement that no information required by the Commission to be publicly available shall be kept confidential.
- 4.10 Right of First Refusal
- (a) Shipper Notice of Intent to Renew
- (i) Shipper either (i) has an agreement with an effective date before March 27, 2000 with a term of one year or longer, or (ii) has an agreement with an effective date on or after March 27, 2000 for service for twelve consecutive months or more at the applicable maximum rate for that service, except that a contract for more than one year, for service which is not available for 12 consecutive months, would be subject to the right of first refusal. However, if such Shipper has entered into a firm agreement utilizing off-system capacity contracted for pursuant to Section 4.5 of the General Terms and Conditions, it may not elect to extend the term of its agreement beyond the term of Transporter's agreement for such off-system capacity.
- (ii) Notice is due on or before the "Notice Date" which is; (i) six months prior to the expiration date for firm transportation agreements of three years or less and (ii) twelve months prior to the expiration date for firm transportation agreements greater than three years.
- (iii) A Shipper shall relinquish all rights to the capacity underlying its firm transportation agreement upon termination by failing to provide notice or by issuing a notice to terminate pursuant to Section 4.10(a)(ii) above.
- (iv) A Shipper shall furnish notice of its intent to extend its firm transportation agreement by issuing a notice to extend pursuant to Section 4.10(a)(ii). Such notice will include the proposed terms of extension.
- (v) If the expiring firm transportation agreement contains an "evergreen" provision, the Shipper's right to continued Service, as to all its terms, shall be governed by the terms of the "evergreen" provision.

#### 4.10 Right of First Refusal (Continued)

(a) Shipper Notice of Intent to Renew (Continued)

- (vi) If an "evergreen" provision is not included in the expiring agreement, and the Shipper provides notice of its desire to extend the agreement at the maximum Tariff rate and for a term of less than 5 years, Transporter shall proceed to a "Solicitation of Bids" as described in this Section. If the notice includes a request for a rate discount, the request shall be considered a notice of intent to terminate and the Shipper shall have no first right to the capacity underlying its firm transportation agreement. Shipper's desire to extend service but at discounted rates shall be considered with other bids for the capacity received under the "Solicitation of Bids." If Shipper's bid is superior to other bids received, Transporter and the Shipper may negotiate a new agreement, but neither Transporter nor Shipper shall have any rights or obligations as to the expiring agreement or to the capacity underlying it.
  - (vii) Shipper having a negotiated rate firm transportation agreement does not have a right of first refusal.
- (b) Subject to Section 4.10(a), Shipper may exercise its right to retain a portion of its firm service entitlement subject to the right of first refusal, however, the Shipper may not exercise the right of first refusal for a geographic portion of its agreement.
- (c) Solicitation of Bids. If the Shipper has given notice of intent to renew its contract as described in Section 4.10(a), Transporter shall solicit competing bids for the subject capacity. Beginning not later than 30 Business Days after the "Notice Date," and continuing for thirty days (the "Bid Period"), Transporter shall post on its electronic bulletin board notice of the capacity which will be available as a result of the expiring agreement and the minimum acceptable terms for bidding on such capacity. Any party may submit a bid for the subject capacity during the "Bid Period."

#### 4.10 Right of First Refusal (Continued)

- (d) Notification of Existing Shipper and Right to Match. If Shipper has given notice of intent to renew as described in Section 4.10(a), then within ten Business Days after the close of the "Bid Period," Transporter shall notify the existing Shipper of any offers deemed superior to the Shipper's proposed terms of extension based upon the net present value of the Reservation Charges to be paid under such bids and the proposed term of such, using Transporter's then-effective rate of return on equity. The term of any competing offers shall not be capped for comparison purposes. If a superior offer is not received, the Shipper shall be entitled to a term extension of the expiring agreement provided that Shipper agrees to pay Transporter's maximum Tariff rate. Within ten Business Days after such notification by Transporter, Shipper must notify Transporter of its intent to match the highest competing offer. If Shipper does not provide notification within the ten-day period, Transporter may enter into an agreement with the bidder submitting the highest offer utilizing the capacity.
- (e) Continuation If No Firm Transportation Agreement Is Executed. If the existing Shipper declines to match a superior competing offer, and an agreement is not executed for the subject capacity on or before expiration of the existing Shipper's firm transportation agreement, the existing Shipper shall have the right to continue service at Transporter's maximum Tariff rate, for an agreed term between the Parties. If the existing Shipper declines to continue service as of the date of contract expiration, or if the Parties are unable to reach agreement on the term of extension, then Shipper's rights to the subject capacity shall terminate as if the existing Shipper had given notice of intent to terminate its agreement.
- (f) Right of First Refusal Clause in Firm Transportation Agreement. Transporter and Shipper may agree to include a right of first refusal rollover or evergreen clause in their agreement. The contractual right of first refusal, rollover or evergreen clause would allow the Shipper to exercise a right of first refusal in situations where the regulatory right would not apply. In such case, Shipper may rely on its contractual rights in lieu of the regulatory right of first refusal. However, if a Shipper has entered into a firm agreement utilizing off-system capacity contracted for pursuant to Section 4.5 of the General Terms and Conditions, it may not elect to extend the term of its agreement beyond the term of Transporter's agreement for such off-system capacity.
- (g) Capacity that is sold on an interim basis up to the commencement date of a prospective firm transportation agreement, pursuant to Section 4.2(e) of the General Terms and Conditions, shall not be eligible for a right of first refusal.

#### 4.10 Right of First Refusal (Continued)

- (h) Capacity that is sold on an interim basis in accordance with Section 4.4, 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.
- (i) Capacity that is sold and which is associated with leased capacity shall not be eligible for a right-of-first-refusal unless Transporter and Shipper agree to a conditional contractual right-of-first-refusal. Such contractual right-of first-refusal will be conditioned on the availability of the leased capacity and the remaining term of Transporter's underlying agreement for such capacity.

4.11 Amendment. The agreement shall be amended only by an instrument executed by both Parties electronically using the process described in Section 4.6 or through placing signatures on a traditional paper agreement.-

#### 4.12 Extension of Executed Agreements

- (a) Transporter and Shipper may mutually agree to the early termination of one or more transportation service agreements in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. To the extent that Transporter and Shipper have mutually agreed to this arrangement, Shipper need not participate in an open season for the extension nor must the underlying capacity be posted on Transporter's electronic bulletin board as unsubscribed, available capacity prior to the extension.
- (b) Prior to the expiration of the term of a transportation service 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). To the extent that Transporter and Shipper have mutually agreed to this arrangement, Shipper need not participate in an open season for the extension nor must the underlying capacity be posted on Transporter's electronic bulletin board as unsubscribed, available capacity prior to the extension. If a transportation service agreement has a ROFR, the agreement to extend the term must be reached prior to the receipt of an acceptable bid submitted pursuant to this Section 4 of these General Terms and Conditions.
- (c) When a transportation service agreement is subject to a regulatory ROFR, contains a contractual ROFR, a rollover clause, or an evergreen clause, the extension of the contract term will apply to each expiring increment of capacity (i.e., contract quantities that reduce on an agreed schedule) during the term of the agreement.

- 4.13 Creditworthiness Requirement. Transporter shall not be required to commence service or to continue to perform service under the firm or interruptible rate schedules for any Shipper who fails to demonstrate creditworthiness as reasonably determined by Transporter. Transporter's determination of creditworthiness shall be based upon a review of Shipper's financial statements, bank references, trade references, and such other information relating to Shipper's financial status, obligation payment history, and other relevant factors as may be necessary to satisfy Transporter that Shipper is creditworthy. Upon Shipper's request, Transporter shall provide a written explanation of any credit limitation applied to Shipper.

Firm Service: If necessary, Transporter may require Shipper to deposit with Transporter and maintain, on prepaid account, or to establish and maintain an escrow account or to furnish a letter of credit in an amount equal to Transporter's estimate of 2 Months of charges for performing such service at the level of Shipper's Rate Schedule FT Maximum Delivery Quantity or Rate Schedule FDBS Maximum Balancing Amount (as applicable) or to furnish within 15 Days, good and sufficient security, as determined solely by Transporter, of a continuing nature and in an amount equal to Transporter's estimate of 2 Months of charges for performing said service at the level of Shipper's Maximum Delivery Quantity or Maximum Balancing Amount (as applicable), or may require such other measures as Transporter may specify.

Interruptible Service: If necessary, Transporter may require Shipper to deposit with Transporter and maintain, on prepaid account, or to establish and maintain an escrow account or to furnish a letter of credit in an amount equal to Transporter's estimate of 2 Months of charges for performing such service or to furnish within 15 Days, good and sufficient security, as determined solely by Transporter, of a continuing nature and in an amount equal to Transporter's estimate of 2 Months of charges for performing said service or may require such other measures as Transporter may specify.

Transporter will also permit another entity to guarantee Shipper's obligation, provided that the guarantor has sufficient credit available, as determined by Transporter in accordance with this provision. Transporter may, without waiving any rights or remedies it may have, suspend further service until such acceptable security is received by Transporter. Upon Shipper's establishment of an acceptable credit record or upon expiration of the Agreement, Transporter shall refund Shipper's deposit, less any amounts due Transporter, with interest accrued at rates set pursuant to 18 CFR Section 154.501(d).

- 4.14 Discounting. In the event that Transporter agrees to discount its rate to Shipper below Transporter's maximum rate under Transporter's FT, IT, PAL and FDBS Rate Schedules, the following discount terms may be reflected on the applicable service agreements and will apply without the discount constituting a material deviation from Transporter's Form of service agreement; provided, however, that any such discounted rates set forth below shall be between the minimum and maximum rates applicable to the service provided under the applicable rate schedule. Such discounted rates may apply:
- (a) only to certain specified service entitlements under the agreement;
  - (b) only if specified quantity levels (including Parked or Loaned quantities requested on the specific dates mutually agreed to by Transporter and Shipper under Rate Schedule PAL) are actually achieved under the agreement (with higher rates, charges, and fees applicable to all quantities above those levels, or to all quantities under the Agreement and/or PAL Service Request Order if the specified levels are not achieved);
  - (c) only to production reserves committed by the Shipper;
  - (d) only during specified time periods;
  - (e) only to specified Point(s) of Receipt, Point(s) of Delivery, mainline area segments, supply areas, Transportation routes, or defined geographical areas; or
  - (f) in a specified relationship to the quantities actually Delivered (i.e., that the rates shall be adjusted in a specified relationship to quantities actually Delivered); and/or
  - (g) to published index prices for specific receipt and/or delivery points or other agreed-upon published pricing reference points for price determination (such discounted rate may be based upon the differential between published index prices or arrived at by formula). Such discounted rate:
    - (1) shall not change the underlying rate design;
    - (2) shall not include any minimum bill or minimum take provision that has the effect of guaranteeing revenue;
    - (3) shall define the rate component to be discounted.

In addition, the discount language of the agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rates so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts

#### 4.14 Discounting (Continued)

revised tariff provisions. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

#### 4.15 Non-Conforming Negotiated Rates

- (a) Authority and Conditions: The rate or rates to be charged for service pursuant to any rate schedule contained in this Tariff may deviate in form or level from the maximum-to-minimum ranges set forth on Statement of Rates of this Tariff, provided:
  - (i) Transporter and Shipper have executed a valid service agreement agreeing to such nonconforming negotiated rate(s) or rate formula,
  - (ii) At the time of execution of such service agreement or amendment agreeing to the nonconforming negotiated rate(s) or rate formula, Shipper had access to service pursuant to this Tariff at the rates then set forth on the Statement of Rates, and
  - (iii) Prior to commencing service at such nonconforming negotiated rate(s) or rate formula, Transporter will have filed a tariff provision advising the Commission of such agreement, stating the exact legal name of Shipper and specifying the rate or rate formula included in such agreement.
- (b) Impact on Capacity Allocation: To the extent the revenue level pursuant to the nonconforming negotiated rate(s) or rate formula provided for in Section 4.15(a) above should exceed the maximum rate for such service stated on the Statement of Rates, Shipper, paying such nonconforming rate(s) shall be treated, for capacity-allocation purposes, and for purposes of evaluating bids pursuant to Section 4.10 of these General Terms and Conditions, as if the rate(s) paid had been equal to the maximum rate for such service stated on the Statement of Rates. The highest rate the Shipper must match for the right of first refusal purposes is the maximum rate set forth in this Tariff. Any Shipper, existing or new, paying the maximum tariff rate(s) has the same right to capacity as a Shipper willing to pay a higher negotiated rate(s). If the negotiated rate(s) is higher than the corresponding maximum recourse rate(s), the negotiated rate(s) cannot be used as the price cap for release capacity pursuant to Section 9 of these General Terms and Conditions.



4.15 Non-Conforming Negotiated Rates (Continued)

- (c) Accounting for Costs and Revenues: The allocation of costs to, and recording of revenues from service at nonconforming negotiated rate(s) or rate formula(s) will follow Transporter's normal practices associated with all of Transporter's services under this Tariff. Should Transporter institute any revenue tracker or other device to flow through currently to its Shippers the impact of interruptible or other transportation transactions, the treatment in such tracker of revenues from nonconforming negotiated rate(s) or rate formula(s) shall be specified in such tracker provision.
- (d) (i) Treatment of discounts: 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 the 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.

- (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
  - (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 agreements that were converted from pre-existing discounted Part 284 agreements to non-conforming negotiated rate agreements. Such adjustment would be based on the greater of: (i) the negotiated rate revenues received or (ii) the discounted recourse rate revenues which otherwise would have been received.

- 4.16 Any notice, statement, or bill provided for in the agreement shall be in writing and shall be considered as having been given if hand carried, transmitted electronically (including facsimile transmissions and computer transmissions), or if mailed by United States mail, postage prepaid, to the address contained in the agreement.

- 4.17 Governmental Regulation. The transportation service agreement is subject to present and future valid orders of duly constituted authorities having jurisdiction over the subject matter thereof. Upon cessation of such jurisdiction or control, all rights and obligations set forth in the transportation service agreement shall continue in effect.
- 4.18 Assignment
- (a) Assignable Parties. This agreement may be assigned by either of the Parties to:
    - (i) any person, firm, or corporation acquiring all, or substantially all, of the natural gas business of said Party;
    - (ii) a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities; but it may not be otherwise assigned without the consent of the other Party hereto. Whenever any corporation is referred to herein, such reference shall be deemed to include the successors and assignees of such corporation.
  - (b) Assignment. This agreement shall be binding upon and inure to the benefit of the successors and assignees of each of the Parties hereto.
  - (c) Clarification of Use. Unless expressly allowed by Transporter in writing, Transportation Service for other than the purposes expressly stated in the Agreement shall not be provided.
- 4.19 Agents. Shipper must provide written notice to Transporter of the name, and any other pertinent information of another person ("Agent") that has agency authority to act for Shipper pursuant to an Agreement under Rate Schedule FT, IT, PAL and/or FDBS (as applicable), in connection with (1) the operation of pipelines, facilities and wells in connection with an agreement under this rate schedule, (2) Operational Flow Orders and Imbalance Management as discussed in Sections 11.1 and 10, respectively, of the General Terms and Conditions of this Tariff and/or (3) other matters covered by an agreement. If the Agent has authority under (1) and (2) above, operating notices shall be served on the Agent alone. When using an Agent, the Shipper remains bound by its obligations under an agreement. Further, commitments made by the Agent on behalf of the Shipper are binding on the Shipper as if made by the Shipper. The Shipper must provide prompt written notice of the termination of the agency.
- 4.20 Governmental Authorization. Each Party's obligations under an agreement incorporating these General Terms and Conditions are conditioned upon each Party obtaining from governmental authorities having jurisdiction such authorization as may be necessary, in form and substance satisfactory to the Party applying therefor. Neither Transporter nor Shipper shall be required to accept any authorization which, in the opinion of the Party applying for same, contravenes, nullifies, or is contrary to any provisions hereof or of any provision of the transportation service agreement.

- 4.21 Regulatory Authority: All services shall be performed pursuant to 18 CFR 284.221 authority, unless Shipper elects service to be performed pursuant to 18 CFR 284.101 (Section 311) authority. In that event, Transporter shall only accept, and Shipper shall only make, Nominations for service to be performed pursuant to 18 CFR 284.101 (Section 311) in accordance with the regulations governing the provisions of such service, and after Transporter has received an "on behalf of" letter acceptable to Transporter.
- 4.22 Governing Law. The laws of the State of Colorado shall govern the validity, construction, interpretation and effect of agreements and of the applicable Tariff provisions. Agreements are subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.
- 4.23 Termination Obligations: Termination of an agreement under Rate Schedules FT, IT, PAL, HSP-1, and FDBS shall not relieve Transporter and Shipper or Pooler of the obligation to correct any quantity imbalances or relieve Shipper or Pooler of the obligation to pay money due to Transporter under an agreement. All warranties and indemnities shall survive termination of the agreement.

**CLEAN TARIFF SECTIONS**

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
 RATES PER DTH

|                                       | <u>Rate</u> |
|---------------------------------------|-------------|
| <u>Rate Schedule FT:</u><br>(Note 1)  |             |
| <u>Mainline Rates</u>                 |             |
| Reservation Rate (Note 2)             |             |
| Maximum Rate .....                    | \$1.6008    |
| Minimum Rate .....                    | \$0.0000    |
| Commodity Rate -                      |             |
| Maximum Rate.....                     | \$0.0026    |
| Minimum Rate.....                     | \$0.0026    |
| Overrun Rate -                        |             |
| Maximum Rate.....                     | \$0.0552    |
| Minimum Rate.....                     | \$0.0026    |
| <u>Powder River Incremental Rates</u> |             |
| Reservation Rate (Note 2)             |             |
| Maximum Rate.....                     | \$1.0646    |
| Minimum Rate.....                     | \$0.0000    |
| Commodity Rate -                      |             |
| Maximum Rate.....                     | \$0.0000    |
| Minimum Rate.....                     | \$0.0000    |
| Overrun Rate -                        |             |
| Maximum Rate.....                     | \$0.0350    |
| Minimum Rate.....                     | \$0.0000    |
| <u>Medicine Bow Incremental Rates</u> |             |
| Reservation Rate (Note 2)             |             |
| Maximum Rate.....                     | \$2.7345    |
| Minimum Rate.....                     | \$0.0000    |
| Commodity Rate -                      |             |
| Maximum Rate.....                     | \$0.0000    |
| Minimum Rate.....                     | \$0.0000    |
| Overrun Rate -                        |             |
| Maximum Rate.....                     | \$0.0899    |
| Minimum Rate.....                     | \$0.0000    |

|   | <u>Rate</u> |
|---|-------------|
| <u>Rate Schedule FT:</u><br>(Note 1)            |             |
| <u>Bakken Leased Capacity Incremental Rates</u> |             |
| Reservation Rate (Note 2)(Note 8)               |             |
| Maximum Rate.....                               | \$6.0833    |
| Minimum Rate.....                               | \$0.0000    |
| Commodity Rate -                                |             |
| Maximum Rate.....                               | \$0.0000    |
| Minimum Rate.....                               | \$0.0000    |
| Overrun Rate -                                  |             |
| Maximum Rate.....                               | \$0.2000    |
| Minimum Rate.....                               | \$0.0000    |
| <u>Piceance Basin Incremental Rates</u>         |             |
| Reservation Rate (Note 2)                       |             |
| Maximum Rate.....                               | \$4.2911    |
| Minimum Rate.....                               | \$0.0000    |
| Commodity Rate -                                |             |
| Maximum Rate.....                               | \$0.0004    |
| Minimum Rate.....                               | \$0.0004    |
| Overrun Rate -                                  |             |
| Maximum Rate.....                               | \$0.1415    |
| Minimum Rate.....                               | \$0.0004    |
| <u>Kanda Lateral Incremental Rates</u>          |             |
| Reservation Rate (Note 2)(Note 10)              |             |
| Maximum Rate.....                               | \$4.4040    |
| Minimum Rate.....                               | \$0.0000    |
| Commodity Rate -                                |             |
| Maximum Rate.....                               | \$0.0001    |
| Minimum Rate.....                               | \$0.0001    |
| Overrun Rate -                                  |             |
| Maximum Rate.....                               | \$0.1449    |
| Minimum Rate.....                               | \$0.0001    |

Rate Schedule FDBS:

(Note 1)

Medicine Bow Rates

Reservation Rate

Maximum Rate..... \$3.6369

Minimum Rate..... \$0.0000

Commodity Rate

Maximum Rate..... \$0.0000

Minimum Rate..... \$0.0000

Unauthorized Overrun Rate ..... \$0.2391

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
 RATES PER DTH

|  | <u>Rate</u> |
|--|-------------|
| <u>Rate Schedule IT:</u>                                       |             |
| <u>Mainline Rates</u>  |             |
| Commodity Rate -   |             |
| Maximum Rate.....  | \$0.0552    |
| Minimum Rate.....  | \$0.0026    |
| <u>Powder River Interruptible Incremental Rates</u>            |             |
| Commodity Rate -   |             |
| Maximum Rate.....  | \$0.0350    |
| Minimum Rate.....  | \$0.0000    |
| <u>Medicine Bow Interruptible Incremental Rates</u>            |             |
| Commodity Rate -   |             |
| Maximum Rate.....  | \$0.0899    |
| Minimum Rate.....  | \$0.0000    |
| <u>Bakken Leased Capacity Incremental Rates</u>                |             |
| Commodity Rate -   |             |
| Maximum Rate.....  | \$0.2000    |
| Minimum Rate.....  | \$0.0000    |
| <u>Piceance Basin Interruptible Incremental Rates</u>          |             |
| Commodity Rate -   |             |
| Maximum Rate.....  | \$0.1415    |
| Minimum Rate.....  | \$0.0004    |
| <u>Kanda Lateral Interruptible Incremental Rates (Note 10)</u> |             |
| Commodity Rate -   |             |
| Maximum Rate.....  | \$0.1449    |
| Minimum Rate.....  | \$0.0001    |



STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
RATES PER DTH

|   | <u>Rate</u> |
|---|-------------|
| <u>Rate Schedule PAL:</u>                                   |             |
| <u>WIC East and West Mainline Parking or Lending Rates</u>  |             |
| Initial Rate -  |             |
| Maximum Rate.....   | \$0.0552    |
| Minimum Rate.....   | \$0.0000    |
| Balance Rate -  |             |
| Maximum Rate.....   | \$0.0276    |
| Minimum Rate.....   | \$0.0000    |
| Completion Rate -   |             |
| Maximum Rate.....   | \$0.0552    |
| Minimum Rate.....   | \$0.0000    |
| <u>Medicine Bow Parking and Lending Incremental Rates</u>   |             |
| Initial Rate -  |             |
| Maximum Rate.....   | \$0.0899    |
| Minimum Rate.....   | \$0.0000    |
| Balance Rate -  |             |
| Maximum Rate.....   | \$0.0449    |
| Minimum Rate.....   | \$0.0000    |
| Completion Rate -   |             |
| Maximum Rate.....   | \$0.0899    |
| Minimum Rate.....   | \$0.0000    |
| <u>Piceance Basin Parking and Lending Incremental Rates</u> |             |
| Initial Rate -  |             |
| Maximum Rate.....   | \$0.1415    |
| Minimum Rate.....   | \$0.0000    |
| Balance Rate -  |             |
| Maximum Rate.....   | \$0.0708    |
| Minimum Rate.....   | \$0.0000    |
| Completion Rate -   |             |
| Maximum Rate.....   | \$0.1415    |
| Minimum Rate.....   | \$0.0000    |

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
RATES PER DTH

Rate

Rate Schedule PAL:

Kanda Lateral Parking and Lending Incremental Rates

Initial Rate -

|                   |          |
|-------------------|----------|
| Maximum Rate..... | \$0.1449 |
| Minimum Rate..... | \$0.0000 |

Balance Rate -

|                   |          |
|-------------------|----------|
| Maximum Rate..... | \$0.0725 |
| Minimum Rate..... | \$0.0000 |

Completion Rate -

|                   |          |
|-------------------|----------|
| Maximum Rate..... | \$0.1449 |
| Minimum Rate..... | \$0.0000 |

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
 RATES PER DTH

| Particulars<br>-----                  | Current<br>Reimbursement<br>----- | True-up<br>----- | Total<br>----- |
|---------------------------------------|-----------------------------------|------------------|----------------|
| Mainline System                       |                                   |                  |                |
| Fuel Gas Percentage (Note 3)          | 0.41%                             | -0.41%           | 0.00%          |
| L&U Percentage (Note 3)               | 0.00%                             | 0.00%            | 0.00%          |
|                                       | -----                             | -----            | -----          |
| Total FL&U Percentage                 | 0.41%                             | -0.41%           | 0.00%          |
| L&U Percentage (Note 11)              | 0.00%                             | 0.00%            | 0.00%          |
| Powder River Incremental              |                                   |                  |                |
| Fuel Gas Percentage (Note 3) (Note 4) | 0.00%                             | 0.00%            | 0.00%          |
| L&U Percentage (Note 3) (Note 4)      | 0.00%                             | 0.00%            | 0.00%          |
|                                       | -----                             | -----            | -----          |
| Total FL&U Percentage                 | 0.00%                             | 0.00%            | 0.00%          |
| L&U Percentage (Note 11)              | 0.00%                             | 0.00%            | 0.00%          |
| Medicine Bow Incremental              |                                   |                  |                |
| Fuel Gas Percentage (Note 3) (Note 6) | 0.17%                             | -0.08%           | 0.09%          |
| L&U Percentage (Note 3) (Note 6)      | 0.00%                             | 0.00%            | 0.00%          |
|                                       | -----                             | -----            | -----          |
| Total FL&U Percentage                 | 0.17%                             | -0.08%           | 0.09%          |
| L&U Percentage (Note 11)              | 0.00%                             | 0.00%            | 0.00%          |

Bakken Leased Capacity Incremental

|                              |     |     |       |
|------------------------------|-----|-----|-------|
| Fuel Gas Percentage (Note 7) | n/a | n/a | 2.00% |
| L&U Percentage (Note 7)      | n/a | n/a | 0.00% |
|                              |     |     | ----- |
| Total FL&U Percentage        | n/a | n/a | 2.00% |
| L&U Percentage               | n/a | n/a | 0.00% |

Piceance Basin Incremental

FL&U Percentages detailed below (Note 3)(Note 9)(Note 12):

Piceance Lateral

|  |       |       |       |
|--|-------|-------|-------|
| Fuel Gas Percentage To Transporter's Mainline System | 0.37% | 0.09% | 0.46% |
| L&U Percentage To Transporter's Mainline System      | 0.00% | 0.00% | 0.00% |
|  | ----- | ----- | ----- |
| Total FL&U Percentage                                | 0.37% | 0.09% | 0.46% |
| L&U Percentage (Note 11)                             | 0.00% | 0.00% | 0.00% |
| Fuel Gas Percentage To Other Pipelines               | 0.37% | 0.09% | 0.46% |
| L&U Percentage To Other Pipelines                    | 0.00% | 0.00% | 0.00% |
|  | ----- | ----- | ----- |
| Total FL&U Percentage                                | 0.37% | 0.09% | 0.46% |
| L&U Percentage (Note 11)                             | 0.00% | 0.00% | 0.00% |

Kanda Lateral Incremental  
FL&U Percentages detailed below (Note 3) (Note 9) (Note 13):

|  |       |       |       |
|--|-------|-------|-------|
| Fuel Gas Percentage To Transporter's Mainline System | 0.00% | 0.00% | 0.00% |
| L&U Percentage To Transporter's Mainline System      | 0.00% | 0.00% | 0.00% |
|  | ----- | ----- | ----- |
| Total FL&U Percentage                                | 0.00% | 0.00% | 0.00% |
| L&U Percentage (Note 11)                             | 0.00% | 0.00% | 0.00% |
| Fuel Gas Percentage To Other Pipelines               | 0.00% | 0.00% | 0.00% |
| L&U Percentage To Other Pipelines                    | 0.00% | 0.00% | 0.00% |
|  | ----- | ----- | ----- |
| Total FL&U Percentage                                | 0.00% | 0.00% | 0.00% |
| L&U Percentage (Note 11)                             | 0.00% | 0.00% | 0.00% |

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS

FOOTNOTES

- (1) The transportation rate shall be adjusted to include the FERC Annual Charge Adjustment (ACA).
- (2) For Capacity Release transactions only, Transporter has adopted the following NAESB standards. On the bidding formats, the number of decimal places for offers, bids and awards shall be equal to the number of decimal places in Transporter's stated rates (NAESB Standard 5.3.21). Converting a Daily rate to a Monthly rate is accomplished by multiplying the Daily rate times the number of Days in the rate period, dividing the result by the number of Months in the rate period and taking the remainder out to 5 decimal places, and rounding up or down to the Transporter's specified decimal place. Converting a Monthly rate to a Daily rate is accomplished by multiplying the Monthly rate by the number of Months in the rate period; dividing the result by the number of Days in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to the Transporter's specified decimal place (NAESB Standard 5.3.22). Furthermore, for capacity release purposes, all Tariff rates shall be adjusted to reflect a standard calculation of Daily and Monthly rates, in conformance with NAESB Standard 5.3.23.
- (3) The "FL&U" percentage(s) shall be adjusted quarterly. Such adjustment(s) shall not subject Transporter to any obligation to justify its other costs or revenues or throughput. Transporter shall be allowed to adjust the percentage(s) independent of and without regard to other rates. As applicable to the use of off-system capacity, Transporter will assess L&U or FL&U Third Party Charges pursuant to General Terms and Conditions Section 4.5(b); in the absence of any provision in the FTSA to the contrary, any Shipper utilizing off-system capacity will be responsible for all costs, charges, and surcharges (including but not limited to L&U and when assessed, fuel) imposed by the off-system capacity provider. To the extent off-system capacity is used in conjunction with Transporter's mainline and/or incremental rate lateral facilities' capacity, Transporter will also assess the applicable mainline and/or incremental rate lateral L&U or FL&U charges. To the extent off-system capacity is not used in conjunction with Transporter's mainline and/or incremental rate lateral facilities' capacity, Transporter will only assess the off-system L&U or FL&U charges.
- (4) Reserved
- (5) Reserved
- (6) All Shippers transporting from the Medicine Bow Lateral to Cheyenne shall be subject to the Medicine Bow Incremental FL&U Percentages, but shall not be subject to the mainline FL&U Percentages.
- (7) All Shippers utilizing Bakken Leased Capacity shall be subject to the Bakken Leased Capacity Incremental Fuel and Lost and Unaccounted for "Bakken Leased Capacity FL&U Percentages". The Bakken Leased Capacity FL&U Percentages shall be adjusted at least

quarterly, based on information provided by Bighorn Gas Gathering, L.L.C. and/or Fort Union Gas Gathering, L.L.C. Such Bakken Leased Capacity FL&U will be passed through in-kind to Shipper(s) and is not subject to the provisions of General Terms and Conditions Section 13. Shippers utilizing the Bakken Leased Capacity on a firm secondary basis shall be assessed all applicable incremental FL&U charges. To the extent Bakken Leased Capacity is used in conjunction with Transporter's mainline and/or other incremental rate lateral facilities' capacity, Transporter will also assess the applicable mainline and/or incremental rate lateral charges.

- (8) Any Bakken Leased Capacity which is not used by Shipper(s) shall be offered to other Shippers on a secondary and interruptible basis, pursuant to Transporter's FERC Gas Tariff ("Tariff") and subject to Transporter's currently effective rates as such Tariff and rates may change from time to time.
- (9) All Shippers transporting from the Piceance Basin Lateral or Kanda Lateral to such lateral or a receipt or delivery point on Transporter's mainline shall be subject to individual Incremental FL&U Percentages To Transporter's Mainline System. However, all Shippers transporting from the Piceance Basin Lateral or Kanda Lateral to a pipeline other than Transporter's mainline shall be subject to individual Incremental FL&U Percentages To Other Pipelines. The Piceance Basin Incremental Fuel Gas percentage, Piceance Lateral L&U percentages and Kanda Lateral Incremental FL&U percentages shall be calculated in accordance with the approved methodology set forth in Section 13 contained in the General Terms and Conditions of this Tariff.
- (10) The actual Kanda Lateral interruptible revenues that are in excess of costs during a calendar year shall be credited to all Kanda Lateral firm and interruptible Shippers pro rata based on the total revenues received from each such Kanda Lateral Shipper during the calendar year in relation to the total revenues received from all such Shippers as a group. Following each calendar year, Transporter shall apply such allocated amounts as an invoice credit on Shipper's invoice for the service provided during March of any year. If a credit amount cannot be applied, a cash payment shall be made to Shipper.
- (11) Pursuant to Section 13.6 of the GT&C, specified Shippers shall only be assessed an L&U charge and not a Fuel Gas charge.
- (12) New firm service, secondary, and interruptible transport on the Piceance Basin Lateral will be assessed the Piceance Basin Incremental Fuel Gas percentage and the Piceance Lateral L&U percentage.

RATE SCHEDULE FT  
FIRM TRANSPORTATION SERVICE

1. Availability

- 1.1 This Rate Schedule is available, on the basis described in Section 4 of the General Terms and Conditions of this Tariff and subject to all of the other terms of this Tariff for Transportation Service by Wyoming Interstate Company, L.L.C. (hereinafter called Transporter), for any person (hereinafter called Shipper) when Shipper desires firm Transportation Service and:
- (a) Transporter has determined that other than such new taps, valves, measurement equipment, and other minor facilities which may be required at the Point(s) of Receipt or Point(s) of Delivery to effect receipt or Delivery of the Gas it has available or will secure sufficient uncommitted capacity to provide the service requested by Shipper as well as all of its other firm service commitments;
  - (b) Shipper makes a valid request pursuant to Section 4 of the General Terms and Conditions of this Tariff;
  - (c) Shipper executes a Firm Transportation Service Agreement ("Agreement") pursuant to the terms of this Rate Schedule in the form attached hereto; and
  - (d) Shipper has met the creditworthiness requirements and other service requirements specified in Section 4 of the General Terms and Conditions.
- 1.2 When new and/or expanded facilities at Points of Receipt or Points of Delivery, such as new taps, valves, measurement equipment, and other minor facilities, are required to accommodate receipt and/or Delivery of Gas under this Rate Schedule FT and will not impair service to any existing Shipper or threaten the integrity of Transporter's System, Transporter will construct such facilities. Transporter shall require Shipper to pay all construction costs pursuant to Section 3.11 of this Rate Schedule, including any filing fees, notifications, and a reimbursement amount to compensate for federal and state income tax effects associated with such facilities.
- 1.3 Any Contribution in Aid of Construction (CIAC) pursuant to this Section 1 shall be increased by an amount (Tax Reimbursement) to compensate for the federal and state income tax effects thereof, according to the following formula:
- $$\text{Tax Reimbursement} = [\text{Tax Rate} \times (\text{CIAC} - \text{Present Value of Tax Depreciation})] \times [1 + \{\text{Tax Rate}/(1 - \text{Tax Rate})\}]$$
- 1.4 Any construction of additional facilities to provide service for a Shipper will be subject to any applicable laws and appropriate regulations.



## 2. Applicability and Character of Service

- 2.1 Transportation Service, up to Shipper's Maximum Delivery Quantity shall be considered firm, and not subject to interruption by Transporter except as provided in the General Terms and Conditions of this Tariff.
- 2.2 Upon mutual agreement of Shipper and Transporter, the Agreement may be amended to add or delete Points of Receipt and/or Delivery.
- 2.3 Transporter shall not be required to provide Transportation Service if the quantities Tendered are so small as to cause operational difficulties, such as measurement. Transporter shall promptly notify Shipper if such operating conditions exist.
- 2.4 Service Options. Shippers may contract for firm transportation service as set forth in this Section 2.4. Unless otherwise agreed, Shipper's MDQ as defined in Section 1 of the General Terms and Conditions shall remain the same throughout each season, each season within an annual contract or for the annual period. Shipper's Primary Point of Receipt Quantity and Primary Point of Delivery Quantity and any differing levels in such quantities, as well as the period of such differing levels, shall be specified in the executed transportation service agreement.
  - (a) Firm transportation service available for the five consecutive Months during the November through March winter period ("Winter Contract"). A Winter Contract may be for a term of multiple years.
  - (b) Firm transportation service available for the seven consecutive Months during the April through October summer period ("Summer Contract"). A Summer Contract may be for a term of multiple years.
  - (c) Firm transportation service available for twelve consecutive Months or more ("Annual Contract").
  - (d) Shippers may contract for firm transportation service separately with a Summer or Winter Contract, or jointly to create an Annual Contract.

## 3. Transportation Service Charges

- 3.1 Applicable Rates: The applicable minimum and maximum rates for service hereunder are set forth on the Statement of Rates, as adjusted from time to time.
- 3.2 Reservation Charge: Each Month Shipper shall be charged a Reservation Charge determined by multiplying the Reservation Rate set forth in the Agreement by Shipper's Maximum Delivery Quantity. Shipper shall begin paying the Reservation Charge on the effective date provided in the Agreement.

- 3.3 Powder River Incremental Reservation Charge - Shipper shall be subject to the Powder River Incremental Reservation Charge for any entitlement from a Point of Receipt or to a Point of Delivery on the Powder River Lateral. This charge shall be a monthly reservation charge equal to the product of (1) Shipper's currently effective Maximum Receipt Quantity from Point(s) of Receipt or Maximum Delivery Quantity to Point(s) of Delivery on the Powder River Lateral and (2) Transporters currently effective Powder River Incremental Reservation Rate. In the event on any Day Transporter has scheduled and confirmed from/to Secondary or Segmented Point(s) on the Powder River Lateral for Shipper not having a Primary Point on the Powder River Lateral, such quantities shall be subject to Transporter's daily Powder River Incremental Reservation Rate to be calculated in the same manner as defined in Note 2 contained on the Statement of Rates. In addition to the Powder River Incremental Reservation Charge, Shipper shall also pay Transporter's applicable mainline Reservation Rate when Shipper uses Transporter's mainline system. Shipper shall only be subject to the Powder River Incremental Reservation Rate for any entitlement where both the Point of Receipt and Point of Delivery are on the Powder River Lateral.
- 3.4 Medicine Bow Incremental Reservation Charge - Shipper shall be subject to the Medicine Bow Incremental Reservation Charge for any entitlement from a Point of Receipt or to a Point of Delivery on the Medicine Bow Lateral. This charge shall be a monthly reservation charge equal to the product of (1) Shipper's currently effective Maximum Receipt Quantity from Point(s) of Receipt or Maximum Delivery Quantity to Point(s) of Delivery on the Medicine Bow Lateral, and (2) Transporter's currently effective Medicine Bow Incremental Reservation Rate. In the event on any Day Transporter schedules from/to Secondary or Segmented Point(s) on the Medicine Bow Lateral for Shipper such quantities shall be subject to Transporter's daily Medicine Bow Incremental Reservation Rate to be calculated in the same manner as defined in Note 2 on the Statement of Rates. In addition to the Medicine Bow Lateral Incremental Reservation Charge, Shipper shall also pay Transporter's applicable mainline Reservation Rate when Shipper uses Transporter's mainline system. Shipper shall only be subject to the Medicine Bow Incremental Reservation Charge for any entitlement where both the Point of Receipt and Point of Delivery are on the Medicine Bow Lateral.
- 3.5 Bakken Leased Capacity Incremental Reservation Charge - Shipper shall be subject to the Bakken Leased Capacity Incremental Reservation Charge for any entitlement from the Bighorn Point of Receipt to the Point of Delivery located at the interconnection of the Fort Union Gas Gathering, L.L.C. with Transporter's Medicine Bow Lateral. This charge shall be a monthly reservation charge equal to the product of (1) Shipper's currently effective Maximum Receipt Quantity from Point(s) of Receipt or Maximum Delivery Quantity to Point(s) of Delivery utilizing the Bakken Leased Capacity, and (2) Transporter's currently Bakken Leased Capacity Incremental Reservation Rate. In the event on any Day Transporter schedules from/to Secondary Point(s) utilizing Bakken Lateral Capacity such quantities shall be subject to Transporter's daily Bakken Leased Capacity Incremental Reservation Rate to be calculated in the same manner as defined in Note 2 on the Statement of Rates. In addition to the Bakken Leased Capacity Incremental Reservation Charge, Shipper shall also pay Transporter's applicable Medicine Bow Incremental Reservation Rate when Shipper uses Transporter's Medicine Bow Lateral. To the extent Bakken Leased

Capacity is used in conjunction with Transporter's mainline and/or other incremental rate lateral facilities' capacity, Transporter will also assess the applicable mainline and/or incremental rate lateral charges.

- 3.6 Piceance Basin Incremental Reservation Charge - Shipper shall be subject to the Piceance Basin Incremental Reservation Charge for any entitlement from a Point of Receipt or to a Point of Delivery on the Piceance Basin Lateral. This charge shall be a monthly reservation charge equal to the product of (1) Shipper's currently effective Maximum Receipt Quantity from Point(s) of Receipt or Maximum Delivery Quantity to Point(s) of Delivery on the Piceance Basin Lateral and (2) Transporter's currently effective Piceance Basin Incremental Reservation Rate. In the event on any Day Transporter schedules from/to Secondary or Segmented Point(s) on the Piceance Basin Lateral for Shipper not having a Primary Point on the Piceance Basin Lateral, such quantities shall be subject to Transporter's Piceance Basin Incremental Reservation Rate. In addition to the Piceance Basin Incremental Reservation Charge, Shipper shall also pay Transporter's applicable mainline Reservation Rate when Shipper uses Transporter's mainline system. Shipper shall only be subject to the Piceance Basin Incremental Reservation Charge for any entitlement where both the Point of Receipt and Point of Delivery are on the Piceance Basin Lateral.
- 3.7 Kanda Lateral Incremental Reservation Charge - Shipper shall be subject to the Kanda Lateral Incremental Reservation Charge for any entitlement from a Point of Receipt or to a Point of Delivery on the Kanda Lateral. This charge shall be a monthly reservation charge equal to the product of (1) Shipper's currently effective Maximum Receipt Quantity from Point(s) of Receipt or Maximum Delivery Quantity to Point(s) of Delivery on the Kanda Lateral and (2) Transporter's currently effective Kanda Lateral Incremental Reservation Rate. In the event on any Day Transporter schedules from/to Secondary or Segmented Point(s) on the Kanda Lateral for Shipper not having a Primary Point on the Kanda Lateral, such quantities shall be subject to Transporter's Kanda Lateral Incremental Reservation Rate. In addition to the Kanda Lateral Incremental Reservation Charge, Shipper shall also pay Transporter's applicable mainline Reservation Rate when Shipper uses Transporter's mainline system. Shipper shall only be subject to the Kanda Lateral Incremental Reservation Charge for any entitlement where both the Point of Receipt and Point of Delivery are on the Kanda Lateral.
- 3.8 Commodity Charge: Shipper shall be charged an amount obtained by multiplying the Commodity Rate set forth in the Agreement, including, as applicable, the incremental lateral commodity rate, by the quantity of Gas in Dth's Delivered (exclusive of any Overrun Gas) each Month by Transporter to Shipper at the Point(s) of Delivery.

- 3.9 FL&U: Shipper shall provide FL&U in kind as described in Section 13.4 ("FL&U Adjustment") of the General Terms and Conditions. The FL&U Percentages shall be applied to the quantities received from Shipper for Transportation Service to determine Shipper's FL&U.

Shippers utilizing Bakken Leased Capacity shall provide FL&U in kind pursuant to the reimbursement percentages posted on Transporter's EBB for the applicable month. These percentages shall be applied to the quantities received from Shipper for Transportation Service to determine Shipper's FL&U. Such quantities shall be passed through to the Shipper and are not subject to the provisions of General Terms and Conditions Section 13.

- 3.10 Venting of Gas: Shipper shall be responsible for Unauthorized Overrun Gas Tendered by it to Transporter which is vented pursuant to Section 3.3 of the General Terms and Conditions hereof.
- 3.11 Incremental Facility Charge: When the construction of new minor facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. The Parties shall agree as to whether Shipper shall (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter. The facility charge will include the cost of the facilities plus any related taxes, plus interest as agreed to by the Parties, if the Shipper elects to reimburse Transporter for the facilities over a period of time.
- 3.12 Adjustment of Rates: Subject to the terms of the Agreement, Transporter reserves the right to prescribe and/or adjust at any time any of the rates applicable to service under any individual Agreement without adjusting any other rates for service under other Agreements. Downward adjustment to any rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term specified in Exhibit B to the Agreement, the rate for Transportation Service shall revert to the maximum rate under this Rate Schedule.
- 3.13 Imbalance Management: Shipper shall be subject to the imbalance management provisions set forth in Section 10 of the General Terms and Conditions.
- 3.14 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 4.5 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.
- 3.15 Other Charges: Shipper shall pay to Transporter, when incurred by Transporter, all charges related to service provided under this Rate Schedule, including any costs incurred by Transporter on behalf of Shipper.

4. Overrun Transportation

Upon request of Shipper and at Transporter's option, Shipper may Tender and Transporter may accept for transportation, on any Day, quantities of Gas in excess of Shipper's Maximum Delivery Quantity ("Overrun Gas"). All quantities transported as Overrun Gas shall be transported on an interruptible basis. Unless otherwise agreed, Shipper shall pay an amount obtained by multiplying the quantity of such Overrun Gas during the Month by the Maximum Overrun Rate, and when applicable the Maximum Incremental Overrun Rate, as set forth in the Statement of Rates.

5. General Terms and Conditions

The General Terms and Conditions contained in this Tariff, except as modified in the Agreement to accommodate specific operational requirements, are applicable to this Rate Schedule and are hereby made a part hereof.

RATE SCHEDULE IT  
INTERRUPTIBLE TRANSPORTATION SERVICE

1. Availability

- 1.1 This Rate Schedule is available on the basis described in Section 4 of the General Terms and Conditions of this Tariff and subject to all of the other terms of this Tariff for Transportation Service by Wyoming Interstate Company, L.L.C. (hereinafter called Transporter), for any person (hereinafter called Shipper) when Shipper desires interruptible Transportation Service, and:
- (a) Transporter can render such service with its existing transmission system without need for construction of any additional pipeline facilities other than such new taps, valves, measurement equipment and other facilities which may be required at the Point(s) of Receipt or Point(s) of Delivery to effect receipt or delivery of the Gas;
  - (b) Shipper makes a valid request pursuant to Section 4 of the General Terms and Conditions of this Tariff;
  - (c) Shipper executes an interruptible transportation service agreement ("Agreement") pursuant to the terms of this Rate Schedule in the form attached hereto; and
  - (d) Shipper has met the creditworthiness requirements and other service requirements specified in Section 4 of the General Terms and Conditions.
- 1.2 When new and/or expanded facilities at Points of Delivery or Receipt, such as new taps, valves, measurement equipment, and other minor facilities, are required to accommodate receipt and/or Delivery of Gas under this Rate Schedule IT and will not impair service to any existing Shipper or threaten the integrity of Transporter's system, Transporter will construct such facilities. Transporter shall require Shipper to pay all construction costs pursuant to Section 3.5 of this Rate Schedule, including any filing fees, notifications, and a reimbursement amount to compensate for tax effects associated with such facilities.
- 1.3 Any Contribution in Aid of Construction (CIAC) pursuant to this Section 1 shall be increased by an amount (Tax Reimbursement) to compensate for the federal and state income tax effects thereof, according to the following formula:
- $$\text{Tax Reimbursement} = [\text{Tax Rate} \times (\text{CIAC} - \text{Present Value of Tax Depreciation})] \times [1 + \{\text{Tax Rate}/(1 - \text{Tax Rate})\}]$$
- 1.4 Any construction of additional facilities to provide service for a Shipper will be subject to any applicable laws and appropriate regulations.

## 2. Applicability and Character of Service

- 2.1 Incorporation by Reference: The Agreement in all respects shall be subject to the provisions of this Rate Schedule and the General Terms and Conditions of this Tariff as filed with and accepted by the FERC from time to time.
- 2.2 Transportation Service hereunder is interruptible, and subject to interruption by Transporter at any time. Transportation Service under this Rate Schedule will be performed when Transporter has capacity available to provide such service without detriment or disadvantage to Transporter's firm Shippers. Service interruption for interruptible Shippers will be determined in accordance with the provisions of Section 6 of the General Terms and Conditions.
- 2.3 Receipt: Subject to the General Terms and Conditions of this Tariff, Shipper agrees to Tender and Transporter agrees to accept Receipt Quantities at the Point(s) of Receipt nominated by Shipper pursuant to Section 6 of the General Terms and Conditions.
- 2.4 Delivery: Subject to the General Terms and Conditions of this Tariff, Transporter agrees to transport and Tender Delivery Quantities to Shipper or for Shipper's account at Point(s) of Delivery nominated by Shipper pursuant to Section 6 of the General Terms and Conditions.
- 2.5 Rates of Flow: At each Point of Receipt and Point of Delivery, each Party shall use reasonable efforts to Tender, or cause to be Tendered, Gas at reasonably uniform hourly and daily rates of flow.
- 2.6 Transporter shall not be required to provide Transportation Service if the quantities Tendered are so small as to cause operational difficulties, such as measurement. Transporter shall promptly notify Shipper if such operating conditions exist.

## 3. Transportation Service Charges

- 3.1 Applicable Rates: The applicable rates for service hereunder shall, subject to the other provisions hereof, be the rates agreed to by Transporter and Shipper as set forth in Exhibit A to the Agreement provided that such rates shall be not less than the minimum nor more than the maximum rates for service pursuant to this Rate Schedule, as set forth in Transporter's FERC Gas Tariff, Third Revised Volume No. 2, or any effective superseding Rate Schedule on file with the FERC.

- 3.2     Commodity Charge: Shipper shall be charged an amount obtained by multiplying the commodity rate set forth in Exhibit A, including as applicable the incremental lateral commodity rate, to the Agreement by the quantity of Gas in Dth Delivered each Month by Transporter to Shipper at the Point(s) of Delivery. The commodity rate set forth in the Agreement shall not be greater than the maximum rate set forth on the Statement of Rates nor less than the minimum rate set forth on the Statement of Rates. As provided in the General Terms and Conditions the maximum commodity rate shall be subject to adjustment monthly to reflect changes in Transporter's interest expense.
- 3.3     Powder River Interruptible Incremental Rate: Shipper shall be subject to the Powder River interruptible incremental rate for quantities scheduled and confirmed at Point(s) of Receipt and/or Delivery on the Powder River Lateral. Shipper shall be charged an amount obtained by multiplying the Powder River interruptible incremental rate set forth in Exhibit A to the Agreement by the quantity of Gas in Dth received or Delivered on the Powder River Lateral each Month. In addition to the Powder River interruptible incremental rate, Shipper shall also pay Transporter's applicable mainline interruptible commodity rate when Shipper uses Transporter's mainline system.
- 3.4     Medicine Bow Interruptible Incremental Rate: Shipper shall be subject to the Medicine Bow interruptible incremental rate for quantities scheduled and confirmed at Point(s) of Receipt and/or Delivery on the Medicine Bow Lateral. Shipper shall be charged an amount obtained by multiplying the Medicine Bow interruptible incremental rate set forth in Exhibit A to the Agreement by the quantity of Gas in Dth received or Delivered on the Medicine Bow Lateral each Month. In addition to the Medicine Bow interruptible incremental rate, Shipper shall also pay Transporter's applicable mainline interruptible commodity rate when Shipper uses Transporter's mainline system.
- 3.5     Bakken Leased Capacity Interruptible Incremental Rate: Shipper shall be subject to the Bakken Leased Capacity interruptible incremental rate for quantities scheduled and confirmed at Point(s) of Receipt and/or Delivery utilizing Bakken Leased Capacity. Shipper shall be charged an amount obtained by multiplying the Bakken Leased Capacity interruptible incremental rate set forth in Exhibit A to the Agreement by the quantity of Gas in Dth received or Delivered on the Bakken Leased Capacity each Month. In addition to the Bakken Leased Capacity interruptible incremental rate, Shipper shall also pay any other applicable incremental or mainline commodity rate when Shipper utilizes Transporter's mainline or other incremental facilities.
- 3.6     Piceance Basin Interruptible Incremental Rate: Shipper shall be subject to the Piceance Basin interruptible incremental rate for quantities scheduled and confirmed at Point(s) of Receipt and/or Delivery on the Piceance Lateral. Shipper shall be charged an amount obtained by multiplying the Piceance Basin interruptible incremental rate set forth in Exhibit A to the Agreement by the quantity of Gas in Dth received or Delivered on the Piceance Lateral each Month. In addition to the Piceance Basin interruptible incremental rate, Shipper shall also pay Transporter's applicable mainline interruptible commodity rate when Shipper uses Transporter's mainline system.



- 3.7 Kanda Lateral Interruptible Incremental Rate: Shipper shall be subject to the Kanda Lateral interruptible incremental rate for quantities scheduled and confirmed at Point(s) of Receipt and/or Delivery on the Kanda Lateral. Shipper shall be charged an amount obtained by multiplying the Kanda Lateral interruptible incremental rate set forth in Exhibit A to the Agreement by the quantity of Gas in Dth received or Delivered on the Kanda Lateral each Month. In addition to the Kanda Lateral interruptible incremental rate, Shipper shall also pay Transporter's applicable mainline interruptible commodity rate when Shipper uses Transporter's mainline system.
- 3.8 FL&U: Shipper shall provide the FL&U in kind as described in Section 13.4 ("FL&U Adjustment") of the General Terms and Conditions. The quantities retained for FL&U shall be computed by multiplying the percentages by the applicable Receipt Quantities from Shipper for Transportation Service.
- Shippers utilizing Bakken Leased Capacity shall provide FL&U in kind pursuant to the reimbursement percentages posted on Transporter's EBB for the applicable month. These percentages shall be applied to the quantities received from Shipper for Transportation Service to determine Shipper's FL&U. Such quantities shall be passed through to the Shipper and are not subject to the provisions of General Terms and Conditions Section 13.
- 3.9 Venting of Gas: Shipper shall be responsible for Unauthorized Overrun Gas Tendered to Transporter which is vented pursuant to Section 3.3 of the General Terms and Conditions hereof.
- 3.10 Incremental Facilities and Charges: When the construction of new minor facilities is required in order to provide service to Shipper, Shipper will pay Transporter for such facilities. The Parties shall agree as to whether Shipper shall (1) make a one-time 100 percent reimbursement for the cost of facilities or (2) pay the cost of facilities over a period of time agreed to by Shipper and Transporter. The facility charge will include the cost of the facilities, plus related taxes, plus interest as agreed to by the Parties, if the Shipper elects to reimburse Transporter for the facilities over a period of time.
- 3.11 Adjustment of Rates: Subject to the terms of the Agreement, Transporter reserves the right to prescribe and/or adjust at any time any of the rates applicable to service under any individual Agreement without adjusting any other rates for service under other Agreements. Downward adjustment to any rate shall be for a specific term. Unless otherwise agreed, at the expiration of the term specified in Exhibit A to the Agreement, the rate for Transportation Service shall revert to the maximum rate under this Rate Schedule.
- 3.12 Imbalance Management: Shipper shall be subject to the imbalance management provisions set forth in Section 10 of the General Terms and Conditions.
- 3.13 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 4.5 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.

- 3.14 Other Charges: Shipper shall pay to Transporter when incurred by Transporter all charges related to service provided under this Rate Schedule, including any costs incurred by Transporter on behalf of Shipper.

4. Term

- 4.1 Termination Date: The Agreement shall continue in effect for the term described in Section 3 of the Agreement or the date which Transporter receives authority to, or is required to, abandon service rendered pursuant to its "blanket" transportation certificate of public convenience and necessity issued in FERC Docket No. CP90-706.

Transporter may terminate the Agreement with respect to service under Section 311 of the NGPA if it also terminates like service for others on a nondiscriminatory basis which is consistent with applicable regulatory law and regulations and secures any necessary regulatory approval(s).

5. General Terms and Conditions

The General Terms and Conditions contained in this Tariff, except as modified in the Agreement to accommodate specific operational requirements, are applicable to this Rate Schedule and are hereby made a part hereof.

## 1. DEFINITIONS

- 1.1 "Begin Date" shall mean the Day specified by a Shipper on which a Gas transaction is to begin. Most Gas transactions are to be effective for a full Gas Day. However, Shippers may indicate a requested beginning time when submitting Intraday Nominations.
- 1.2 "Bidding Shipper(s)" is any Shipper who is prequalified pursuant to Section 9 of the General Terms and Conditions to bid for capacity or who is a party to a prearranged release.
- 1.3 "Btu" shall mean 1 British thermal unit, which is the amount of heat required to raise the temperature of 1 pound of water 1 degree from 59 degrees to 60 degrees Fahrenheit. The reporting basis for Btu is 14.73 p.s.i.a. and 60 degrees F (101.325 kPa and 15 degrees C, and dry). Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm<sup>2</sup> and 15.6 degrees C and dry. "MMBtu" shall mean 1 million Btu. One "Dth" (Dekatherm) is equivalent to one MMBtu. Thermal Conversion factors shall be stated using not less than three decimal places. However, for calculation purposes, not less than 6 decimal places should be used.
- 1.3A "Bakken Leased Capacity" shall mean that portion of Transporter's transmission system beginning at Transporter's Bighorn Point of Receipt located in Sheridan County, Wyoming and extending southward to the interconnection of Fort Union Gathering, L.L.C. with Transporter's Medicine Bow Lateral at the Fort Union Gas Gathering, L.L.C. Point of Delivery located in Converse County, Wyoming.
- 1.4 "Bumping" or "Bump" shall mean:
- (a) The reduction of a previously Scheduled and Confirmed Interruptible Transportation Quantity to permit Transporter to schedule and confirm a firm Transportation Nomination which has a higher priority and which was submitted as an Intraday Nomination.
  - (b) In the event that a discount is granted that affects previously scheduled quantities, "Bumping" or "Bump" shall also mean the reduction of a Firm Transportation Quantity previously scheduled and confirmed to permit Transporter to schedule and confirm a firm Transportation Intraday Nomination which has a higher priority.
  - (c) In the event of an intraday recall of released capacity, "Bumping" or "Bump" shall also mean the reduction of the Replacement Shipper's previously Scheduled and Confirmed Firm Transportation Quantity.

Bumping that affects transactions on multiple Transportation Service Providers' systems should occur at grid-wide synchronization times only (NAESB WGQ Standard No. 1.3.39). Pursuant to NAESB Standard 1.2.12, absent an agreement to the contrary between Transporter, Shipper and any affected interconnect Party, a Bump shall not result in a Scheduled Quantity that is less than the applicable elapsed pro rated flow quantity.

- 1.5 "Business Day" shall mean Monday, Tuesday, Wednesday, Thursday, and Friday, excluding Federal Bank Holidays.
- 1.5A "Carbon Dioxide Monitoring Location" or "CDM Location" shall mean a location on Transporter's system where Transporter monitors carbon dioxide content in the gas stream and is identified as a CDM Location on Transporter's interactive website, along with associated carbon associated carbon dioxide information. CDM Locations will be sited, as determined by Transporter in its reasonable operating judgment, at various locations on Transporter's system to allow Transporter to monitor and meet its carbon dioxide Tariff specification on its laterals and mainlines.
- 1.6 "Cash Out Index Price" shall mean the price calculated as the average of the daily average index prices for CIG as published on the Natural Gas Intelligence ("NGI") Daily Gas Price Index. Should the NGI Daily Gas Price Index become unavailable, Transporter shall base the Cash Out Index Price on information posted in a similar publication. The Cash Out Index Price shall be calculated and posted on Transporter's electronic bulletin board no later than 5:00 p.m. CCT on the fifth Business Day of the Month following the production month.
- 1.7 "Central Clock Time" or "CCT" shall mean Central Standard Time (CST) except for that period when daylight savings is in effect. During this period, CCT shall mean Central Daylight Time (CDT). Unless otherwise stated, all times in this Tariff are Central Clock Time (CCT).
- 1.8 "Confirmation" shall mean the verification of the Confirmed Quantity by the Confirming Parties. A Confirmation Response is a report provided via EDM which conforms to the requirements of the Data Dictionary standards as set forth in NAESB Standard 1.4.4. The Explicit Confirmation process requires that the Confirming Party respond to a Request for Confirmation or initiate an unsolicited Confirmation Response. Absent mutual agreement to the contrary, Explicit Confirmation is the default methodology. (NAESB WGQ Standard No. 1.3.40)
- (a) A "Confirmation Requester" is a Service Provider (including a Point Operator or an Interconnecting Party) which is seeking to confirm a quantity of Gas via the information outlined in NAESB WGQ Standard No. 1.4.3 with another Service Provider (the Confirming Party) with respect to a Nomination at a location. (NAESB WGQ Standard No. 1.2.8)
- (b) A "Confirming Party" is a Service Provider (including a Point Operator an Interconnecting Party) which provides a Confirmation for a quantity of Gas via the information outlined in NAESB WGQ Standard No. 1.4.4 to another Service Provider (the Confirmation Requester) with respect to a Nomination at a location. (NAESB Standard 1.2.9)
- (c) The term "Confirming Parties" refers to the Confirmation Requester and the Confirming Party. (NAESB Standard 1.2.10)

1.8 "Confirmation" (continued)

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

- 1.9 "Confirmed Quantity" shall mean the final result of the confirmation process and is the quantity of gas stated in MMBtu or Dth which has been determined as authorized to flow on a specified Gas Day at a specified Point of Receipt or Delivery on behalf of a Shipper or Shippers. Transporter's Scheduled Quantity reports provided via EDM shall conform to the requirements of the Data Dictionary standards as set forth in NAESB Standards 1.4.5 and shall reflect Confirmed Quantities.
- 1.10 "Critical Notices" are defined, in conformance with NAESB Definition 5.2.1, as those notices which pertain to information of conditions on Transporter's system that affect scheduling or adversely affect scheduled gas flow.
- 1.11 "Cubic Foot" shall mean the volume of gas which would occupy a space of 1 cubic foot at a temperature of 60 degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute (p.s.i.a.). "Mcf" shall mean 1,000 cubic feet. "MMcf" shall mean 1,000,000 cubic feet. Pressure Base conversion factors should be reported to not less than 6 decimal places. However, the reporting basis for Gas transactions is thermal. See definition of Dekatherm.
- 1.12 "Daily Nomination" or "Timely Nomination" shall mean a Nomination submitted by a Nominating Party in conformance with the Timely Nomination Schedule set forth in Section 6 of these General Terms and Conditions, one calendar day prior to the Begin Date of a Gas transaction.
- 1.13 Reserved
- 1.14 "Day" or "Gas Day" shall mean a period beginning at 9:00 a.m. Central Clock Time and ending at 9:00 a.m. Central Clock Time on the next calendar day.
- 1.15 "Dekatherm" or "Dth" shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units (MMBtu). One Dekatherm of Gas shall mean the quantity of Gas which contains one Dekatherm of heat energy and will be reported on a dry MMBtu or Dth basis. Dth is the standard quantity unit for Nominations, Confirmations and Scheduled Quantities in the United States. The standard conversion factor between Dth and Canadian Gigajoules (Gj) is 1.055056 Gjs per Dth and between dekatherms and gigacalories (Mexico) is 0.251996 gigacalories per dekatherm. As used in this Tariff, related services agreements, statements and invoices, MMBtu and Dth are considered synonymous.

- 1.16 "Deliver" (or Delivers or Delivered) shall mean the Tender by Transporter to Shipper, or to a third party for Shipper's account, and the acceptance by Shipper or a third party for Shipper's account at the Point of Delivery under Shipper's agreement of quantities of Gas containing the same thermal content as the quantities received by Transporter for Transportation Service less the FL&U Adjustment.
- 1.17 "Delivery Quantities" (or Deliveries) shall mean the quantities of natural Gas Delivered at the Point of Delivery. The Delivery Quantities so determined shall be further adjusted, if appropriate, by any Gas vented as provided in Section 3.3 hereof during the same period of time.
- 1.18 "Downstream Party" shall mean the entity (name or identifying number) receiving Gas at a designated location as identified by a Shipper's Nomination.
- 1.18A "Echo Springs Lateral" shall mean that portion of Transporter's transmission system including all Point(s) of Receipt beginning at Transporter's interconnecting points located in Section 1, Township 19 North, Range 93 West, Carbon County, Wyoming and extending northeasterly terminating at Transporter's mainline in Section 17, Township 20 North, Range 92 West, Sweetwater County, Wyoming.
- 1.19 "Electronic Delivery Mechanism" or "EDM" shall mean the electronic communication methodology used to transmit and receive data related to Gas transactions. Transporter shall designate an electronic "site" at which Shippers and Transporter may exchange data electronically. All data provided at such site shall be considered as being delivered to the appropriate party.
- Transporter's use and implementation of EDM shall conform to all appropriate NAESB Standards.
- Furthermore, Transporter's implementation of EDM shall be specified in an Electronic Data Interchange Trading Partner Agreement, which shall substantially conform to the NAESB Model EDI Trading Partner Agreement.
- 1.20 "Electronic Transmission" or "Electronic Communication" shall mean the transmission of information via Transporter's electronic bulletin board, Transporter's standardized internet website, Electronic Data Interchange (EDI), including information exchanged via EDM. These terms exclude facsimile.
- 1.21 "End Date" shall mean the Day specified by a Shipper on which a Gas transaction is to end. Most Gas transactions are to be effective for a full Gas Day. However, Shipper may indicate a requested end time when submitting Intraday Nominations.

- 1.22 "Equivalent Quantities" shall mean the sum of the quantities of Gas measured in Dth received by Transporter for the account of Shipper at the Points of Receipt during any given period of time reduced by the FL&U Adjustment and any Gas vented as provided in Section 3.3 hereof during the same period of time. In determining Equivalent Quantities for Delivery, each Shipper shall provide the FL&U Adjustment based on the actual quantity of Gas Tendered by such Shipper to Transporter; provided, however, that each Shipper shall be responsible for Unauthorized Overrun Gas Tendered by it to Transporter which is vented under Section 3.3; provided further, that the FL&U Adjustment shall be modified periodically to reflect Transporter's actual operating experience as described in Section 1.27 ("FL&U Requirement"). Each Shipper's share of Transporter's total FL&U Requirement shall be calculated as a percentage of each Shipper's Gas at each Point of Receipt.
- 1.23 "FERC" shall mean the Federal Energy Regulatory Commission or any federal commission, agency, or other governmental body or bodies succeeding to, lawfully exercising, or superseding any powers which are exercisable by the Federal Energy Regulatory Commission.
- 1.24 "FL&U" shall mean Fuel Gas and Lost and Unaccounted-for Gas.
- 1.25 "FL&U Adjustment" shall mean the quantity of Gas to be retained by Transporter to replace its requirement for FL&U, and shall be reflected as a portion of all Receipt Quantities.
- 1.26 "FL&U Percentage", reported separately for Fuel Gas and L&U, shall refer to the percentages derived by dividing: (i) the sum of the Projected FL&U Requirement and the FL&U Requirement Adjustment (numerator); by (ii) the projected Receipt Quantities related to the anticipated Transportation Service for Shippers charged Fuel Gas and all Shippers charged L&U during the projected FL&U Requirement period (denominator).
- 1.27 "FL&U Requirement" shall mean the quantity of Gas expected to be required by Transporter during the effective period of FL&U Adjustment as determined by Transporter.
- 1.28 "Flow Path Secondary Capacity" shall mean the capacity status assigned to that portion of a Transportation transaction for which the Point of Receipt or the Point of Delivery lie outside the Primary Receipt-to-Delivery Flow Path when at least some part of such transaction passes through Shipper's Primary Receipt-to-Delivery Flow Path. Additionally, the Flow Path Secondary priority shall apply to any non-primary point that lies within Shipper's Primary Receipt-to-Delivery Flow Path, and such point shall be designated a Flow Path Secondary Point. Flow Path Secondary Capacity is limited by the capacity entitlement of the underlying transportation service agreement on the Primary Receipt-to-Delivery Flow Path Segment being used.
- 1.29 "Fuel Gas" shall mean the quantity of Gas which is required by Transporter for transportation related purposes to accomplish the Transportation Service for all Shippers.

- 1.30 "Gas" shall mean combustible hydrocarbon Gas.
- 1.31 "Gas Industry Standards Board" or "GISB" also known as "North American Energy Standards Board" or "NAESB" shall mean that accredited organization established to set standards for certain natural Gas industry business practices and procedures.
- 1.32 "GISB or NAESB or NAESB WGQ Standards" and "GISB or NAESB or NAESB WGQ Definitions" shall mean the standardized business practices, procedures, criteria, and definition of terms which have been adopted and published by the Wholesale Gas Quadrant of the North American Energy Standards Board and which have been adopted by reference by the FERC in compliance with 18 CFR, Section 284.12, as described in Section 22 of the General Terms and Conditions.
- 1.33 "Gross Heating Value" shall mean the number of Btu's produced by the combustion, at a constant pressure, of the amount of Gas which would occupy a volume of one cubic foot at a temperature of 60 degrees Fahrenheit on a water-free basis at a pressure of 14.73 p.s.i.a. with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of Gas and air and when the water formed by combustion is condensed to the liquid state. The value so determined shall be adjusted to reflect actual conditions of pressure and temperature. The calculations shall be based on dry Gas if the Gas at the measurement points contains less than 5 pounds of water per MMcf. If the Gas at the measurement point contains more than 5 pounds of water per MMcf, an appropriate correction factor determined by Transporter for the actual water vapor content in the delivered Gas stream will be applied to the Btu calculations to correct for this water content.
- 1.34 "Interconnecting Party" shall mean the party or such party's designee that is responsible for operations of a natural Gas system which interconnects with Transporter's pipeline system and is responsible for verifying Nominations and scheduling Gas flow at such point of interconnections. An Interconnecting Party is also a Confirming Party and Confirmation Requester. Each Interconnecting Party is required to conform to the schedules set forth in Section 6 of these General Terms and Conditions of this Tariff, unless specifically exempted by Transporter.
- 1.35 "Intraday Nomination" shall mean a Nomination submitted by a Nominating Party after the Timely Nomination Deadline set forth in Section 6 of these General Terms and Conditions. Intraday Nominations shall be accepted for the following cycles pursuant to the schedule set forth in Section 6 of these General Terms and Conditions:
- a) Evening Cycle - the day prior to the Gas Day
  - b) Intraday 1 Cycle - during the Gas Day
  - c) Intraday 2 Cycle - during the Gas Day
  - d) Intraday 3 Cycle – during the Gas Day



1.35A Reserved.

1.35B "Loan", "Loaned", "Lend", or "Lending" shall mean Transporter's advancement of quantities of Gas to a Shipper pursuant to Rate Schedule PAL.

1.36 "Lost and Unaccounted-for Gas" or "L&U" shall mean the quantity of Gas required by Transporter to replace lost or otherwise unaccounted-for Gas (including vented Gas, other than Gas vented pursuant to Section 3.3 of the General Terms and Conditions) for Transportation Service for all Shippers. Lost and Unaccounted-for Gas shall be calculated by reducing the actual total system fuel and lost quantity (receipts minus Deliveries) by the actual Fuel Gas for the data collection period.

1.37 "Maximum Delivery Quantity" or "MDQ" shall mean the maximum quantity of Gas, expressed in Dths per Day, which Transporter shall be obligated under a service agreement to Deliver to Shipper or for Shipper's account. The MDQ listed on the service agreement between Transporter and Shipper is based on a thermal content for the operational area of Shipper's Primary Points of Receipt. The thermal content used for MDQ determinations for the six operational areas of Transporter's system are:

| <u>Operational Area</u>                   | <u>Btu/cubic foot</u> |
|---|-----------------------|
| Medicine Bow Lateral                      | 968                   |
| Bakken Leased Capacity                    | 968                   |
| Powder River Lateral                      | 981                   |
| Wyoming Mainline and Echo Springs Lateral | 1053                  |
| Piceance Basin Lateral                    | 1050                  |
| Kanda Lateral                             | 1050                  |

Transporter continuously measures the thermal content of Gas on its system. If the thermal content in any Month deviates from the Btu per cubic foot levels stated above, or the then-current thermal content on which MDQ's are based, and Transporter reasonably determines that it will not be able to fully provide firm service due to the thermal change, Transporter can adjust each firm Shipper's MDQ. The MDQ adjustment will be posted on Transporter's electronic bulletin board, and will become effective on the first Day of the Month following posting. If an adjustment causes Shipper to be in an overrun situation, Shipper will not be liable for any overrun charges that are incurred during the first thirty days after implementation of the adjustment. In the event of an MDQ adjustment, Transporter shall also adjust its rates to prevent any undercharge or overcharge to Shippers which might otherwise result from the MDQ adjustments. The adjusted rates shall also be posted on Transporter's electronic bulletin board. The adjusted rates will be calculated by multiplying the fraction (Btu level stated above applicable to Shipper, or the then-current thermal content, divided by the new thermal content) by Transporter's rates that were applicable to Shipper. The adjusted rates will take effect the first Day of the Month that begins after the posting. The net effect on total payment due as a result of Shipper's adjusted MDQ and rates will be zero. Transporter will seek FERC approval if the adjustment to MDQ and rates, due to changes to the thermal content of the Gas, is more than 5 percent of the then-current thermal content. This provision also applies to Segmentation.

- 1.38 "Mcf" shall mean 1,000 cubic feet of Gas at a pressure of 14.73 p.s.i.a. and at a temperature of 60 degrees Fahrenheit. Pressure base conversion factors shall be stated with at least six decimal places. However, the reporting basis for Gas transactions is thermal. (See definition of Dth in this Section.)
- 1.39 "Medicine Bow Lateral" shall mean that portion of Transporter's transmission system including all Point(s) of Receipt beginning at Transporter's interconnecting points located in Section 33, Township 33 North, Range 73 West, Converse County, Wyoming and extending Southeasterly terminating at Transporter's mainline in Section 28, Township 12 North, Range 67 West, Weld County, Colorado.
- 1.40 "Month" shall mean the period beginning at 9:00 a.m. Central Clock Time on the first Day of the calendar month and ending at 9:00 a.m. Central Clock Time on the first Day of the next succeeding calendar month.
- 1.41 "Nominated Imbalance Quantity" shall mean any quantity of Gas which a Shipper includes in a Nomination for which the quantity at the Point of Receipt is not equal to the quantity at the Point of Delivery, after accounting for any appropriate FL&U. Nominated Imbalance Quantities may be Nominated by the Shipper at any time in anticipation of a prospective imbalance or to resolve an imbalance which occurred previously. Nominated Imbalance Quantities will be scheduled and confirmed in accordance with the provisions of Section 6 of these General Terms and Conditions.
- 1.42 "Nomination" or "Nominate" shall mean a request by a Shipper for a prospective transportation or pooling transaction under an executed service agreement and submitted to Transporter.
- (a) Valid Nomination is a data set which contains the mandatory data elements included in the NAESB Standards related to Nominations and any appropriate business conditional or mutually agreeable data elements, which is consistent with the provisions of the Shipper's service agreement, and which has been delivered to Transporter, or to Transporter via Electronic Communication, or when agreed to by Transporter, by facsimile. Shipper Nominations sent by EDM shall conform to the requirements of the Data Dictionary standards set forth in NAESB Standard 1.4.1.
- 1.43 "Nominating Party" shall mean a Shipper or such Shipper's designee authorized to submit Nominations to Transporter pursuant to Shipper's executed service agreements.
- 1.44 "Overrun Capacity" shall mean capacity other than Primary Capacity, Flow Path Secondary and/or Secondary Capacity on any portion of the Receipt-to-Delivery Flow Path as required under a firm transportation service agreement when Shipper Nominates for Transportation Service in excess of Shipper's contractual entitlements.

- 1.45 "Overrun Gas" shall mean the following:
- (a) Shipper may Nominate and Tender and Transporter may confirm and receive quantities in excess of Shipper's MDQ on a segment. Such quantities shall be considered as Overrun Gas and transported on an interruptible basis.
  - (b) In total, Shipper may nominate and Tender and Transporter may confirm and receive quantities pursuant to Segmentation transactions which exceed Shipper's MDQ. The quantity of capacity usage on any Segment which exceeds Shipper's MDQ shall be considered as Overrun Gas and shall be invoiced at the applicable maximum overrun rate.
- 1.46 "Package Identifier" or "Package ID" shall mean a Nomination data element which is provided at the service requestor's option to differentiate between discreet business transactions. (NAESB WGQ Standard No. 1.2.5) When used, Package ID should be:  
(a) supported for Nominating and scheduling; (b) mutually agreed between the applicable Parties for allocations and imbalance reporting; (c) supported for invoicing (sales and purchase); and (d) mutually agreed for Transport invoicing. (NAESB WGQ Standard No. 1.3.24) Package ID is not required for transportation invoicing. Use of the Package ID is at the discretion of the service requestor, and if sent, should be accepted and processed by the service provider. (NAESB WGQ Standard No. 1.3.25)
- 1.47 "Party" or "Parties" shall mean either Shipper or Transporter.
- 1.47A "Park" shall mean acceptance by Transporter of quantities of Gas Tendered by Shipper for Delivery at a later date pursuant to Rate Schedule PAL.
- 1.48 "Piceance Expansion" shall mean the expansion of the Piceance Basin Lateral certificated in Docket No. CP08-403-000.
- 1.49 "Point(s) of Delivery" shall mean the physical or logical point(s) (including Pool(s)) where Transporter Tenders Gas to Shipper or for Shipper's account.
- 1.50 "Point of Delivery Quantity" shall mean the quantity of Gas specified for Delivery to Shipper at a specific Point of Delivery under the agreement.
- 1.51 "Point(s) of Receipt" shall mean the physical or logical point(s) (including Pools) where Transporter receives Gas for the account of a Shipper for transportation.
- 1.52 "Point of Receipt Quantity" shall mean the quantity of Gas specified for receipt by Transporter at a specific Point of Receipt under the Agreement.
- 1.53 "Pool" shall mean a physical or logical point determined by Transporter at which supplies may be aggregated and disaggregated. Pool(s) are not valid Point(s) of Receipt or Delivery for determination of Primary Point(s), Capacity Scheduling or for Capacity Release.

- 1.54 "Pooler" shall mean that party holding an executed Pooling service agreement under this Tariff and on whose behalf Gas is being aggregated at a Pool. For purpose of Nominations, the term "Pooler" is synonymous with "Shipper".
- 1.55 "Pooling" shall mean the aggregation of multiple sources of supply to a single quantity and the disaggregation of such quantity to multiple markets or market contracts. "Headstation Pooling" shall mean the aggregation of supplies from one or more physical or logical Point(s) of Receipt to a designated Pool and the disaggregation of such aggregated quantities to one or more Transportation Service Agreement(s).
- 1.56 "Pooling Area" shall mean the area implied by the designation of various Segments and related to a specific Pool. Transporter's Pooling Area(s) and the Point(s) of Receipt and the related Headstation Pooling point(s) shall be posted on Transporter's electronic bulletin board.
- 1.57 "Powder River Lateral" shall mean that portion of Transporter's capacity, including all Point(s) of Receipt beginning at Transporter's interconnect with MIGC, Inc. located in Section 34, Township 33 North, Range 73 West, Converse County, Wyoming and extending Southward to the outlet of the WIC-Laramie Jumper Station in Section 21, Township 17 North, Range 76 West, Albany County, Wyoming.
- 1.58 "Primary Capacity" shall mean the transmission system capacity on any portion of the Primary Receipt-to-Delivery Flow Path reserved for a Shipper under a firm transportation service agreement. On any pipeline segment, Primary Capacity is limited by the Primary Point(s) of Receipt Quantity upstream of such segment and the Primary Point(s) of Delivery Quantity downstream of such segment, whichever is less.
- 1.59 "Primary Point(s)" shall mean those Point(s) of Receipt and Delivery where Shipper is entitled to firm service.
- 1.60 "Quick Response" shall mean the preliminary response record generated by Transporter and made available to the Nominating Party indicating the successful receipt of a Nomination and the fact that such Nomination is correct and able to be processed or is incorrect and rejected. Transporter's Quick Response shall conform to the requirements of the Data Dictionary standards as set forth in NAESB Standard 1.4.2.
- 1.61 "Rank" shall mean the relative value provided at the Nominating Party's option as a data element in a Nomination. Such value shall indicate the Nominating Party's requested scheduling priority among Nominations for the same period under the same contract. One (1) shall indicate the highest priority and nine hundred ninety-nine (999) is the lowest.

- 1.61A "Rate Default" - For index-based capacity release transactions, Rate Default is the term used to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default.
- 1.61B "Rate Floor" – Rate Floor is the term used to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Transporter's minimum reservation rate or zero cents when there is no stated minimum reservation rate.
- 1.62 "Receipt-to-Delivery Flow Path" shall mean the path of Gas through and from a Point of Receipt to and through a Point of Delivery. Furthermore, "Primary Receipt-to-Delivery Flow Path" shall mean the path of Gas through and from a Primary Point of Receipt to and through a Primary Point of Delivery. The authorized direction of flow shall be from the Primary Point of Receipt to the Primary Point of Delivery.
- 1.63 "Receipt Quantities" shall mean all quantities of Gas received by Transporter at the Point(s) of Receipt for the account of Shipper for Transportation Service.
- 1.64 "Releasing Shipper" is any Shipper who has a transportation service agreement under Rate Schedule FT who elects to release all or a portion of its firm capacity, subject to the capacity release program contained in Section 9 of the General Terms and Conditions.
- 1.65 "Render" shall mean postmarked, or electronically delivered via Electronic Communication.
- 1.66 "Replacement Capacity Agreement" is an agreement between Transporter and the Replacement Shipper setting forth the rate(s) and the terms and conditions of the service for using capacity rights acquired pursuant to Section 9 of these General Terms and Conditions.
- 1.67 "Replacement Shipper" is any Shipper who acquires capacity rights from a Releasing Shipper through Transporter's capacity release program as contained in Section 9 of the General Terms and Conditions.
- 1.68 "Request for Confirmation" shall mean the information provided via EDM which conforms to the Data Dictionary standards as set forth in NAESB Standard 1.4.3. A Request for Confirmation may be sent by any operator to an interconnected operator to initiate the communication of a Confirmation Response. (See definition of Confirmation in this Section.)

- 1.69 "Scheduled Quantity" shall mean the quantity of Gas Transporter has determined it can transport, based on a Shipper's Nomination, from a specific Point of Receipt to a specific Point of Delivery on a designated Gas Day subject to Transporter's available transportation system capacity. Such quantities shall be determined pursuant to the provisions of Section 6 of these General Terms and Conditions and are subject to final Confirmation. Transporter's Scheduled Quantity reports provided via EDM shall conform to the requirements of the Data Dictionary standards as set forth in NAESB Standard 1.4.5.
- 1.70 "Secondary Capacity" shall mean capacity other than Primary Capacity or Flow Path Secondary Capacity under a firm transportation service agreement when Shipper Nominates at Secondary Points which lie outside of Shipper's Primary Receipt-to-Delivery Flow Path.
- 1.71 "Secondary Point(s)" shall mean those Points of Receipt and Delivery which are not specified in the firm transportation service agreement as Primary Points. Secondary Points which lie in the Primary Receipt-to-Delivery Flow Path are automatically awarded a scheduling status of Flow Path Secondary.
- 1.72 "Secondary Point of Delivery" shall mean a Point of Delivery which is not specified in the firm transportation service agreement as Primary Point(s) of Delivery and which is located outside of Shipper's Primary Receipt-to-Delivery Flow Path.
- 1.73 "Secondary Point of Receipt" shall mean a Point of Receipt which is not specified in the firm transportation service agreement as Primary Point(s) of Receipt and which is located outside of Shipper's Primary Receipt-to-Delivery Flow Path.
- 1.74 "Segment" shall mean a discrete portion of Transporter's pipeline system between two specific locations. Transporter shall evaluate the operating capacity of the Segment against the capacity requested for Transportation Service(s) by Shippers. In the event the requested capacity exceeds the Segment operating capacity, Transporter will follow the procedures specified in General Terms and Conditions Section 6 to reduce the transportation requests to the Segment operating capacity.
- 1.74A "Segmentation" shall refer to the ability of a Shipper holding a contract for firm transportation capacity to subdivide such capacity into Segments and to use those Segments for different capacity transactions. Segmentation may be effected by the Shipper by designating a number of discrete Transportation combinations (Points of Receipt to Points of Delivery), each of which being equal to or less than Shipper's Primary Capacity for that pipeline segment. The applicability and prerequisites for Segmentation are described in Section 8.1 of the General Terms and Conditions.

- 1.75 "Segmentation Point(s)" shall mean any non-Primary Point of Receipt or Point of Delivery identified on a Segmentation transaction. All Segmentation Point(s) which lie within the Shipper's Primary Receipt-to-Delivery Flow Path are automatically awarded a scheduling status of Flow Path Secondary for Nominated quantities up to Shipper's Segment entitlement. Segmentation Points of Receipt and/or Delivery which lie outside of the Primary Receipt-to-Delivery Flow Path are considered Secondary for scheduling. Nothing in this section shall preclude Shipper from acquiring Primary Point rights at Segmentation Point(s) and using such capacity on a Primary Capacity scheduling priority basis.
- 1.76 "Shipper" shall mean that Party on whose behalf Gas is being transported.
- 1.77 "Standard Quantity" for Nominations, Confirmations and scheduling shall mean Dekatherms per Gas Day in the United States, gigajoules per Gas Day in Canada and Mexico, and gigacalories per Gas Day in Mexico for transactions that occurred prior to the enactment of Mexico Resolution/RES 267/2006 dated September 7, 2006. (For reference 1 dekatherm = 1,000,000 Btu's; 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the standard conversion factor between Dekatherms and gigajoules is 1.055056 gigajoules per Dekatherm and between Dekatherms and gigacalories is 0.251996 gigacalories per Dekatherm. The standard Btu is the International Btu, which is also called the Btu(IT); the standard joule is the joule specified in the SI system of units. (NAESB WGQ Standard No. 1.3.14)
- 1.78 "Tender" or "Tendered" shall mean making natural Gas available in accordance with all of the provisions of this Tariff and Shipper's transportation service agreement.
- 1.79 "Thermal Content" when applied to any volume of Gas shall mean the aggregate number of Btu's contained in such volume. The Thermal Content shall be determined by multiplying the volume of Gas in cubic feet by the Gross Heating Value of the Gas.
- 1.80 "Transportation Service" shall consist of the acceptance by Transporter of Gas Tendered by Shipper to Transporter at the Point(s) of Receipt, the transportation and Delivery of an equivalent quantity of Gas (minus FL&U Adjustment and any quantities vented pursuant to Section 3.3 hereof) to Shipper either directly, by displacement, or otherwise at the Point(s) of Delivery.
- 1.81 "Transporter" shall mean Wyoming Interstate Company, L.L.C., a limited liability company under the laws of the State of Colorado.
- 1.82 "Unauthorized Overrun Gas" shall mean Overrun Gas not accepted by Transporter for Nomination, pursuant to Section 6 hereof.
- 1.83 "Upstream Party" shall mean the entity (name or identifying number) Tendering Gas to Transporter at a designated location as identified by a Shipper's Nomination.

#### 4. REQUESTS FOR SERVICES

4.1 Request for Transportation Service. A Shipper wishing to obtain service must first satisfy the creditworthiness requirements of this Tariff. A request for service (including requests for changes to Point of Receipt and/or Delivery and requests for Segmentation) shall be deemed valid and complete upon the following information being accurately and properly entered into Transporter's interactive website. A Shipper may either enter the information directly into Transporter's interactive website or furnish the information to Transporter and request that Transporter enter the information into Transporter's interactive website on behalf of the Shipper, 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 interactive 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 interactive website.

- (a) 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.
- (b) A designation of whether Shipper is a local distribution company, intrastate pipeline company, interstate pipeline company, producer, end-user or marketer.
- (c) The extent of Shipper's affiliation with Transporter.
- (d) Shipper's Dun and Bradstreet (DUNS) number.
- (e) Type of service: FT, IT, HSP-1, PAL, or FDBS.
- (f) The initial term of the service, including beginning and ending dates.
- (g) The Maximum Delivery Quantity under the contract. For Rate Schedule FDBS, the Maximum Balancing Amount under the contract.
- (h) Receipt and delivery points requested.
- (i) Daily Quantity at each receipt point(s) \_\_\_\_Dth/Day.  
Daily Quantity at each delivery point(s) \_\_\_\_Dth/Day.

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

If Section 311, 18 C.F.R. Part 284, Subpart B transportation service is requested, the Shipper must provide the following information to Transporter:

- (j) A declaration explaining how the requested service qualifies as Section 311 service;



#### 4.1 Request for Transportation Service (Continued)

- (k) The name of the local distribution company or intrastate pipeline company on whose behalf the Gas will be transported; and
- (l) 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 Prospective Sale of Available Capacity

- (a) New Service Requests. Transporter may grant requests for firm service on a not unduly discriminatory basis within the following time periods and subject to the below listed conditions:
  - (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;
  - (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 electronic bulletin board to afford all potential Shippers an opportunity to acquire the capacity. Any party wishing to purchase the capacity, and who meets Transporter's creditworthiness requirements, may participate in the open season. Transporter will award the capacity on a net present value 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.

4.2 Prospective Sale of Available Capacity (Continued)

- (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 4.2(c) above.
- (e) If Transporter sells firm capacity pursuant to Section 4.2(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.

4.3 If Transporter has submitted an agreement for execution to Shipper and Shipper fails to execute and return the agreement within 30 Days thereafter, then Shipper's request shall be null and void.

4.4 Capacity Reserved for Future Expansion/Extension Projects. Transporter may elect to reserve for future expansion/extension projects, any unsubscribed capacity or capacity under expiring or terminating firm transportation service agreements ("FTSAs") where such FTSAs do not have a ROFR or Shipper does not exercise its ROFR.

- (a) Capacity may be reserved up to one year prior to the date of filing for certificate approval for construction of proposed expansion or extension facilities, and thereafter until all expansion/extension facilities related to the certificate filing are placed into service.
- (b) Transporter shall conduct an open season for the expansion/extension within one year prior to or following the date that Transporter posts such capacity as being reserved. Transporter will not, absent Commission approval, accept advance payments to reserve capacity under this Section 4.4.

#### 4.4 Capacity Reserved for Future Expansion/Extension Projects (Continued)

- (c) If Transporter elects to reserve capacity, it will notify Shippers of its intent as part of its posting of capacity on its electronic bulletin board. Transporter's posting for reserved capacity for future expansion/extension projects shall include the following information: (i) a description of the project for which the capacity will be reserved; (ii) the total quantity of capacity to be reserved; (iii) the location of the proposed reserved capacity on the pipeline system; (iv) whether, and if so when, Transporter anticipates that an open season for the capacity will be held or the reserved capacity will otherwise be posted for bids; (v) the projected in-service date of the new facilities; and (vi) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a ROFR. If the expansion/extension project still requires the construction of facilities given the amount of reserved capacity, then Transporter shall post a non-binding solicitation for turnback capacity no later than 90 days after the close of the expansion project open season, specifying the minimum term for a response to the solicitation. Transporter shall make reasonable efforts to notify shippers of any material changes in the scope of the project.
- (d) When reserving capacity for future expansion/extension projects, Transporter shall first post all of its available capacity for at least five business days prior to the reservation period. Transporter shall post and award available capacity in accordance with the service request procedures of Section 4.1 of these General Terms and Conditions.
- (e) When the capacity to be reserved is offered through an open season, Transporter shall have the right to impose minimum terms and conditions for bids that would be acceptable. In the event that the subsequent expansion project open season imposes minimum terms and conditions that are materially different from the terms and conditions imposed in the previous capacity open season, Transporter shall hold another open season for the reserved capacity that uses the same minimum terms and conditions as were imposed for the expansion project open season. If the expansion project open season is held prior to or during the open season for the reserved capacity, Transporter shall use the same minimum terms and conditions as used for the expansion project open season.
- (f) Any capacity reserved under this Section 4.4 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 FTSA's, Transporter reserves the right to limit any term extension rights provided in the FTSA and pursuant to Section 4.10 commensurate with the proposed in-service date of the expansion project. Transporter will indicate in any posting of the reserved capacity any limitations on term extension rights that will apply to such limited-term transportation service.

#### 4.4 Capacity Reserved for Future Expansion/Extension Projects (Continued)

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

#### 4.5 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 Third Party Charges as described below. 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 capacity available for service 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. Notwithstanding Section 4.5(a) above, if a Shipper(s) requests, and Transporter agrees, to acquire off-system capacity from a third party(s) to provide transportation service for the benefit of such Shipper(s), Shipper(s) may, on a non-discriminatory basis, be required to pay Transporter, in addition to any applicable rates and charges assessed pursuant to this Tariff, the rates and charges Transporter is obligated to pay such third party(s) for the off-system capacity. Such charges may include, but are not limited to, daily reservation and commodity charges and applicable surcharges, fuel and power charges or retention, compression fees, balancing or storage fees, measurement fees, processing fees, and/or facility charges that are assessed by the third party. Such charges, unless otherwise agreed, shall be 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.

4.5 Off-System Capacity (Continued)

(b) Third Party Charges (Continued)

- (i) Any off-system capacity acquired by Transporter for the benefit of a Shipper(s) which is not used by that Shipper(s) 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 described below, 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.
- (A) 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 using the same method as defined in Note 2 on the Statement of Rates. 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.
- (B) 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 4.5(b) will be included on Shipper's monthly invoice as Third Party Charges, if applicable.

4.5 Off-System Capacity (Continued)

(b) (i) (Continued)

(C) Transporter shall post the third party rates for all off-system locations and any applicable FL&U reimbursement charges on its electronic bulletin board.

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

(c) For the 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.

4.6 Electronic Execution of Agreements. For all TSAs (including all Park & Loan Agreements, Park & Loan Service Request Orders, HSP-1 Agreements, FDBS Agreements and amendments to existing agreements) entered into on or after the effective date of this tariff provision (all of which shall be referred to as TSAs for purposes of this Section 4.6), Transporter and Shipper may execute such TSAs electronically or by signing a traditional paper agreement. If Shipper elects to sign a traditional paper agreement, then Shipper shall not submit nominations while the paper TSA is pending execution. For TSAs requiring filing with the Commission, Transporter may submit either electronic or traditional paper TSAs.

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

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

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

4.7 Reserved

- 4.8 Upon execution of an agreement with Transporter, Shipper shall provide to Transporter (1) the name of the corporate entity or entities ultimately receiving the Gas, if other than a local distribution company, or interstate pipeline company, or intrastate pipeline company purchasing Gas for its system supply, and such names shall be included in the agreement; (2) such other information as may be required in order for Transporter to comply with any FERC reporting requirements.
- 4.9 Transporter shall keep confidential all information furnished by Shipper in compliance with Sections 4.1 and 4.8 herein, subject to the requirement that no information required by the Commission to be publicly available shall be kept confidential.
- 4.10 Right of First Refusal
- (a) Shipper Notice of Intent to Renew
- (i) Shipper either (i) has an agreement with an effective date before March 27, 2000 with a term of one year or longer, or (ii) has an agreement with an effective date on or after March 27, 2000 for service for twelve consecutive months or more at the applicable maximum rate for that service, except that a contract for more than one year, for service which is not available for 12 consecutive months, would be subject to the right of first refusal. However, if such Shipper has entered into a firm agreement utilizing off-system capacity contracted for pursuant to Section 4.5 of the General Terms and Conditions, it may not elect to extend the term of its agreement beyond the term of Transporter's agreement for such off-system capacity.
- (ii) Notice is due on or before the "Notice Date" which is; (i) six months prior to the expiration date for firm transportation agreements of three years or less and (ii) twelve months prior to the expiration date for firm transportation agreements greater than three years.
- (iii) A Shipper shall relinquish all rights to the capacity underlying its firm transportation agreement upon termination by failing to provide notice or by issuing a notice to terminate pursuant to Section 4.10(a)(ii) above.
- (iv) A Shipper shall furnish notice of its intent to extend its firm transportation agreement by issuing a notice to extend pursuant to Section 4.10(a)(ii). Such notice will include the proposed terms of extension.
- (v) If the expiring firm transportation agreement contains an "evergreen" provision, the Shipper's right to continued Service, as to all its terms, shall be governed by the terms of the "evergreen" provision.

#### 4.10 Right of First Refusal (Continued)

(a) Shipper Notice of Intent to Renew (Continued)

- (vi) If an "evergreen" provision is not included in the expiring agreement, and the Shipper provides notice of its desire to extend the agreement at the maximum Tariff rate and for a term of less than 5 years, Transporter shall proceed to a "Solicitation of Bids" as described in this Section. If the notice includes a request for a rate discount, the request shall be considered a notice of intent to terminate and the Shipper shall have no first right to the capacity underlying its firm transportation agreement. Shipper's desire to extend service but at discounted rates shall be considered with other bids for the capacity received under the "Solicitation of Bids." If Shipper's bid is superior to other bids received, Transporter and the Shipper may negotiate a new agreement, but neither Transporter nor Shipper shall have any rights or obligations as to the expiring agreement or to the capacity underlying it.
  - (vii) Shipper having a negotiated rate firm transportation agreement does not have a right of first refusal.
- (b) Subject to Section 4.10(a), Shipper may exercise its right to retain a portion of its firm service entitlement subject to the right of first refusal, however, the Shipper may not exercise the right of first refusal for a geographic portion of its agreement.
- (c) Solicitation of Bids. If the Shipper has given notice of intent to renew its contract as described in Section 4.10(a), Transporter shall solicit competing bids for the subject capacity. Beginning not later than 30 Business Days after the "Notice Date," and continuing for thirty days (the "Bid Period"), Transporter shall post on its electronic bulletin board notice of the capacity which will be available as a result of the expiring agreement and the minimum acceptable terms for bidding on such capacity. Any party may submit a bid for the subject capacity during the "Bid Period."



#### 4.10 Right of First Refusal (Continued)

- (d) Notification of Existing Shipper and Right to Match. If Shipper has given notice of intent to renew as described in Section 4.10(a), then within ten Business Days after the close of the "Bid Period," Transporter shall notify the existing Shipper of any offers deemed superior to the Shipper's proposed terms of extension based upon the net present value of the Reservation Charges to be paid under such bids and the proposed term of such, using Transporter's then-effective rate of return on equity. The term of any competing offers shall not be capped for comparison purposes. If a superior offer is not received, the Shipper shall be entitled to a term extension of the expiring agreement provided that Shipper agrees to pay Transporter's maximum Tariff rate. Within ten Business Days after such notification by Transporter, Shipper must notify Transporter of its intent to match the highest competing offer. If Shipper does not provide notification within the ten-day period, Transporter may enter into an agreement with the bidder submitting the highest offer utilizing the capacity.
- (e) Continuation If No Firm Transportation Agreement Is Executed. If the existing Shipper declines to match a superior competing offer, and an agreement is not executed for the subject capacity on or before expiration of the existing Shipper's firm transportation agreement, the existing Shipper shall have the right to continue service at Transporter's maximum Tariff rate, for an agreed term between the Parties. If the existing Shipper declines to continue service as of the date of contract expiration, or if the Parties are unable to reach agreement on the term of extension, then Shipper's rights to the subject capacity shall terminate as if the existing Shipper had given notice of intent to terminate its agreement.
- (f) Right of First Refusal Clause in Firm Transportation Agreement. Transporter and Shipper may agree to include a right of first refusal rollover or evergreen clause in their agreement. The contractual right of first refusal, rollover or evergreen clause would allow the Shipper to exercise a right of first refusal in situations where the regulatory right would not apply. In such case, Shipper may rely on its contractual rights in lieu of the regulatory right of first refusal. However, if a Shipper has entered into a firm agreement utilizing off-system capacity contracted for pursuant to Section 4.5 of the General Terms and Conditions, it may not elect to extend the term of its agreement beyond the term of Transporter's agreement for such off-system capacity.
- (g) Capacity that is sold on an interim basis up to the commencement date of a prospective firm transportation agreement, pursuant to Section 4.2(e) of the General Terms and Conditions, shall not be eligible for a right of first refusal.

4.10 Right of First Refusal (Continued)

- (h) Capacity that is sold on an interim basis in accordance with Section 4.4, 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.
- (i) Capacity that is sold and which is associated with leased capacity shall not be eligible for a right-of-first-refusal unless Transporter and Shipper agree to a conditional contractual right-of-first-refusal. Such contractual right-of first-refusal will be conditioned on the availability of the leased capacity and the remaining term of Transporter's underlying agreement for such capacity.

4.11 Amendment. The agreement shall be amended only by an instrument executed by both Parties electronically using the process described in Section 4.6 or through placing signatures on a traditional paper agreement.

4.12 Extension of Executed Agreements

- (a) Transporter and Shipper may mutually agree to the early termination of one or more transportation service agreements in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. To the extent that Transporter and Shipper have mutually agreed to this arrangement, Shipper need not participate in an open season for the extension nor must the underlying capacity be posted on Transporter's electronic bulletin board as unsubscribed, available capacity prior to the extension.
- (b) Prior to the expiration of the term of a transportation service 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). To the extent that Transporter and Shipper have mutually agreed to this arrangement, Shipper need not participate in an open season for the extension nor must the underlying capacity be posted on Transporter's electronic bulletin board as unsubscribed, available capacity prior to the extension. If a transportation service agreement has a ROFR, the agreement to extend the term must be reached prior to the receipt of an acceptable bid submitted pursuant to this Section 4 of these General Terms and Conditions.
- (c) When a transportation service agreement is subject to a regulatory ROFR, contains a contractual ROFR, a rollover clause, or an evergreen clause, the extension of the contract term will apply to each expiring increment of capacity (i.e., contract quantities that reduce on an agreed schedule) during the term of the agreement.

- 4.13 Creditworthiness Requirement. Transporter shall not be required to commence service or to continue to perform service under the firm or interruptible rate schedules for any Shipper who fails to demonstrate creditworthiness as reasonably determined by Transporter. Transporter's determination of creditworthiness shall be based upon a review of Shipper's financial statements, bank references, trade references, and such other information relating to Shipper's financial status, obligation payment history, and other relevant factors as may be necessary to satisfy Transporter that Shipper is creditworthy. Upon Shipper's request, Transporter shall provide a written explanation of any credit limitation applied to Shipper.

Firm Service: If necessary, Transporter may require Shipper to deposit with Transporter and maintain, on prepaid account, or to establish and maintain an escrow account or to furnish a letter of credit in an amount equal to Transporter's estimate of 2 Months of charges for performing such service at the level of Shipper's Rate Schedule FT Maximum Delivery Quantity or Rate Schedule FDBS Maximum Balancing Amount (as applicable) or to furnish within 15 Days, good and sufficient security, as determined solely by Transporter, of a continuing nature and in an amount equal to Transporter's estimate of 2 Months of charges for performing said service at the level of Shipper's Maximum Delivery Quantity or Maximum Balancing Amount (as applicable), or may require such other measures as Transporter may specify.

Interruptible Service: If necessary, Transporter may require Shipper to deposit with Transporter and maintain, on prepaid account, or to establish and maintain an escrow account or to furnish a letter of credit in an amount equal to Transporter's estimate of 2 Months of charges for performing such service or to furnish within 15 Days, good and sufficient security, as determined solely by Transporter, of a continuing nature and in an amount equal to Transporter's estimate of 2 Months of charges for performing said service or may require such other measures as Transporter may specify.

Transporter will also permit another entity to guarantee Shipper's obligation, provided that the guarantor has sufficient credit available, as determined by Transporter in accordance with this provision. Transporter may, without waiving any rights or remedies it may have, suspend further service until such acceptable security is received by Transporter. Upon Shipper's establishment of an acceptable credit record or upon expiration of the Agreement, Transporter shall refund Shipper's deposit, less any amounts due Transporter, with interest accrued at rates set pursuant to 18 CFR Section 154.501(d).

- 4.14 Discounting. In the event that Transporter agrees to discount its rate to Shipper below Transporter's maximum rate under Transporter's FT, IT, PAL and FDBS Rate Schedules, the following discount terms may be reflected on the applicable service agreements and will apply without the discount constituting a material deviation from Transporter's Form of service agreement; provided, however, that any such discounted rates set forth below shall be between the minimum and maximum rates applicable to the service provided under the applicable rate schedule. Such discounted rates may apply:
- (a) only to certain specified service entitlements under the agreement;
  - (b) only if specified quantity levels (including Parked or Loaned quantities requested on the specific dates mutually agreed to by Transporter and Shipper under Rate Schedule PAL) are actually achieved under the agreement (with higher rates, charges, and fees applicable to all quantities above those levels, or to all quantities under the Agreement and/or PAL Service Request Order if the specified levels are not achieved);
  - (c) only to production reserves committed by the Shipper;
  - (d) only during specified time periods;
  - (e) only to specified Point(s) of Receipt, Point(s) of Delivery, mainline area segments, supply areas, Transportation routes, or defined geographical areas; or
  - (f) in a specified relationship to the quantities actually Delivered (i.e., that the rates shall be adjusted in a specified relationship to quantities actually Delivered); and/or
  - (g) to published index prices for specific receipt and/or delivery points or other agreed-upon published pricing reference points for price determination (such discounted rate may be based upon the differential between published index prices or arrived at by formula). Such discounted rate:
    - (1) shall not change the underlying rate design;
    - (2) shall not include any minimum bill or minimum take provision that has the effect of guaranteeing revenue;
    - (3) shall define the rate component to be discounted.

In addition, the discount language of the agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rates so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts

#### 4.14 Discounting (Continued)

revised tariff provisions. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

#### 4.15 Non-Conforming Negotiated Rates

- (a) Authority and Conditions: The rate or rates to be charged for service pursuant to any rate schedule contained in this Tariff may deviate in form or level from the maximum-to-minimum ranges set forth on Statement of Rates of this Tariff, provided:
  - (i) Transporter and Shipper have executed a valid service agreement agreeing to such nonconforming negotiated rate(s) or rate formula,
  - (ii) At the time of execution of such service agreement or amendment agreeing to the nonconforming negotiated rate(s) or rate formula, Shipper had access to service pursuant to this Tariff at the rates then set forth on the Statement of Rates, and
  - (iii) Prior to commencing service at such nonconforming negotiated rate(s) or rate formula, Transporter will have filed a tariff provision advising the Commission of such agreement, stating the exact legal name of Shipper and specifying the rate or rate formula included in such agreement.
- (b) Impact on Capacity Allocation: To the extent the revenue level pursuant to the nonconforming negotiated rate(s) or rate formula provided for in Section 4.15(a) above should exceed the maximum rate for such service stated on the Statement of Rates, Shipper, paying such nonconforming rate(s) shall be treated, for capacity-allocation purposes, and for purposes of evaluating bids pursuant to Section 4.10 of these General Terms and Conditions, as if the rate(s) paid had been equal to the maximum rate for such service stated on the Statement of Rates. The highest rate the Shipper must match for the right of first refusal purposes is the maximum rate set forth in this Tariff. Any Shipper, existing or new, paying the maximum tariff rate(s) has the same right to capacity as a Shipper willing to pay a higher negotiated rate(s). If the negotiated rate(s) is higher than the corresponding maximum recourse rate(s), the negotiated rate(s) cannot be used as the price cap for release capacity pursuant to Section 9 of these General Terms and Conditions.

4.15 Non-Conforming Negotiated Rates (Continued)

- (c) Accounting for Costs and Revenues: The allocation of costs to, and recording of revenues from service at nonconforming negotiated rate(s) or rate formula(s) will follow Transporter's normal practices associated with all of Transporter's services under this Tariff. Should Transporter institute any revenue tracker or other device to flow through currently to its Shippers the impact of interruptible or other transportation transactions, the treatment in such tracker of revenues from nonconforming negotiated rate(s) or rate formula(s) shall be specified in such tracker provision.
- (d) (i) Treatment of discounts: 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 the 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.

- (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
  - (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 agreements that were converted from pre-existing discounted Part 284 agreements to non-conforming negotiated rate agreements. Such adjustment would be based on the greater of: (i) the negotiated rate revenues received or (ii) the discounted recourse rate revenues which otherwise would have been received.

- 4.16 Any notice, statement, or bill provided for in the agreement shall be in writing and shall be considered as having been given if hand carried, transmitted electronically (including facsimile transmissions and computer transmissions), or if mailed by United States mail, postage prepaid, to the address contained in the agreement.

- 4.17 Governmental Regulation. The transportation service agreement is subject to present and future valid orders of duly constituted authorities having jurisdiction over the subject matter thereof. Upon cessation of such jurisdiction or control, all rights and obligations set forth in the transportation service agreement shall continue in effect.
- 4.18 Assignment
- (a) Assignable Parties. This agreement may be assigned by either of the Parties to:
    - (i) any person, firm, or corporation acquiring all, or substantially all, of the natural gas business of said Party;
    - (ii) a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities; but it may not be otherwise assigned without the consent of the other Party hereto. Whenever any corporation is referred to herein, such reference shall be deemed to include the successors and assignees of such corporation.
  - (b) Assignment. This agreement shall be binding upon and inure to the benefit of the successors and assignees of each of the Parties hereto.
  - (c) Clarification of Use. Unless expressly allowed by Transporter in writing, Transportation Service for other than the purposes expressly stated in the Agreement shall not be provided.
- 4.19 Agents. Shipper must provide written notice to Transporter of the name, and any other pertinent information of another person ("Agent") that has agency authority to act for Shipper pursuant to an Agreement under Rate Schedule FT, IT, PAL and/or FDBS (as applicable), in connection with (1) the operation of pipelines, facilities and wells in connection with an agreement under this rate schedule, (2) Operational Flow Orders and Imbalance Management as discussed in Sections 11.1 and 10, respectively, of the General Terms and Conditions of this Tariff and/or (3) other matters covered by an agreement. If the Agent has authority under (1) and (2) above, operating notices shall be served on the Agent alone. When using an Agent, the Shipper remains bound by its obligations under an agreement. Further, commitments made by the Agent on behalf of the Shipper are binding on the Shipper as if made by the Shipper. The Shipper must provide prompt written notice of the termination of the agency.
- 4.20 Governmental Authorization. Each Party's obligations under an agreement incorporating these General Terms and Conditions are conditioned upon each Party obtaining from governmental authorities having jurisdiction such authorization as may be necessary, in form and substance satisfactory to the Party applying therefor. Neither Transporter nor Shipper shall be required to accept any authorization which, in the opinion of the Party applying for same, contravenes, nullifies, or is contrary to any provisions hereof or of any provision of the transportation service agreement.

- 4.21 Regulatory Authority: All services shall be performed pursuant to 18 CFR 284.221 authority, unless Shipper elects service to be performed pursuant to 18 CFR 284.101 (Section 311) authority. In that event, Transporter shall only accept, and Shipper shall only make, Nominations for service to be performed pursuant to 18 CFR 284.101 (Section 311) in accordance with the regulations governing the provisions of such service, and after Transporter has received an "on behalf of" letter acceptable to Transporter.
- 4.22 Governing Law. The laws of the State of Colorado shall govern the validity, construction, interpretation and effect of agreements and of the applicable Tariff provisions. Agreements are subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.
- 4.23 Termination Obligations: Termination of an agreement under Rate Schedules FT, IT, PAL, HSP-1, and FDBS shall not relieve Transporter and Shipper or Pooler of the obligation to correct any quantity imbalances or relieve Shipper or Pooler of the obligation to pay money due to Transporter under an agreement. All warranties and indemnities shall survive termination of the agreement.