

BRACEWELL

October 23, 2024

VIA E-FILING

Debbie-Anne A. Reese, Acting Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Southern Natural Gas Company, L.L.C.
Offer of Partial Settlement
Docket Nos. RP25-36-___ and RP24-982-___ (consolidated)

Dear Secretary Reese:

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”),¹ Southern Natural Gas Company, L.L.C. (“SNG”) hereby submits for filing in the above-referenced proceedings an Offer of Partial Settlement which contains an Explanatory Statement and a Stipulation and Agreement with its Attachments A through D (“S&A”).

Pursuant to Rule 602(b)(2)(i),² SNG respectfully requests that the Secretary transmit the Offer of Partial Settlement and accompanying documents to the Presiding Judge, the Honorable Joel deJesus, and the Settlement Judge, the Honorable Patricia E. Hurt. SNG respectfully requests that the Offer of Partial Settlement be certified promptly as an uncontested settlement, and that the Commission act expeditiously to approve the Offer of Partial Settlement by November 29, 2024.

SNG submits the S&A on behalf of itself and the parties listed in Attachment A. Attachment B contains the Fuel Tariff Filing submitted by SNG to the Commission in Docket No. RP24-982-000 on August 20, 2024. Attachment C contains a schedule of transportation fuel retention rates to be effective October 1, 2024, and an explanation of their derivation. Attachment D contains clean and marked versions of the *pro forma* tariff records regarding the tariff revisions that will be implemented under the terms of the S&A.

¹ 18 C.F.R. § 385.602.

² *Id.* § 385.602(b)(2)(i).

In compliance with Rule 602(c),³ this submission includes the following:

1. This transmittal letter;
2. The Explanatory Statement; and
3. The S&A.

Pursuant to Rule 602(d),⁴ SNG is serving copies of the instant filing upon all parties listed on the official service lists compiled by the Secretary in these proceeding, all affected customers of SNG, and interested state commissions.

Please direct any questions with respect to this filing to Kirk Morgan at (202) 828-5854.

Respectfully submitted,

/s/ D. Kirk Morgan II

D. Kirk Morgan II

Counsel for Southern Natural Gas Company, L.L.C.

Enclosures

³ *Id.* § 385.602(c)

⁴ *Id.* § 385.602(d).

Certificate of Service

I hereby certify that on this 23rd day of October, 2024, I have electronically served the foregoing document upon each person designated on the official service list compiled by the Commission's Secretary in these proceedings as well as upon customers of Southern Natural Gas Company, L.L.C. and interested state commissions that have requested electronic service.

/s/ Boris Shkuta _____

Boris Shkuta
Bracewell LLP

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

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| Southern Natural Gas Company, L.L.C. |) |) |) | Docket Nos. RP25-36-____ RP24-982-____ (consolidated) |
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**OFFER OF PARTIAL SETTLEMENT
AND EXPLANATORY STATEMENT**

Pursuant to Rule 602 of the Federal Energy Regulatory Commission’s (“**Commission**”) Rules of Practice and Procedure,¹ Southern Natural Gas Company, L.L.C. (“**SNG**”) hereby submits this Offer of Partial Settlement which includes the Explanatory Statement and the Stipulation and Agreement (“**S&A**”). This Explanatory Statement is filed in compliance with Rule 602(c)(1)(ii),² and is intended to align with the S&A. However, in the event of an inconsistency between this Explanatory Statement and the S&A, the S&A shall control. For the reasons set forth herein, SNG respectfully requests that the Commission approve the attached S&A as in the public interest and as a fair and reasonable resolution of some of the matters and issues in the above-captioned proceedings, as described below.

I. PROCEDURAL BACKGROUND

On August 20, 2024, in Docket No. RP24-982-000 (the “**Fuel Tariff Proceeding**”), Southern, pursuant to section 4 of the NGA, filed as part of its FERC Gas Tariff, Eighth Revised Volume No. 1 (“**Tariff**”), certain revised tariff records related to SNG’s transportation fuel retention rates and its transportation fuel retention mechanism (“**Fuel Tariff Filing**”). More specifically, SNG proposed (i) to convert its current Dth-equivalent electric cost recovery

¹ 18 C.F.R. § 385.602.

² *Id.* § 385.602(c)(1)(ii).

mechanism to an Electric Power Cost (“**EPC**”) tracking and true-up mechanism, and (ii) to update SNG’s transportation fuel retention rates for the six-month winter period beginning October 1, 2024, based upon the actual consumption for the six-month period ending March 31, 2024, including the cumulative losses on e-Dth sales that existed at the end of that same six-month period.

On September 3, 2024, Indicated Shippers,³ SNG Municipal Group,⁴ and American Forest and Paper Association filed protests of the Fuel Tariff Filing.⁵ On September 12, 2024, SNG filed a motion for leave to answer and answer.⁶ The SNG Municipal Group filed an additional answer on September 18, 2024,⁷ and SNG filed an answer to the SNG Municipal Group’s additional answer on September 20, 2024.⁸

On September 30, 2024, the Commission issued an order accepting and suspending the Fuel Tariff Filing, subject to refund, and establishing hearing procedures (“**September 30 Order**”).⁹ On October 2, 2024, SNG filed in Docket No. RP25-36-000 certain revised Tariff records related to SNG’s transportation fuel retention rates and its transportation fuel retention

³ Indicated Shippers includes ConocoPhillips Company, SCANA Energy Marketing, LLC d/b/a IGS Energy, and Shell Energy North America (US), L.P.

⁴ SNG Municipal Group includes Austell Gas System, The Southeast Alabama Gas District, the Municipal Gas Authority of Georgia, and the Alabama Municipal Distributors Group.

⁵ Indicated Shippers, Protest, Docket No. RP24-982-000 (filed Sept. 3, 2024); SNG Municipal Group, Protest and Request for Rejection of \$9.5 Million Charge for Financial Losses from E-Dth Gas Sales, Docket No. RP24-982-000 (filed Sept. 3, 2024); American Forest & Paper Ass’n, Motion to Intervene, Protest, and Request for Suspension and Evidentiary Hearing Proceedings, Docket No. RP24-982-000 (filed Sept. 3, 2024).

⁶ Southern Natural Gas Co., L.L.C., Motion for Leave to Answer and Answer to Protests and Comments, SNG Municipal Group, Answer in Opposition to SNG’s September 12 Motion to Supplement the August 20 Filing, Docket No. RP24-982-000 (filed Sept. 12, 2024).

⁷ SNG Municipal Group, Answer in Opposition to SNG’s September 12 Motion to Supplement the August 20 Filing, Docket No. RP24-982-000 (filed Sept. 18, 2024).

⁸ Southern Natural Gas Co., L.L.C., Motion for Leave to Answer and Answer, SNG Municipal Group, Answer in Opposition to SNG’s September 12 Motion to Supplement the August 20 Filing, Docket No. RP24-982-000 (filed Sept. 20, 2024).

⁹ *Southern Natural Gas Co., L.L.C.*, 188 FERC ¶ 61,226 (2024).

mechanism to take effect for the 2024/2025 winter period (“**Winter Period Filing**”).¹⁰ On October 22, 2024, the Commission issued an order accepting and suspending the Winter Period Filing for a nominal period, to become effective October 2, 2024, subject to refund, establishing hearing procedures, and consolidating SNG’s filings in Docket Nos. RP25-36-000 and RP24-982-000 (“**October 22 Order**”).¹¹ On October 2, 2024, SNG, Trial Staff, and the other active parties to these proceedings (collectively, the “**Participants**”) reached an agreement in principle with respect to the instant Partial Settlement, as described herein. A list of the parties supporting or not opposing the Partial Settlement is attached hereto in Attachment A. The Participants continue to participate in comprehensive settlement discussions in an effort to resolve the remaining outstanding issues.

II. SUMMARY OF THE S&A

The attached S&A reflects the agreement of SNG and the parties to the captioned proceedings in Docket Nos. RP25-36-000 and RP24-982-000, following settlement negotiations to resolve the immediate issues resulting from the Commission’s September 30 Order and October 22 Order. The S&A provides for fuel rate stability and certainty for shippers for the winter heating period beginning October 1, 2024, and reserves for hearing all remaining issues set for hearing in the September 30 Order and October 22 Order. The Commission has specifically encouraged the use of negotiated settlements, such as this one, to resolve rate and tariff issues.¹² SNG submits

¹⁰ Southern Natural Gas Co., L.L.C., Update of Fuel Retention Rates, Docket No. RP25-36-000 (filed Oct. 2, 2024).

¹¹ *Southern Natural Gas Co., L.L.C.*, 189 FERC ¶ 61,057 (2024).

¹² *See, e.g., Trans Bay Cable LLC*, 165 FERC ¶ 61,106, at P 18 (2018) (“Commission policy generally favors settlements because they provide rate finality.”); *El Paso Natural Gas Co.*, 120 FERC ¶ 61,170, at P 38 (2007) (approving an uncontested settlement and explaining the Commission’s policy “favoring settlements”); *Tennessee Gas Pipeline Co.*, 20 FERC ¶ 61,096, at 61,207 (1982) (explaining that settlements “can significantly improve administrative efficiency and reduce the delay that is a basic source of dissatisfaction with government regulation.”).

that this S&A is fair and reasonable and in the public interest and should be approved without modification or condition.

Article I sets forth a brief procedural and factual background of these proceedings, and states that the S&A resolves some of the issues set for hearing by the September 30 Order and October 22 Order.

Article II relates to the treatment of Supporting and Non-Opposing Parties as well as the treatment of Contesting Parties.

Article III sets forth the EPC and fuel retention tracker Tariff provisions to be implemented as a result of the S&A.

Section 3.1 provides that SNG will implement Tariff revisions, following a final order of the Commission approving the S&A, that include three components: (i) an EPC tracker mechanism to establish a dollar-per-Dth rate; (ii) an EPC true-up mechanism; and (iii) transportation fuel retention rates based on SNG's actual fuel consumption.

Section 3.2 provides that the revised Tariff records are included as Attachment E to the S&A.

Section 3.3 clarifies that imbalances resulting from the retroactive application of transportation fuel retention rates will be resolved pursuant to Section 14 of the GT&C of the Tariff.

Section 3.4 provides a proposed effective date of October 1, 2024, to allow the new EPC mechanism and updated fuel retention rates to become effective at the beginning of the winter heating season, pending resolution of the issues set for hearing.

Article IV sets forth the matters that are at issue in these proceedings and that are reserved for hearing and are not resolved by the S&A.

Article V establishes the effectiveness of the S&A. Section 5.1 provides that the provisions of the S&A are not severable and that the S&A shall not become effective until (i) the Commission issues a final order approving the S&A without condition, clarification, or modification, and (ii) the Commission order waives all applicable Commission requirements, if any, that must be waived to make the S&A effective as proposed.

Section 5.2 sets forth the rights of the Participants to withdraw their consent to the S&A in the event the Commission issues an order approving the S&A with modification, condition, or clarification.

Article VI provides that the standard of review for any changes to the S&A proposed by any Supporting or Non-Opposing Party to these proceedings will be the more rigorous application of the statutory “just and reasonable” standard of review which is characterized as the *Mobile-Sierra* “public interest” standard;¹³ provided, however, that if the Commission finds that application of the *Mobile-Sierra* “public interest” standard to any such Party is inconsistent with Commission policy, precedent, or applicable law, then the standard of review will be the most stringent standard permissible under Commission policy, precedent, and applicable law.¹⁴

Article VII sets forth that no resolution in the S&A shall be deemed to be a “long standing practice”¹⁵ or a “settled practice.”¹⁶

Article VIII sets forth reservations.

¹³ *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332, 339 (1956); *FPC v. Sierra Pac. Power Co.*, 350 U.S. 348, 355 (1956).

¹⁴ *See Natural Gas Pipeline Co. of America LLC*, 162 FERC ¶ 61,009 (2018); *Gas Transmission Northwest LLC*, 165 FERC ¶ 61,195 (2018).

¹⁵ *Columbia Gas Transmission Corp. v. FERC*, 628 F.2d 578, 586 n.31 (D.C. Cir. 1979).

¹⁶ *Pub. Serv. Comm’n v. FERC*, 642 F.2d 1335, 1346 (D.C. Cir. 1980).

Section 8.1 provides that the Offer of Settlement is being provided pursuant to Rule 602 of the Commission's Rules of Practice and Procedure.¹⁷

Section 8.2 provides that the S&A shall have no precedential value.

Section 8.3 provides that the Commission's approval of the S&A will constitute all authorization necessary for SNG to implement the rate and Tariff changes contemplated by the S&A.

Section 8.4 provides that in the event of any conflict between the S&A and the effective Tariff records filed with the Offer of Partial Settlement, the Tariff records will control.

Section 8.5 provides that all capitalized terms shall have the meaning defined in the S&A.

III. INFORMATION TO BE PROVIDED WITH SETTLEMENT AGREEMENTS

Pursuant to the "Amended Notice to the Public on Information to be Provided with Settlement Agreements and Guidance on the Role of Settlement Judges" issued by the Chief Administrative Law Judge on December 15, 2016, SNG addresses the following four questions:

1. Does the settlement affect other pending cases?

No. The S&A does not affect other pending cases.

2. Does the settlement involve issues of first impression?

No. The S&A does not involve any issues of first impression.

3. Does the settlement depart from Commission precedent?

No. The S&A does not depart from Commission precedent.

4. Does the settlement seek to impose a standard of review other than the ordinary just and reasonable standard with respect to any changes to the settlement that might be sought by either a third party or the Commission acting *sua sponte*?

¹⁷ 18 C.F.R. § 385.602.

No. The S&A establishes that the standard of review shall be the ordinary “just and reasonable” standard with respect to any changes to the settlement that might be sought by either a third party or the Commission acting *sua sponte*.

IV. CONCLUSION

WHEREFORE, SNG respectfully asks that the Commission promptly issue an order approving this Offer of Partial Settlement without condition or modification.

Respectfully submitted,

SOUTHERN NATURAL GAS COMPANY, L.L.C.

By: _____ /s/
Name: Patricia S. Francis
Title: Vice President and Managing Counsel

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

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| Southern Natural Gas Company, L.L.C. |))) | Docket Nos. RP25-36-____ RP24-982-____ (consolidated) |
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STIPULATION AND AGREEMENT

(October 23, 2024)

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“**FERC**” or “**Commission**”),¹ Southern Natural Gas Company, L.L.C. (“**SNG**”) respectfully submits this Stipulation and Agreement and the appendices hereto (the “**S&A**”) as part of its Offer of Partial Settlement to resolve certain issues regarding SNG’s transportation fuel retention rates and terms of service set for hearing in the captioned proceeding, as more fully described below. SNG respectfully requests that the Commission approve the S&A in its entirety without modification or condition, effective October 1, 2024, as an integrated and indivisible package. SNG also respectfully requests that the Commission grant any necessary authorizations under the Natural Gas Act (“**NGA**”)² and any waivers of its regulations, rules, orders or currently effective SNG tariff record necessary to effectuate the S&A.

¹ 18 C.F.R. §§ 385.602.

² 15 U.S.C. §§ 717-717w.

ARTICLE I BACKGROUND

1.1 On August 20, 2024, in Docket No. RP24-982-000 (the “**Fuel Tariff Proceeding**”), SNG, pursuant to section 4 of the NGA, filed as part of its FERC Gas Tariff, Eighth Revised Volume No. 1 (“**Tariff**”), certain revised tariff records related to SNG’s transportation fuel retention rates and its transportation fuel retention mechanism (“**Fuel Tariff Filing**”).³ More specifically, SNG proposed (i) to convert its current Dth-equivalent (“**e-Dth**”) electric cost recovery mechanism to an Electric Power Cost (“**EPC**”) tracking and true-up mechanism, and (ii) to update SNG’s transportation fuel retention rates for the six-month winter period beginning October 1, 2024, based upon the actual consumption for the six-month period ending March 31, 2024, including the cumulative losses on e-Dth sales that existed at the end of that same six-month period.

1.2 On September 3, 2024, Indicated Shippers,⁴ SNG Municipal Group,⁵ and American Forest and Paper Association filed protests of the Fuel Tariff Filing.⁶ On September 12, 2024, SNG filed a motion for leave to answer and answer.⁷ The SNG Municipal Group filed an

³ Southern Natural Gas Co., L.L.C., Fuel Tracker Tariff Mechanism Modification and Rate Update Filing, Docket No. RP24-982-000 (filed Aug. 20, 2024).

⁴ Indicated Shippers includes ConocoPhillips Company, SCANA Energy Marketing, LLC d/b/a IGS Energy, and Shell Energy North America (US), L.P.

⁵ SNG Municipal Group includes Austell Gas System, The Southeast Alabama Gas District, the Municipal Gas Authority of Georgia, and the Alabama Municipal Distributors Group.

⁶ Indicated Shippers, Protest, Docket No. RP24-982-000 (filed Sept. 3, 2024); SNG Municipal Group, Protest and Request for Rejection of \$9.5 Million Charge for Financial Losses from E-Dth Gas Sales, Docket No. RP24-982-000 (filed Sept. 3, 2024); American Forest & Paper Ass’n, Motion to Intervene, Protest, and Request for Suspension and Evidentiary Hearing Proceedings, Docket No. RP24-982-000 (filed Sept. 3, 2024).

⁷ Southern Natural Gas Co., L.L.C., Motion for Leave to Answer and Answer to Protests and Comments, SNG Municipal Group, Answer in Opposition to SNG’s September 12 Motion to Supplement the August 20 Filing, Docket No. RP24-982-000 (filed Sept. 12, 2024).

additional answer on September 18, 2024,⁸ and SNG filed an answer to the SNG Municipal Group's additional answer on September 20, 2024.⁹

1.3 On September 30, 2024, the Commission issued an order accepting and suspending the Fuel Tariff Filing, subject to refund, and establishing hearing procedures.¹⁰ On October 2, 2024, SNG filed in Docket No. RP25-36-000 certain revised Tariff records related to SNG's transportation fuel retention rates and its transportation fuel retention mechanism to take effect for the 2024/2025 winter period ("**Winter Period Filing**").¹¹ On October 22, 2024, the Commission issued an order accepting and suspending the Winter Period Filing for a nominal period, to become effective October 2, 2024, subject to refund, establishing hearing procedures, and consolidating SNG's filings in Docket Nos. RP25-36-000 and RP24-982-000.¹² On October 2, 2024, SNG and the other active parties to these proceedings (collectively, the "**Parties**") reached an agreement in principle with respect to some of the issues in these proceedings, as described herein. A list of the parties supporting or not opposing the S&A is attached hereto in Attachment A. The Parties will continue to participate in comprehensive settlement discussions in an effort to resolve the remaining outstanding issues.

⁸ SNG Municipal Group, Answer in Opposition to SNG's September 12 Motion to Supplement the August 20 Filing, Docket No. RP24-982-000 (filed Sept. 18, 2024).

⁹ Southern Natural Gas Co., L.L.C., Motion for Leave to Answer and Answer, SNG Municipal Group, Answer in Opposition to SNG's September 12 Motion to Supplement the August 20 Filing, Docket No. RP24-982-000 (filed Sept. 20, 2024).

¹⁰ *Southern Natural Gas Co., L.L.C.*, 188 FERC ¶ 61,226 (2024).

¹¹ Southern Natural Gas Co., L.L.C., Update of Fuel Retention Rates, Docket No. RP25-36-000 (filed Oct. 2, 2024).

¹² *Southern Natural Gas Co., L.L.C.*, 189 FERC ¶ 61,057 (2024).

ARTICLE II SUPPORTING AND NON-OPPOSING PARTIES

2.1 Supporting and Non-Opposing Parties. A “**Supporting or Non-Opposing Party**” is any party that is listed in Attachment A attached hereto. Any party not listed in Attachment A that does not meet the definition of a Contesting Party as set forth in Section 2.2. of this Article II shall also be deemed to be a Supporting or Non-Opposing Party, so long as it acts in accordance with the criteria established in this S&A.

2.2 Contesting Parties. A **Contesting Party** is any person who opposes approval of this S&A, who supports this S&A only in part or subject to condition, qualification or modification, or who requests any clarification that is inconsistent with this S&A. A Contesting Party shall not be bound by this S&A, nor shall a Contesting Party obtain or share in any benefit afforded by this S&A.

ARTICLE III ELECTRIC POWER COST AND FUEL RETENTION TRACKER

3.1 EPC and Fuel Retention Tracker. Within two days of the Commission’s issuance of an order consistent with Article V of this S&A, SNG will file revised Tariff records to update its transportation fuel retention rates and implement a new EPC tracker mechanism to include the following components:

(a) EPC Tracker. An EPC mechanism to establish a dollar-per-Dth rate that will be applied to the prospective period, summer or winter, based on actual electric power costs incurred during the previous summer or winter period, divided by the applicable base period throughput during such period.¹³

¹³ A more detailed description of the EPC Tracker Mechanism is provided in section B.1. (“EPC Tracker Mechanism”) of SNG’s Fuel Tariff Filing. Fuel Tariff Filing at 4. The Fuel Tariff Filing, without the tariff records included as Appendices A and B thereto, is attached to this S&A as Attachment B and incorporated herein by reference.

(b) EPC True-Up. A true-up mechanism to (i) capture any base period over- or under-collection of EPC amounts relative to the actual electric power costs incurred during the applicable summer or winter period, and (ii) roll forward any such over- or under-collection into the determination of the EPC rate for the forthcoming summer or winter period, as applicable.

(c) Transportation Fuel Retention. Transportation fuel retention rates, expressed as a percentage of receipt quantities, based upon SNG's actual fuel consumption during the preceding summer and winter periods, respectively, including any cumulative transportation fuel over- and under-recovery balance that existed at the end of the preceding summer or winter period.¹⁴

3.2 Revised Tariff Records. Revised Tariff records implementing each of the components described in Section 3.1 of this Article III are set forth in both clean and red-lined versions in Attachment E to this S&A.

3.3 Imbalances. At Shipper's election, a Net Monthly Imbalance (as such is defined in Section 14.1 of the GT&C of the Tariff) accrued by any Shipper as a result of the retroactive application of the rates proposed in this S&A to be effective October 1, 2024, shall be resolved pursuant to Section 14 of the GT&C of the Tariff, including those imbalance resolution options set forth in Section 14.1(f). For volumes resolved via cashout, either Transporter or Shipper shall pay 100% of the Index Price (as such is defined in Section 14.1(d) of the GT&C of the Tariff) in effect for the month when the imbalance accrued.

3.4 Proposed Effective Date. The revised Tariff records described in Section 3.2 of this Article III are to be accepted by the Commission with a nominal suspension period and made

¹⁴ A schedule of transportation fuel retention rates to be effective October 1, 2024, and an explanation of their derivation, is attached to this S&A as Attachment C hereto.

effective as of October 1, 2024, and are to be implemented by SNG consistent with the provisions of Section 8.3 of Article VIII of this S&A.

ARTICLE IV MATTERS RESERVED FOR HEARING

4.1 SNG’s transportation fuel retention rates will remain subject to refund pending resolution of all issues in this proceeding through the hearing and/or settlement judge procedures established in the Commission’s September 30, 2024 and October 22, 2024 orders in these dockets.¹⁵

4.2 Electric power costs incurred by SNG that are the subject of the Fuel Tariff Proceeding shall be recoverable in SNG’s fuel rates, regardless of whether such charges are determined to be variable or fixed costs, so long as such costs are found to be prudently incurred.

4.3 For purposes of Section 4.2, “electric power costs” include any costs of electric power and energy supplied for use in SNG’s operations, whether billed by the supplier as fixed or variable charges. “Electric power costs” do not include losses on sales of e-Dth gas, which are treated as a separate issue in this docket.

ARTICLE V EFFECTIVENESS

5.1 Non-Severability and Conditions Precedent. The provisions of the instant S&A are not severable, and neither this S&A, nor any of its provisions, shall become effective unless and until each of the following has occurred:

(a) The Commission shall have entered a final order¹⁶ approving this S&A as uncontested and without any condition, clarification, or modification; or, in the event the

¹⁵ The cumulative loss of \$9,492,114 on e-Dth sales that SNG proposes to recover in its Fuel Tariff Filing has been removed from rates to be effective October 1, 2024. *See* Attachment C, Schedule 8, line 14 (highlighted \$0).

¹⁶ A final order shall be an order that is no longer subject to rehearing or appeal.

Commission approves the instant S&A as contested, or with a condition, clarification, or modification, no Participant shall have exercised its right under Section 5.2 of this Article V to withdraw its consent within the prescribed time; and

(b) The Commission order shall have waived, if necessary, compliance by SNG with the requirements of the Commission's Rules and Regulations in order to carry out the provisions of this S&A.

5.2 Right to Withdraw Consent to S&A. If the Commission approves the instant S&A with any modification, condition, or clarification, or does not approve the S&A for all Parties, SNG reserves the right to accept the S&A as modified, conditioned, clarified, or limited, or to withdraw the Offer of Partial Settlement including the S&A. Similarly, any Party reserves the right to withdraw its agreement to the S&A if the Commission approves the S&A with modification, condition, or clarification. SNG and the other Parties must exercise their rights to withdraw within five (5) days from the date of the order setting forth the limited approval, modification, condition, or clarification by notifying the Commission in writing within that time period. If SNG withdraws the Offer of Partial Settlement or any other Party withdraws its support within the five-day period described above, this S&A shall be null and void.

ARTICLE VI STANDARD OF REVIEW

Because the Supporting or Non-Opposing Parties are sophisticated participants in Commission proceedings, the standard for review for any change to this S&A that is proposed by SNG or a Supporting or Non-Opposing Party shall be the "public interest" standard for review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.* and *Federal Power Commission v.*

Sierra Pacific Power Co.;¹⁷ provided, however, that if the Commission finds that application of the *Mobile-Sierra* “public interest” standard to any such party is inconsistent with Commission policy, precedent, or applicable law, then such parties request that the standard of review be the most stringent standard permissible under Commission policy, precedent, and applicable law.¹⁸ With respect to proposed changes to the S&A sought by non-settling third parties, including but not limited to the Commission acting *sua sponte*, the standard of review shall be the just and reasonable standard.

ARTICLE VII SETTLED PRACTICE

No resolution in this S&A shall be deemed to be a “long standing practice”¹⁹ or a “settled practice.”²⁰ Thus, no rate design, cost-of-service, cost allocation, ratemaking, or tariff principle or methodology underlying or supposed to underlie the rates and charges herein shall be treated as the “settled practice” in future rate proceedings by virtue of approval of this S&A, except as otherwise expressly provided in this S&A; provided that nothing in this S&A undermines or constitutes a lessening of a “settled practice” that may have existed independently of this S&A.

ARTICLE VIII RESERVATIONS

8.1 Applicability of Rule 602. The instant Offer of Partial Settlement, including the S&A, is submitted pursuant to Rule 602 of the Commission’s Rules of Practice and Procedure.²¹ It is stipulated and agreed that unless the S&A shall have become effective in accordance with

¹⁷ *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332, 339 (1956); *FPC v. Sierra Pac. Power Co.*, 350 U.S. 348, 355 (1956) (“*Mobile-Sierra*”).

¹⁸ See *Natural Gas Pipeline Co. of America LLC*, 162 FERC ¶ 61,009 (2018); *Gas Transmission Northwest LLC*, 165 FERC ¶ 61,195 (2018).

¹⁹ *Columbia Gas Transmission Corp. v. FERC*, 628 F.2d 578, 586 n.31 (D.C. Cir. 1979).

²⁰ *Pub. Serv. Comm’n v. FERC*, 642 F.2d 1335, 1346 (D.C. Cir. 1980).

²¹ 18 C.F.R. § 385.602.

Article V, this S&A and the agreements reflected herein shall not be subject to discovery or admissible in evidence.

8.2 Settlement Has No Precedential Value.

(a) Neither SNG nor any Supporting or Non-Opposing Party shall be bound or prejudiced by any part of this S&A unless this S&A is approved in accordance with the procedures set out in Article V.

(b) This S&A is made upon the express understanding that it constitutes a negotiated settlement; and neither SNG nor any other party or person shall be deemed to have approved, accepted, agreed to, or consented to any principle or issue in these proceedings, or to have prejudiced positions taken or that may be taken in any other proceedings, except as otherwise expressly provided in this S&A.

(c) This S&A constitutes the full and complete agreement of SNG and the Supporting and Non-Opposing Parties with respect to all provisions in this S&A.

8.3 Effect of Approval of Settlement. The Commission's approval of this S&A shall constitute:

(a) Commission authorization and approval for SNG to make the rate and Tariff changes set forth in the S&A, and implement tariff records on their proposed effective dates, all of the foregoing effective as of the time provided for herein without conditions other than those specified herein; and

(b) Commission waiver of compliance, to the extent (if any) necessary, by SNG with the requirements of (a) Commission Rules and Regulations, policies, procedures, or practices, including those under the NGA, including but not limited to Parts 154, 157, 201 and 284, and (b)

any provision of SNG's Tariff, or (c) any service, discounted rate, or negotiated rate agreement as necessary to carry out any provision of this S&A.

8.4 Conflicts. In the event of any conflict or inconsistency between this S&A and the effective Tariff records filed in accordance with this Offer of Partial Settlement, the terms of such Tariff records shall govern and control as to the point of conflict.

8.5 Defined Terms. All capitalized terms specifically defined herein shall have the meaning defined in this S&A regardless of the placement of the definition of such term in the document.

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WHEREFORE, SNG respectfully requests that the Commission approve this S&A in its entirety, without modification.

Respectfully submitted,

/s/ D. Kirk Morgan

Patricia S. Francis
Vice President and Managing Counsel
Margaret G. Coffman
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Counsel for Southern Natural Gas Company, L.L.C.

October 23, 2024

ATTACHMENT A

Supporting or Non-Opposing Parties List

AGL Services Company
Alabama Municipal Distributors Group
American Forest and Paper Association, Inc.
Atlanta Gas Light Company
Atmos Energy Corporation
Austell Gas System
Bamberg Board of Public Works
BP Energy Company
Chattanooga Gas Company
Chevron U.S.A. Inc.
City of Cordele, Georgia
City of Graysville, Alabama
City of LaGrange, Georgia
City of Orangeburg, South Carolina
City of Tallahassee, Florida
ConocoPhillips Company
Constellation Energy Generation, LLC
Cooperative Energy Inc.
Cullman-Jefferson Counties Gas District
Dalton Utilities
Decatur Utilities
DeKalb-Cherokee Counties Gas District
Dominion Energy Services, Inc.
Dominion Energy South Carolina, Inc.
Duke Energy Florida, LLC
EMC Natural Gas d/b/a True Natural Gas
ExxonMobil Oil Corporation
Gas South, LLC
Georgia Association of Manufacturers
Graphic Packaging International, LLC
Hartselle Utilities
Huntsville Utilities
Interconn Resources, LLC

International Paper Company
JEA
Kamin LLC
Liberty Utilities
Mansfield Gas and Power LLC
Marshall County Gas District
Municipal Gas Authority of Georgia
NJR Energy Services Company, LLC
Northwest Alabama Gas District
NRG Business Marketing LLC
Oglethorpe Power Corporation (An Electric Membership Corporation)
PCS Nitrogen Fertilizer, L.P.
Peoples Gas System, Inc.
Pickens County Natural Gas District
Radiate Energy LLC
SCANA Energy Marketing, LLC d/b/a IGS Energy
Scottsboro Water, Sewer and Gas Board
Southeast Gas Acquisition & Supply Association
Sequent Energy Management, LLC
Shell Energy North America (US), L.P.
Southeast Alabama Gas District
Southern Cities
Southern Company Gas
Southern Company Services, Inc.
Southstar Energy Services LLC
Spire Alabama Inc.
Spotlight Energy, LLC
Sylacauga Utilities Board
Symmetry Energy Solutions, LLC
Texican Natural Gas Company
Tenaska Marketing Ventures
United States Steel Corporation
Utilities Board of the City of Trussville
WestRock Fulfillment Company



Southern Natural Gas
Company, L.L.C.
a Kinder Morgan operated company

August 20, 2024

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

Re: Southern Natural Gas Company, L.L.C.
Fuel Tracker Tariff Mechanism Modification and Rate Update Filing
Docket No. RP24-

Dear Ms. Reese:

Southern Natural Gas Company, L.L.C. (“SNG”) submits for filing and acceptance by the Federal Energy Regulatory Commission (“Commission”) an update to its transportation fuel retention rates and modifications to its transportation fuel retention mechanism to implement an Electric Power Cost tracker mechanism. SNG submits the tariff records, listed in Appendix A, to become effective October 1, 2024, as part of its FERC Gas Tariff, Eighth Revised Volume No. 1 (“Tariff”).¹

Nature, Basis, and Reasons for Proposed Tariff Changes

In addition to the bi-annual update of its transportation fuel retention rates, SNG is proposing a conversion of its current Dth-equivalent electric cost recovery mechanism, described in Sections 35.3 and 35.5 of the General Terms and Conditions (“GT&C”) of its Tariff, to an Electric Power Cost (“EPC”) tracking and true-up mechanism to address recent volatility of SNG’s fuel rate adjustments. The proposed EPC mechanism is consistent with the Commission’s Order Accepting Withdrawal of its November 2021 tariff filing where it encouraged SNG to “consider a less complicated and more transparent alternative [to the existing Dth-equivalent electric cost recovery mechanism] such as an electric cost tracker.”²

A. Background

SNG’s current fuel recovery mechanism was accepted by the Commission in an order issued on July 12, 2013 approving SNG’s pre-filed rate case settlement (“2013 Settlement”).³ The 2013 Settlement established specific summer-period (April 1 through September 30) and winter-period (October 1 through March 31) fuel filings to establish transportation fuel retention rates, each having distinct true-up and tracking mechanisms.⁴ In addition, to pay for the costs associated

¹ Certain of these tariff records were included with SNG’s Rate Case filing proposed in Docket No. RP24-744-000 with an effective date of November 1, 2024. The content of the tariff records submitted herein do not reflect or conflict with those modifications.

² *Southern Natural Gas Company, L.L.C.*, 178 FERC ¶ 61,084 (2022),

³ *Southern Natural Gas Company, L.L.C.*, 144 FERC ¶ 61,023 (2013).

⁴ SNG’s storage fuel retention rates are updated annually in each summer-period filing.

with the electric power charges on SNG’s system, the 2013 Settlement added GT&C Section 35.5 of the Tariff, Gains and Losses on Electricity, as a mechanism to carry-forward prior period losses and, also as part of the settlement, SNG agreed to share any gains with SNG’s customers on the sale of quantities retained through the fuel retention rates (the “e-Dth Mechanism”).

1. Volatility of Fuel Rates Under Current Mechanism

As shown in the table below, since the inception of the current fuel mechanism as a part of the 2013 Settlement, the change in fuel rates from one period to the next (i.e. summer-to-summer or winter-to-winter) has fluctuated greatly. Using the SNG Zone 3 rate as an example, since the inception of the current mechanism it has experienced, on average, a +/- 74.0% rate change from one period to the next in the summer and at +/- 32.4% change in the winter. There have been only two periods in the last decade where the fuel rate from one period to the next has been a single percentage digit variance.

| Summer Period | Zone 3 | % Change From Prior | Winter Period | Zone 3 | % Change From Prior |
|-----------------------|---------------|----------------------------|-----------------------|---------------|----------------------------|
| 2014 | 1.78% | | 2014/15 | 2.15% | |
| 2015 | 2.59% | 45.5% | 2015/16 | 3.16% | 47.0% |
| 2016 | 4.30% | 66.0% | 2016/17 | 3.42% | 8.2% |
| 2017 | 3.50% | -18.6% | 2017/18 | 1.94% | -43.3% |
| 2018 | 1.38% | -60.6% | 2018/19 | 3.31% | 70.6% |
| 2019 | 4.31% | 212.3% | 2019/20 | 2.86% | -13.6% |
| 2020 | 3.37% | -21.8% | 2020/21 | 4.22% | 47.6% |
| 2021 | 5.16% | 53.1% | 2021/22 | 2.68% | -36.5% |
| 2022 | 1.39% | -73.1% | 2022/23 | 2.52% | -6.0% |
| 2023 | 3.22% | 131.7% | 2023/24 | 2.99% | 18.7% |
| Average Change | | 74.0% | Average Change | | 32.4% |

Pursuant to GT&C Section 35.3, in determining prospective fuel retention rates, SNG includes the “Dth equivalent of the costs of electricity” used for SNG’s electric compression. The Dth-equivalent (“e-Dth”) of the costs are determined by dividing the actual monthly power costs recorded in FERC Account 855⁵ by SNG’s index price, as defined in GT&C Section 14.1 (“SNG Index Price”). This results in a quantity of gas that is intended to be “equivalent” to the incurred electric power costs. This quantity, the e-Dth, is then divided by the applicable base period throughput, summer or winter, to establish a percentage of customer’s receipt quantities of gas to be retained to recover the electric power costs on SNG’s system. This percentage represents a portion of each zone’s transportation forward haul fuel retention rates in a postage-stamp rate fashion. Once embedded in the total fuel retention rates, any under- or over-recovery against actual fuel, including Dth-equivalent quantities in the period, is trued-up within the overall fuel true-up mechanism as described in GT&C Section 35.3.

While the total volatility can be attributed to a number of items, including unique events such as the pandemic of 2020, volatility is introduced through the e-Dth conversion calculation

⁵ Under Part 201 - Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act, Account 855 - Other Fuel and Power for Compressor Stations includes the “cost of coal, oil, and other fuel, or electricity, used for the operation of transmission compressor stations, including applicable amounts of fuel stock expenses.”

which results in an uncorrelated Dth-equivalent quantity that is sold pursuant to Section 35.5 of the GT&C. The tables below illustrate the volatility introduced in the fuel mechanism due to the Dth-equivalent conversion. In each period, summer or winter, both the gas-fired fuel quantity and the electric power costs correlate relatively high to throughput, which is the desired intent of a fuel retention mechanism.⁶ However, when an uncorrelated index price factor is applied to derive the e-Dth quantity the correlation drops substantially. Thus, the mechanism attempts to collect e-Dth quantities on applicable throughput, but it, unlike the underlying electric power costs and the gas-fired fuel quantity, is uncorrelated to throughput. This leads to the volatility through over- and under-collections that SNG and its customers have experienced with the mechanism over the past decade.

| Summer Period | | | | | |
|----------------------------------|---------------------------------|------------------------|----------------------------|--------------------------|------------------------|
| Summer Period | Forward Haul Throughput (MMDth) | Gas-Fired Fuel (MMDth) | Dth-equivalent Conversion | | |
| | | | Electric Power Cost (\$MM) | Avg Index Price (\$/Dth) | e-Dth Quantity (MMDth) |
| 2013 | 349.6 | 5.40 | \$11.1 | \$3.29 | 3.38 |
| 2014 | 388.9 | 5.62 | \$14.0 | \$4.15 | 3.37 |
| 2015 | 398.8 | 7.11 | \$15.7 | \$2.72 | 5.78 |
| 2016 | 420.4 | 7.57 | \$17.2 | \$2.56 | 6.72 |
| 2017 | 380.9 | 5.88 | \$11.8 | \$2.91 | 4.06 |
| 2018 | 443.5 | 8.10 | \$18.5 | \$2.83 | 6.54 |
| 2019 | 401.5 | 5.95 | \$18.3 | \$2.31 | 7.91 |
| 2020 | 385.0 | 6.20 | \$17.0 | \$1.81 | 9.41 |
| 2021 | 364.0 | 5.18 | \$17.5 | \$3.74 | 4.68 |
| 2022 | 445.0 | 7.83 | \$33.8 | \$8.55 | 3.95 |
| 2023 | 424.4 | 7.04 | \$23.2 | \$2.50 | 9.29 |
| Correlation to Throughput | | 92.0% | 72.6% | 32.9% | 32.4% |

| Winter Period | | | | | |
|----------------------------------|---------------------------------|---------------------------|---------------------------|--------------------------|------------------------|
| Winter Period | Forward Haul Throughput (MMDth) | Non-Electric Fuel (MMDth) | Dth-equivalent Conversion | | |
| | | | Electricity Cost (\$MM) | Avg Index Price (\$/Dth) | e-Dth Quantity (MMDth) |
| 2013/14 | 390.8 | 6.79 | \$11.6 | \$4.32 | 2.68 |
| 2014/15 | 458.5 | 8.47 | \$13.4 | \$3.25 | 4.11 |
| 2015/16 | 426.6 | 7.79 | \$10.6 | \$2.07 | 5.14 |
| 2016/17 | 395.4 | 6.87 | \$7.8 | \$3.00 | 2.61 |
| 2017/18 | 437.6 | 8.06 | \$13.3 | \$2.96 | 4.50 |
| 2018/19 | 435.0 | 7.77 | \$13.3 | \$3.21 | 4.14 |
| 2019/20 | 420.7 | 7.46 | \$13.3 | \$2.06 | 6.42 |
| 2020/21 | 403.0 | 7.27 | \$12.0 | \$2.72 | 4.41 |
| 2021/22 | 430.4 | 7.59 | \$17.1 | \$4.84 | 3.52 |
| 2022/23 | 453.8 | 7.04 | \$17.1 | \$3.75 | 4.55 |
| 2023/24 | 435.4 | 7.12 | \$16.0 | \$2.37 | 6.76 |
| Correlation to Throughput | | 64.5% | 66.0% | -1.5% | 40.1% |

⁶ For simplistic illustrative purposes, forward haul throughput is being used as an indicator of overall system demand for gas-fired fuel and electric power costs correlation purposes. Generally, a correlation of 75% or greater is considered strong and a correlation of less than 50% is considered weak to no relationship.

2. Gains and Losses on Electricity under Current Mechanism

Under GT&C Section 35.5, gains and losses on electricity arise when SNG sells the e-Dth quantity of gas at a price above the SNG Index Price (gain) or at a price below the SNG Index Price (loss). If total cumulative sales activity for a respective six-month summer or winter period results in an overall gain, then SNG refunds 85% of the gain to the customers and keeps the remaining 15% as income. Any cumulative loss is carried forward to the following respective summer or winter period. Since the inception of the e-Dth Mechanism in 2014 through March 31, 2024, SNG has experienced an overall gain during the summer periods of approximately \$4.6 million, of which 85%, or approximately \$3.9 million, has been refunded to SNG's customers.⁷ Over the same period SNG has accumulated an under-recovery of approximately \$9.5 million for the winter periods.

B. Proposed EPC Mechanism⁸

1. EPC Tracker Mechanism

As discussed above, SNG proposes to convert the e-Dth Mechanism to an EPC surcharge that removes the conversion of the electric power costs into e-Dth quantities for collection as a part of SNG's fuel retention rates. Instead, the EPC mechanism will establish a rate based on actual electric power costs incurred during the previous period, summer or winter, divided by the applicable base period throughput⁹ to establish a dollar-per-Dth rate that would be applied to the prospective period, summer or winter. This rate would be applied in the same postage-stamp manner in which the current e-Dth equivalent quantity is applied. In other words, any transaction for which fuel is retained that has a portion for e-Dths embedded in it would pay the EPC surcharge.¹⁰ Under this proposal, the uncorrelated index price conversion will be eliminated from the mechanism and should result in less over- and under-collected quantities which, in turn, leads to less volatility from one period to the next.

2. EPC True-up Mechanism

There is also a true-up component for the EPC, which is also present with the e-Dth Mechanism. Any base period over- or under-collection of EPC amounts relative to the actual electric power costs during the applicable summer or winter period would be rolled forward into the determination of the proposed EPC rate for the forthcoming summer or winter period,

⁷ Consistent with Section 35.5(2) of the GT&C of SNG's Tariff, SNG refunded customers \$711,169 in November 2023 to distribute the summer period gain balance through September 2023.

⁸ Explanation of how the proposed tariff provisions differ from those currently in effect pursuant to Section 154.204(c) of the Commission's regulations.

⁹ The applicable base period throughput will be those transactions that are currently being assessed the e-Dth mechanism quantity, but since it will be applied on receipt quantities, just like fuel is retained at the receipt, the throughput will be receipt throughput.

¹⁰ The EPC would be assessed on all forward-haul inter-zone and intra-zone transportation. Backhaul and other no-fuel transactions (e.g. intra-zone pool-to-pool transactions) would not be assessed the EPC. Consistent with the e-Dth mechanism, intra-zone transactions would pay approximately 23.7% of the inter-zone EPC. Deliveries to storage would pay the intra-zone rate and, when withdrawn, would pay the difference between the inter-zone rate and the intra-zone rate, which is the same application for the fuel retention.

respectively. Since the current e-Dth Mechanism was agreed to by all parties in the 2013 Settlement, which specifically identified a mechanism that would share gains and allow losses to be carried forward into a subsequent period, the current balance of the e-Dth Mechanism is included as the initial EPC true-up amount to be collected and is reflected in the proposed EPC charge.

C. Transportation Fuel Retention Rates

The transportation fuel retention rates proposed for the six-month winter period beginning October 1, 2024, are based upon the actual consumption for the six-month period ending March 31, 2024, including the cumulative transportation over- or under-recovery balance that existed at the end of that same six-month period. A comparison of the currently effective rates and the proposed rates is shown below and also included in Schedule 1 of Appendix B, which includes the EPC rates for the first time. The proposed rates are to be applied to all SNG customers as applicable (i.e. there are no fuel discounts).

| Transportation | Winter 2023/24 Rates | Current Summer 2024 Rates | Proposed Winter 2024/25 Rates |
|---------------------------------|-----------------------------|----------------------------------|--------------------------------------|
| Zone 0/1 Delivery | 1.77% | 3.16% | 1.32% |
| Zone 2 Delivery | 2.49% | 4.14% | 2.11% |
| Zone 3 Delivery | 2.99% | 5.06% | 2.55% |
| Intra-zone Delivery (Zones 1-3) | 0.73% | 1.04% | 0.74% |
| Backhaul | 0.16% | 0.16% | 0.16% |
| EPC Forward-haul Surcharge | N/A | N/A | \$0.0527 |
| EPC Intra-zone Surcharge | N/A | N/A | \$0.0132 |

The transportation fuel retention rates include an under-collection of approximately 2.9 MMDth, which is further detailed on Schedule 5 of Appendix B, and primarily driven by a lowered SNG Index Price during the winter base period. In the development of the 2023/24 winter period rates, the fuel retention rates included approximately 4.6 MMDth of e-Dths which was derived from a weighted average SNG Index Price of approximately \$3.75/Dth.¹¹ However, during the 2023/24 winter period, despite the electric power cost being lower than what was included in the fuel filing by over \$1 million,¹² the weighted average of the SNG Index Price for the 2023/24 winter period was \$2.37/Dth, or nearly 40% lower than what was used to derive the e-Dth component of the fuel transportation rates. The effect of this was that the actual e-Dths to be retained were 6.7 MMDth, instead of the 4.6 MMDth, a short-fall of approximately 2.1 MMDth which represents the majority of the 2.9 MMDth under-collection being true-up in the proposed rates. The remaining variance can be explained by a slightly higher lost-and-unaccounted-for quantity and variances in actual fuel consumed per unit throughput.

¹¹ See Schedule 8 of Appendix B in SNG's Update of Fuel Retention Rates filing in Docket No. RP23-975 ("2023/24 Winter Period Fuel Filing"). In that filing, embedded in the applicable fuel retention rates was an e-Dth rate of 0.83%, which was derived from a base period electric power cost of \$17.1 million divided by the monthly SNG Index Price to derive the 4.55 MMDth e-Dth quantity. The weighted average index price over this period was approximately \$3.75/Dth (= \$17.1 million / 4.55 MMDth e-Dth).

¹² Schedule 8 of Appendix B in the 2023/24 Winter Period Fuel Filing include \$17.1 million of electric power costs. That is compared to the \$16.0 million shown on Schedule 8 of Appendix B of this filing.

Transportation EPC Surcharge

Also shown in Schedule 1 of Appendix B, the EPC surcharge for the six-month period beginning October 1, 2024, is proposed to be \$0.0523/Dth for zone-to-zone forward haul transportation and \$0.0131/Dth for all intra-zone forward haul transportation activity. The derivation of these amounts is detailed on Schedule 8 of Appendix B. There is no EPC surcharge applicable to backhaul transactions. The EPC surcharge includes the e-Dth Mechanism loss balance of approximately \$9.5 million, which is detailed on Schedule 9 of Appendix B.

Summary of Support Schedules

Appendix B provides SNG's work papers supporting the determination of the proposed fuel retention rates as follows:

- Schedule 1: Summary of current vs. proposed fuel retention rates.
- Schedule 2: Summary of the transportation and fuel components of the fuel retention rates.
- Schedule 3: Derivation of transportation fuel amount to be recovered.
- Schedule 4: Fuel retention quantities during the base period.
- Schedule 5: Monthly detail of the transportation under- or over-recovery amounts during the base period.
- Schedule 6: System lost and unaccounted for ("LAUF") determination.
- Schedule 7: Transportation fuel consumption details during the base period.
- Schedule 8: Calculation of the EPC rates.
- Schedule 9: Historical e-Dth gains and losses balanced for the winter period.
- Schedule 10: Storage fuel allocated to transportation services as determined in RP24-497.

Appendix C provides an example showing how the existing and proposed tariff provisions operate consistent with Section 154.204(c) of the Commission's regulations.

Procedural Matters

SNG is submitting this filing pursuant to Subpart C of Part 154 of the Commission's regulations¹³ and GT&C Section 35 of SNG's Tariff.

Pursuant to the applicable provisions of Part 154.7 of the Commission's regulations, SNG submits an eTariff XML filing package containing:

1. This transmittal letter;
2. Appendix A, containing clean and marked versions of the tariff sections in PDF format;
3. Appendix B, containing supporting workpapers in PDF format; and
4. Appendix C, containing an example showing how the existing and proposed tariff provisions operate in PDF format.

¹³ See 18 C.F.R. §§ 154.201 - 154.210 (2023) (Subpart C).

SNG respectfully requests that the Commission accept the tendered tariff records for filing and permit them to become effective on October 1, 2024, which is not less than 30 days nor more than 60 days from the submission of this filing. To the extent the Commission allows the revised tariff records to go into effect without change, SNG hereby moves to place the tendered tariff records into effect at the end of any minimal suspension period specified in a Commission order.

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

1. As shown in Appendix C, there are no cost or revenue increases as a result of this tariff change;
2. The proposed changes will not change a customer's rights to capacity in the manner in which a customer is able to use such capacity, receipt or delivery point flexibility, nominating and scheduling, curtailment, capacity release; and
3. SNG is not aware of any other filing pending with the Commission that may significantly affect this filing.¹⁴

As required by Section 154.208 of the Commission's regulations, copies of this filing are being electronically mailed to SNG's customers and interested commissions. The names, titles, and mailing addresses of the persons to whom communications concerning this filing are to be addressed and to whom service is to be made are as follows:

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¹⁴ SNG notes that it currently has a rate case proceeding in Docket No. RP24-744 but believes this filing to be distinct from the rate case so as to be separately treated.

Ms. Debbie-Anne Reese
August 20, 2024
Page 8

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

Respectfully submitted,

SOUTHERN NATURAL GAS COMPANY, L.L.C.

/s/ Ryan Leahy
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 SNG's system, and interested state regulatory commissions, in accordance with the requirements of Section 154.208 and Section 385.2010 of the Federal Energy Regulatory Commission's Rules of Practice and Procedure.

Dated at Birmingham, Alabama as of this 20th day of August 2024.

By, _____/s/_____

Ryan Leahy
Director, Regulatory
Southern Natural Gas Company, LLC
569 Brookwood Village
Birmingham, AL 35209
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**SOUTHERN NATURAL GAS COMPANY
UPDATE OF FUEL RETENTION RATES**

APPENDIX A

PROPOSED TARIFF SECTIONS

Southern Natural Gas Company, L.L.C.
FERC Gas Tariff
Volume No. 1

Tariff Sections Proposed to be Effective October 1, 2024

| Section | Description | Version |
|---------|---|---------|
| 2.1 | Statement of Rates – FT Contesting | 39.0.1 |
| 2.1.1 | Statement of Rates – FT Settlement | 43.0.1 |
| 2.2 | Statement of Rates – FT-NN Contesting | 39.0.1 |
| 2.2.1 | Statement of Rates – FT-NN Settlement | 41.0.1 |
| 2.3 | Statement of Rates – IT Contesting | 40.0.1 |
| 2.3.1 | Statement of Rates – IT Settlement | 41.0.1 |
| 2.6 | Statement of Rates – Liquids and Liquefiabiles Contesting | 29.0.0 |
| 2.6.1 | Statement of Rates – Liquids and Liquefiabiles Settlement | 29.0.0 |
| 3.1 | Rate Schedule - FT | 8.0.1 |
| 3.2 | Rate Schedule – FT-NN | 9.0.1 |
| 3.3 | Rate Schedule - IT | 7.0.0 |
| 4.35 | Section 35 – Fuel Mechanism | 6.0.0 |

APPENDIX A

CLEAN VERSION OF TARIFF SECTIONS

CONTESTING PARTY RATES 3/
 FIRM TRANSPORTATION SERVICES (FT)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$5.71 | \$6.45 | \$9.65 | \$12.77 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$1.877 | \$2.121 | \$3.173 | \$4.198 |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|---------------------------------------|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

| | | | | |
|--|-------|-------|-------|-------|
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

| | | | | |
|--------------------------------|--------|--------|--------|--------|
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Small Shipper Backhaul
 Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Fuel Retention (Winter Period: October – March)

| | | | | |
|---|-------|-------|-------|-------|
| Forward Haul Fuel, Used & Unaccounted For | 1.32% | 1.32% | 2.11% | 2.55% |
| Intrazone Fuel, Used & Unaccounted For | 1.32% | 0.74% | 0.74% | 0.74% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|------------------|----------|----------|----------|----------|
| Forward Haul EPC | \$0.0527 | \$0.0527 | \$0.0527 | \$0.0527 |
| Intrazone EPC | \$0.0527 | \$0.0132 | \$0.0132 | \$0.0132 |
| Backhaul EPC | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 for all Contesting Parties as defined in the Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

SETTLEMENT RATES 3/
 FIRM TRANSPORTATION SERVICES (FT)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$4.67 | \$5.28 | \$7.90 | \$10.46 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1535 | \$.1736 | \$.2597 | \$.3439 |
| <u>2016 Expansion Reservation Charge (Dth) 1/ 5/</u> | | | | |
| Maximum: | | | | \$13.03 |
| Minimum: | | | | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | | | | \$.4284 |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | 3.90¢ | 5.00¢ | 5.60¢ |
| Zone 1 | 3.50¢ | 2.50¢ | 3.70¢ | 4.30¢ |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | 4.00¢ |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | N/A | N/A | N/A |
| Zone 1 | 3.50¢ | 2.50¢ | N/A | N/A |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | N/A |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |

| | | | | |
|--|----------|----------|----------|----------|
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| <u>Small Shipper Backhaul Charge 4/</u> | | | | |
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| <u>Fuel Retention (Winter Period: October - March)</u> | | | | |
| Forward Haul Fuel, Used & Unaccounted For | 1.32% | 1.32% | 2.11% | 2.55% |
| Intrazone Fuel, Used & Unaccounted For | 1.32% | 0.74% | 0.74% | 0.74% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |
| <u>Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)</u> | | | | |
| Forward Haul EPC | \$0.0527 | \$0.0527 | \$0.0527 | \$0.0527 |
| Intrazone EPC | \$0.0527 | \$0.0132 | \$0.0132 | \$0.0132 |
| Backhaul EPC | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge:

See Section 28 of the General Terms and
Conditions.

5/ Applicable to services provided pursuant to the expansion authorized under Docket No. CP14-493-000, et. al.

CONTESTING PARTY RATES 3/
 FIRM TRANSPORTATION SERVICES - NO NOTICE(FT-NN)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$5.71 | \$6.45 | \$9.65 | \$12.77 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1877 | \$.2121 | \$.3173 | \$.4198 |
| <u>RECEIPT ZONE</u> | | | | |
| | Production Area | <u>DELIVERY ZONE</u> | | |
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Small Shipper Backhaul
 Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Fuel Retention (Winter Period: October - March)

| | | | | |
|---|-------|-------|-------|-------|
| Forward Haul Fuel, Used & Unaccounted For | 1.32% | 1.32% | 2.11% | 2.55% |
| Intrazone Fuel, Used & Unaccounted For | 1.32% | 0.74% | 0.74% | 0.74% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|------------------|----------|----------|----------|----------|
| Forward Haul EPC | \$0.0527 | \$0.0527 | \$0.0527 | \$0.0527 |
| Intrazone EPC | \$0.0527 | \$0.0132 | \$0.0132 | \$0.0132 |
| Backhaul EPC | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 for all Contesting Parties as defined in the Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions

SETTLEMENT RATES 3/
 FIRM TRANSPORTATION SERVICES - NO NOTICE(FT-NN)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$4.67 | \$5.28 | \$7.90 | \$10.46 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1535 | \$.1736 | \$.2597 | \$.3439 |
| <u>RECEIPT ZONE</u> | | | | |
| | Production Area | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | 3.90¢ | 5.00¢ | 5.60¢ |
| Zone 1 | 3.50¢ | 2.50¢ | 3.70¢ | 4.30¢ |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | 4.00¢ |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | N/A | N/A | N/A |
| Zone 1 | 3.50¢ | 2.50¢ | N/A | N/A |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | N/A |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |

Small Shipper
 Backhaul Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |

Fuel Retention (Winter Period: October – March)

| | | | | |
|---|-------|-------|-------|-------|
| Forward Haul Fuel, Used & Unaccounted For | 1.32% | 1.32% | 2.11% | 2.55% |
| Intrazone Fuel, Used & Unaccounted For | 1.32% | 0.74% | 0.74% | 0.74% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|------------------|----------|----------|----------|----------|
| Forward Haul EPC | \$0.0527 | \$0.0527 | \$0.0527 | \$0.0527 |
| Intrazone EPC | \$0.0527 | \$0.0132 | \$0.0132 | \$0.0132 |
| Backhaul EPC | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

Contesting Party Rates 3/
 Interruptible Transportation Service

| <u>RECEIPT ZONE</u> | <u>DELIVERY ZONE</u> | | | |
|--|----------------------|----------|----------|----------|
| | Production Area | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 22.90¢ | 25.70¢ | 37.60¢ | 48.60¢ |
| Zone 1 | 22.90¢ | 11.20¢ | 23.10¢ | 34.20¢ |
| Zone 2 | 22.90¢ | 11.20¢ | 20.50¢ | 31.60¢ |
| Zone 3 | 22.90¢ | 11.20¢ | 20.50¢ | 19.30¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Backhaul Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 22.90¢ | N/A | N/A | N/A |
| Zone 1 | 22.90¢ | 11.20¢ | N/A | N/A |
| Zone 2 | 22.90¢ | 11.20¢ | 20.50¢ | N/A |
| Zone 3 | 22.90¢ | 11.20¢ | 20.50¢ | 19.30¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Fuel Retention (Winter Period: October - March)</u> | | | | |
| Forward Haul Fuel, Used & Unaccounted For | 1.32% | 1.32% | 2.11% | 2.55% |
| Intrazone Fuel, Used & Unaccounted For | 1.32% | 0.74% | 0.74% | 0.74% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |
| <u>Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)</u> | | | | |
| Forward Haul EPC | \$0.0527 | \$0.0527 | \$0.0527 | \$0.0527 |
| Intrazone EPC | \$0.0527 | \$0.0132 | \$0.0132 | \$0.0132 |

SETTLEMENT RATES 3/
 Interruptible Transportation Service

| <u>RECEIPT ZONE</u> | <u>DELIVERY ZONE</u> | | | |
|--|----------------------|----------|----------|----------|
| | Production Area | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 19.60¢ | 22.00¢ | 32.20¢ | 41.60¢ |
| Zone 1 | 19.60¢ | 9.60¢ | 19.80¢ | 29.30¢ |
| Zone 2 | 19.60¢ | 9.60¢ | 17.60¢ | 27.00¢ |
| Zone 3 | 19.60¢ | 9.60¢ | 17.60¢ | 16.50¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |
| <u>Backhaul Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 19.60¢ | N/A | N/A | N/A |
| Zone 1 | 19.60¢ | 9.60¢ | N/A | N/A |
| Zone 2 | 19.60¢ | 9.60¢ | 17.60¢ | N/A |
| Zone 3 | 19.60¢ | 9.60¢ | 17.60¢ | 16.50¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |
| <u>Fuel Retention (Winter Period: October - March)</u> | | | | |
| Forward Haul Fuel, Used & Unaccounted For | 1.32% | 1.32% | 2.11% | 2.55% |
| Intrazone Fuel, Used & Unaccounted For | 1.32% | 0.74% | 0.74% | 0.74% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |
| <u>Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)</u> | | | | |
| Forward Haul EPC | \$0.0527 | \$0.0527 | \$0.0527 | \$0.0527 |
| Intrazone EPC | \$0.0527 | \$0.0132 | \$0.0132 | \$0.0132 |

| | | | | |
|--------------|----------|----------|----------|----------|
| Backhaul EPC | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |
|--------------|----------|----------|----------|----------|

1/ The surcharges applicable to service under Rate Schedule IT and Supply Pool Balancing Agreement include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported.

2/ Surcharges applicable to service under Rate Schedule IT.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of all surcharges.

TRANSPORTATION RATES FOR
LIQUIDS AND LIQUEFIABLES 3/

Liquefiabiles 1/

For production from wells connected on or before December 31, 1981:

- 4.5¢ per Dth per 100 miles prorated to the actual mileage 2/

For production from wells connected on or after January 1, 1982:

- 10.25¢ per Dth per 100 miles of offshore transportation prorated to the actual mileage offshore, plus
- 3.1¢ per Dth per 100 miles of onshore transportation prorated to the actual mileage onshore

Liquids

For production from wells connected on or before December 31, 1981:

- 55.0¢ per barrel
- 11.0¢ per barrel for service of 20 miles or less from receipt point to removal point

For production from wells connected on or after January 1, 1982:

- \$1.025 per barrel if any part of the service is offshore
- 31.0¢ per barrel if the service is onshore
- 20% of the applicable offshore or onshore rate for service of 20 miles or less from receipt point to removal point

Fuel Retention:

| | |
|--|-------|
| Forward Haul & Intrazone Fuel, Used & Unaccounted For | 1.32% |
| Backhaul Fuel, Used & Unaccounted For | .16% |

1/ Surcharges applicable to Transportation Rates for Liquids and Liquefiabiles.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ Based on a Btu content of 1,000 Btu per cubic foot.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP09-427 for all Contesting Parties as defined in the Settlement.

SETTLEMENT RATES 3/
TRANSPORTATION RATES FOR LIQUIDS AND LIQUEFIABLES

Liquefiabiles 1/

For production from wells connected on or before December 31, 1981:

- 4.5¢ per Dth per 100 miles prorated to the actual mileage 2/

For production from wells connected on or after January 1, 1982:

- 10.25¢ per Dth per 100 miles of offshore transportation prorated to the actual mileage offshore, plus
- 3.1¢ per Dth per 100 miles of onshore transportation prorated to the actual mileage onshore

Liquids

For production from wells connected on or before December 31, 1981:

- 55.0¢ per barrel
- 11.0¢ per barrel for service of 20 miles or less from receipt point to removal point

For production from wells connected on or after January 1, 1982:

- \$1.025 per barrel if any part of the service is offshore
- 31.0¢ per barrel if the service is onshore
- 20% of the applicable offshore or onshore rate for service of 20 miles or less from receipt point to removal point

Fuel Retention:

| | |
|--|-------|
| Forward Haul & Intrazone Fuel, Used & Unaccounted For | 1.32% |
| Backhaul Fuel, Used & Unaccounted For | .16% |

1/ Surcharges applicable to Transportation Rates for Liquids and Liquefiabiles.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ Based on a Btu content of 1,000 Btu per cubic foot.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP09-427 applicable to all Supporting and Non-Opposing Parties as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP09-427 Settlement.

RATE SCHEDULE FT
Firm Transportation Service

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on a firm basis from Southern Natural Gas Company ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable hereto; and
 - (iii) SHIPPER and COMPANY have executed a Firm Transportation Service Agreement ("FT Agreement") for service under this Rate Schedule.

SHIPPER may combine packages of capacity, including capacity acquired under Section 22 of the General Terms and Conditions, under a master FT Agreement and the Exhibit "B" to said FT Agreement shall state the term, quantity, and Delivery Points associated with each package of capacity; and, if applicable, the months such quantities are available to SHIPPER. However, COMPANY may request that a package of capacity be contracted under a separate FT Agreement if needed to accurately track, schedule or bill such package of capacity.

SHIPPER may also designate a party to act as agent for multiple shippers under any FT Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the FT Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule except that COMPANY shall construct and install facilities necessary to deliver gas directly to an end user if SHIPPER meets the requirements set out in Section 36 of the General Terms and Conditions. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all shippers on a non-discriminatory basis.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to firm transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule.

Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.

- (b) The receipt of gas for transportation services performed under this Rate Schedule shall be:
- (i) on a firm basis for those Receipt Points specified on Exhibit A to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 15.3, and 16 of the General Terms and Conditions;
 - (ii) on a preferred interruptible basis for those Receipt Points specified on Exhibit A-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Receipt of gas under this Rate Schedule at the Exhibit A-1 Receipt Points shall have a priority over the receipt of gas for COMPANY'S interruptible services and shall have a priority subordinate to the receipt of gas at Receipt Points specified on Exhibit A to the Service Agreements under this Rate Schedule and Rate Schedule FT-NN and other firm transportation services. Receipt of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit A-1 Receipt Points in the Service Agreement's Primary Path shall have a priority over the receipt of gas at Exhibit A-1 Receipt Points outside of the Service Agreement's Primary Path; and
 - (iii) on an interruptible basis if nominated by Shipper as Authorized Overrun subject to the provisions in Sections 8.3, 12.3 (b), and 16 of the General Terms and Conditions.
- (c) The transportation of the gas received by COMPANY for SHIPPER'S account under this Rate Schedule and the delivery of such gas to the Delivery Points shall be:
- (d) on a firm basis along the Primary Path for those Delivery Points specified on Exhibit B to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 12.3(b), 15.3, and 16 of the General Terms and Conditions. Firm transportation services under this Rate Schedule shall have a comparable priority with firm transportation under Rate Schedule FT-NN and other firm transportation services and shall have priority over all of COMPANY'S interruptible services.
- on a preferred interruptible basis for those Delivery Points specified on Exhibit B-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Delivery of gas under this Rate Schedule at Exhibit B-1 Delivery Points shall be on a preferred interruptible basis and shall have a priority over the delivery of gas for COMPANY'S interruptible services and a priority subordinate to the delivery of gas at the Delivery Points specified on Exhibit B to the Service Agreements under this Rate Schedule and Rate Schedule FT-NN and deliveries under other firm transportation services. Delivery of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit B-1 Delivery Points in the Service Agreement's Primary Path shall have a priority over the delivery of gas at Exhibit B-1 Delivery Points outside of the Service Agreement's Primary Path; and
- (i) on an interruptible basis if nominated by Shipper as Authorized Overrun subject to the provisions of Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (e) Transportation service provided under this Rate Schedule shall be limited to SHIPPER'S Transportation Demand specified in the Service Agreement, subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, unless SHIPPER nominates and

COMPANY schedules Authorized Overrun under SHIPPER's firm Service Agreement. SHIPPER shall pay the Authorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Authorized Overrun gas allocated within a rate zone to SHIPPER'S Service Agreement on any day pursuant to the provisions of Section 13 of the General Terms and Conditions. Subject to the segmentation provisions set forth in Section 12.1(l)(3) of the General Terms and Conditions and the provisions for nominating and scheduling Authorized Overrun in the preceding sentence, it is provided that, if Unauthorized Overrun gas within a rate zone is allocated to SHIPPER'S Service Agreement under this Rate Schedule on any day pursuant to the allocation procedures set out in Section 13 of the General Terms and Conditions, SHIPPER shall pay the Unauthorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Unauthorized Overrun gas plus applicable penalties under Section 41 of the General Terms and Conditions of this Tariff.

3. RATES AND CHARGES

- (a) Unless SHIPPER is eligible for the volumetric rate election set forth in Section 3(b) below, SHIPPER shall pay COMPANY the sum of the following for transportation services rendered for SHIPPER each month under this Rate Schedule:
- (i) Reservation Charge: The applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the Transportation Demand (TD).
- (A) Reservation Charge Credit:
- (1) In the event COMPANY is unable to make deliveries of the quantity of gas to which SHIPPER has firm entitlements on any day at primary Delivery Point(s) under this firm Rate Schedule, then the applicable Reservation Charge shall be credited to SHIPPER for such day, except as provided in Section 3(a)(i)(A)(1), 3(a)(i)(A)(2), 3(a)(i)(B), and 3(a)(i)(C) below. Such credit shall be applied to the lesser of (i) the applicable MDDQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Delivery Point immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDDQ; or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or deliver solely as a result of COMPANY's inability to make deliveries as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (B-1) Delivery Point instead of its primary (B) Delivery Point when COMPANY is unable to make deliveries at SHIPPER's primary Delivery Point; (x) to the extent deliveries cannot be made to a Delivery Point on a secondary (B-1) basis and deliveries can be made to SHIPPER's primary Delivery Point(s); (y) to the extent the affected firm MDDQ has been released under Section 22 of the General Terms and Conditions to Delivery Points other than the affected primary Delivery Point; and/or (z) to the extent there are

limitations at firm Receipt Points but COMPANY's ability to make deliveries at Shipper's primary Delivery Point(s) as provided above has not been limited. However, when such delivery point restriction does occur and SHIPPER nominates quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (2) In the event all of SHIPPER'S primary Delivery Point(s) are interstate pipeline interconnection(s) or in the event SHIPPER's primary Receipt Point is the interconnection with Southern LNG at its Elba Island LNG terminal, then SHIPPER may elect, at the time the Service Agreement is executed, or, for existing contracts, at the time the Stipulation and Agreement in Docket No. RP04-523 becomes effective, for the reservation charge credit to apply at SHIPPER's primary Receipt Point(s) instead of its primary Delivery Point(s), in the event COMPANY is unable to receive at such Receipt Point(s) the quantity of gas to which SHIPPER has firm entitlements on any day. Such credit shall be applied to the lesser of (i) the applicable MDRQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Receipt Point(s) immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDRQ or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or receive solely as a result of COMPANY's inability to receive gas as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (A-1) Receipt Point or a Pool Location instead of its primary (A) Receipt Point when COMPANY is unable to receive gas from SHIPPER's primary Receipt Point; (x) to the extent gas cannot be received at a Receipt Point on a secondary (A-1) basis and receipts can be accepted at SHIPPER's primary firm Receipt Point(s); (y) to the extent the affected firm MDRQ has been released under Section 22 of the General Terms and Conditions to Receipt Points other than the affected primary Receipt Point; and/or (z) to the extent there are limitations at firm Delivery Points but COMPANY's ability to accept receipts at SHIPPER's primary Receipt Point(s) has not been limited. However, when such receipt point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (B) COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to deliver gas to SHIPPER as provided above in (A)(1) results from (1) the conduct or operations of SHIPPER or the downstream point operator of the facilities at a primary firm Delivery Point including, but not limited to, damage or malfunction of the downstream point operator's facilities or the inability of the downstream point operator to receive gas at SHIPPER's contract delivery pressure or COMPANY's mainline pressure; (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x); or (3) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the point operator's facilities in (1) or (3) above where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in (2) above, until such time that COMPANY's facilities are ready to be placed back in service.
- (C) In the case of the election pursuant to Section 3(a)(i)(A)(2), COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to receive gas from SHIPPER as provided above in (A)(2) results from (1) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the upstream point operator's facilities in this subparagraph (C)(1) where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in subparagraph (C)(2) below, until such time that COMPANY's facilities are ready to be placed back in service; or (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x).
- (ii) Transportation Charge: Except as provided in Section 3(a)(iii) below, the applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account up to SHIPPER'S Transportation Demand in effect each day. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.
- (iii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points under its FT Service Agreement, SHIPPER shall pay the sum of (A) the Transportation Charge in Section 2.1 or 2.1.1 to the zone of SHIPPER'S Exhibit B Delivery Points and (B) the maximum Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point, multiplied times the

quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. These rates shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (b) Each SHIPPER that qualifies to pay a volumetric transportation rate (Small Shipper Charge) for services under this Rate Schedule as of March 1, 2000, will pay the rates set forth in Section 3(c) below.

Any Existing Small Shippers that do not elect to convert to two-part firm transportation service by the Election Deadline shall execute new firm transportation agreements with COMPANY subject to the Small Shipper Charge by the Election Deadline and such agreements shall contain the following seasonal firm contract quantities. For the months of November - March, the Transportation Demand shall be the same as SHIPPER'S current Transportation Demand subject to the Small Shipper Charge. For the months of April - October, the Transportation Demand shall be reduced to no greater than the highest peak day delivery for each month under the Small Shipper agreement, including deliveries to storage, computed over the last three years ending March 31, 1999, unless Southern Natural agrees otherwise. The difference between SHIPPER'S current Small Shipper Transportation Demand and its reduced Transportation Demand hereunder can be reinstated on 12 months prior written notice if and to the extent the Existing Small Shipper can provide data demonstrating its need to reinstate its Transportation Demand for any month.

- (c) If SHIPPER qualifies to pay a volumetric transportation rate under Section 3(b) above, SHIPPER shall pay COMPANY the following for transportation services rendered for SHIPPER each month under this Rate Schedule:

(i) Small Shipper Charge: The applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the quantities of gas delivered for SHIPPER'S account each day during the month up to the SHIPPER'S total Transportation Demand. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These charges shall not apply to deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, but it shall be charged on the transportation of gas from said account(s).

(ii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay, in addition to the Small Shipper Charge for the zone of SHIPPER'S Exhibit B Delivery Points, the maximum applicable Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. This charge shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (d) The rates which are stated in the currently effective Section 2.1 or 2.1.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rate to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period of any such discount shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The

rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.1 or 2.1.1.

- (e) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:
- (i) Authorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas scheduled for delivery in excess of the SHIPPER'S firm Transportation Demand, by (b) the applicable rate set forth in the currently effective Rate Section 2.3 or 2.3.1 for the scheduled zones of receipt and delivery.
 - (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
 - (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
 - (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.
 - (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
 - (vi) Fuel and EPC charges: A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas, and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.1 or 2.1.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area

deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY'S contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.

- (vii) Unauthorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas taken by SHIPPER that is not scheduled and is in excess of the SHIPPER'S firm Transportation Demand, by (b) the maximum recourse transportation charge from the Production Area rate zone to the applicable zone of delivery under Rate Section 2.3 or 2.3.1.

4. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

5. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation. Notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY four (4) calendar days' written notice of any change to this information). In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures. SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

6. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point ("Interconnection Facilities"). Interconnection Facilities consist of the facilities at the physical interconnection between the facilities of COMPANY and the facilities of the upstream or downstream facility owner. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the entire cost to COMPANY thereof, COMPANY will construct and install, or cause to be constructed and installed, or will modify, or cause to be modified, Interconnection Facilities; provided that,

- (i) the proposed Interconnection Facilities do not adversely affect Southern's operations;

- (ii) the proposed Interconnection Facilities and the associated transportation service to or from the interconnection do not diminish service to any of Southern's shippers;
- (iii) the proposed Interconnection Facilities do not cause Southern to violate or be in violation of any applicable environmental or safety laws, permits or regulations; and/or
- (iv) the proposed Interconnection Facilities do not conflict with or cause Southern to be in violation of its rights-of-way agreements or any other contractual obligation.

In the event SHIPPER does not agree to pay the costs of installing or modifying the Interconnection Facilities, COMPANY will construct or modify such facilities on a nondiscriminatory basis for similarly situated SHIPPERS if the construction or modification of such Interconnection Facilities is economically feasible and the conditions listed above in (i) -(iv) are met. Construction or modification is economically feasible if the proposed transportation service to be provided through the Interconnection Facilities is revenue positive to COMPANY. The proposed transportation service to be provided through said Interconnection Facilities will be deemed revenue positive if the transportation service produces a net revenue gain. The net revenue gain requirement will be met if

- (a) the total revenues generated over the term of SHIPPER's Service Agreement for the service provided through the new facilities exceed the cost of service of said facilities for the greater of
 - (i) ten years or
 - (ii) the term of SHIPPER's Service Agreement for the service provided through the new facilities and the SHIPPER extends the terms of its existing Service Agreement(s) with COMPANY for a period commensurate with that of its new Service Agreement; provided however, that
 - (1) SHIPPER does not have to extend the remaining term of an existing Service Agreement if said term already exceeds the term of its new Service Agreement, and
 - (2) if the net revenue gain requirement is met over a period less than the term of the new Service Agreement, SHIPPER need extend the term of its existing Service Agreement(s) only for a term commensurate with that shorter period; or
- (b) COMPANY determines that the construction of the facilities will avoid a significant reduction in revenue when comparing the cost of the construction to the projected amount of revenue which would be lost as a result of a SHIPPER's exercising a right to reduce its firm transportation quantity or as a result of a SHIPPER's failing to extend or renew its existing Service Agreement(s); or
- (c) the total costs of construction or modification of such facilities is less than the cost of replacing, repairing, or continuing to operate COMPANY's existing facilities.

As used in this provision, the term "cost of service," includes, but is not limited to:

- (1) a return on all costs associated with the construction of the facilities, including overhead and taxes;
- (2) incremental operating and maintenance expenses;
- (3) depreciation and amortization of expenses; and
- (4) incremental tax expenses.

It is understood and agreed that, if COMPANY pays for the cost of constructing the Interconnection Facilities, title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system. It is also understood and agreed that, if the requesting SHIPPER chooses to incur the costs of constructing the Interconnection Facilities, then COMPANY will build and operate at least the tap and SCADA portion of the facilities at the SHIPPER's expense with other portions of the constructed facilities to be built and operated by the requesting SHIPPER or on behalf of the requesting SHIPPER at the SHIPPER's expense. The Interconnection Facilities built and operated by the requesting SHIPPER or on behalf of the requesting SHIPPER shall be built and operated in accordance with COMPANY'S reasonable specifications and subject to COMPANY'S inspection at the requesting SHIPPER'S expense; provided, however, such inspection shall not include SHIPPER's facilities upstream or downstream of the Interconnection Facilities. COMPANY inspections of measuring equipment shall be performed consistent with Section 5 of the General Terms and Conditions.

Where COMPANY competes for transportation of gas under this Rate Schedule, conditions may be such that it is more favorable for SHIPPER to construct, own and operate certain facilities at or near a Receipt Point or Delivery Point. In such case, COMPANY may make a contribution in aid of construction ("CIAC") for such facilities. A CIAC made pursuant to this Section 6 shall not exceed an amount that would constitute an economically feasible investment for facilities constructed, owned, and operated by COMPANY. COMPANY shall make CIACs pursuant to this provision on a nondiscriminatory basis for similarly situated shippers.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof. If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, the firm contract quantities for each firm package of capacity under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract TD, MDDQ and MDRQ in Mcf times 1.021 Dth/Mcf. COMPANY shall provide SHIPPER new contract numbers for each Service Agreement and each firm package of capacity prior to or on such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by SHIPPER.

RATE SCHEDULE FT-NN
Firm Transportation Service - No Notice

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on a firm basis from Southern Natural Gas Company ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has elected to convert a portion of its bundled firm sales service from COMPANY to service under this Rate Schedule as of the effective date hereof;
 - (iii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable to this Rate Schedule;
 - (iv) SHIPPER and COMPANY have executed a Service Agreement for service under Rate Schedule CSS providing for a Maximum Daily Withdrawal Quantity equal to or in excess of the Transportation Demand to be provided under this Rate Schedule; and
 - (v) SHIPPER and COMPANY have executed a Service Agreement ("FT-NN Agreement") for service under this Rate Schedule.

SHIPPER may combine packages of capacity, including capacity acquired under Section 22 of the General Terms and Conditions, under a master FT-NN Agreement and the Exhibit "B" to said FT-NN Agreement shall state the term, quantity, and Delivery Points associated with each package of capacity; and, if applicable, the months such quantities are available to SHIPPER. However, COMPANY may request that a package of capacity be contracted under a separate FT-NN Agreement if needed to accurately track, schedule or bill such package of capacity.

SHIPPER may also designate a party to act as agent for multiple shippers under any FT-NN Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the FT-NN Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all Shippers on a non-discriminatory basis.
- (c) The right to obtain no-notice service under this Rate Schedule from COMPANY originally was a one-time election available only to COMPANY'S firm sales customers during the restructuring proceedings in COMPANY'S Docket No. RS92-10. COMPANY is not obligated to provide no-notice service under this Rate Schedule at any greater level than was established in total as a result of Docket No. RS92-10.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to no-notice firm transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule. Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.
- (b) The receipt of gas for transportation services performed under this Rate Schedule shall be:
- (i) on a firm basis for those Receipt Points specified on Exhibit A to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 15.3, and 16 of the General Terms and Conditions;
 - (ii) on a preferred interruptible basis for those Receipt Points specified on Exhibit A-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Section 8.3, 12.3(b), and 16 of the General Terms and Conditions. Receipt of gas under this Rate Schedule at the Exhibit A-1 Receipt Points shall have a priority over the receipt of gas for COMPANY'S interruptible services and shall have a priority subordinate to the receipt of gas at Receipt Points specified on Exhibit A to the Service Agreements under this Rate Schedule and Rate Schedule FT and other firm transportation services. Receipt of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit A-1 Receipt Points in the Service Agreement's Primary Path shall have a priority over the receipt of gas at Exhibit A-1 Receipt Points outside of the Service Agreement's Primary Path; and
 - (iii) on an interruptible basis if nominated by SHIPPER as Authorized Overrun subject to the provisions of Section 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (c) The transportation of the gas received by COMPANY for SHIPPER'S account under this Rate Schedule and the delivery of such gas to the Delivery Points shall be :
- (d) on a firm basis along the Primary Path for those Delivery Points specified on Exhibit B to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 12.3(b), 15.3, and 16 of the General Terms and Conditions. Firm transportation services under this Rate Schedule shall have a comparable priority with firm transportation under Rate Schedule FT and other firm transportation services and shall have priority over all of COMPANY'S interruptible services.
- on a preferred interruptible basis for Delivery Points specified on Exhibit B-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Delivery of gas under this Rate Schedule at Exhibit B-1 Delivery Points shall be on a preferred interruptible basis and shall have a priority over the delivery of gas for COMPANY'S interruptible services and a priority subordinate to the delivery of gas at the Delivery Points specified on Exhibit B to the Service Agreements under this Rate Schedule and Rate Schedule FT and deliveries under other firm transportation services. Delivery of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit B-1 Delivery Points in the Service Agreement's Primary Path shall have a priority over the delivery of gas at Exhibit B-1 Delivery Points outside of the Service Agreement's Primary Path; and

- (iii) on an interruptible basis if nominated by SHIPPER as Authorized Overrun subject to the provisions of Section 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (e) Transportation service provided under this Rate Schedule shall be limited to SHIPPER'S Transportation Demand specified in the Service Agreement, subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, unless SHIPPER nominates and COMPANY schedules Authorized Overrun under SHIPPER'S firm Service Agreement. SHIPPER shall pay the Authorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Authorized Overrun gas allocated within a rate zone to SHIPPER'S Service Agreement on any day pursuant to the provisions of Section 13 of the General Terms and Conditions. Subject to the segmentation provisions set forth in Section 12.1(l)(3) of the General Terms and Conditions and the provisions for nominating and scheduling Authorized Overrun in the preceding sentence, it is provided that, if Unauthorized Overrun gas within a rate zone is allocated to SHIPPER'S Service Agreement under this Rate Schedule on any day pursuant to the allocation procedures set out in Section 13 of the General Terms and Conditions, SHIPPER shall pay the Unauthorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Unauthorized Overrun gas plus applicable penalties under Section 41 of the General Terms and Conditions of this Tariff.

3. RATES AND CHARGES

- (a) Unless SHIPPER is eligible for the volumetric rate election set forth in Section 3(b) below, SHIPPER shall pay COMPANY the sum of the following for transportation services rendered for SHIPPER each month under this Rate Schedule:
 - (i) Reservation Charge: The applicable rate set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the Transportation Demand.
 - (A) Reservation Charge Credit:
 - (1) In the event COMPANY is unable to make deliveries of the quantity of gas to which SHIPPER has firm entitlements on any day at primary Delivery Point(s) under this firm Rate Schedule, then the applicable Reservation Charge shall be credited to SHIPPER for such day, except as provided in Section 3(a)(i)(A)(1), 3(a)(i)(A)(2), 3(a)(i)(B), and 3(a)(i)(C) below. Such credit shall be applied to the lesser of (i) the applicable MDDQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Delivery Point immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDDQ; or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or deliver solely as a result of COMPANY's inability to make deliveries as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (B-1) Delivery Point instead of its primary (B) Delivery Point when COMPANY is unable to make deliveries at SHIPPER's primary Delivery Point; (x) to the extent deliveries cannot be made to a Delivery Point on a secondary (B-1) basis and deliveries

can be made to SHIPPER's primary Delivery Point(s); (y) to the extent the affected firm MDDQ has been released under Section 22 of the General Terms and Conditions to Delivery Points other than the affected primary Delivery Point; and/or (z) to the extent there are limitations at firm Receipt Points but COMPANY's ability to make deliveries at Shipper's primary Delivery Point(s) as provided above has not been limited. However, when such delivery point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (2) In the event all of SHIPPER'S primary Delivery Point(s) are interstate pipeline interconnection(s) or in the event SHIPPER's primary Receipt Point is the interconnection with Southern LNG at its Elba Island LNG terminal, then SHIPPER may elect, at the time the Service Agreement is executed, or, for existing contracts, at the time the Stipulation and Agreement in Docket No. RP04-523 becomes effective, for the reservation charge credit to apply at SHIPPER's primary Receipt Point(s) instead of its primary Delivery Point(s), in the event COMPANY is unable to receive at such Receipt Point(s) the quantity of gas to which SHIPPER has firm entitlements on any day. Such credit shall be applied to the lesser of (i) the applicable MDRQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Receipt Point(s) immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDRQ or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or receive solely as a result of COMPANY's inability to receive gas as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (A-1) Receipt Point or a Pool Location instead of its primary (A) Receipt Point when COMPANY is unable to receive gas from SHIPPER's primary Receipt Point; (x) to the extent gas cannot be received at a Receipt Point on a secondary (A-1) basis and receipts can be accepted at SHIPPER's primary firm Receipt Point(s); (y) to the extent the affected firm MDRQ has been released under Section 22 of the General Terms and Conditions to Receipt Points other than the affected primary Receipt Point; and/or (z) to the extent there are limitations at firm Delivery Points but COMPANY's ability to accept receipts at SHIPPER's primary Receipt Point(s) has not been limited. However, when such receipt point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have

already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (B) COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to deliver gas to SHIPPER as provided above in (A)(1) results from (1) the conduct or operations of SHIPPER or the downstream point operator of the facilities at a primary firm Delivery Point including, but not limited to, damage or malfunction of the downstream point operator's facilities or the inability of the downstream point operator to receive gas at SHIPPER's contract delivery pressure or COMPANY's mainline pressure; (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x); or (3) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the point operator's facilities in (1) or (3) above where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in (2) above, until such time that COMPANY's facilities are ready to be placed back in service.
- (C) In the case of the election pursuant to Section 3(a)(i)(A)(2), COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to receive gas from SHIPPER as provided above in (A)(2) results from (1) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the upstream point operator's facilities in this subparagraph (C)(1) where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in subparagraph (C)(2) below, until such time that COMPANY's facilities are ready to be placed back in service; or (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x).
- (ii) Transportation Charge: Except as provided in Section 3(a)(iii) below, the applicable rates set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account during the month up to SHIPPER'S Transportation Demand in effect each day. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt

deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (iii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay the sum of (A) the Transportation Charge in Section 2.2 or 2.2.1 to the zone of SHIPPER'S Exhibit B Delivery Points and (B) the maximum Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point, multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. These rates shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.
 - (iv) No Notice Service: The applicable Injection and Withdrawal Charges under Rate Schedule CSS as set forth in the currently effective Section 2.4 or 2.4.1 multiplied by the aggregate quantities of gas injected or withdrawn for SHIPPER'S account hereunder during each day of the month plus the percentage of the quantities of gas injected or withdrawn for SHIPPER'S account to be retained by COMPANY as a fuel charge as set forth in currently effective Section 2.4 or 2.4.1.
- (b) Each SHIPPER that qualifies to pay a volumetric transportation rate (Small Shipper Charge) for services under this Rate Schedule as of March 1, 2000, will pay the rates set forth in Section 3(c) below.
- Any Existing Small Shippers that do not elect to convert to two-part firm transportation service by the Election Deadline shall execute new firm transportation agreements with COMPANY subject to the Small Shipper Charge by the Election Deadline and such agreements shall contain the following seasonal firm contract quantities. For the months of November - March, the Transportation Demand shall be the same as SHIPPER'S current Transportation Demand subject to the Small Shipper Charge. For the months of April - October, the Transportation Demand shall be reduced to no greater than the highest peak day delivery for each month under the Small Shipper agreement, including deliveries to storage, computed over the last three years ending March 31, 1999, unless Southern Natural agrees otherwise. The difference between SHIPPER'S current Small Shipper Transportation Demand and its reduced Transportation Demand hereunder can be reinstated on 12 months prior written notice if and to the extent the Existing Small Shipper can provide data demonstrating its need to reinstate its Transportation Demand for any month.
- (c) If SHIPPER qualifies to pay a volumetric transportation rate under Section 3(b) above, SHIPPER shall pay COMPANY the following for:
- (i) Small Shipper Charge: The applicable rates set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the quantities of gas delivered for SHIPPER'S account each day during the month up to the SHIPPER'S total Transportation Demand. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These charges shall not apply to deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, but shall be charged on the transportation of gas from said storage account(s).
 - (ii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay, in addition to the Small Shipper Charge for the zone of SHIPPER'S Exhibit B Delivery Points, the maximum applicable Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the

downstream Delivery Point multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. This charge shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (iii) No Notice Service: The applicable Injection and Withdrawal Charges under Rate Schedule CSS as set forth in the currently effective Section 2.4 or 2.4.1 multiplied by the aggregate quantities of gas injected or withdrawn for SHIPPER'S account hereunder during each day of the month plus the percentage of the quantities of gas injected or withdrawn for SHIPPER'S account to be retained by COMPANY as a fuel charge as set forth in currently effective Section 3.4.
- (d) The rates which are stated in the currently effective Section 2.2 or 2.2.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rates to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period thereof shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.2 or 2.2.1.
- (e) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:
 - (i) Authorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas scheduled for delivery in excess of the SHIPPER'S firm Transportation Demand, by (b) the applicable rate set forth in the currently effective Rate Section 2.3 or 2.3.1 for the scheduled zones of receipt and delivery .
 - (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
 - (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
 - (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.

- (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
- (vi) Fuel and EPC charges: A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas, and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.2 or 2.2.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY'S contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.
- (vii) Unauthorized Overrun Charge An amount obtained by multiplying (a) the quantity of gas taken by SHIPPER that is not scheduled and in excess of the SHIPPER'S firm Transportation Demand, by (b) the maximum recourse transportation charge from the Production Area rate zone to the applicable zone of delivery under Rate Section 2.3 or 2.3.1.

4. NO NOTICE SERVICE

- (a) SHIPPER may utilize transportation under this Rate Schedule to have gas it has in storage under COMPANY'S Rate Schedule CSS delivered to any Delivery Point listed on Exhibit B to the Service Agreement without having submitted to COMPANY a prior nomination for the delivery of such gas.
- (b) The daily quantity of gas transported under this Rate Schedule shall be determined in accordance with the allocation procedures set out in Section 13 of the General Terms and Conditions; provided, however, that gas may be allocated to no notice transportation service under this Rate Schedule only to the extent SHIPPER has not otherwise fully utilized its Maximum Daily Withdrawal Quantity or Maximum Daily Injection Quantity under Rate Schedule CSS and has at least an equal quantity of gas in its Storage Inventory or its available storage capacity under COMPANY'S Rate Schedule CSS. The quantity of gas allocated each day to no notice transportation service under this Rate Schedule shall be deducted from or added to the quantity of gas SHIPPER has in its Storage Inventory under COMPANY'S Rate Schedule CSS.

- (c) If SHIPPER elects to nominate gas for transportation under this Rate Schedule as provided by Section 12 of the General Terms and Conditions, the maximum amount of no notice service available on such day shall be the difference between SHIPPER'S Transportation Demand under this Rate Schedule, reduced for storage withdrawals or injections nominated under Rate Schedule CSS, and the quantity of gas nominated for transportation hereunder on such day.
- (d) Injections of gas into Storage under this Rate Schedule shall not exceed SHIPPER'S Maximum Daily Injection Quantity under Rate Schedule CSS, reduced for storage injections nominated under Rate Schedule CSS, and may not be made if the injection of such quantity of gas would cause SHIPPER to exceed its Maximum Storage Quantity under Rate Schedule CSS. Withdrawals of gas from storage under this Rate Schedule shall not exceed SHIPPER'S Maximum Daily Withdrawal Quantity under Rate Schedule CSS, reduced for storage withdrawals nominated under Rate Schedule CSS, and may not be made if the withdrawal of such quantity of gas would exceed SHIPPER'S Storage Inventory under Rate Schedule CSS.
- (e) Notwithstanding the foregoing provisions of this Section 4 to the contrary, COMPANY recognizes that SHIPPER may wish to designate another party to fully administer its no-notice service under its FT-NN Service Agreement and associated CSS Service Agreement. In this regard, a SHIPPER that initially qualifies for service hereunder will continue to qualify for no-notice service in the following two circumstances:
 - (i) SHIPPER may release all of its firm capacity under its CSS Service Agreement on a temporary basis and still receive no-notice service under its FT-NN Service Agreement if a condition of such release is that the REPLACEMENT SHIPPER must agree to the continued utilization of the released firm storage capacity on a no-notice basis by SHIPPER'S FT-NN Service Agreement. To the extent the Replacement Shipper also has FT-NN service or has acquired CSS capacity from more than one Releasing Shipper pursuant to this provision, Replacement Shipper must notify Company of the manner in which the no-notice service for each of the Releasing Shipper(s) as well as their own, if applicable, is to be administered; or
 - (ii) SHIPPER may release on a temporary basis all of its firm capacity under both its CSS Service Agreement and its FT-NN Service Agreement under which it pays reservation charges and still receive no-notice service hereunder if a condition of such release is that the REPLACEMENT SHIPPER must agree to the continued utilization of the released firm storage and transportation capacity to provide full no-notice service to SHIPPER pursuant to the provisions of the Service Agreements prior to their release.

5. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

6. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation.

SHIPPER shall notify COMPANY by 5:00 p.m. at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY five (5) business days' written notice of any change to this information). In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures.

SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

7. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the cost thereof, and should COMPANY agree to install said

facilities or to modify its existing facilities pursuant to SHIPPER'S request, it is agreed that COMPANY will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event SHIPPER does not agree to pay the costs of installing or modifying said facilities, COMPANY may agree to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated SHIPPERS. Whether said facilities will provide a benefit to all SHIPPERS using COMPANY'S pipeline system such that it is appropriate to include the cost of said facilities in COMPANY'S general system rates will be determined in the rate proceeding in which COMPANY proposes to include such costs in its general system rates. It is understood and agreed that title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system.

8. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof.

If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, the firm contract quantities for each firm package of capacity under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract TD, MDDQ and MDRQ in Mcf times 1.021 Dth/Mcf. COMPANY shall provide SHIPPER new contract numbers for each Service Agreement and each firm package of capacity prior to or on such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by SHIPPER.

RATE SCHEDULE IT
Interruptible Transportation Service

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on an interruptible basis from Southern Natural Gas Company, L.L.C. ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable to this Rate Schedule; and
 - (iii) SHIPPER and COMPANY have executed a Service Agreement ("IT Agreement") for service under this Rate Schedule.

SHIPPER may designate a party to act as agent for multiple shippers under any IT Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the IT Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule except that COMPANY shall construct and install facilities necessary to deliver gas directly to an end user if SHIPPER meets the requirements set out in Section 36 of the General Terms and Conditions. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all shippers on a non-discriminatory basis.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all interruptible transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule.
- (b) The transportation services performed under this Rate Schedule shall be on an interruptible basis and shall be further subject, in COMPANY'S sole judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY. Interruptible transportation services under this Rate Schedule shall have a priority subordinate to COMPANY'S firm transportation services provided pursuant to COMPANY'S Rate Schedules and the General Terms and Conditions applicable thereto contained in COMPANY'S FERC Gas Tariff.

3. RATES AND CHARGES

- (a) For transportation services rendered for SHIPPER each month under this Rate Schedule, SHIPPER shall pay COMPANY the following:

Transportation Charge: The applicable rates set forth in the currently effective Section 2.3 or 2.3.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account during the month. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply.

These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (b) The rates which are stated in the currently effective Section 2.3 or 2.3.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rates to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period thereof shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.3 or 2.3.1.

- (c) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:

- (i) (Reserved for future use).
- (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
- (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
- (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.

- (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
- (vi) Fuel and EPC charges: A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.3 or 2.3.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., on March 15, 1995, COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY'S contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.

4. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

5. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY four (4) calendar days' written notice of any change to this information).

In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures.

SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

6. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the cost thereof, and should COMPANY agree to install said facilities or to modify its existing facilities pursuant to SHIPPER'S request, it is agreed that COMPANY will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event SHIPPER does not agree to pay the costs of installing or modifying said facilities, COMPANY may agree to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated SHIPPERS. Whether said facilities will provide a benefit to all SHIPPERS using COMPANY'S pipeline system such that it is appropriate to include the cost of said facilities in COMPANY'S general system rates will be determined in the rate proceeding in which COMPANY proposes to include such costs in its general system rates. It is understood and agreed that title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof.

If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, COMPANY shall provide SHIPPER new contract numbers for each Service Agreement prior to or on such conversion date via its Interactive Website.

35. FUEL MECHANISM

35.1 Purpose

This Section 35 describes how COMPANY shall update the COMPANY's fuel retention percentages for its services on a periodic basis.

35.2 Procedures

The fuel retention rates pursuant to Section 35.4 and the Electric Power Cost ("EPC") rates, if applicable, pursuant to Section 35.5 under Rate Schedules CSS and ISS will be updated annually. The fuel retention rates pursuant to Section 35.3 and the EPC rates pursuant to Section 35.5 under Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements will be updated semiannually. The COMPANY will make a filing (with workpapers) with the FERC at least thirty days before the effective date of April 1 of each year setting forth the updated fuel retention rates and EPC rates, if applicable, to be effective April 1 through March 31 to be applicable to Rate Schedules CSS and ISS ("Storage Fuel"). These updated fuel retention rates and EPC rates will be based upon the actual data for the twelve months ended the previous December 31 ("Storage Base Period"). The COMPANY will make a filing (with workpapers) with the FERC at least 30 days before the effective date of April 1 of each year setting forth the updated fuel retention percentages and EPC rates to be effective from April 1 through September 30 to be applicable to Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements ("Summer Fuel"). The Storage Fuel filing and the Summer Fuel filing will be made together as a single filing. The updated Summer Fuel retention rates will be based on the actual data for the six months ended the previous September 30 ("Summer Base Period"). The COMPANY will make a filing (with workpapers) with the FERC at least 30 days before the effective date of October 1 of each year setting forth the updated fuel retention percentages and EPC rates to be effective from October 1 through March 31 to be applicable to Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements ("Winter Fuel"). The updated Winter Fuel retention rates and EPC rates will be based on the actual data for the six months ended the previous March 31 ("Winter Base Period"). The initial Summer Fuel and Storage Fuel filing will be effective April 1, 2014 and the initial Winter Fuel filing will be effective October 1, 2014.

35.3 Calculation For Transportation Fuel Retention Rates

The Winter Fuel and Summer Fuel retention percentages for Rate Schedules FT, FT-NN, IT and, if applicable, under Liquefiable Transportation Agreements shall be determined by dividing the sum of items 1 and 2 by item 3 as described below:

1. The actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, prior to October 1, 2024, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's transmission facilities for the Winter Base Period or Summer Base Period, as applicable. Such resulting quantity shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.
2. Over-recovery (as a negative value) or under-recovery (as a positive value) amount associated with COMPANY's transmission facilities during the Winter Base Period or Summer Base Period, as applicable. Such amount shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.
3. The amount in item 1 above in this Section 35.3 plus the applicable quantity of gas delivered by COMPANY during the Winter Base Period or Summer Base Period, as applicable. Such resulting quantity shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.

The Dth equivalent of the costs of electricity used for electric compression shall be calculated as follows: each month's electricity costs used for electric compression shall be divided by the Index Price set forth in Section 14.1 of these General Terms and Conditions for the applicable month to derive a Dth equivalent amount for that month.

The over-recovery or under-recovery amount during the Winter Base Period or Summer Base Period, as applicable, shall be calculated as the difference between a and b as follows: (a) the quantity of gas retained by COMPANY under the applicable rate schedules during the Winter Base Period or Summer Base Period, as applicable, plus the over-recovery amount (will be an addition to the quantity of gas retained) or under-recovery amount (will be a subtraction to the quantity of gas retained) for the prior year Winter Base Period or Summer Base Period, as applicable, (prior year Winter Base Period and prior year Summer Base Period over-recovery or under-recovery amount for the initial Winter Season and initial Summer Season filings will each include 50% of the cumulative transportation fuel over-recovery or under-recovery amount as of March 31, 2013 and (b) the actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, for base periods prior to October 1, 2024, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's transmission facilities during the Winter Base Period or Summer Base Period, as applicable.

The backhaul fuel retention percentage will remain at 0.16% without adjustment.

35.4 Calculation For Storage Fuel Retention Rates

The fuel retention percentage for Rate Schedules CSS and ISS shall be determined by dividing the sum of items 1 and 2 by item 3 as described below:

1. The actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, prior to January 1, 2025, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's storage facilities for the applicable Base Period;
2. Over-recovery (as a negative value) or under-recovery (as a positive value) amount associated with COMPANY's storage facilities during the Storage Base Period;
3. The amount in item 1 above in this Section 35.4 plus the quantity of gas injected and plus the quantity of gas withdrawn under Rate Schedules CSS and ISS during the Storage Base Period.

The Dth equivalent of the costs of electricity used for electric compression shall be calculated as follows: each month's electricity costs used for electric compression shall be divided by the Index Price set forth in Section 14.1 of these General Terms and Conditions for the applicable month to derive a Dth equivalent amount for that month.

The over-recovery or under-recovery amount during the Storage Base Period shall be calculated as the difference between a and b as follows: (a) the quantity of gas retained by the COMPANY under the applicable rate schedules during the Storage Base Period plus the over-recovery amount (will be an addition to the quantity of gas retained) or under-recovery amount (will be a subtraction to the quantity of gas retained) for the prior year Storage Base Period (prior year Storage Base Period over-recovery or under-recovery amount will be the cumulative storage fuel over-recovery or under-recovery amount as of December 31, 2013 for the initial filing) and (b) the actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, for a Storage Base Period prior to January 1, 2025, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's storage facilities during the Storage Base Period.

35.5 Electric Power Cost Recovery

- (a) Prior to October 1, 2024, for transportation and prior to January 1, 2025, for storage, COMPANY will account for gains and losses on the sale of transportation fuel retained for electricity as described below:
1. Following the end of each Winter Base Period and each Summer Base Period, respectively, COMPANY will determine the difference between the sales proceeds attributable to COMPANY's sale of the Dth equivalent of the cost of electricity used for electric compression as described in Section 35.3 and COMPANY's cost of electricity used for electric compression for the applicable Winter Base Period or Summer Base Period. If the difference is positive, the difference will be reduced by any cumulative losses existing in the Winter or Summer Deferred Electricity Losses Account, as applicable, described in item 4 below as of the beginning of the applicable Winter Base Period or Summer Base Period to determine the net difference. The positive difference will be deducted from the Winter or Summer Deferred Electricity Losses Account, as applicable, provided, however, the resulting Winter or Summer Deferred Electricity Losses Account balance, as applicable, shall never be less than zero (0). If the net difference is positive, the net difference will be shared as described in item 2 below. If the net difference is negative, such net difference will remain in the applicable Winter or Summer Deferred Electricity Losses Account and be carried over to the next applicable Summer or Winter Base Period. For the initial Summer Base Period the calculation of the difference described above will exclude sales and costs attributable to the month of April, 2013.
 2. If the net difference for the applicable Winter Base Period or Summer Base Period is positive, COMPANY will provide a monetary credit on SHIPPER's bill for 85% of SHIPPER's pro rata share of such net difference based on the volume of gas retained from SHIPPER for transportation fuel to the total volume of gas retained from all SHIPPERS for transportation fuel, during the applicable Winter Base Period or Summer Base Period. The monetary credit will be applied to SHIPPER's bill within 80 days of the end of the applicable Winter Base Period or Summer Base Period. The remaining 15% of any net positive difference will be retained by COMPANY and will be taken into income.
 3. If the difference is negative the difference will be added to the Winter or Summer Deferred Electricity Losses Account, as applicable, described in item 4 below and no sharing will occur for that period.
 4. Any negative difference calculated as described in item 1 above for a Winter Base Period or Summer Base Period will be recorded in the Winter or Summer Deferred Electricity Losses Account, respectively, and carried over to the next Winter Base Period or Summer Base Period, as applicable.
- (b) Beginning on October 1, 2024, for transportation and beginning on January 1, 2025, for storage, the COMPANY will recover electric power costs through an EPC tracking and true-up mechanism. EPC shall mean the electric power costs incurred by COMPANY which are required for the operation of COMPANY's electric compression facilities recorded in COMPANY's FERC Account 819 for storage and COMPANY's FERC Account 855 for transportation. The EPC rates, expressed in dollars per Dth, shall be stated on the Statement of Rates in COMPANY's Tariff, reflected on SHIPPER's invoice and paid by SHIPPER pursuant to the provisions of Section 15 of the General Terms and Conditions of COMPANY's Tariff.

The EPC rate for storage, if applicable, shall be determined by dividing the sum of items 1 and 2 by item 3:

1. The sum of the EPC during the Storage Base Period.
2. The EPC balance, which includes revenue received from the EPC charge during the applicable base period and any over-recovery (as a negative value) or under-recovery (as a positive value) of COMPANY'S total actual expenses and

the revenue amounts collected from the EPC rate during the applicable base period.

3. The quantity of gas injected and plus the quantity of gas withdrawn under Rate Schedules CSS and ISS during the Storage Base Period.

The EPC rates for transportation shall be determined by dividing the sum of items 1 and 2 by item 3:

1. The sum of the EPC during the applicable Winter Base Period or Summer Base Period.
2. The EPC balance, which includes revenue received from the EPC charge during the applicable Winter Base Period or Summer Base Period and any over-recovery (as a negative value) or under-recovery (as a positive value) of COMPANY'S total actual expenses and the revenue amounts collected from the EPC rates during the applicable Winter Base Period or Summer Base Period. The initial EPC balance for the Winter Base Period or Summer Base Period, as applicable, will include any negative difference calculated pursuant to Section 35.5(a)(4).
3. For transportation, the receipt quantities under all applicable transportation rate schedules during the applicable Winter Base Period or Summer Base Period.

APPENDIX A

MARKED VERSION OF TARIFF SECTIONS

CONTESTING PARTY RATES 3/
 FIRM TRANSPORTATION SERVICES (FT)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$5.71 | \$6.45 | \$9.65 | \$12.77 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$1.877 | \$2.121 | \$3.173 | \$4.198 |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|---------------------------------------|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

| | | | | |
|--|-------|-------|-------|-------|
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

| | | | | |
|--------------------------------|--------|--------|--------|--------|
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Small Shipper Backhaul
 Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Fuel Retention (~~Winter~~Summer Period: ~~October~~April – ~~March~~September)

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Forward Haul Fuel, Used & Unaccounted For | 1.323-16% | 1.323-16% | 2.114-14% | 2.555-06% |
| Intrazone Fuel, Used & Unaccounted For | 1.323-16% | 0.741-04% | 0.741-04% | 0.741-04% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Forward Haul EPC</u> | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> |
| <u>Intrazone EPC</u> | <u>\$0.0527</u> | <u>\$0.0132</u> | <u>\$0.0132</u> | <u>\$0.0132</u> |
| <u>Backhaul EPC</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 for all Contesting Parties as defined in the Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

SETTLEMENT RATES 3/
 FIRM TRANSPORTATION SERVICES (FT)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|---|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$4.67 | \$5.28 | \$7.90 | \$10.46 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1535 | \$.1736 | \$.2597 | \$.3439 |
| <u>2016 Expansion Reservation Charge (Dth) 1/ 5/</u> | | | | |
| <u>Maximum:</u> | | | | \$13.03 |
| <u>Minimum:</u> | | | | \$0.00 |
| <u>Maximum Daily Volumetric Capacity Release Rates 2/</u> | | | | \$.4284 |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | 3.90¢ | 5.00¢ | 5.60¢ |
| Zone 1 | 3.50¢ | 2.50¢ | 3.70¢ | 4.30¢ |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | 4.00¢ |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | N/A | N/A | N/A |
| Zone 1 | 3.50¢ | 2.50¢ | N/A | N/A |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | N/A |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |

| | | | | |
|--------|--------|--------|-------|--------|
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

Small Shipper Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
|----------|--------|--------|--------|--------|

| | | | | |
|----------|--------|--------|-------|-------|
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
|----------|--------|--------|-------|-------|

Small Shipper Backhaul Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
|----------|--------|--------|--------|--------|

| | | | | |
|----------|--------|--------|-------|-------|
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
|----------|--------|--------|-------|-------|

Fuel Retention (~~Winter~~~~Summer~~ Period: ~~October~~~~April~~ - ~~March~~~~September~~)

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Forward Haul Fuel, Used & Unaccounted For | 1.323-16% | 1.323-16% | 2.114-14% | 2.555-06% |
|---|----------------------|----------------------|----------------------|----------------------|

| | | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| Intrazone Fuel, Used & Unaccounted For | 1.323-16% | 0.741-04% | 0.741-04% | 0.741-04% |
|--|----------------------|----------------------|----------------------|----------------------|

| | | | | |
|---------------------------------------|-------|-------|-------|-------|
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |
|---------------------------------------|-------|-------|-------|-------|

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Forward Haul EPC</u> | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> |
|-------------------------|-----------------|-----------------|-----------------|-----------------|

| | | | | |
|----------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Intrazone EPC</u> | <u>\$0.0527</u> | <u>\$0.0132</u> | <u>\$0.0132</u> | <u>\$0.0132</u> |
|----------------------|-----------------|-----------------|-----------------|-----------------|

| | | | | |
|---------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Backhaul EPC</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> |
|---------------------|-----------------|-----------------|-----------------|-----------------|

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge:

See Section 28 of the General Terms and
Conditions.

5/ Applicable to services provided pursuant to the expansion authorized under Docket No. CP14-493-000, et. al.

CONTESTING PARTY RATES 3/
 FIRM TRANSPORTATION SERVICES - NO NOTICE(FT-NN)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|----------|----------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$5.71 | \$6.45 | \$9.65 | \$12.77 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1877 | \$.2121 | \$.3173 | \$.4198 |
| <u>RECEIPT ZONE</u> | | | | |
| | Production Area | <u>DELIVERY ZONE</u> | | |
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Small Shipper Backhaul
 Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Fuel Retention (WinterSummer Period: OctoberApril - MarchSeptember)

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Forward Haul Fuel, Used & Unaccounted For | 1.323-16% | 1.323-16% | 2.114-14% | 2.555-06% |
| Intrazone Fuel, Used & Unaccounted For | 1.323-16% | 0.741-04% | 0.741-04% | 0.741-04% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Forward Haul EPC</u> | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> |
| <u>Intrazone EPC</u> | <u>\$0.0527</u> | <u>\$0.0132</u> | <u>\$0.0132</u> | <u>\$0.0132</u> |
| <u>Backhaul EPC</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 for all Contesting Parties as defined in the Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions

SETTLEMENT RATES 3/
 FIRM TRANSPORTATION SERVICES - NO NOTICE(FT-NN)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$4.67 | \$5.28 | \$7.90 | \$10.46 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1535 | \$.1736 | \$.2597 | \$.3439 |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|---------------------------------------|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>RECEIPT ZONE</u> | | | | |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | 3.90¢ | 5.00¢ | 5.60¢ |
| Zone 1 | 3.50¢ | 2.50¢ | 3.70¢ | 4.30¢ |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | 4.00¢ |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | N/A | N/A | N/A |
| Zone 1 | 3.50¢ | 2.50¢ | N/A | N/A |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | N/A |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

| | Production Area | Zone 1 | Zone 2 | Zone 3 |
|--------------------------------|-----------------|--------|--------|--------|
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |

Small Shipper
 Backhaul Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |

Fuel Retention (WinterSummer Period: ~~OctoberApril~~ – ~~MarchSeptember~~)

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Forward Haul Fuel, Used & Unaccounted For | 1.323-16% | 1.323-16% | 2.114-14% | 2.555-06% |
| Intrazone Fuel, Used & Unaccounted For | 1.323-16% | 0.741-04% | 0.741-04% | 0.741-04% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Forward Haul EPC</u> | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> |
| <u>Intrazone EPC</u> | <u>\$0.0527</u> | <u>\$0.0132</u> | <u>\$0.0132</u> | <u>\$0.0132</u> |
| <u>Backhaul EPC</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

Contesting Party Rates 3/
 Interruptible Transportation Service

| <u>RECEIPT ZONE</u> | <u>DELIVERY ZONE</u> | | | |
|--|----------------------|--------|--------|--------|
| | Production Area | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 22.90¢ | 25.70¢ | 37.60¢ | 48.60¢ |
| Zone 1 | 22.90¢ | 11.20¢ | 23.10¢ | 34.20¢ |
| Zone 2 | 22.90¢ | 11.20¢ | 20.50¢ | 31.60¢ |
| Zone 3 | 22.90¢ | 11.20¢ | 20.50¢ | 19.30¢ |

| | | | | |
|-----------------|-------|-------|-------|-------|
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

Backhaul Transportation Charge (Dth) 1/ 2/

| | | | | |
|-----------------|--------|--------|--------|--------|
| Maximum: | | | | |
| Production Area | 22.90¢ | N/A | N/A | N/A |
| Zone 1 | 22.90¢ | 11.20¢ | N/A | N/A |
| Zone 2 | 22.90¢ | 11.20¢ | 20.50¢ | N/A |
| Zone 3 | 22.90¢ | 11.20¢ | 20.50¢ | 19.30¢ |

| | | | | |
|-----------------|-------|-------|-------|-------|
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

Fuel Retention (WinterSummer Period: OctoberApril - MarchSeptember)

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Forward Haul Fuel, Used & Unaccounted For | <u>1.323-16%</u> | <u>1.323-16%</u> | <u>2.114-14%</u> | <u>2.555-06%</u> |
| Intrazone Fuel, Used & Unaccounted For | <u>1.323-16%</u> | <u>0.741-04%</u> | <u>0.741-04%</u> | <u>0.741-04%</u> |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Forward Haul EPC</u> | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> |
| <u>Intrazone EPC</u> | <u>\$0.0527</u> | <u>\$0.0132</u> | <u>\$0.0132</u> | <u>\$0.0132</u> |

SETTLEMENT RATES 3/
 Interruptible Transportation Service

| RECEIPT ZONE | DELIVERY ZONE | | | |
|--|-----------------|--------|--------|--------|
| | Production Area | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 19.60¢ | 22.00¢ | 32.20¢ | 41.60¢ |
| Zone 1 | 19.60¢ | 9.60¢ | 19.80¢ | 29.30¢ |
| Zone 2 | 19.60¢ | 9.60¢ | 17.60¢ | 27.00¢ |
| Zone 3 | 19.60¢ | 9.60¢ | 17.60¢ | 16.50¢ |

| | | | | |
|-----------------|--------|--------|-------|--------|
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

Backhaul Transportation Charge (Dth) 1/ 2/

| | | | | |
|-----------------|--------|-------|--------|--------|
| Maximum: | | | | |
| Production Area | 19.60¢ | N/A | N/A | N/A |
| Zone 1 | 19.60¢ | 9.60¢ | N/A | N/A |
| Zone 2 | 19.60¢ | 9.60¢ | 17.60¢ | N/A |
| Zone 3 | 19.60¢ | 9.60¢ | 17.60¢ | 16.50¢ |

| | | | | |
|-----------------|--------|--------|-------|--------|
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

Fuel Retention (WinterSummer Period: OctoberApril - MarchSeptember)

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Forward Haul Fuel, Used & Unaccounted For | <u>1.323-16%</u> | <u>1.323-16%</u> | <u>2.114-14%</u> | <u>2.555-06%</u> |
| Intrazone Fuel, Used & Unaccounted For | <u>1.323-16%</u> | <u>0.741-04%</u> | <u>0.741-04%</u> | <u>0.741-04%</u> |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|------------------|-----------------|-----------------|-----------------|-----------------|
| Forward Haul EPC | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> | <u>\$0.0527</u> |
| Intrazone EPC | <u>\$0.0527</u> | <u>\$0.0132</u> | <u>\$0.0132</u> | <u>\$0.0132</u> |

TRANSPORTATION RATES FOR
LIQUIDS AND LIQUEFIABLES 3/

Liquefiabiles 1/

For production from wells connected on or before December 31, 1981:

- 4.5¢ per Dth per 100 miles prorated to the actual mileage 2/

For production from wells connected on or after January 1, 1982:

- 10.25¢ per Dth per 100 miles of offshore transportation prorated to the actual mileage offshore, plus
- 3.1¢ per Dth per 100 miles of onshore transportation prorated to the actual mileage onshore

Liquids

For production from wells connected on or before December 31, 1981:

- 55.0¢ per barrel
- 11.0¢ per barrel for service of 20 miles or less from receipt point to removal point

For production from wells connected on or after January 1, 1982:

- \$1.025 per barrel if any part of the service is offshore
- 31.0¢ per barrel if the service is onshore
- 20% of the applicable offshore or onshore rate for service of 20 miles or less from receipt point to removal point

Fuel Retention:

| | |
|--|-----------------------|
| Forward Haul & Intrazone Fuel, Used & Unaccounted For | 3.16 1.32% |
| Backhaul Fuel, Used & Unaccounted For | .16% |

1/ Surcharges applicable to Transportation Rates for Liquids and Liquefiabiles.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ Based on a Btu content of 1,000 Btu per cubic foot.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP09-427 for all Contesting Parties as defined in the Settlement.

SETTLEMENT RATES 3/
TRANSPORTATION RATES FOR LIQUIDS AND LIQUEFIABLES

Liquefiabiles 1/

For production from wells connected on or before December 31, 1981:

- 4.5¢ per Dth per 100 miles prorated to the actual mileage 2/

For production from wells connected on or after January 1, 1982:

- 10.25¢ per Dth per 100 miles of offshore transportation prorated to the actual mileage offshore, plus
- 3.1¢ per Dth per 100 miles of onshore transportation prorated to the actual mileage onshore

Liquids

For production from wells connected on or before December 31, 1981:

- 55.0¢ per barrel
- 11.0¢ per barrel for service of 20 miles or less from receipt point to removal point

For production from wells connected on or after January 1, 1982:

- \$1.025 per barrel if any part of the service is offshore
- 31.0¢ per barrel if the service is onshore
- 20% of the applicable offshore or onshore rate for service of 20 miles or less from receipt point to removal point

Fuel Retention:

| | |
|--|----------------------|
| Forward Haul & Intrazone Fuel, Used & Unaccounted For | 1.323-16% |
| Backhaul Fuel, Used & Unaccounted For | .16% |

1/ Surcharges applicable to Transportation Rates for Liquids and Liquefiabiles.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ Based on a Btu content of 1,000 Btu per cubic foot.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP09-427 applicable to all Supporting and Non-Opposing Parties as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP09-427 Settlement.

RATE SCHEDULE FT
Firm Transportation Service

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on a firm basis from Southern Natural Gas Company ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable hereto; and
 - (iii) SHIPPER and COMPANY have executed a Firm Transportation Service Agreement ("FT Agreement") for service under this Rate Schedule.

SHIPPER may combine packages of capacity, including capacity acquired under Section 22 of the General Terms and Conditions, under a master FT Agreement and the Exhibit "B" to said FT Agreement shall state the term, quantity, and Delivery Points associated with each package of capacity; and, if applicable, the months such quantities are available to SHIPPER. However, COMPANY may request that a package of capacity be contracted under a separate FT Agreement if needed to accurately track, schedule or bill such package of capacity.

SHIPPER may also designate a party to act as agent for multiple shippers under any FT Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the FT Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule except that COMPANY shall construct and install facilities necessary to deliver gas directly to an end user if SHIPPER meets the requirements set out in Section 36 of the General Terms and Conditions. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all shippers on a non-discriminatory basis.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to firm transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule.

Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.

- (b) The receipt of gas for transportation services performed under this Rate Schedule shall be:
- (i) on a firm basis for those Receipt Points specified on Exhibit A to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 15.3, and 16 of the General Terms and Conditions;
 - (ii) on a preferred interruptible basis for those Receipt Points specified on Exhibit A-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Receipt of gas under this Rate Schedule at the Exhibit A-1 Receipt Points shall have a priority over the receipt of gas for COMPANY'S interruptible services and shall have a priority subordinate to the receipt of gas at Receipt Points specified on Exhibit A to the Service Agreements under this Rate Schedule and Rate Schedule FT-NN and other firm transportation services. Receipt of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit A-1 Receipt Points in the Service Agreement's Primary Path shall have a priority over the receipt of gas at Exhibit A-1 Receipt Points outside of the Service Agreement's Primary Path; and
 - (iii) on an interruptible basis if nominated by Shipper as Authorized Overrun subject to the provisions in Sections 8.3, 12.3 (b), and 16 of the General Terms and Conditions.
- (c) The transportation of the gas received by COMPANY for SHIPPER'S account under this Rate Schedule and the delivery of such gas to the Delivery Points shall be:
- (d) on a firm basis along the Primary Path for those Delivery Points specified on Exhibit B to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 12.3(b), 15.3, and 16 of the General Terms and Conditions. Firm transportation services under this Rate Schedule shall have a comparable priority with firm transportation under Rate Schedule FT-NN and other firm transportation services and shall have priority over all of COMPANY'S interruptible services.
- on a preferred interruptible basis for those Delivery Points specified on Exhibit B-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Delivery of gas under this Rate Schedule at Exhibit B-1 Delivery Points shall be on a preferred interruptible basis and shall have a priority over the delivery of gas for COMPANY'S interruptible services and a priority subordinate to the delivery of gas at the Delivery Points specified on Exhibit B to the Service Agreements under this Rate Schedule and Rate Schedule FT-NN and deliveries under other firm transportation services. Delivery of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit B-1 Delivery Points in the Service Agreement's Primary Path shall have a priority over the delivery of gas at Exhibit B-1 Delivery Points outside of the Service Agreement's Primary Path; and
- (i) on an interruptible basis if nominated by Shipper as Authorized Overrun subject to the provisions of Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (e) Transportation service provided under this Rate Schedule shall be limited to SHIPPER'S Transportation Demand specified in the Service Agreement, subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, unless SHIPPER nominates and

COMPANY schedules Authorized Overrun under SHIPPER's firm Service Agreement. SHIPPER shall pay the Authorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Authorized Overrun gas allocated within a rate zone to SHIPPER'S Service Agreement on any day pursuant to the provisions of Section 13 of the General Terms and Conditions. Subject to the segmentation provisions set forth in Section 12.1(l)(3) of the General Terms and Conditions and the provisions for nominating and scheduling Authorized Overrun in the preceding sentence, it is provided that, if Unauthorized Overrun gas within a rate zone is allocated to SHIPPER'S Service Agreement under this Rate Schedule on any day pursuant to the allocation procedures set out in Section 13 of the General Terms and Conditions, SHIPPER shall pay the Unauthorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Unauthorized Overrun gas plus applicable penalties under Section 41 of the General Terms and Conditions of this Tariff.

3. RATES AND CHARGES

- (a) Unless SHIPPER is eligible for the volumetric rate election set forth in Section 3(b) below, SHIPPER shall pay COMPANY the sum of the following for transportation services rendered for SHIPPER each month under this Rate Schedule:
- (i) Reservation Charge: The applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the Transportation Demand (TD).
- (A) Reservation Charge Credit:
- (1) In the event COMPANY is unable to make deliveries of the quantity of gas to which SHIPPER has firm entitlements on any day at primary Delivery Point(s) under this firm Rate Schedule, then the applicable Reservation Charge shall be credited to SHIPPER for such day, except as provided in Section 3(a)(i)(A)(1), 3(a)(i)(A)(2), 3(a)(i)(B), and 3(a)(i)(C) below. Such credit shall be applied to the lesser of (i) the applicable MDDQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Delivery Point immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDDQ; or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or deliver solely as a result of COMPANY's inability to make deliveries as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (B-1) Delivery Point instead of its primary (B) Delivery Point when COMPANY is unable to make deliveries at SHIPPER's primary Delivery Point; (x) to the extent deliveries cannot be made to a Delivery Point on a secondary (B-1) basis and deliveries can be made to SHIPPER's primary Delivery Point(s); (y) to the extent the affected firm MDDQ has been released under Section 22 of the General Terms and Conditions to Delivery Points other than the affected primary Delivery Point; and/or (z) to the extent there are

limitations at firm Receipt Points but COMPANY's ability to make deliveries at Shipper's primary Delivery Point(s) as provided above has not been limited. However, when such delivery point restriction does occur and SHIPPER nominates quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (2) In the event all of SHIPPER'S primary Delivery Point(s) are interstate pipeline interconnection(s) or in the event SHIPPER's primary Receipt Point is the interconnection with Southern LNG at its Elba Island LNG terminal, then SHIPPER may elect, at the time the Service Agreement is executed, or, for existing contracts, at the time the Stipulation and Agreement in Docket No. RP04-523 becomes effective, for the reservation charge credit to apply at SHIPPER's primary Receipt Point(s) instead of its primary Delivery Point(s), in the event COMPANY is unable to receive at such Receipt Point(s) the quantity of gas to which SHIPPER has firm entitlements on any day. Such credit shall be applied to the lesser of (i) the applicable MDRQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Receipt Point(s) immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDRQ or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or receive solely as a result of COMPANY's inability to receive gas as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (A-1) Receipt Point or a Pool Location instead of its primary (A) Receipt Point when COMPANY is unable to receive gas from SHIPPER's primary Receipt Point; (x) to the extent gas cannot be received at a Receipt Point on a secondary (A-1) basis and receipts can be accepted at SHIPPER's primary firm Receipt Point(s); (y) to the extent the affected firm MDRQ has been released under Section 22 of the General Terms and Conditions to Receipt Points other than the affected primary Receipt Point; and/or (z) to the extent there are limitations at firm Delivery Points but COMPANY's ability to accept receipts at SHIPPER's primary Receipt Point(s) has not been limited. However, when such receipt point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (B) COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to deliver gas to SHIPPER as provided above in (A)(1) results from (1) the conduct or operations of SHIPPER or the downstream point operator of the facilities at a primary firm Delivery Point including, but not limited to, damage or malfunction of the downstream point operator's facilities or the inability of the downstream point operator to receive gas at SHIPPER's contract delivery pressure or COMPANY's mainline pressure; (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x); or (3) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the point operator's facilities in (1) or (3) above where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in (2) above, until such time that COMPANY's facilities are ready to be placed back in service.
- (C) In the case of the election pursuant to Section 3(a)(i)(A)(2), COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to receive gas from SHIPPER as provided above in (A)(2) results from (1) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the upstream point operator's facilities in this subparagraph (C)(1) where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in subparagraph (C)(2) below, until such time that COMPANY's facilities are ready to be placed back in service; or (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x).
- (ii) Transportation Charge: Except as provided in Section 3(a)(iii) below, the applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account up to SHIPPER'S Transportation Demand in effect each day. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.
- (iii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points under its FT Service Agreement, SHIPPER shall pay the sum of (A) the Transportation Charge in Section 2.1 or 2.1.1 to the zone of SHIPPER'S Exhibit B Delivery Points and (B) the maximum Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point, multiplied times the

quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. These rates shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (b) Each SHIPPER that qualifies to pay a volumetric transportation rate (Small Shipper Charge) for services under this Rate Schedule as of March 1, 2000, will pay the rates set forth in Section 3(c) below.

Any Existing Small Shippers that do not elect to convert to two-part firm transportation service by the Election Deadline shall execute new firm transportation agreements with COMPANY subject to the Small Shipper Charge by the Election Deadline and such agreements shall contain the following seasonal firm contract quantities. For the months of November - March, the Transportation Demand shall be the same as SHIPPER'S current Transportation Demand subject to the Small Shipper Charge. For the months of April - October, the Transportation Demand shall be reduced to no greater than the highest peak day delivery for each month under the Small Shipper agreement, including deliveries to storage, computed over the last three years ending March 31, 1999, unless Southern Natural agrees otherwise. The difference between SHIPPER'S current Small Shipper Transportation Demand and its reduced Transportation Demand hereunder can be reinstated on 12 months prior written notice if and to the extent the Existing Small Shipper can provide data demonstrating its need to reinstate its Transportation Demand for any month.

- (c) If SHIPPER qualifies to pay a volumetric transportation rate under Section 3(b) above, SHIPPER shall pay COMPANY the following for transportation services rendered for SHIPPER each month under this Rate Schedule:

(i) Small Shipper Charge: The applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the quantities of gas delivered for SHIPPER'S account each day during the month up to the SHIPPER'S total Transportation Demand. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These charges shall not apply to deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, but it shall be charged on the transportation of gas from said account(s).

(ii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay, in addition to the Small Shipper Charge for the zone of SHIPPER'S Exhibit B Delivery Points, the maximum applicable Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. This charge shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (d) The rates which are stated in the currently effective Section 2.1 or 2.1.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rate to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period of any such discount shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The

rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.1 or 2.1.1.

- (e) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:
- (i) Authorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas scheduled for delivery in excess of the SHIPPER'S firm Transportation Demand, by (b) the applicable rate set forth in the currently effective Rate Section 2.3 or 2.3.1 for the scheduled zones of receipt and delivery.
 - (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
 - (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
 - (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.
 - (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
 - (vi) Fuel and EPC charges: A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas, and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.1 or 2.1.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area

deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY's contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.

- (vii) Unauthorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas taken by SHIPPER that is not scheduled and is in excess of the SHIPPER'S firm Transportation Demand, by (b) the maximum recourse transportation charge from the Production Area rate zone to the applicable zone of delivery under Rate Section 2.3 or 2.3.1.

4. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

5. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation. Notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY four (4) calendar days' written notice of any change to this information). In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures. SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

6. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point ("Interconnection Facilities"). Interconnection Facilities consist of the facilities at the physical interconnection between the facilities of COMPANY and the facilities of the upstream or downstream facility owner. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the entire cost to COMPANY thereof, COMPANY will construct and install, or cause to be constructed and installed, or will modify, or cause to be modified, Interconnection Facilities; provided that,

- (i) the proposed Interconnection Facilities do not adversely affect Southern's operations;

- (ii) the proposed Interconnection Facilities and the associated transportation service to or from the interconnection do not diminish service to any of Southern's shippers;
- (iii) the proposed Interconnection Facilities do not cause Southern to violate or be in violation of any applicable environmental or safety laws, permits or regulations; and/or
- (iv) the proposed Interconnection Facilities do not conflict with or cause Southern to be in violation of its rights-of-way agreements or any other contractual obligation.

In the event SHIPPER does not agree to pay the costs of installing or modifying the Interconnection Facilities, COMPANY will construct or modify such facilities on a nondiscriminatory basis for similarly situated SHIPPERS if the construction or modification of such Interconnection Facilities is economically feasible and the conditions listed above in (i) -(iv) are met. Construction or modification is economically feasible if the proposed transportation service to be provided through the Interconnection Facilities is revenue positive to COMPANY. The proposed transportation service to be provided through said Interconnection Facilities will be deemed revenue positive if the transportation service produces a net revenue gain. The net revenue gain requirement will be met if

- (a) the total revenues generated over the term of SHIPPER's Service Agreement for the service provided through the new facilities exceed the cost of service of said facilities for the greater of
 - (i) ten years or
 - (ii) the term of SHIPPER's Service Agreement for the service provided through the new facilities and the SHIPPER extends the terms of its existing Service Agreement(s) with COMPANY for a period commensurate with that of its new Service Agreement; provided however, that
 - (1) SHIPPER does not have to extend the remaining term of an existing Service Agreement if said term already exceeds the term of its new Service Agreement, and
 - (2) if the net revenue gain requirement is met over a period less than the term of the new Service Agreement, SHIPPER need extend the term of its existing Service Agreement(s) only for a term commensurate with that shorter period; or
- (b) COMPANY determines that the construction of the facilities will avoid a significant reduction in revenue when comparing the cost of the construction to the projected amount of revenue which would be lost as a result of a SHIPPER's exercising a right to reduce its firm transportation quantity or as a result of a SHIPPER's failing to extend or renew its existing Service Agreement(s); or
- (c) the total costs of construction or modification of such facilities is less than the cost of replacing, repairing, or continuing to operate COMPANY's existing facilities.

As used in this provision, the term "cost of service," includes, but is not limited to:

- (1) a return on all costs associated with the construction of the facilities, including overhead and taxes;
- (2) incremental operating and maintenance expenses;
- (3) depreciation and amortization of expenses; and
- (4) incremental tax expenses.

It is understood and agreed that, if COMPANY pays for the cost of constructing the Interconnection Facilities, title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system. It is also understood and agreed that, if the requesting SHIPPER chooses to incur the costs of constructing the Interconnection Facilities, then COMPANY will build and operate at least the tap and SCADA portion of the facilities at the SHIPPER's expense with other portions of the constructed facilities to be built and operated by the requesting SHIPPER or on behalf of the requesting SHIPPER at the SHIPPER's expense. The Interconnection Facilities built and operated by the requesting SHIPPER or on behalf of the requesting SHIPPER shall be built and operated in accordance with COMPANY'S reasonable specifications and subject to COMPANY'S inspection at the requesting SHIPPER'S expense; provided, however, such inspection shall not include SHIPPER's facilities upstream or downstream of the Interconnection Facilities. COMPANY inspections of measuring equipment shall be performed consistent with Section 5 of the General Terms and Conditions.

Where COMPANY competes for transportation of gas under this Rate Schedule, conditions may be such that it is more favorable for SHIPPER to construct, own and operate certain facilities at or near a Receipt Point or Delivery Point. In such case, COMPANY may make a contribution in aid of construction ("CIAC") for such facilities. A CIAC made pursuant to this Section 6 shall not exceed an amount that would constitute an economically feasible investment for facilities constructed, owned, and operated by COMPANY. COMPANY shall make CIACs pursuant to this provision on a nondiscriminatory basis for similarly situated shippers.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof. If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, the firm contract quantities for each firm package of capacity under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract TD, MDDQ and MDRQ in Mcf times 1.021 Dth/Mcf. COMPANY shall provide SHIPPER new contract numbers for each Service Agreement and each firm package of capacity prior to or on such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by SHIPPER.

RATE SCHEDULE FT-NN
Firm Transportation Service - No Notice

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on a firm basis from Southern Natural Gas Company ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has elected to convert a portion of its bundled firm sales service from COMPANY to service under this Rate Schedule as of the effective date hereof;
 - (iii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable to this Rate Schedule;
 - (iv) SHIPPER and COMPANY have executed a Service Agreement for service under Rate Schedule CSS providing for a Maximum Daily Withdrawal Quantity equal to or in excess of the Transportation Demand to be provided under this Rate Schedule; and
 - (v) SHIPPER and COMPANY have executed a Service Agreement ("FT-NN Agreement") for service under this Rate Schedule.

SHIPPER may combine packages of capacity, including capacity acquired under Section 22 of the General Terms and Conditions, under a master FT-NN Agreement and the Exhibit "B" to said FT-NN Agreement shall state the term, quantity, and Delivery Points associated with each package of capacity; and, if applicable, the months such quantities are available to SHIPPER. However, COMPANY may request that a package of capacity be contracted under a separate FT-NN Agreement if needed to accurately track, schedule or bill such package of capacity.

SHIPPER may also designate a party to act as agent for multiple shippers under any FT-NN Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the FT-NN Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all Shippers on a non-discriminatory basis.
- (c) The right to obtain no-notice service under this Rate Schedule from COMPANY originally was a one-time election available only to COMPANY'S firm sales customers during the restructuring proceedings in COMPANY'S Docket No. RS92-10. COMPANY is not obligated to provide no-notice service under this Rate Schedule at any greater level than was established in total as a result of Docket No. RS92-10.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to no-notice firm transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule. Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.
- (b) The receipt of gas for transportation services performed under this Rate Schedule shall be:
- (i) on a firm basis for those Receipt Points specified on Exhibit A to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 15.3, and 16 of the General Terms and Conditions;
 - (ii) on a preferred interruptible basis for those Receipt Points specified on Exhibit A-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Section 8.3, 12.3(b), and 16 of the General Terms and Conditions. Receipt of gas under this Rate Schedule at the Exhibit A-1 Receipt Points shall have a priority over the receipt of gas for COMPANY'S interruptible services and shall have a priority subordinate to the receipt of gas at Receipt Points specified on Exhibit A to the Service Agreements under this Rate Schedule and Rate Schedule FT and other firm transportation services. Receipt of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit A-1 Receipt Points in the Service Agreement's Primary Path shall have a priority over the receipt of gas at Exhibit A-1 Receipt Points outside of the Service Agreement's Primary Path; and
 - (iii) on an interruptible basis if nominated by SHIPPER as Authorized Overrun subject to the provisions of Section 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (c) The transportation of the gas received by COMPANY for SHIPPER'S account under this Rate Schedule and the delivery of such gas to the Delivery Points shall be :
- (d) on a firm basis along the Primary Path for those Delivery Points specified on Exhibit B to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 12.3(b), 15.3, and 16 of the General Terms and Conditions. Firm transportation services under this Rate Schedule shall have a comparable priority with firm transportation under Rate Schedule FT and other firm transportation services and shall have priority over all of COMPANY'S interruptible services.
- on a preferred interruptible basis for Delivery Points specified on Exhibit B-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Delivery of gas under this Rate Schedule at Exhibit B-1 Delivery Points shall be on a preferred interruptible basis and shall have a priority over the delivery of gas for COMPANY'S interruptible services and a priority subordinate to the delivery of gas at the Delivery Points specified on Exhibit B to the Service Agreements under this Rate Schedule and Rate Schedule FT and deliveries under other firm transportation services. Delivery of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit B-1 Delivery Points in the Service Agreement's Primary Path shall have a priority over the delivery of gas at Exhibit B-1 Delivery Points outside of the Service Agreement's Primary Path; and

- (iii) on an interruptible basis if nominated by SHIPPER as Authorized Overrun subject to the provisions of Section 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (e) Transportation service provided under this Rate Schedule shall be limited to SHIPPER'S Transportation Demand specified in the Service Agreement, subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, unless SHIPPER nominates and COMPANY schedules Authorized Overrun under SHIPPER'S firm Service Agreement. SHIPPER shall pay the Authorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Authorized Overrun gas allocated within a rate zone to SHIPPER'S Service Agreement on any day pursuant to the provisions of Section 13 of the General Terms and Conditions. Subject to the segmentation provisions set forth in Section 12.1(l)(3) of the General Terms and Conditions and the provisions for nominating and scheduling Authorized Overrun in the preceding sentence, it is provided that, if Unauthorized Overrun gas within a rate zone is allocated to SHIPPER'S Service Agreement under this Rate Schedule on any day pursuant to the allocation procedures set out in Section 13 of the General Terms and Conditions, SHIPPER shall pay the Unauthorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Unauthorized Overrun gas plus applicable penalties under Section 41 of the General Terms and Conditions of this Tariff.

3. RATES AND CHARGES

- (a) Unless SHIPPER is eligible for the volumetric rate election set forth in Section 3(b) below, SHIPPER shall pay COMPANY the sum of the following for transportation services rendered for SHIPPER each month under this Rate Schedule:
 - (i) Reservation Charge: The applicable rate set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the Transportation Demand.
 - (A) Reservation Charge Credit:
 - (1) In the event COMPANY is unable to make deliveries of the quantity of gas to which SHIPPER has firm entitlements on any day at primary Delivery Point(s) under this firm Rate Schedule, then the applicable Reservation Charge shall be credited to SHIPPER for such day, except as provided in Section 3(a)(i)(A)(1), 3(a)(i)(A)(2), 3(a)(i)(B), and 3(a)(i)(C) below. Such credit shall be applied to the lesser of (i) the applicable MDDQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Delivery Point immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDDQ; or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or deliver solely as a result of COMPANY's inability to make deliveries as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (B-1) Delivery Point instead of its primary (B) Delivery Point when COMPANY is unable to make deliveries at SHIPPER's primary Delivery Point; (x) to the extent deliveries cannot be made to a Delivery Point on a secondary (B-1) basis and deliveries

can be made to SHIPPER's primary Delivery Point(s); (y) to the extent the affected firm MDDQ has been released under Section 22 of the General Terms and Conditions to Delivery Points other than the affected primary Delivery Point; and/or (z) to the extent there are limitations at firm Receipt Points but COMPANY's ability to make deliveries at Shipper's primary Delivery Point(s) as provided above has not been limited. However, when such delivery point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (2) In the event all of SHIPPER'S primary Delivery Point(s) are interstate pipeline interconnection(s) or in the event SHIPPER's primary Receipt Point is the interconnection with Southern LNG at its Elba Island LNG terminal, then SHIPPER may elect, at the time the Service Agreement is executed, or, for existing contracts, at the time the Stipulation and Agreement in Docket No. RP04-523 becomes effective, for the reservation charge credit to apply at SHIPPER's primary Receipt Point(s) instead of its primary Delivery Point(s), in the event COMPANY is unable to receive at such Receipt Point(s) the quantity of gas to which SHIPPER has firm entitlements on any day. Such credit shall be applied to the lesser of (i) the applicable MDRQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Receipt Point(s) immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDRQ or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or receive solely as a result of COMPANY's inability to receive gas as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (A-1) Receipt Point or a Pool Location instead of its primary (A) Receipt Point when COMPANY is unable to receive gas from SHIPPER's primary Receipt Point; (x) to the extent gas cannot be received at a Receipt Point on a secondary (A-1) basis and receipts can be accepted at SHIPPER's primary firm Receipt Point(s); (y) to the extent the affected firm MDRQ has been released under Section 22 of the General Terms and Conditions to Receipt Points other than the affected primary Receipt Point; and/or (z) to the extent there are limitations at firm Delivery Points but COMPANY's ability to accept receipts at SHIPPER's primary Receipt Point(s) has not been limited. However, when such receipt point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have

already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (B) COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to deliver gas to SHIPPER as provided above in (A)(1) results from (1) the conduct or operations of SHIPPER or the downstream point operator of the facilities at a primary firm Delivery Point including, but not limited to, damage or malfunction of the downstream point operator's facilities or the inability of the downstream point operator to receive gas at SHIPPER's contract delivery pressure or COMPANY's mainline pressure; (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x); or (3) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the point operator's facilities in (1) or (3) above where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in (2) above, until such time that COMPANY's facilities are ready to be placed back in service.
- (C) In the case of the election pursuant to Section 3(a)(i)(A)(2), COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to receive gas from SHIPPER as provided above in (A)(2) results from (1) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the upstream point operator's facilities in this subparagraph (C)(1) where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in subparagraph (C)(2) below, until such time that COMPANY's facilities are ready to be placed back in service; or (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x).
- (ii) Transportation Charge: Except as provided in Section 3(a)(iii) below, the applicable rates set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account during the month up to SHIPPER'S Transportation Demand in effect each day. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt

deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (iii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay the sum of (A) the Transportation Charge in Section 2.2 or 2.2.1 to the zone of SHIPPER'S Exhibit B Delivery Points and (B) the maximum Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point, multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. These rates shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.
 - (iv) No Notice Service: The applicable Injection and Withdrawal Charges under Rate Schedule CSS as set forth in the currently effective Section 2.4 or 2.4.1 multiplied by the aggregate quantities of gas injected or withdrawn for SHIPPER'S account hereunder during each day of the month plus the percentage of the quantities of gas injected or withdrawn for SHIPPER'S account to be retained by COMPANY as a fuel charge as set forth in currently effective Section 2.4 or 2.4.1.
- (b) Each SHIPPER that qualifies to pay a volumetric transportation rate (Small Shipper Charge) for services under this Rate Schedule as of March 1, 2000, will pay the rates set forth in Section 3(c) below.
- Any Existing Small Shippers that do not elect to convert to two-part firm transportation service by the Election Deadline shall execute new firm transportation agreements with COMPANY subject to the Small Shipper Charge by the Election Deadline and such agreements shall contain the following seasonal firm contract quantities. For the months of November - March, the Transportation Demand shall be the same as SHIPPER'S current Transportation Demand subject to the Small Shipper Charge. For the months of April - October, the Transportation Demand shall be reduced to no greater than the highest peak day delivery for each month under the Small Shipper agreement, including deliveries to storage, computed over the last three years ending March 31, 1999, unless Southern Natural agrees otherwise. The difference between SHIPPER'S current Small Shipper Transportation Demand and its reduced Transportation Demand hereunder can be reinstated on 12 months prior written notice if and to the extent the Existing Small Shipper can provide data demonstrating its need to reinstate its Transportation Demand for any month.
- (c) If SHIPPER qualifies to pay a volumetric transportation rate under Section 3(b) above, SHIPPER shall pay COMPANY the following for:
- (i) Small Shipper Charge: The applicable rates set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the quantities of gas delivered for SHIPPER'S account each day during the month up to the SHIPPER'S total Transportation Demand. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These charges shall not apply to deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, but shall be charged on the transportation of gas from said storage account(s).
 - (ii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay, in addition to the Small Shipper Charge for the zone of SHIPPER'S Exhibit B Delivery Points, the maximum applicable Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the

downstream Delivery Point multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. This charge shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (iii) No Notice Service: The applicable Injection and Withdrawal Charges under Rate Schedule CSS as set forth in the currently effective Section 2.4 or 2.4.1 multiplied by the aggregate quantities of gas injected or withdrawn for SHIPPER'S account hereunder during each day of the month plus the percentage of the quantities of gas injected or withdrawn for SHIPPER'S account to be retained by COMPANY as a fuel charge as set forth in currently effective Section 3.4.
- (d) The rates which are stated in the currently effective Section 2.2 or 2.2.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rates to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period thereof shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.2 or 2.2.1.
- (e) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:
 - (i) Authorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas scheduled for delivery in excess of the SHIPPER'S firm Transportation Demand, by (b) the applicable rate set forth in the currently effective Rate Section 2.3 or 2.3.1 for the scheduled zones of receipt and delivery .
 - (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
 - (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
 - (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.

- (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
- (vi) Fuel and EPC charges: A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas, and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.2 or 2.2.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY'S contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.
- (vii) Unauthorized Overrun Charge An amount obtained by multiplying (a) the quantity of gas taken by SHIPPER that is not scheduled and in excess of the SHIPPER'S firm Transportation Demand, by (b) the maximum recourse transportation charge from the Production Area rate zone to the applicable zone of delivery under Rate Section 2.3 or 2.3.1.

4. NO NOTICE SERVICE

- (a) SHIPPER may utilize transportation under this Rate Schedule to have gas it has in storage under COMPANY'S Rate Schedule CSS delivered to any Delivery Point listed on Exhibit B to the Service Agreement without having submitted to COMPANY a prior nomination for the delivery of such gas.
- (b) The daily quantity of gas transported under this Rate Schedule shall be determined in accordance with the allocation procedures set out in Section 13 of the General Terms and Conditions; provided, however, that gas may be allocated to no notice transportation service under this Rate Schedule only to the extent SHIPPER has not otherwise fully utilized its Maximum Daily Withdrawal Quantity or Maximum Daily Injection Quantity under Rate Schedule CSS and has at least an equal quantity of gas in its Storage Inventory or its available storage capacity under COMPANY'S Rate Schedule CSS. The quantity of gas allocated each day to no notice transportation service under this Rate Schedule shall be deducted from or added to the quantity of gas SHIPPER has in its Storage Inventory under COMPANY'S Rate Schedule CSS.

- (c) If SHIPPER elects to nominate gas for transportation under this Rate Schedule as provided by Section 12 of the General Terms and Conditions, the maximum amount of no notice service available on such day shall be the difference between SHIPPER'S Transportation Demand under this Rate Schedule, reduced for storage withdrawals or injections nominated under Rate Schedule CSS, and the quantity of gas nominated for transportation hereunder on such day.
- (d) Injections of gas into Storage under this Rate Schedule shall not exceed SHIPPER'S Maximum Daily Injection Quantity under Rate Schedule CSS, reduced for storage injections nominated under Rate Schedule CSS, and may not be made if the injection of such quantity of gas would cause SHIPPER to exceed its Maximum Storage Quantity under Rate Schedule CSS. Withdrawals of gas from storage under this Rate Schedule shall not exceed SHIPPER'S Maximum Daily Withdrawal Quantity under Rate Schedule CSS, reduced for storage withdrawals nominated under Rate Schedule CSS, and may not be made if the withdrawal of such quantity of gas would exceed SHIPPER'S Storage Inventory under Rate Schedule CSS.
- (e) Notwithstanding the foregoing provisions of this Section 4 to the contrary, COMPANY recognizes that SHIPPER may wish to designate another party to fully administer its no-notice service under its FT-NN Service Agreement and associated CSS Service Agreement. In this regard, a SHIPPER that initially qualifies for service hereunder will continue to qualify for no-notice service in the following two circumstances:
 - (i) SHIPPER may release all of its firm capacity under its CSS Service Agreement on a temporary basis and still receive no-notice service under its FT-NN Service Agreement if a condition of such release is that the REPLACEMENT SHIPPER must agree to the continued utilization of the released firm storage capacity on a no-notice basis by SHIPPER'S FT-NN Service Agreement. To the extent the Replacement Shipper also has FT-NN service or has acquired CSS capacity from more than one Releasing Shipper pursuant to this provision, Replacement Shipper must notify Company of the manner in which the no-notice service for each of the Releasing Shipper(s) as well as their own, if applicable, is to be administered; or
 - (ii) SHIPPER may release on a temporary basis all of its firm capacity under both its CSS Service Agreement and its FT-NN Service Agreement under which it pays reservation charges and still receive no-notice service hereunder if a condition of such release is that the REPLACEMENT SHIPPER must agree to the continued utilization of the released firm storage and transportation capacity to provide full no-notice service to SHIPPER pursuant to the provisions of the Service Agreements prior to their release.

5. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

6. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation.

SHIPPER shall notify COMPANY by 5:00 p.m. at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY five (5) business days' written notice of any change to this information). In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures.

SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

7. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the cost thereof, and should COMPANY agree to install said

facilities or to modify its existing facilities pursuant to SHIPPER'S request, it is agreed that COMPANY will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event SHIPPER does not agree to pay the costs of installing or modifying said facilities, COMPANY may agree to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated SHIPPERS. Whether said facilities will provide a benefit to all SHIPPERS using COMPANY'S pipeline system such that it is appropriate to include the cost of said facilities in COMPANY'S general system rates will be determined in the rate proceeding in which COMPANY proposes to include such costs in its general system rates. It is understood and agreed that title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system.

8. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof.

If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, the firm contract quantities for each firm package of capacity under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract TD, MDDQ and MDRQ in Mcf times 1.021 Dth/Mcf. COMPANY shall provide SHIPPER new contract numbers for each Service Agreement and each firm package of capacity prior to or on such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by SHIPPER.

RATE SCHEDULE IT
Interruptible Transportation Service

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on an interruptible basis from Southern Natural Gas Company, L.L.C. ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable to this Rate Schedule; and
 - (iii) SHIPPER and COMPANY have executed a Service Agreement ("IT Agreement") for service under this Rate Schedule.

SHIPPER may designate a party to act as agent for multiple shippers under any IT Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the IT Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule except that COMPANY shall construct and install facilities necessary to deliver gas directly to an end user if SHIPPER meets the requirements set out in Section 36 of the General Terms and Conditions. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all shippers on a non-discriminatory basis.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all interruptible transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule.
- (b) The transportation services performed under this Rate Schedule shall be on an interruptible basis and shall be further subject, in COMPANY'S sole judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY. Interruptible transportation services under this Rate Schedule shall have a priority subordinate to COMPANY'S firm transportation services provided pursuant to COMPANY'S Rate Schedules and the General Terms and Conditions applicable thereto contained in COMPANY'S FERC Gas Tariff.

3. RATES AND CHARGES

- (a) For transportation services rendered for SHIPPER each month under this Rate Schedule, SHIPPER shall pay COMPANY the following:

Transportation Charge: The applicable rates set forth in the currently effective Section 2.3 or 2.3.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account during the month. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply.

These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (b) The rates which are stated in the currently effective Section 2.3 or 2.3.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rates to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period thereof shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.3 or 2.3.1.

- (c) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:

- (i) (Reserved for future use).
- (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
- (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
- (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.

- (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
- (vi) Fuel and EPC charges: A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.3 or 2.3.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., on March 15, 1995, COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY's contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.

4. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

5. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY four (4) calendar days' written notice of any change to this information).

In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures.

SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

6. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the cost thereof, and should COMPANY agree to install said facilities or to modify its existing facilities pursuant to SHIPPER'S request, it is agreed that COMPANY will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event SHIPPER does not agree to pay the costs of installing or modifying said facilities, COMPANY may agree to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated SHIPPERS. Whether said facilities will provide a benefit to all SHIPPERS using COMPANY'S pipeline system such that it is appropriate to include the cost of said facilities in COMPANY'S general system rates will be determined in the rate proceeding in which COMPANY proposes to include such costs in its general system rates. It is understood and agreed that title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof.

If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, COMPANY shall provide SHIPPER new contract numbers for each Service Agreement prior to or on such conversion date via its Interactive Website.

35. FUEL MECHANISM

35.1 Purpose

This Section 35 describes how COMPANY shall update the COMPANY's fuel retention percentages for its services on a periodic basis.

35.2 Procedures

The fuel retention rates pursuant to Section 35.4 and the Electric Power Cost ("EPC") rates, if applicable, pursuant to Section 35.5 under Rate Schedules CSS and ISS will be updated annually. The fuel retention rates pursuant to Section 35.3 and the EPC rates pursuant to Section 35.5 under Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements will be updated semiannually. The COMPANY will make a filing (with workpapers) with the FERC at least thirty days before the effective date of April 1 of each year setting forth the updated fuel retention rates and EPC rates, if applicable, to be effective April 1 through March 31 to be applicable to Rate Schedules CSS and ISS ("Storage Fuel"). These updated fuel retention rates and EPC rates will be based upon the actual data for the twelve months ended the previous December 31 ("Storage Base Period"). The COMPANY will make a filing (with workpapers) with the FERC at least 30 days before the effective date of April 1 of each year setting forth the updated fuel retention percentages and EPC rates to be effective from April 1 through September 30 to be applicable to Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements ("Summer Fuel"). The Storage Fuel filing and the Summer Fuel filing will be made together as a single filing. The updated Summer Fuel retention rates will be based on the actual data for the six months ended the previous September 30 ("Summer Base Period"). The COMPANY will make a filing (with workpapers) with the FERC at least 30 days before the effective date of October 1 of each year setting forth the updated fuel retention percentages and EPC rates to be effective from October 1 through March 31 to be applicable to Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements ("Winter Fuel"). The updated Winter Fuel retention rates and EPC rates will be based on the actual data for the six months ended the previous March 31 ("Winter Base Period"). The initial Summer Fuel and Storage Fuel filing will be effective April 1, 2014 and the initial Winter Fuel filing will be effective October 1, 2014.

35.3 Calculation For Transportation Fuel Retention Rates

The Winter Fuel and Summer Fuel retention percentages for Rate Schedules FT, FT-NN, IT and, if applicable, under Liquefiable Transportation Agreements shall be determined by dividing the sum of items 1 and 2 by item 3 as described below:

1. The actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, prior to October 1, 2024, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's transmission facilities for the Winter Base Period or Summer Base Period, as applicable. Such resulting quantity shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.
2. Over-recovery (as a negative value) or under-recovery (as a positive value) amount associated with COMPANY's transmission facilities during the Winter Base Period or Summer Base Period, as applicable. Such amount shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.
3. The amount in item 1 above in this Section 35.3 plus the applicable quantity of gas delivered by COMPANY during the Winter Base Period or Summer Base Period, as applicable. Such resulting quantity shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.

The Dth equivalent of the costs of electricity used for electric compression shall be calculated as follows: each month's electricity costs used for electric compression shall be divided by the Index Price set forth in Section 14.1 of these General Terms and Conditions for the applicable month to derive a Dth equivalent amount for that month.

The over-recovery or under-recovery amount during the Winter Base Period or Summer Base Period, as applicable, shall be calculated as the difference between a and b as follows: (a) the quantity of gas retained by COMPANY under the applicable rate schedules during the Winter Base Period or Summer Base Period, as applicable, plus the over-recovery amount (will be an addition to the quantity of gas retained) or under-recovery amount (will be a subtraction to the quantity of gas retained) for the prior year Winter Base Period or Summer Base Period, as applicable, (prior year Winter Base Period and prior year Summer Base Period over-recovery or under-recovery amount for the initial Winter Season and initial Summer Season filings will each include 50% of the cumulative transportation fuel over-recovery or under-recovery amount as of March 31, 2013 and (b) the actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, for base periods prior to October 1, 2024, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's transmission facilities during the Winter Base Period or Summer Base Period, as applicable.

The backhaul fuel retention percentage will remain at 0.16% without adjustment.

35.4 Calculation For Storage Fuel Retention Rates

The fuel retention percentage for Rate Schedules CSS and ISS shall be determined by dividing the sum of items 1 and 2 by item 3 as described below:

1. The actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, prior to January 1, 2025, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's storage facilities for the applicable Base Period;
2. Over-recovery (as a negative value) or under-recovery (as a positive value) amount associated with COMPANY's storage facilities during the Storage Base Period;
3. The amount in item 1 above in this Section 35.4 plus the quantity of gas injected and plus the quantity of gas withdrawn under Rate Schedules CSS and ISS during the Storage Base Period.

The Dth equivalent of the costs of electricity used for electric compression shall be calculated as follows: each month's electricity costs used for electric compression shall be divided by the Index Price set forth in Section 14.1 of these General Terms and Conditions for the applicable month to derive a Dth equivalent amount for that month.

The over-recovery or under-recovery amount during the Storage Base Period shall be calculated as the difference between a and b as follows: (a) the quantity of gas retained by the COMPANY under the applicable rate schedules during the Storage Base Period plus the over-recovery amount (will be an addition to the quantity of gas retained) or under-recovery amount (will be a subtraction to the quantity of gas retained) for the prior year Storage Base Period (prior year Storage Base Period over-recovery or under-recovery amount will be the cumulative storage fuel over-recovery or under-recovery amount as of December 31, 2013 for the initial filing) and (b) the actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, for a Storage Base Period prior to January 1, 2025, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's storage facilities during the Storage Base Period.

35.5 Electric Power Cost Recovery~~Gains and Losses on Electricity~~

(a) Prior to October 1, 2024, for transportation and prior to January 1, 2025, for storage, COMPANY will account for gains and losses on the sale of transportation fuel retained for electricity as described below:

1. Following the end of each Winter Base Period and each Summer Base Period, respectively, COMPANY will determine the difference between the sales proceeds attributable to COMPANY's sale of the Dth equivalent of the cost of electricity used for electric compression as described in Section 35.3 and COMPANY's cost of electricity used for electric compression for the applicable Winter Base Period or Summer Base Period. If the difference is positive, the difference will be reduced by any cumulative losses existing in the Winter or Summer Deferred Electricity Losses Account, as applicable, described in item 4 below as of the beginning of the applicable Winter Base Period or Summer Base Period to determine the net difference. The positive difference will be deducted from the Winter or Summer Deferred Electricity Losses Account, as applicable, provided, however, the resulting Winter or Summer Deferred Electricity Losses Account balance, as applicable, shall never be less than zero (0). If the net difference is positive, the net difference will be shared as described in item 2 below. If the net difference is negative, such net difference will remain in the applicable Winter or Summer Deferred Electricity Losses Account and be carried over to the next applicable Summer or Winter Base Period. For the initial Summer Base Period the calculation of the difference described above will exclude sales and costs attributable to the month of April, 2013.
2. If the net difference for the applicable Winter Base Period or Summer Base Period is positive, COMPANY will provide a monetary credit on SHIPPER's bill for 85% of SHIPPER's pro rata share of such net difference based on the volume of gas retained from SHIPPER for transportation fuel to the total volume of gas retained from all SHIPPERS for transportation fuel, during the applicable Winter Base Period or Summer Base Period. The monetary credit will be applied to SHIPPER's bill within 80 days of the end of the applicable Winter Base Period or Summer Base Period. The remaining 15% of any net positive difference will be retained by COMPANY and will be taken into income.
3. If the difference is negative the difference will be added to the Winter or Summer Deferred Electricity Losses Account, as applicable, described in item 4 below and no sharing will occur for that period.
4. Any negative difference calculated as described in item 1 above for a Winter Base Period or Summer Base Period will be recorded in the Winter or Summer Deferred Electricity Losses Account, respectively, and carried over to the next Winter Base Period or Summer Base Period, as applicable.

(b) Beginning on October 1, 2024, for transportation and beginning on January 1, 2025, for storage, the COMPANY will recover electric power costs through an EPC tracking and true-up mechanism. EPC shall mean the electric power costs incurred by COMPANY which are required for the operation of COMPANY's electric compression facilities recorded in COMPANY's FERC Account 819 for storage and COMPANY's FERC Account 855 for transportation. The EPC rates, expressed in dollars per Dth, shall be stated on the Statement of Rates in COMPANY's Tariff, reflected on SHIPPER's invoice and paid by SHIPPER pursuant to the provisions of Section 15 of the General Terms and Conditions of COMPANY's Tariff.

The EPC rate for storage, if applicable, shall be determined by dividing the sum of items 1 and 2 by item 3:

1. The sum of the EPC during the Storage Base Period.
2. The EPC balance, which includes revenue received from the EPC charge during the applicable base period and any over-recovery (as a negative value) or under-recovery (as a positive value) of COMPANY'S total actual expenses and

the revenue amounts collected from the EPC rate during the applicable base period.

3. The quantity of gas injected and plus the quantity of gas withdrawn under Rate Schedules CSS and ISS during the Storage Base Period.

The EPC rates for transportation shall be determined by dividing the sum of items 1 and 2 by item 3:

1. The sum of the EPC during the applicable Winter Base Period or Summer Base Period.
2. The EPC balance, which includes revenue received from the EPC charge during the applicable Winter Base Period or Summer Base Period and any over-recovery (as a negative value) or under-recovery (as a positive value) of COMPANY'S total actual expenses and the revenue amounts collected from the EPC rates during the applicable Winter Base Period or Summer Base Period. The initial EPC balance for the Winter Base Period or Summer Base Period, as applicable, will include any negative difference calculated pursuant to Section 35.5(a)(4).
3. For transportation, the receipt quantities under all applicable transportation rate schedules during the applicable Winter Base Period or Summer Base Period.

**SOUTHERN NATURAL GAS COMPANY
UPDATE OF FUEL RETENTION RATES**

APPENDIX B

SUPPORTING WORKPAPERS

Southern Natural Gas Company, L.L.C.
Summary of Proposed Rates
For the 6-Month Period Beginning October 1, 2024

| Line No. | Transportation (a) | Current Rates 2/ (b) | Winter 2023/24 Rates 3/ (c) | Proposed Rates (d) | Reference (e) |
|----------|----------------------------|-------------------------|--------------------------------|-----------------------|------------------------|
| 1 | Zone 0 Delivery | 3.16% | 1.77% | 1.32% | Sch 2, Row 1, col (e) |
| 2 | Zone 1 Delivery | 3.16% | 1.77% | 1.32% | Sch 2, Row 2, col (e) |
| 3 | Zone 2 Delivery | 4.14% | 2.49% | 2.11% | Sch 2, Row 3, col (e) |
| 4 | Zone 3 Delivery | 5.06% | 2.99% | 2.55% | Sch 2, Row 4, col (e) |
| 5 | 0-0 Intrazone | 3.16% | 1.77% | 1.32% | Sch 2, Row 5, col (e) |
| 6 | 1-1 Intrazone | 1.04% | 0.73% | 0.74% | Sch 2, Row 6, col (e) |
| 7 | 2-2 Intrazone | 1.04% | 0.73% | 0.74% | Sch 2, Row 7, col (e) |
| 8 | 3-3 Intrazone | 1.04% | 0.73% | 0.74% | Sch 2, Row 8, col (e) |
| 9 | Backhaul 1/ | 0.16% | 0.16% | 0.16% | Sch 2, Row 9, col (e) |
| 10 | Liquefiable Transportation | 3.16% | 1.77% | 1.32% | Sch 2, Row 10, col (e) |
| 11 | EPC Forward Haul Surcharge | | | \$0.0527 | Sch 8, Row 22, col (f) |
| 12 | EPC Intrazone Surcharge | | | \$0.0132 | Sch 8, Row 23, col (f) |

Notes:

- 1 - Per the terms of GT&C Section 35.3, the backhaul fuel retention percentage will remain at 0.16% without adjustment.
- 2 - See Docket No. RP24-497.
- 3 - See Docket No. RP23-975.

Southern Natural Gas Company, L.L.C.
Determination of Total Fuel Rate (inclusive of LAUF)

| Line No. | Transportation | Proposed Transportation Fuel Retention Rate | Reference | LAUF 2/ (d) | Total Fuel Retention Rate (e) |
|----------|----------------------------|---|------------------------|----------------|-------------------------------------|
| | (a) | (b) | (c) | | |
| 1 | Zone 0 Delivery | 1.20% | Sch 3, row 34, col (c) | 0.12% | 1.32% |
| 2 | Zone 1 Delivery | 1.20% | Sch 3, row 34, col (c) | 0.12% | 1.32% |
| 3 | Zone 2 Delivery | 1.99% | Sch 3, row 34, col (d) | 0.12% | 2.11% |
| 4 | Zone 3 Delivery | 2.43% | Sch 3, row 34, col (f) | 0.12% | 2.55% |
| 5 | 0-0 Intrazone | 1.20% | Sch 3, row 34, col (c) | 0.12% | 1.32% |
| 6 | 1-1 Intrazone | 0.62% | Sch 3, row 11, col (e) | 0.12% | 0.74% |
| 7 | 2-2 Intrazone | 0.62% | Sch 3, row 11, col (e) | 0.12% | 0.74% |
| 8 | 3-3 Intrazone | 0.62% | Sch 3, row 11, col (e) | 0.12% | 0.74% |
| 9 | Backhaul 1/ | 0.16% | GT&C Section 35.3 | 0.00% | 0.16% |
| 10 | Liquefiable Transportation | 1.20% | Sch 3, row 34, col (c) | 0.12% | 1.32% |

Notes:

- 1 - Per the terms of GT&C Section 35.3, the backhaul fuel retention percentage will remain at 0.16% without adjustment.
- 2 - From Schedule 6

Southern Natural Gas Company, L.L.C.
Allocation of Fuel to be Recovered To Zones

| Line No. | Particular | Reference/Calculation | Zones 0 & 1 | Zone 2 | Zone 3 | Total | (g) | (h) |
|---|--|---|--------------------------|------------------|--------------------|------------------|--------------|-------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | | |
| 1 | Forward Haul and Intrazone Fuel Allocation | | | | | | | |
| 2 | Fuel Used during Base Period | Schedule 7-1 | 3,587,928 | 2,424,494 | 1,108,608 | 7,121,030 | | |
| 3 | Less Backhaul Fuel at Fixed 0.16% | Schedule 4, cols (q) - (u) | 2,379 | 916 | 34,187 | 37,482 | | |
| 4 | Fuel For All Forward Haul Transactions | row 2 - row 3 | 3,585,549 | 2,423,578 | 1,074,421 | 7,083,548 | | |
| 5 | Percent Fuel by Zone | row 4 item / row 4 total | 50.62% | 34.21% | 15.17% | 100.00% | | |
| 6 | Under/(Over)-Recovery Allocation to Zones | Total from Sch 5, Row 8, Col (aa) | 1,475,099 | 997,063 | 442,018 | 2,914,180 | | |
| 7 | Fuel to be Allocated | row 4 + row 6 | 5,060,648 | 3,420,641 | 1,516,439 | 9,997,728 | | |
| 8 | Zone 1, 2, and 3 Intrazone Fuel Retention Rate Determination | | | | | | | |
| 9 | Intrazone Zone 3 Deliveries | Sch 4, row 34, col (o) | | | 244,015,155 | | | |
| 10 | Intrazone Fuel For Zone 3 | row 7, col (e) | | | 1,516,439 | | | |
| 11 | Fuel Rate for Zones 1, 2 and 3 Intrazone | row 9 / (row 9 + row 10) | | | 0.62% | | | |
| 12 | Forward Haul Transportation Fuel Retention Rate Determination | | Zone 1 | Zone 2 | Zone 3 | Total | | |
| 13 | Intrazone Zone 1, 2, and 3 Deliveries | Sch 4, row 34, cols (h), (i), (j) | 14,361,251 | 18,350,293 | 45,100,300 | 77,811,844 | | |
| 14 | Intrazone Fuel Retention Rate | row 11, col (e) | 0.618% | 0.618% | 0.618% | | | |
| 15 | Fuel for Intrazone Transactions | row 13 / (row 13 + row 14) | 89,248 | 114,038 | 280,277 | 483,564 | | |
| 16 | Fuel for Forward Haul Transactions | row 7 - row 15 | 4,971,399 | 3,306,603 | 1,236,162 | 9,514,164 | | |
| 17 | Storage Fuel Allocated to Transportation | Sch 10, row 5, col (b) | 55,975 | | | 55,975 | | |
| 18 | Total Fuel for Forward Haul Transactions | row 16 + row 17 | 5,027,374 | 3,306,603 | 1,236,162 | 9,570,139 | | |
| Fuel Allocation to Forward Haul Transactions by Zone | | | | | | | | |
| | | | Zone 0 & 1 FH | | | | | |
| | | | (incl Zone 0 | | | | | |
| | | | Intrazone) | Zone 2 FH | Zone 3 FH | Total | | |
| 19 | Zone 0 & 1 Fuel Allocation | | | | | | | |
| 20 | Total Deliveries | Sch 4, row 34, cols (g)+ (l)+ (m), (n), (o) | 49,306,545 | 121,032,364 | 244,015,155 | 414,354,064 | | |
| 21 | Percent Allocation | row 21 item / row 21 total | 11.9% | 29.2% | 58.9% | 100.0% | | |
| 22 | Zone 0/1 Fuel Allocation | row 18, col (c) x row 21 | 598,238 | 1,468,490 | 2,960,646 | 5,027,374 | | |
| | | | Zone 2 From | | Zone 3 From | | | |
| | | | Zone 2 FH | Storage | Zone 3 FH | Storage | Total | |
| 23 | Zone 2 Fuel Allocation | | | | | | | |
| 24 | Total Deliveries | Sch 4, row 34, cols (n), (d), (o), (e) | | 121,032,364 | 12,201,864 | 244,015,155 | 26,310,883 | 403,560,266 |
| 25 | Percent Allocation | row 24 item / row 24 total | | 30.0% | 3.0% | 60.5% | 6.5% | 100.0% |
| 26 | Zone 2 Fuel Allocation | row 18, col (d) x row 28 | | 991,688 | 99,977 | 1,999,357 | 215,580 | 3,306,603 |
| | | | Zone 3 From | | Zone 3 From | | | |
| | | | | | Zone 3 FH | Storage | Total | |
| 27 | Zone 3 Fuel Allocation | | | | | | | |
| 28 | Total Deliveries | Sch 4, row 34, cols (o), (e) | | | 244,015,155 | 26,310,883 | 270,326,038 | |
| 29 | Percent Allocation | row 28 item / row 28 total | | | 90.3% | 9.7% | 100.0% | |
| 30 | Zone 3 Fuel Allocation | row 18, col (d) x row 29 | | | 1,115,846 | 120,316 | 1,236,162 | |
| 31 | Total Fuel Allocation | row 22 + row 26 + row 30 | 598,238 | 2,460,179 | 6,075,849 | | | |
| 32 | Total Deliveries | row 20 | 49,306,545 | 121,032,364 | 244,015,155 | | | |
| 33 | Required Receipts | row 31 + row 32 | 49,904,783 | 123,492,543 | 250,091,004 | | | |
| 34 | Fuel Retention Rate (Rounded) | row 31 / row 33 | 1.20% | 1.99% | 2.43% | | | |

Southern Natural Gas Company, L.L.C.
Receipt, Fuel, and Delivered Quantities By Fuel Retention Type

| Line No. | Month/Activity | Quantities Transported From Storage | | | | | Intra-Zone Transportation | | | | | Inter-Zone Forward Haul Transportation | | | | | Backhaul Transportation | | | | | No Fuel Pool-to-Pool 4/ | Total Transportation |
|----------|-------------------------|-------------------------------------|-----------|------------|------------|------------|---------------------------|------------|------------|------------|-------------|--|-----------|-------------|-------------|-------------|-------------------------|---------|---------|------------|------------|-------------------------|----------------------|
| | | Zone 0 | Zone 1 | Zone 2 | Zone 3 | Total | Zone 0 3/ | Zone 1 | Zone 2 | Zone 3 | Total | Zone 0 3/ | Zone 1 | Zone 2 | Zone 3 | Total | Zone 0 3/ | Zone 1 | Zone 2 | Zone 3 | Total | | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) | (p) | (q) | (r) | (s) | (t) | (u) | (v) | (w) | |
| 1 | October 2023 | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Receipt Quantity | 145,210 | 48,021 | 538,339 | 1,200,654 | 1,932,224 | 3,658,159 | 2,148,797 | 3,733,205 | 7,847,206 | 17,387,367 | 2,098,708 | 1,768,485 | 18,854,854 | 36,046,034 | 58,768,081 | 127,848 | 47,929 | 153,295 | 2,856,092 | 3,185,164 | 16,655,919 | 97,928,755 |
| 3 | Fuel Retained 1/ | 0 | 0 | 3,854 | 14,583 | 18,437 | 64,733 | 15,659 | 27,309 | 57,214 | 164,915 | 37,170 | 31,221 | 469,418 | 1,077,653 | 1,615,462 | 189 | 63 | 248 | 4,571 | 5,071 | 0 | 1,803,885 |
| 4 | Delivered Quantity | 145,210 | 48,021 | 534,485 | 1,186,071 | 1,913,787 | 3,593,426 | 2,133,138 | 3,705,896 | 7,789,992 | 17,222,452 | 2,061,538 | 1,737,264 | 18,385,436 | 34,968,381 | 57,152,619 | 128,037 | 47,992 | 153,543 | 2,860,663 | 3,180,093 | 16,655,919 | 96,124,870 |
| 5 | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | November 2023 | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Receipt Quantity | 82,636 | 124,544 | 1,306,629 | 3,227,977 | 4,741,786 | 3,517,685 | 2,771,579 | 3,208,508 | 6,039,828 | 15,537,600 | 2,193,403 | 1,100,385 | 22,320,152 | 39,457,454 | 65,071,395 | 130,099 | 126,505 | 28,136 | 2,990,513 | 3,275,253 | 13,526,363 | 102,152,397 |
| 8 | Fuel Retained 1/ | 0 | 0 | 9,390 | 39,366 | 48,756 | 62,235 | 20,192 | 23,405 | 44,018 | 149,850 | 38,827 | 19,416 | 555,817 | 1,179,595 | 1,793,655 | 209 | 210 | 45 | 4,792 | 5,256 | 0 | 1,997,517 |
| 9 | Delivered Quantity | 82,636 | 124,544 | 1,297,239 | 3,188,611 | 4,693,030 | 3,455,450 | 2,751,387 | 3,185,103 | 5,995,810 | 15,387,750 | 2,154,576 | 1,080,969 | 21,764,335 | 38,277,859 | 63,277,740 | 130,308 | 126,715 | 28,181 | 2,995,305 | 3,269,997 | 13,526,363 | 100,154,880 |
| 10 | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | December 2023 | | | | | | | | | | | | | | | | | | | | | | |
| 12 | Receipt Quantity | 496,087 | 189,323 | 3,447,038 | 4,989,548 | 9,121,996 | 3,722,486 | 3,338,172 | 2,929,533 | 9,482,876 | 19,473,067 | 3,415,053 | 1,496,884 | 22,286,039 | 45,157,101 | 72,355,077 | 171,678 | 77,708 | 8,244 | 4,231,882 | 4,489,512 | 11,299,903 | 116,739,555 |
| 13 | Fuel Retained 1/ | 0 | 0 | 24,834 | 60,797 | 85,631 | 65,900 | 24,354 | 21,380 | 69,211 | 180,845 | 60,450 | 26,401 | 554,893 | 1,350,237 | 1,991,981 | 272 | 134 | 13 | 6,764 | 7,183 | 0 | 2,265,640 |
| 14 | Delivered Quantity | 496,087 | 189,323 | 3,422,204 | 4,928,751 | 9,036,365 | 3,656,586 | 3,313,818 | 2,908,153 | 9,413,665 | 19,292,222 | 3,354,603 | 1,470,483 | 21,731,146 | 43,806,864 | 70,363,096 | 171,950 | 77,842 | 8,257 | 4,238,646 | 4,482,329 | 11,299,903 | 114,473,915 |
| 15 | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | January 2024 | | | | | | | | | | | | | | | | | | | | | | |
| 17 | Receipt Quantity | 473,803 | 1,130,216 | 5,896,203 | 9,432,844 | 16,933,066 | 4,247,773 | 2,887,649 | 2,984,717 | 11,384,907 | 21,505,046 | 4,392,534 | 2,276,974 | 22,224,303 | 46,768,824 | 75,662,634 | 213,680 | 130,207 | 380,394 | 4,815,676 | 5,539,957 | 11,487,924 | 131,128,627 |
| 18 | Fuel Retained 1/ | 0 | 0 | 42,439 | 115,021 | 157,460 | 75,160 | 21,048 | 21,804 | 83,039 | 201,051 | 77,720 | 40,257 | 553,391 | 1,398,165 | 2,069,533 | 334 | 196 | 610 | 7,706 | 8,846 | 0 | 2,436,890 |
| 19 | Delivered Quantity | 473,803 | 1,130,216 | 5,853,764 | 9,317,823 | 16,775,606 | 4,172,613 | 2,866,601 | 2,962,913 | 11,301,868 | 21,303,995 | 4,314,814 | 2,236,717 | 21,670,912 | 45,370,659 | 73,593,101 | 214,014 | 130,403 | 381,004 | 4,823,382 | 5,531,111 | 11,487,924 | 128,691,737 |
| 20 | | | | | | | | | | | | | | | | | | | | | | | |
| 21 | February 2024 | | | | | | | | | | | | | | | | | | | | | | |
| 22 | Receipt Quantity | 173,198 | 261,610 | 775,840 | 4,828,001 | 6,038,649 | 3,319,893 | 1,571,012 | 2,748,628 | 5,227,494 | 12,867,027 | 3,344,805 | 823,545 | 20,534,598 | 45,110,634 | 69,813,582 | 41,312 | 102,017 | 0 | 3,966,525 | 4,109,854 | 12,154,304 | 104,983,416 |
| 23 | Fuel Retained 1/ | 0 | 0 | 5,570 | 58,797 | 64,367 | 58,742 | 11,465 | 20,039 | 38,167 | 128,413 | 59,213 | 14,535 | 511,322 | 1,348,570 | 1,933,640 | 57 | 143 | 0 | 6,359 | 6,559 | 0 | 2,132,979 |
| 24 | Delivered Quantity | 173,198 | 261,610 | 770,270 | 4,769,204 | 5,974,282 | 3,261,151 | 1,559,547 | 2,728,589 | 5,189,327 | 12,738,614 | 3,285,592 | 809,010 | 20,023,276 | 43,762,064 | 67,879,942 | 41,369 | 102,160 | 0 | 3,972,884 | 4,103,295 | 12,154,304 | 102,850,437 |
| 25 | | | | | | | | | | | | | | | | | | | | | | | |
| 26 | March 2024 | | | | | | | | | | | | | | | | | | | | | | |
| 27 | Receipt Quantity | 96,869 | 146,572 | 326,249 | 2,956,416 | 3,526,106 | 3,478,333 | 1,749,556 | 2,880,645 | 5,449,432 | 13,557,966 | 3,946,297 | 1,393,075 | 17,903,003 | 38,995,152 | 62,237,528 | 189,034 | 179,298 | 0 | 2,487,740 | 2,856,072 | 17,731,452 | 99,909,124 |
| 28 | Fuel Retained 1/ | 0 | 0 | 2,347 | 35,993 | 38,340 | 61,566 | 12,796 | 21,006 | 39,794 | 135,162 | 69,843 | 24,543 | 445,744 | 1,165,824 | 1,705,954 | 291 | 281 | 0 | 3,995 | 4,567 | 0 | 1,884,023 |
| 29 | Delivered Quantity | 96,869 | 146,572 | 323,902 | 2,920,423 | 3,487,766 | 3,416,767 | 1,736,760 | 2,859,639 | 5,409,638 | 13,422,804 | 3,876,454 | 1,368,532 | 17,457,259 | 37,829,328 | 60,531,574 | 189,325 | 179,579 | 0 | 2,491,735 | 2,851,505 | 17,731,452 | 98,025,101 |
| 30 | | | | | | | | | | | | | | | | | | | | | | | |
| 31 | Total for Period | | | | | | | | | | | | | | | | | | | | | | |
| 32 | Receipt Quantity | 1,467,803 | 1,900,286 | 12,290,298 | 26,635,440 | 42,293,827 | 21,944,329 | 14,466,765 | 18,485,236 | 45,431,743 | 100,328,073 | 19,390,800 | 8,859,348 | 124,122,949 | 251,535,199 | 403,908,296 | 873,651 | 663,664 | 570,069 | 21,348,428 | 23,455,812 | 82,855,865 | 652,841,873 |
| 33 | Fuel Retained 1/ | 0 | 0 | 88,434 | 324,557 | 412,991 | 388,336 | 105,514 | 134,943 | 331,443 | 960,236 | 343,223 | 156,373 | 3,090,585 | 7,520,044 | 11,110,225 | 1,352 | 1,027 | 916 | 34,187 | 37,482 | 0 | 12,520,934 |
| 34 | Delivered Quantity | 1,467,803 | 1,900,286 | 12,201,864 | 26,310,883 | 41,880,836 | 21,555,993 | 14,361,251 | 18,350,293 | 45,100,300 | 99,367,837 | 19,047,577 | 8,702,975 | 121,032,364 | 244,015,155 | 392,798,071 | 875,003 | 664,691 | 570,985 | 21,382,615 | 23,418,330 | 82,855,865 | 640,320,939 |
| 35 | Fuel Retention Rate 2/ | 0.00% | 0.00% | 0.72% | 1.22% | 1.77% | 0.73% | 0.73% | 0.73% | 0.73% | 1.77% | 1.77% | 2.49% | 2.99% | 0.16% | 0.16% | 0.16% | 0.16% | 0.16% | 0.16% | 0.00% | | |

Notes:

- 1 - Total fuel retained was at the applicable maximum retention percentages in effect during the month. Any variance from the applicable fuel retention percentage is due to rounding to the nearest Dth on each of the underlying transactions. Excludes fuel retained for Elba Express Pipeline, LLC seamless service per GT&C Section 23.
- 2 - Quantities transported to storage include Zone 0 fuel. Quantities transported from storage included applicable zone-of-delivery fuel percentage less the Zone 0 fuel percentage. Any variance is attributable to rounding.
- 3 - Includes quantities transported to storage.
- 4 - Pool-to-pool transactions do not incur fuel.

Southern Natural Gas Company, L.L.C.
Transportation Fuel True-Up Determination

| Line No. | Particular | PPA 1/ | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 | Prior Balance 6/ | Total |
|----------|---|---------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) |
| 1 | Total Retained Fuel (dth) 2/ | | 1,803,885 | 1,997,517 | 2,265,640 | 2,436,890 | 2,132,979 | 1,884,023 | (754,917) | 11,766,017 |
| 2 | Fuel Used (dth) 3/ | 4,469 | 871,277 | 1,083,483 | 1,383,925 | 1,584,450 | 1,344,791 | 853,104 | | 7,125,499 |
| 3 | LAUF (dth) 4/ | | 81,683 | 77,928 | 103,796 | 315,577 | 139,101 | 73,998 | - | 792,083 |
| 4 | Net Over/(Under) Collection (dth) (line 1 minus line 2 minus line 3) | (4,469) | 850,925 | 836,106 | 777,919 | 536,863 | 649,087 | 956,921 | (754,917) | 3,848,435 |
| 5 | Electric Costs 5/ | | \$2,305,524 | \$2,743,293 | \$2,727,965 | \$3,738,235 | \$2,743,212 | \$1,777,298 | | \$16,035,526 |
| 6 | SNG Index Price 5/ | | \$2.95 | \$2.71 | \$2.61 | \$2.94 | \$1.85 | \$1.52 | | |
| 7 | Electric Costs in Dth (Fuel Use) | | 781,533 | 1,012,285 | 1,045,197 | 1,271,508 | 1,482,817 | 1,169,275 | | 6,762,615 |
| 8 | Total Transp. Over (Under) Collection With Electricity Included (dth) (line 4 minus line 7) | | 69,392 | (176,179) | (267,278) | (734,645) | (833,730) | (212,354) | (754,917) | (2,914,180) |

Notes:

1 - Reflects PPA's booked after March 2023 applicable to period October 2022 through March 2023.

2 - See Schedule 4 for support

3 - See Schedule 7 for support

4 - See Schedule 6 for support

5 - See Schedule 8 for support

6 - Under-recovery amount from last winter's fuel filing in Docket No. RP23-975, Schedule 5; included in total retained amount per calculation specified in Section 35.3 of Southern Natural's General Terms and Conditions (i.e. similar to a deferred account)

Southern Natural Gas Company, L.L.C.
Support For LAUF Calculation

| Line No. | Month | Total Receipts 1/ | Total Deliveries 2/ | Lost and Unaccounted For (LAUF) Loss/(Gain) |
|----------|--|--------------------|---------------------|---|
| | (a) | (b) | (c) | (d) (b) - (c) |
| 1 | Oct-23 | 97,928,755 | 97,847,071 | 81,683 |
| 2 | Nov-23 | 102,152,397 | 102,074,468 | 77,928 |
| 3 | Dec-23 | 116,739,555 | 116,635,759 | 103,796 |
| 4 | Jan-24 | 131,128,627 | 130,813,050 | 315,577 |
| 5 | Feb-24 | 104,983,416 | 104,844,315 | 139,101 |
| 6 | Mar-24 | 99,909,124 | 99,835,126 | 73,998 |
| 7 | Total | 652,841,873 | 652,049,789 | 792,084 |
| 8 | LAUF Billing Determinants (Schedule 4, row 34; col (w) - col (b) - col(c)) | | | 636,952,850 |
| 9 | LAUF Retention Percentage (col (d); row 7/(row 7 + row 8)) | | | 0.12% |

Notes:

1 - From schedule 4

2 - Includes all storage activity whether customer activity or activity related to Southern's working storage, changes to line inventory, and compressor fuel consumed for operations.

Southern Natural Gas Company, L.L.C.
Compressor Fuel and Other Company Used Gas by Station and Zone
Base Period of October 1, 2023 through March 31, 2024

Appendix B
Schedule 7
Page 1 of 2

| Line No. | Zone | Compressor Location | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 | Total |
|----------|------|-----------------------------|----------------|------------------|------------------|------------------|------------------|----------------|------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| 1 | 0/1 | Bay Springs | 76,138 | 77,360 | 122,726 | 136,401 | 112,080 | 25,630 | 550,335 |
| 2 | 0/1 | Bienville | 8,732 | 9,033 | 9,189 | 9,030 | 8,432 | 8,715 | 53,131 |
| 3 | 0/1 | Franklinton | 37,226 | 36,404 | 45,417 | 49,996 | 49,659 | 41,805 | 260,507 |
| 4 | 0/1 | Gwinville | 81,533 | 92,396 | 99,077 | 104,518 | 94,031 | 70,921 | 542,476 |
| 5 | 0/1 | Louisville | 19,520 | 17,837 | 26,194 | 26,939 | 29,350 | 28,544 | 148,384 |
| 6 | 0/1 | Onward | 6,177 | 4,560 | 9,237 | 18,036 | 12,822 | 7,037 | 57,869 |
| 7 | 0/1 | Pearl River | 7,357 | 15,408 | 37,367 | 49,029 | 58,147 | 1,268 | 168,576 |
| 8 | 0/1 | Pickens | 14,362 | 14,821 | 17,187 | 16,151 | 13,995 | 3,077 | 79,593 |
| 9 | 0/1 | Rankin | 15,074 | 16,291 | 18,503 | 13,728 | 14,746 | 3,110 | 81,452 |
| 10 | 0/1 | SESH: Delhi & Gwinville | 123,946 | 136,262 | 144,808 | 134,380 | 120,511 | 181,081 | 840,988 |
| 11 | 0/1 | Shadyside | 23,176 | 19,018 | 18,397 | 23,455 | 21,429 | 23,864 | 129,339 |
| 12 | 0/1 | Toca | 19,963 | 24,409 | 38,011 | 30,167 | 28,668 | 12,193 | 153,411 |
| 13 | 0/1 | White Castle | 50,909 | 51,679 | 57,985 | 60,076 | 54,181 | 52,161 | 326,991 |
| 14 | 0/1 | Leaf/MS Hub Fuel | 20,977 | 4,071 | 12,835 | 12,447 | 15,457 | 6,785 | 72,572 |
| 15 | 0/1 | Fugitive Emissions | 8,993 | 9,535 | 10,044 | 9,527 | 9,518 | 9,545 | 57,163 |
| 16 | 0/1 | Other Company Used Gas | 8,212 | 9,550 | 7,613 | 7,290 | 24,943 | 7,533 | 65,141 |
| 17 | | Total Zone 0 & 1 | 522,295 | 538,634 | 674,590 | 701,170 | 667,969 | 483,269 | 3,587,928 |
| 18 | 2 | Auburn | 21,774 | 57,041 | 68,843 | 75,678 | 62,638 | 21,630 | 307,604 |
| 19 | 2 | Bell Mills | 5,900 | 11,136 | 10,622 | 18,505 | 10,080 | 8,813 | 65,056 |
| 20 | 2 | Dearmanville | 11,620 | 14,034 | 16,563 | 27,122 | 16,383 | 14,473 | 100,195 |
| 21 | 2 | Duncanville | 19 | 8 | 10 | 21 | 215 | 605 | 878 |
| 22 | 2 | Elmore | 846 | 12,621 | 23,133 | 35,463 | 16,748 | 2,869 | 91,680 |
| 23 | 2 | Enterprise | 111,572 | 131,539 | 143,020 | 150,163 | 127,378 | 117,579 | 781,251 |
| 24 | 2 | Gallion | 1,057 | 15,373 | 24,023 | 31,029 | 20,723 | 3,780 | 95,985 |
| 25 | 2 | McConnells | 0 | 0 | 8,970 | 14,902 | 2,974 | 6 | 26,852 |
| 26 | 2 | Pell City | 86 | 421 | 2 | 375 | 1 | 2 | 887 |
| 27 | 2 | Providence | 0 | 2,065 | 7,448 | 23,817 | 9,515 | 2,081 | 44,926 |
| 28 | 2 | Reform | 1,555 | 12,791 | 37,258 | 60,806 | 34,502 | 9,488 | 156,400 |
| 29 | 2 | Selma | 1,489 | 31,109 | 56,813 | 96,754 | 62,271 | 12,067 | 260,503 |
| 30 | 2 | Tarrant | 20,347 | 21,066 | 27,289 | 34,314 | 22,529 | 21,090 | 146,635 |
| 31 | 2 | York | 3,713 | 46,847 | 71,512 | 89,825 | 53,368 | 13,554 | 278,819 |
| 32 | 2 | Fugitive Emissions | 4,540 | 4,814 | 5,071 | 4,809 | 4,805 | 4,819 | 28,857 |
| 33 | 2 | Other Company Used Gas | 4,082 | 5,740 | 7,349 | 8,564 | 7,740 | 4,491 | 37,966 |
| 34 | | Total Zone 2 | 188,600 | 366,605 | 507,926 | 672,147 | 451,870 | 237,347 | 2,424,494 |
| 35 | 3 | Albany | 9,892 | 9,261 | 9,881 | 9,637 | 11,850 | 9,468 | 59,989 |
| 36 | 3 | Brookman | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 | 3 | Elba Express | 12,484 | 5,172 | 905 | 0 | 1,307 | 1,398 | 21,266 |
| 38 | 3 | Ellerslie | 11,113 | 14,365 | 17,486 | 31,484 | 22,995 | 14,377 | 111,820 |
| 39 | 3 | Hall Gate | 16,567 | 21,510 | 16,769 | 12,667 | 24,062 | 10,807 | 102,382 |
| 40 | 3 | Hilliard | 846 | 0 | 0 | 0 | 0 | 1 | 847 |
| 41 | 3 | Holy Trinity | 6,488 | 4,182 | 8,144 | 7,677 | 9,262 | 7,605 | 43,358 |
| 42 | 3 | Ocmulgee | 34,936 | 38,465 | 35,955 | 34,523 | 33,850 | 32,561 | 210,290 |
| 43 | 3 | Pavo | 98 | 99 | 69 | 104 | 3,647 | 370 | 4,387 |
| 44 | 3 | Riceboro | 5,740 | 732 | 0 | 0 | 256 | 3 | 6,731 |
| 45 | 3 | Rome | 9 | 3,591 | 1,467 | 12,680 | 4 | 0 | 17,751 |
| 46 | 3 | Thomaston | 26,051 | 42,521 | 71,212 | 74,282 | 72,685 | 33,421 | 320,172 |
| 47 | 3 | Wrens | 20,407 | 24,624 | 25,169 | 11,071 | 14,545 | 8,815 | 104,631 |
| 48 | 3 | Fugitive Emissions | 4,643 | 4,923 | 5,185 | 4,918 | 4,914 | 4,928 | 29,511 |
| 49 | 3 | Other Company Used Gas | 11,108 | 8,799 | 9,167 | 12,090 | 25,575 | 8,734 | 75,473 |
| 50 | | Total Zone 3 | 160,382 | 178,244 | 201,409 | 211,133 | 224,952 | 132,488 | 1,108,608 |
| 51 | | Total Fuel | 871,277 | 1,083,483 | 1,383,925 | 1,584,450 | 1,344,791 | 853,104 | 7,121,030 |

Southern Natural Gas Company, L.L.C.
 Breakdown of Other Company Used Gas by Zone
 Base Period of October 1, 2023 through March 31, 2024

Appendix B
 Schedule 7
 Page 2 of 2

| Line No. | Zone | Description | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 | Total |
|----------|------|--|---------------|--------------|--------------|---------------|---------------|--------------|---------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| 1 | 00 | SNG DOMESTIC NATCHITOCHE BIENVILLE | 312 | 302 | 312 | 313 | 292 | 313 | 1,844 |
| 2 | 00 | SNG DOMESTIC TOCA JEFFERSON | 156 | 150 | 156 | 157 | 145 | 157 | 921 |
| 3 | 00 | SNG/SNG BIENVILLE COMPRESSOR BLOWDOWN | 4 | 12 | 2 | 4 | 16 | 2 | 40 |
| 4 | 00 | SNG/SNG BIENVILLE COMPRESSOR ESD BI | | 14 | | | | | 14 |
| 5 | 00 | SNG/SNG FRANKLINTON COMPRESSOR BLOW | 1,499 | 2,008 | 807 | 213 | 553 | 833 | 5,913 |
| 6 | 00 | SNG/SNG LOGANSFORT COMPRESSOR BLOWD | | | 25 | 2 | | | 25 |
| 7 | 00 | SNG/SNG LOGANSFORT COMPRESSOR ESD D | | | | | | | 2 |
| 8 | 00 | SNG/SNG PIPELINE LOSS O&M 132 TOCA | 80 | 76 | 119 | 88 | 83 | 110 | 556 |
| 9 | 00 | SNG/SNG SHADYSIDE COMPRESSOR BLOWDOWN | 21 | 44 | 45 | 52 | 44 | 50 | 256 |
| 10 | 00 | SNG/SNG TOCA COMPRESSOR BLOWDOWNWN ST | 92 | 131 | 206 | 192 | 28 | 73 | 722 |
| 11 | 00 | SNG/SNG WHITE CASTLE COMPRESSOR BLO | 81 | 21 | 24 | 70 | 9 | 61 | 266 |
| 12 | | Total for Zone 0 | 2,245 | 2,758 | 1,696 | 1,091 | 1,170 | 1,599 | 10,559 |
| 13 | 01 | SNG DOMESTIC COLUMBUS WINSTON | 95 | 91 | 94 | 94 | 88 | 94 | 556 |
| 14 | 01 | SNG DOMESTIC HEIDELBERG JASPER | 3,381 | 3,275 | 3,385 | 3,379 | 3,156 | 3,374 | 19,950 |
| 15 | 01 | SNG DOMESTIC PERRYVILLE OUACHITA | | 1 | 3 | 8 | 6 | 2 | 20 |
| 16 | 01 | SNG/SNG BAY SPRINGS COMPRESSOR BLOW | 207 | 719 | 914 | 643 | 229 | 330 | 3,042 |
| 17 | 01 | SNG/SNG BAY SPRINGS COMPRESSOR ESD | | | | | | 354 | 354 |
| 18 | 01 | SNG/SNG ENTERPRISE COMPRESSOR BLOWD | 1,535 | 1,096 | 932 | 1,074 | 1,301 | 1,087 | 7,025 |
| 19 | 01 | SNG/SNG GWINVILLE COMPRESSOR BLOWDOWN | 340 | 245 | 170 | 501 | 240 | 330 | 1,826 |
| 20 | 01 | SNG/SNG GWINVILLE COMPRESSOR ESD JE | | | | | 403 | | 403 |
| 21 | 01 | SNG/SNG LOUISVILLE COMPRESSOR BLOWD | 124 | 99 | 137 | 118 | 128 | 114 | 720 |
| 22 | 01 | SNG/SNG LOUISVILLE COMPRESSOR ESD W | | 1,023 | | | | | 1,023 |
| 23 | 01 | SNG/SNG ONWARD COMPRESSOR BLOWDOWN | 3 | 22 | 16 | 4 | 19 | 10 | 74 |
| 24 | 01 | SNG/SNG P/L LOSS O&M 130 HEIDELBERG | | | | | 6,188 | | 6,188 |
| 25 | 01 | SNG/SNG PEARL RIVER COMPRESSOR BLOW | 4 | 25 | 47 | 80 | 30 | 8 | 194 |
| 26 | 01 | SNG/SNG PEARL RIVER COMPRESSOR ESD | | | | | 11,686 | | 11,686 |
| 27 | 01 | SNG/SNG PICKENS COMPRESSOR BLOWDOWN | 17 | 14 | 28 | 30 | 12 | 17 | 118 |
| 28 | 01 | SNG/SNG PIPELINE LOSS O&M 020 COLUM | 4 | | | | | 97 | 101 |
| 29 | 01 | SNG/SNG PIPELINE LOSS O&M 030 COLUM | | | 4 | | | | 4 |
| 30 | 01 | SNG/SNG RANKIN COMPRESSOR BLOWDOWN | 257 | 182 | 187 | 268 | 287 | 117 | 1,298 |
| 31 | | Total for Zone 1 | 5,967 | 6,792 | 5,917 | 6,199 | 23,773 | 5,934 | 54,582 |
| 32 | 02 | SNG DOMESTIC BIRMINGHAM JEFFERSON | 2,508 | 2,423 | 2,503 | 2,506 | 2,346 | 2,509 | 14,795 |
| 33 | 02 | SNG DOMESTIC MONTGOMERY ELMORE | 64 | 62 | 64 | 64 | 60 | 64 | 378 |
| 34 | 02 | SNG/SNG AUBURN COMPRESSOR BLOWDOWNWN | 353 | 402 | 534 | 538 | 323 | 232 | 2,382 |
| 35 | 02 | SNG/SNG BELL MILLS COMPRESSOR BLOWD | 20 | 11 | 2 | 10 | 5 | 6 | 54 |
| 36 | 02 | SNG/SNG DEARMANVILLE COMPRESSOR BLO | 573 | 741 | 263 | 682 | 635 | 187 | 3,081 |
| 37 | 02 | SNG/SNG ELMORE COMPRESSOR BLOWDOWNWN | 142 | 397 | 910 | 874 | 1,646 | 240 | 4,209 |
| 38 | 02 | SNG/SNG GALLION COMPRESSOR BLOWDOWNWN | 105 | 545 | 839 | 1,184 | 720 | 285 | 3,678 |
| 39 | 02 | SNG/SNG HOLY TRINITY COMPRESSOR BLO | 24 | 12 | | 9 | 8 | 14 | 67 |
| 40 | 02 | SNG/SNG MCCONNELLS COMPRESSOR BLOWD | | | 31 | 124 | 31 | 21 | 207 |
| 41 | 02 | SNG/SNG PELL CITY COMPRESSOR BLOWDOWN | 57 | 77 | | 37 | | 64 | 235 |
| 42 | 02 | SNG/SNG PROVIDENCE COMPRESSOR BLOWD | | 143 | 170 | 345 | 254 | 84 | 996 |
| 43 | 02 | SNG/SNG REFORM COMPRESSOR BLOWDOWNWN | 55 | 457 | 666 | 603 | 885 | 328 | 2,994 |
| 44 | 02 | SNG/SNG SELMA COMPRESSOR BLOWDOWNWN D | 135 | 279 | 844 | 942 | 424 | 179 | 2,803 |
| 45 | 02 | SNG/SNG TARRANT COMPRESSOR BLOWDOWNWN | | 4 | | 26 | 35 | 81 | 146 |
| 46 | 02 | SNG/SNG YORK COMPRESSOR BLOWDOWNWN SU | 46 | 187 | 523 | 620 | 368 | 197 | 1,941 |
| 47 | | Total for Zone 2 | 4,082 | 5,740 | 7,349 | 8,564 | 7,740 | 4,491 | 37,966 |
| 48 | 03 | SNG CHATTANOOGA HEATER FUEL HAMILTO | 192 | 247 | 285 | 308 | 285 | 295 | 1,612 |
| 49 | 03 | SNG DOMESTIC THOMASVILLE DOUGHERTY | 1,055 | 1,023 | 1,057 | 1,056 | 988 | 1,053 | 6,232 |
| 50 | 03 | SNG PLANT BRANDY BRANCH HEATER FUE | 6,436 | 4,757 | 3,958 | 5,390 | 5,668 | 2,615 | 28,824 |
| 51 | 03 | SNG/SNG ALBANY COMPRESSOR BLOWDOWNWN | 28 | 37 | 33 | 15 | 152 | 37 | 302 |
| 52 | 03 | SNG/SNG BROOKMAN COMPRESSOR BLOWDOWNWN | 20 | | 49 | | | 7 | 76 |
| 53 | 03 | SNG/SNG ELLERSLIE COMPRESSOR BLOWDOWN | 443 | 552 | 1,353 | 1,204 | 1,487 | 796 | 5,835 |
| 54 | 03 | SNG/SNG FAIRBURN COMPRESSOR BLOWDOWNWN | | 39 | 48 | | 15 | 140 | 242 |
| 55 | 03 | SNG/SNG HALL GATE COMPRESSOR BLOWDOWN | 763 | 613 | 958 | 1,184 | 819 | 925 | 5,262 |
| 56 | 03 | SNG/SNG HILLIARD COMPRESSOR BLOWDOWNWN | 81 | | | | | | 81 |
| 57 | 03 | SNG/SNG OCMULGEE COMPRESSOR BLOWDOWNWN | 431 | 479 | 352 | 680 | 647 | 333 | 2,922 |
| 58 | 03 | SNG/SNG PAVO COMPRESSOR BLOWDOWNWN BR | 10 | 13 | 26 | 24 | 25 | 11 | 109 |
| 59 | 03 | SNG/SNG PIPELINE LOSS O&M 060 ATLAN | 582 | | | | | | 582 |
| 60 | 03 | SNG/SNG PIPELINE LOSS O&M 160 SAVAN | | 7 | | 316 | 12,817 | | 13,140 |
| 61 | 03 | SNG/SNG RICEBORO COMPRESSOR BLOWDOWNWN | 100 | 57 | | | 61 | 2 | 220 |
| 62 | 03 | SNG/SNG ROME COMPRESSOR BLOWDOWNWN FL | | 44 | 23 | 99 | | | 166 |
| 63 | 03 | SNG/SNG SAVANNAH REG HTR FUEL CHATH | 386 | 364 | 382 | 1,002 | 2,232 | 2,177 | 6,543 |
| 64 | 03 | SNG/SNG THOMASTON COMPRESSOR BLOWDOWN | 230 | 352 | 355 | 240 | 12 | 222 | 1,411 |
| 65 | 03 | SNG/SNG WRENS COMPRESSOR BLOWDOWNWN J | 351 | 215 | 288 | 572 | 367 | 121 | 1,914 |
| 66 | | Total for Zone 3 | 11,108 | 8,799 | 9,167 | 12,090 | 25,575 | 8,734 | 75,473 |

Southern Natural Gas Company, L.L.C.
Electric Power Charge (EPC)

| Line No. | Item | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 | Total |
|----------|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | Compressor Station | | | | | | | |
| 2 | Auburn | \$381,609 | \$512,286 | \$441,100 | \$521,036 | \$422,066 | \$259,763 | \$2,537,859 |
| 3 | Brookman | \$49,503 | \$5,395 | \$5,320 | \$5,968 | \$5,084 | \$5,071 | \$76,341 |
| 4 | Ellerslie | \$145,523 | \$145,349 | \$155,846 | \$488,431 | \$120,041 | \$73,378 | \$1,128,567 |
| 5 | Elmore | \$511,289 | \$410,353 | \$448,751 | \$597,578 | \$476,544 | \$326,349 | \$2,770,863 |
| 6 | Fairburn | \$182,894 | \$180,962 | \$205,968 | \$245,282 | \$163,729 | \$37,448 | \$1,016,283 |
| 7 | Gallion | \$517,029 | \$386,047 | \$460,907 | \$618,530 | \$488,747 | \$354,083 | \$2,825,343 |
| 8 | Pell City | \$3,506 | \$3,552 | \$3,556 | \$3,732 | \$3,638 | \$3,747 | \$21,731 |
| 9 | Selma | \$286,365 | \$551,177 | \$505,694 | \$547,163 | \$454,801 | \$307,568 | \$2,652,768 |
| 10 | Wrens | \$13,972 | \$15,157 | \$26,511 | \$166,325 | \$152,872 | \$159,810 | \$534,648 |
| 11 | York | \$213,834 | \$533,015 | \$474,311 | \$544,189 | \$455,691 | \$250,082 | \$2,471,122 |
| 12 | Total | \$2,305,524 | \$2,743,293 | \$2,727,965 | \$3,738,235 | \$2,743,212 | \$1,777,298 | \$16,035,526 |

Electric Power Cost for EPC Tracker

| | | | |
|----|---|---------------------|-----------------------------|
| 13 | Total Electric Power Costs | \$16,035,526 | row 12, col (h) |
| 14 | e-Dth Balance to be recovered | \$9,492,114 | Schedule 9, row 77, col (g) |
| 15 | Total Electric Power Cost for Rate | \$25,527,640 | |

Receipts for EPC Rate Determination

| | | | |
|----|--|--------------------|-------------------------------------|
| 16 | Total Receipts | 652,841,873 | sch 4, row 32, col (w) |
| 17 | Less No-Fuel Pooling Transactions | (82,855,865) | sch 4, row 32, col (v) |
| 18 | Less Zone 0/1 Quantities Received from Storage | (3,368,089) | sch 4, row 32, cols (b) + (c) |
| 19 | Less Backhaul Receipts | (23,455,812) | sch 4, row 32, col (u) |
| 20 | Less Intra-Zone 1,2, and 3 Receipts | (78,383,744) | sch 4, row 32, cols (h) + (i) + (j) |
| 21 | Receipts for EPC Rate 1/ | 464,778,363 | |

| | EPC Rate Determination | Total Receipts | Adjusted Receipts 2/ | EPC Allocation Ratio | EPC Allocation | EPC Rate |
|----|--|--------------------|----------------------|----------------------|---------------------|----------|
| 22 | EPC Surcharge - Inter-zone Forward haul | 464,778,363 | 464,778,363 | 96.0% | \$24,494,889 | \$0.0527 |
| 23 | EPC Surcharge - Intra-Zone 1,2, and 3 Receipts | 78,383,744 | 19,595,936 | 4.0% | \$1,032,751 | \$0.0132 |
| | Total | 543,162,107 | 484,374,299 | 100.0% | \$25,527,640 | |

Notes:

1 - Same transaction set that would have been applicable to e-Dth mechanism.

2 - 23.7% of EPC throughput to be consistent with methodology used for intra-zone rate in RP09-427 settlement and subsequent fuel filings.

Southern Natural Gas Company, L.L.C.
Gains and Losses on e-Dth Sales - Winter Period

| Line No. | Month | Electric Power Cost | | DTH to Sell | Actual Sales | | Monthly Gain/(Loss) | Cumulative Gain/(Loss) | Winter Period Refund 1/ |
|-----------|--------------|----------------------|---------------------|-------------------|----------------------|------------------|----------------------|------------------------|-------------------------|
| | | (\$MM) | Monthly Index Price | | Proceeds | Avg. Sales Price | | | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | |
| 1 | Oct 2013 | \$1,991,134 | \$3.60 | 553,093 | \$2,016,945 | \$3.65 | \$25,811 | \$25,811 | |
| 2 | Nov 2013 | \$1,688,133 | \$3.62 | 466,335 | \$1,911,383 | \$4.10 | \$223,250 | \$249,062 | |
| 3 | Dec 2013 | \$1,900,168 | \$4.18 | 454,586 | \$1,964,967 | \$4.32 | \$64,799 | \$313,861 | |
| 4 | Jan 2014 | \$2,664,665 | \$4.77 | 558,630 | \$2,667,521 | \$4.78 | \$2,856 | \$316,716 | |
| 5 | Feb 2014 | \$1,686,535 | \$5.61 | 300,630 | \$1,305,611 | \$4.34 | (\$380,924) | (\$64,208) | |
| 6 | Mar 2014 | \$1,633,259 | \$4.75 | 343,844 | \$1,590,108 | \$4.62 | (\$43,151) | (\$107,359) | |
| 7 | Jun 2014 | | | | | | | (\$107,359) | \$0 |
| 8 | Oct 2014 | \$2,153,033 | \$3.79 | 568,083 | \$2,138,270 | \$3.76 | (\$14,763) | (\$122,122) | |
| 9 | Nov 2014 | \$2,285,000 | \$4.03 | 566,997 | \$1,586,858 | \$2.80 | (\$698,142) | (\$820,263) | |
| 10 | Dec 2014 | \$2,087,623 | \$3.53 | 591,395 | \$1,773,153 | \$3.00 | (\$314,470) | (\$1,134,733) | |
| 11 | Jan 2015 | \$2,462,343 | \$2.98 | 826,289 | \$2,297,844 | \$2.78 | (\$164,499) | (\$1,299,232) | |
| 12 | Feb 2015 | \$2,365,919 | \$2.83 | 836,014 | \$2,353,379 | \$2.81 | (\$12,540) | (\$1,311,771) | |
| 13 | Mar 2015 | \$1,997,227 | \$2.77 | 721,021 | \$1,851,375 | \$2.57 | (\$145,852) | (\$1,457,624) | |
| 14 | Jun 2015 | | | | | | | (\$1,457,624) | \$0 |
| 15 | Oct 2015 | \$2,237,354 | \$2.28 | 981,296 | \$2,257,199 | \$2.30 | \$19,845 | (\$1,437,778) | |
| 16 | Nov 2015 | \$2,044,813 | \$2.06 | 992,628 | \$2,258,390 | \$2.28 | \$213,577 | (\$1,224,201) | |
| 17 | Dec 2015 | \$1,464,499 | \$2.02 | 724,505 | \$1,682,781 | \$2.32 | \$219,282 | (\$1,004,920) | |
| 18 | Jan 2016 | \$2,158,167 | \$2.27 | 950,734 | \$1,773,684 | \$1.87 | (\$384,483) | (\$1,389,402) | |
| 19 | Feb 2016 | \$1,690,231 | \$1.91 | 884,938 | \$1,710,868 | \$1.93 | \$20,637 | (\$1,368,765) | |
| 20 | Mar 2016 | \$1,038,352 | \$1.71 | 607,223 | \$1,226,689 | \$2.02 | \$188,337 | (\$1,180,427) | |
| 21 | Jun 2016 | | | | | | | (\$1,180,427) | \$0 |
| 22 | Oct 2016 | \$1,317,854 | \$2.81 | 468,987 | \$1,347,400 | \$2.87 | \$29,546 | (\$1,150,882) | |
| 23 | Nov 2016 | \$1,260,665 | \$2.67 | 472,159 | \$1,541,971 | \$3.27 | \$281,306 | (\$869,576) | |
| 24 | Dec 2016 | \$1,801,761 | \$3.55 | 507,538 | \$1,689,264 | \$3.33 | (\$112,497) | (\$982,073) | |
| 25 | Jan 2017 | \$1,117,657 | \$3.36 | 332,636 | \$987,097 | \$2.97 | (\$130,560) | (\$1,112,633) | |
| 26 | Feb 2017 | \$1,185,332 | \$2.78 | 426,378 | \$1,273,755 | \$2.99 | \$88,423 | (\$1,024,210) | |
| 27 | Mar 2017 | \$1,124,109 | \$2.82 | 398,620 | \$1,283,306 | \$3.22 | \$159,197 | (\$865,013) | |
| 28 | Jun 2017 | | | | | | | (\$865,013) | \$0 |
| 29 | Oct 2017 | \$1,390,992 | \$2.80 | 496,783 | \$1,425,767 | \$2.87 | \$34,775 | (\$830,238) | |
| 30 | Nov 2017 | \$1,735,353 | \$2.90 | 598,398 | \$1,514,986 | \$2.53 | (\$220,367) | (\$1,050,605) | |
| 31 | Dec 2017 | \$2,013,532 | \$2.77 | 726,907 | \$1,940,842 | \$2.67 | (\$72,690) | (\$1,123,296) | |
| 32 | Jan 2018 | \$4,474,700 | \$3.42 | 1,308,392 | \$3,422,808 | \$2.62 | (\$1,051,892) | (\$2,175,187) | |
| 33 | Feb 2018 | \$1,628,682 | \$2.79 | 583,757 | \$1,508,689 | \$2.58 | (\$119,993) | (\$2,295,180) | |
| 34 | Mar 2018 | \$2,063,521 | \$2.63 | 784,609 | \$2,132,213 | \$2.72 | \$68,692 | (\$2,226,488) | |
| 35 | Jun 2018 | | | | | | | (\$2,226,488) | \$0 |
| 36 | Oct 2018 | \$2,054,040 | \$3.14 | 654,153 | \$1,775,361 | \$2.71 | (\$278,679) | (\$2,505,166) | |
| 37 | Nov 2018 | \$2,142,382 | \$4.01 | 534,260 | \$1,480,434 | \$2.77 | (\$661,948) | (\$3,167,114) | |
| 38 | Dec 2018 | \$2,404,984 | \$3.86 | 623,053 | \$1,732,591 | \$2.78 | (\$672,393) | (\$3,839,507) | |
| 39 | Jan 2019 | \$2,516,715 | \$3.02 | 833,349 | \$2,212,835 | \$2.66 | (\$303,880) | (\$4,143,387) | |
| 40 | Feb 2019 | \$1,881,465 | \$2.74 | 686,666 | \$1,898,381 | \$2.76 | \$16,916 | (\$4,126,471) | |
| 41 | Mar 2019 | \$2,285,911 | \$2.82 | 810,607 | \$1,984,093 | \$2.45 | (\$301,818) | (\$4,428,288) | |
| 42 | Jun 2019 | | | | | | | (\$4,428,288) | \$0 |
| 43 | Oct 2019 | \$2,486,169 | \$2.31 | 1,076,264 | \$2,339,600 | \$2.17 | (\$146,569) | (\$4,574,858) | |
| 44 | Nov 2019 | \$2,293,090 | \$2.52 | 909,956 | \$1,883,840 | \$2.07 | (\$409,250) | (\$4,984,108) | |
| 45 | Dec 2019 | \$2,393,720 | \$2.18 | 1,098,037 | \$2,245,475 | \$2.04 | (\$148,245) | (\$5,132,353) | |
| 46 | Jan 2020 | \$2,462,909 | \$1.94 | 1,269,541 | \$2,519,299 | \$1.98 | \$56,390 | (\$5,075,963) | |
| 47 | Feb 2020 | \$2,177,142 | \$1.80 | 1,209,523 | \$2,264,783 | \$1.87 | \$87,641 | (\$4,988,322) | |
| 48 | Mar 2020 | \$1,438,413 | \$1.67 | 861,325 | \$1,781,220 | \$2.07 | \$342,807 | (\$4,645,515) | |
| 49 | Jun 2020 | | | | | | \$0 | (\$4,645,515) | \$0 |
| 50 | Oct 2020 | \$1,382,677 | \$2.22 | 622,828 | \$1,818,512 | \$2.92 | \$435,835 | (\$4,209,681) | |
| 51 | Nov 2020 | \$1,749,929 | \$2.63 | 665,372 | \$1,836,500 | \$2.76 | \$86,571 | (\$4,123,110) | |
| 52 | Dec 2020 | \$2,730,348 | \$2.55 | 1,070,725 | \$2,851,639 | \$2.66 | \$121,291 | (\$4,001,819) | |
| 53 | Jan 2021 | \$2,528,343 | \$2.58 | 979,978 | \$2,692,643 | \$2.75 | \$164,300 | (\$3,837,519) | |
| 54 | Feb 2021 | \$2,240,728 | \$4.16 | 538,637 | \$1,416,624 | \$2.63 | (\$824,104) | (\$4,661,624) | |
| 55 | Mar 2021 | \$1,387,789 | \$2.60 | 533,765 | \$1,457,178 | \$2.73 | \$69,389 | (\$4,592,234) | |
| 56 | Jun 2021 | | | | | | | (\$4,592,234) | \$0 |
| 57 | Oct 2021 | \$3,017,248 | \$5.69 | 530,272 | \$2,115,785 | \$3.99 | (\$901,463) | (\$5,493,697) | |
| 58 | Nov 2021 | \$2,950,900 | \$5.24 | 563,149 | \$1,970,488 | \$3.50 | (\$980,412) | (\$6,474,110) | |
| 59 | Dec 2021 | \$2,780,692 | \$4.11 | 676,567 | \$2,611,549 | \$3.86 | (\$169,143) | (\$6,643,253) | |
| 60 | Jan 2022 | \$3,123,085 | \$4.59 | 680,411 | \$2,843,029 | \$4.18 | (\$280,056) | (\$6,923,310) | |
| 61 | Feb 2022 | \$2,762,642 | \$4.83 | 571,976 | \$2,573,892 | \$4.50 | (\$188,750) | (\$7,112,060) | |
| 62 | Mar 2022 | \$2,428,613 | \$4.85 | 500,745 | \$3,407,946 | \$6.81 | \$979,333 | (\$6,132,726) | |
| 63 | Jun 2022 | | | | | | | (\$6,132,726) | \$0 |
| 64 | Oct 2022 | \$2,427,064 | \$5.81 | 417,739 | \$2,758,197 | \$6.60 | \$331,133 | (\$5,801,593) | |
| 65 | Nov 2022 | \$2,652,888 | \$5.55 | 477,998 | \$2,758,184 | \$5.77 | \$105,296 | (\$5,696,297) | |
| 66 | Dec 2022 | \$3,918,493 | \$5.73 | 683,856 | \$2,373,664 | \$3.47 | (\$1,544,829) | (\$7,241,126) | |
| 67 | Jan 2023 | \$3,089,774 | \$3.55 | 870,359 | \$1,797,596 | \$2.07 | (\$1,292,178) | (\$8,533,304) | |
| 68 | Feb 2023 | \$2,415,863 | \$2.49 | 970,226 | \$2,105,290 | \$2.17 | (\$310,573) | (\$8,843,877) | |
| 69 | Mar 2023 | \$2,579,790 | \$2.28 | 1,131,487 | \$2,404,411 | \$2.13 | (\$175,379) | (\$9,019,256) | |
| 70 | Jun 2023 | | | | | | | (\$9,019,256) | \$0 |
| 71 | Oct 2023 | \$2,305,524 | \$2.95 | 781,533 | \$2,573,197 | \$3.29 | \$267,673 | (\$8,751,583) | |
| 72 | Nov 2023 | \$2,743,293 | \$2.71 | 1,012,285 | \$2,972,039 | \$2.94 | \$228,746 | (\$8,522,837) | |
| 73 | Dec 2023 | \$2,727,965 | \$2.61 | 1,045,197 | \$2,927,740 | \$2.80 | \$199,775 | (\$8,323,061) | |
| 74 | Jan 2024 | \$3,738,235 | \$2.94 | 1,271,508 | \$2,279,597 | \$1.79 | (\$1,458,638) | (\$9,781,699) | |
| 75 | Feb 2024 | \$2,743,212 | \$1.85 | 1,482,817 | \$2,740,469 | \$1.85 | (\$2,743) | (\$9,784,442) | |
| 76 | Mar 2024 | \$1,777,298 | \$1.52 | 1,169,275 | \$2,069,626 | \$1.77 | \$292,328 | (\$9,492,114) | |
| 77 | Total | \$145,400,944 | | 48,848,844 | \$135,908,830 | | (\$9,492,114) | | \$0 |

Notes:

1 - Winter period refunds applied each June.

Southern Natural Gas Company, L.L.C.
Determination of Storage Fuel Allocated to Transportation Services
(From Summer Fuel Filing in Docket No. RP24-497)

| Line No. | Item | | Quantity |
|----------|--|--------------------------------|-----------|
| | (a) | | (b) |
| 1 | Storage fuel used for 12 months ending 12/23 | RP24-497, App B, Sch 14, Row 1 | 700,435 |
| 2 | Storage over-collection from 1/23 -12/23 | RP24-497, App B, Sch 14, Row 2 | 141,297 |
| 3 | Total storage fuel | row 1 + row 2 | 841,732 |
| 4 | Fuel Allocated to Transportation Services | RP24-497, App B, Sch 14, Row 4 | (111,950) |
| 5 | Allocation to transportation services - Winter | row 4 x 50% | (55,975) |

APPENDIX C

EXAMPLE SHOWING HOW THE EXISTING AND PROPOSED TARIFF PROVISIONS OPERATE

Southern Natural Gas Company, L.L.C.
Example of Conversion from e-Dth to EPC

| Current e-Dth Mechanism | | |
|--------------------------------|--|--|
| 1 | Electric Power Costs | \$18,000,000 |
| 2 | Average Index Price | \$2.50 |
| 3 | Dth-Equivalent | row 1 / row 2 7,200,000 |
| 4 | Billing Determinants for e-Dth | 450,000,000 |
| 5 | e-Dth Retention Rate | row 2 / row 4 1.60% |
| 6 | Effective Cost to Shipper per Dth | row 3 x row 5 \$0.040 |
| Proposed EPC Mechanism | | |
| 7 | Electric Power Costs | 18,000,000 |
| 8 | Billing Determinants for e-Dth | 450,000,000 |
| 9 | EPC Cost to Shipper per Dth | row 7 / row 8 \$0.040 |
| 10 | Difference in Cost to Shipper | row 6 - row 9 \$0.000 |

Southern Natural Gas Company, L.L.C.
Summary of Proposed Rates

| Line No. | Transportation | Winter 2023/24 | | Proposed in RP24-982 | Settlement Proposed Rates | Reference |
|----------|----------------------------|-------------------------|-----------------|-------------------------|------------------------------|------------------------|
| | | Current Rates 2/ (a) | Rates 3/ (b) | | | |
| 1 | Zone 0 Delivery | 3.16% | 1.77% | 1.32% | 1.32% | Sch 2, Row 1, col (e) |
| 2 | Zone 1 Delivery | 3.16% | 1.77% | 1.32% | 1.32% | Sch 2, Row 2, col (e) |
| 3 | Zone 2 Delivery | 4.14% | 2.49% | 2.11% | 2.11% | Sch 2, Row 3, col (e) |
| 4 | Zone 3 Delivery | 5.06% | 2.99% | 2.55% | 2.55% | Sch 2, Row 4, col (e) |
| 5 | 0-0 Intrazone | 3.16% | 1.77% | 1.32% | 1.32% | Sch 2, Row 5, col (e) |
| 6 | 1-1 Intrazone | 1.04% | 0.73% | 0.74% | 0.74% | Sch 2, Row 6, col (e) |
| 7 | 2-2 Intrazone | 1.04% | 0.73% | 0.74% | 0.74% | Sch 2, Row 7, col (e) |
| 8 | 3-3 Intrazone | 1.04% | 0.73% | 0.74% | 0.74% | Sch 2, Row 8, col (e) |
| 9 | Backhaul 1/ | 0.16% | 0.16% | 0.16% | 0.16% | Sch 2, Row 9, col (e) |
| 10 | Liquefiable Transportation | 3.16% | 1.77% | 1.32% | 1.32% | Sch 2, Row 10, col (e) |
| 11 | EPC Forward Haul Surcharge | | | \$0.0527 | \$0.0331 | Sch 8, Row 22, col (f) |
| 12 | EPC Intrazone Surcharge | | | \$0.0132 | \$0.0083 | Sch 8, Row 23, col (f) |

Notes:

- 1 - Per the terms of GT&C Section 35.3, the backhaul fuel retention percentage will remain at 0.16% without adjustment.
- 2 - See Docket No. RP24-497.
- 3 - See Docket No. RP23-975.

Southern Natural Gas Company, L.L.C.
Determination of Total Fuel Rate (inclusive of LAUF)

| Line No. | Transportation | Proposed Transportation Fuel Retention Rate | Reference | LAUF 2/ (d) | Total Fuel Retention Rate (e) |
|----------|----------------------------|---|------------------------|----------------|-------------------------------------|
| | (a) | (b) | (c) | | |
| 1 | Zone 0 Delivery | 1.20% | Sch 3, row 34, col (c) | 0.12% | 1.32% |
| 2 | Zone 1 Delivery | 1.20% | Sch 3, row 34, col (c) | 0.12% | 1.32% |
| 3 | Zone 2 Delivery | 1.99% | Sch 3, row 34, col (d) | 0.12% | 2.11% |
| 4 | Zone 3 Delivery | 2.43% | Sch 3, row 34, col (f) | 0.12% | 2.55% |
| 5 | 0-0 Intrazone | 1.20% | Sch 3, row 34, col (c) | 0.12% | 1.32% |
| 6 | 1-1 Intrazone | 0.62% | Sch 3, row 11, col (e) | 0.12% | 0.74% |
| 7 | 2-2 Intrazone | 0.62% | Sch 3, row 11, col (e) | 0.12% | 0.74% |
| 8 | 3-3 Intrazone | 0.62% | Sch 3, row 11, col (e) | 0.12% | 0.74% |
| 9 | Backhaul 1/ | 0.16% | GT&C Section 35.3 | 0.00% | 0.16% |
| 10 | Liquefiable Transportation | 1.20% | Sch 3, row 34, col (c) | 0.12% | 1.32% |

Notes:

- 1 - Per the terms of GT&C Section 35.3, the backhaul fuel retention percentage will remain at 0.16% without adjustment.
- 2 - From Schedule 6

Southern Natural Gas Company, L.L.C.
Allocation of Fuel to be Recovered To Zones

| Line No. | Particular | Reference/Calculation | Zones 0 & 1 | Zone 2 | Zone 3 | Total | (g) | (h) |
|---|--|---|--------------------------|------------------|--------------------|------------------|--------------|-------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | | |
| 1 | Forward Haul and Intrazone Fuel Allocation | | | | | | | |
| 2 | Fuel Used during Base Period | Schedule 7-1 | 3,587,928 | 2,424,494 | 1,108,608 | 7,121,030 | | |
| 3 | Less Backhaul Fuel at Fixed 0.16% | Schedule 4, cols (q) - (u) | 2,379 | 916 | 34,187 | 37,482 | | |
| 4 | Fuel For All Forward Haul Transactions | row 2 - row 3 | 3,585,549 | 2,423,578 | 1,074,421 | 7,083,548 | | |
| 5 | Percent Fuel by Zone | row 4 item / row 4 total | 50.62% | 34.21% | 15.17% | 100.00% | | |
| 6 | Under/(Over)-Recovery Allocation to Zones | Total from Sch 5, Row 8, Col (aa) | 1,475,099 | 997,063 | 442,018 | 2,914,180 | | |
| 7 | Fuel to be Allocated | row 4 + row 6 | 5,060,648 | 3,420,641 | 1,516,439 | 9,997,728 | | |
| 8 | Zone 1, 2, and 3 Intrazone Fuel Retention Rate Determination | | | | | | | |
| 9 | Zone 3 Deliveries | Sch 4, row 34, col (o) | | | 244,015,155 | | | |
| 10 | Fuel For Zone 3 | row 7, col (e) | | | 1,516,439 | | | |
| 11 | Fuel Rate for Zones 1, 2 and 3 Intrazone | row 9 / (row 9 + row 10) | | | 0.62% | | | |
| 12 | Forward Haul Transportation Fuel Retention Rate Determination | | Zone 1 | Zone 2 | Zone 3 | Total | | |
| 13 | Intrazone Zone 1, 2, and 3 Deliveries | Sch 4, row 34, cols (h), (i), (j) | 14,361,251 | 18,350,293 | 45,100,300 | 77,811,844 | | |
| 14 | Intrazone Fuel Retention Rate | row 11, col (e) | 0.618% | 0.618% | 0.618% | | | |
| 15 | Fuel for Intrazone Transactions | row 13 / (row 13 + row 14) | 89,248 | 114,038 | 280,277 | 483,564 | | |
| 16 | Fuel for Forward Haul Transactions | row 7 - row 15 | 4,971,399 | 3,306,603 | 1,236,162 | 9,514,164 | | |
| 17 | Storage Fuel Allocated to Transportation | Sch 9, row 5, col (b) | 55,975 | | | 55,975 | | |
| 18 | Total Fuel for Forward Haul Transactions | row 16 + row 17 | 5,027,374 | 3,306,603 | 1,236,162 | 9,570,139 | | |
| Fuel Allocation to Forward Haul Transactions by Zone | | | | | | | | |
| | | | Zone 0 & 1 FH | | | | | |
| | | | (incl Zone 0 | | | | | |
| | | | Intrazone) | Zone 2 FH | Zone 3 FH | Total | | |
| 19 | Zone 0 & 1 Fuel Allocation | | | | | | | |
| 20 | Total Deliveries | Sch 4, row 34, cols (g)+ (l)+ (m), (n), (o) | 49,306,545 | 121,032,364 | 244,015,155 | 414,354,064 | | |
| 21 | Percent Allocation | row 21 item / row 21 total | 11.9% | 29.2% | 58.9% | 100.0% | | |
| 22 | Zone 0/1 Fuel Allocation | row 18, col (c) x row 21 | 598,238 | 1,468,490 | 2,960,646 | 5,027,374 | | |
| | | | Zone 2 From | | Zone 3 From | | | |
| | | | Zone 2 FH | Storage | Zone 3 FH | Storage | Total | |
| 23 | Zone 2 Fuel Allocation | | | | | | | |
| 24 | Total Deliveries | Sch 4, row 34, cols (n), (d), (o), (e) | | 121,032,364 | 12,201,864 | 244,015,155 | 26,310,883 | 403,560,266 |
| 25 | Percent Allocation | row 24 item / row 24 total | | 30.0% | 3.0% | 60.5% | 6.5% | 100.0% |
| 26 | Zone 2 Fuel Allocation | row 18, col (d) x row 28 | | 991,688 | 99,977 | 1,999,357 | 215,580 | 3,306,603 |
| | | | Zone 3 From | | Zone 3 From | | | |
| | | | | | Zone 3 FH | Storage | Total | |
| 27 | Zone 3 Fuel Allocation | | | | | | | |
| 28 | Total Deliveries | Sch 4, row 34, cols (o), (e) | | | 244,015,155 | 26,310,883 | 270,326,038 | |
| 29 | Percent Allocation | row 28 item / row 28 total | | | 90.3% | 9.7% | 100.0% | |
| 30 | Zone 3 Fuel Allocation | row 18, col (d) x row 29 | | | 1,115,846 | 120,316 | 1,236,162 | |
| 31 | Total Fuel Allocation | row 22 + row 26 + row 30 | 598,238 | 2,460,179 | 6,075,849 | | | |
| 32 | Total Deliveries | row 20 | 49,306,545 | 121,032,364 | 244,015,155 | | | |
| 33 | Required Receipts | row 31 + row 32 | 49,904,783 | 123,492,543 | 250,091,004 | | | |
| 34 | Fuel Retention Rate (Rounded) | row 31 / row 33 | 1.20% | 1.99% | 2.43% | | | |

Southern Natural Gas Company, L.L.C.
Receipt, Fuel, and Delivered Quantities By Fuel Retention Type

| Line No. | Month/Activity | Quantities Transported From Storage | | | | | Intra-Zone Transportation | | | | | Inter-Zone Forward Haul Transportation | | | | | Backhaul Transportation | | | | | No Fuel Pool-to-Pool 4/ | Total Transportation |
|----------|-------------------------|-------------------------------------|-----------|------------|------------|------------|---------------------------|------------|------------|------------|-------------|--|------------|-------------|-------------|-------------|-------------------------|---------|-----------|------------|------------|-------------------------|----------------------|
| | | Zone 0 | Zone 1 | Zone 2 | Zone 3 | Total | Zone 0 3/ | Zone 1 | Zone 2 | Zone 3 | Total | Zone 0 3/ | Zone 1 | Zone 2 | Zone 3 | Total | Zone 0 3/ | Zone 1 | Zone 2 | Zone 3 | Total | | |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) | (p) | (q) | (r) | (s) | (t) | (u) | (v) | (w) |
| 1 | October 2023 | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Receipt Quantity | 145,210 | 48,021 | 538,339 | 1,200,654 | 1,932,224 | 3,658,159 | 2,148,797 | 3,733,205 | 7,847,206 | 17,387,367 | 2,098,708 | 1,768,485 | 18,854,854 | 36,046,034 | 58,768,081 | 127,848 | 47,929 | 153,295 | 2,856,092 | 3,185,164 | 16,655,919 | 97,928,755 |
| 3 | Fuel Retained 1/ | 0 | 0 | 3,854 | 14,583 | 18,437 | 64,733 | 15,659 | 27,309 | 57,214 | 164,915 | 37,170 | 31,221 | 469,418 | 1,077,653 | 1,615,462 | 189 | 63 | 248 | 4,571 | 5,071 | 0 | 1,803,885 |
| 4 | Delivered Quantity | 145,210 | 48,021 | 534,485 | 1,186,071 | 1,913,787 | 3,593,426 | 2,133,138 | 3,705,896 | 7,789,992 | 17,222,452 | 2,061,538 | 1,737,264 | 18,385,436 | 34,968,381 | 57,152,619 | 128,037 | 47,992 | 153,543 | 2,860,663 | 3,180,093 | 16,655,919 | 96,124,870 |
| 5 | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | November 2023 | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Receipt Quantity | 82,636 | 124,544 | 1,306,629 | 3,227,977 | 4,741,786 | 3,517,685 | 2,771,579 | 3,208,508 | 6,039,828 | 15,537,600 | 2,193,403 | 1,100,385 | 22,320,152 | 39,457,454 | 65,071,395 | 130,099 | 126,505 | 28,136 | 2,990,513 | 3,275,253 | 13,526,363 | 102,152,397 |
| 8 | Fuel Retained 1/ | 0 | 0 | 9,390 | 39,366 | 48,756 | 62,235 | 20,192 | 23,405 | 44,018 | 149,850 | 38,827 | 19,416 | 555,817 | 1,179,595 | 1,793,655 | 209 | 210 | 45 | 4,792 | 5,256 | 0 | 1,997,517 |
| 9 | Delivered Quantity | 82,636 | 124,544 | 1,297,239 | 3,188,611 | 4,693,030 | 3,455,450 | 2,751,387 | 3,185,103 | 5,995,810 | 15,387,750 | 2,154,576 | 1,080,969 | 21,764,335 | 38,277,859 | 63,277,740 | 130,308 | 126,715 | 28,181 | 2,995,305 | 3,269,997 | 13,526,363 | 100,154,880 |
| 10 | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | December 2023 | | | | | | | | | | | | | | | | | | | | | | |
| 12 | Receipt Quantity | 496,087 | 189,323 | 3,447,038 | 4,989,548 | 9,121,996 | 3,722,486 | 3,338,172 | 2,929,533 | 9,482,876 | 19,473,067 | 3,415,053 | 1,496,884 | 22,286,039 | 45,157,101 | 72,355,077 | 171,678 | 77,708 | 8,244 | 4,231,882 | 4,489,512 | 11,299,903 | 116,739,555 |
| 13 | Fuel Retained 1/ | 0 | 0 | 24,834 | 60,797 | 85,631 | 65,900 | 24,354 | 21,380 | 69,211 | 180,845 | 60,450 | 26,401 | 554,893 | 1,350,237 | 1,991,981 | 272 | 134 | 13 | 6,764 | 7,183 | 0 | 2,265,640 |
| 14 | Delivered Quantity | 496,087 | 189,323 | 3,422,204 | 4,928,751 | 9,036,365 | 3,656,586 | 3,313,818 | 2,908,153 | 9,413,665 | 19,292,222 | 3,354,603 | 1,470,483 | 21,731,146 | 43,806,864 | 70,363,096 | 171,950 | 77,842 | 8,257 | 4,238,646 | 4,482,329 | 11,299,903 | 114,473,915 |
| 15 | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | January 2024 | | | | | | | | | | | | | | | | | | | | | | |
| 17 | Receipt Quantity | 1,130,216 | 5,896,203 | 9,432,844 | 16,459,263 | 4,247,773 | 2,887,649 | 2,984,717 | 11,384,907 | 21,505,046 | 4,392,534 | 2,276,974 | 22,224,303 | 46,768,824 | 75,662,634 | 213,680 | 130,207 | 380,394 | 4,815,676 | 5,539,957 | 11,487,924 | 130,654,824 | |
| 18 | Fuel Retained 1/ | 0 | 42,439 | 115,021 | 157,460 | 75,160 | 21,048 | 21,804 | 83,039 | 201,051 | 77,720 | 40,257 | 553,391 | 1,398,165 | 2,069,533 | 334 | 196 | 610 | 7,706 | 8,846 | 0 | 2,436,890 | |
| 19 | Delivered Quantity | #VALUE! | 1,130,216 | 5,853,764 | 9,317,823 | #VALUE! | 4,172,613 | 2,866,601 | 2,962,913 | 11,301,868 | 21,303,995 | 4,314,814 | 2,236,717 | 21,670,912 | 45,370,659 | 73,593,101 | 214,014 | 130,403 | 381,004 | 4,823,382 | 5,531,111 | 11,487,924 | 128,217,934 |
| 20 | | | | | | | | | | | | | | | | | | | | | | | |
| 21 | February 2024 | | | | | | | | | | | | | | | | | | | | | | |
| 22 | Receipt Quantity | 173,198 | 261,610 | 775,840 | 4,828,001 | 6,038,649 | 3,319,893 | 1,571,012 | 2,748,628 | 5,227,494 | 12,867,027 | 3,344,805 | 823,545 | 20,534,598 | 45,110,634 | 69,813,582 | 41,312 | 102,017 | 0 | 3,966,525 | 4,109,854 | 12,154,304 | 104,983,416 |
| 23 | Fuel Retained 1/ | 0 | 5,570 | 58,797 | 64,367 | 85,742 | 11,465 | 20,039 | 38,167 | 128,413 | 59,213 | 14,535 | 511,322 | 1,348,570 | 1,933,640 | 57 | 143 | 0 | 6,359 | 6,559 | 0 | 2,132,979 | |
| 24 | Delivered Quantity | 173,198 | 261,610 | 770,270 | 4,769,204 | 5,974,282 | 3,261,151 | 1,559,547 | 2,728,589 | 5,189,327 | 12,738,614 | 3,285,592 | 809,010 | 20,023,276 | 43,762,064 | 67,879,942 | 41,369 | 102,160 | 0 | 3,972,884 | 4,103,295 | 12,154,304 | 102,850,437 |
| 25 | | | | | | | | | | | | | | | | | | | | | | | |
| 26 | March 2024 | | | | | | | | | | | | | | | | | | | | | | |
| 27 | Receipt Quantity | 96,869 | 146,572 | 326,249 | 2,956,416 | 3,526,106 | 3,478,333 | 1,749,556 | 2,880,645 | 5,449,432 | 13,557,966 | 3,946,297 | 1,393,075 | 17,903,003 | 38,995,152 | 62,237,528 | 189,034 | 179,298 | 0 | 2,487,740 | 2,856,072 | 17,731,452 | 99,909,124 |
| 28 | Fuel Retained 1/ | 0 | 2,347 | 35,993 | 38,340 | 61,566 | 12,796 | 21,006 | 39,794 | 135,162 | 69,843 | 24,543 | 445,744 | 1,165,824 | 1,705,954 | 291 | 281 | 0 | 3,995 | 4,567 | 0 | 1,884,023 | |
| 29 | Delivered Quantity | 96,869 | 146,572 | 323,902 | 2,920,423 | 3,487,766 | 3,416,767 | 1,736,760 | 2,859,639 | 5,409,638 | 13,422,804 | 3,876,454 | 1,368,532 | 17,457,259 | 37,829,328 | 60,531,574 | 189,325 | 179,579 | 0 | 2,491,735 | 2,851,505 | 17,731,452 | 98,025,101 |
| 30 | | | | | | | | | | | | | | | | | | | | | | | |
| 31 | Total for Period | | | | | | | | | | | | | | | | | | | | | | |
| 32 | Receipt Quantity | 994,000 | 1,900,286 | 12,290,298 | 26,635,440 | 41,820,024 | 21,944,329 | 14,466,765 | 18,485,236 | 45,431,743 | 100,328,073 | 19,390,800 | 8,859,348 | 124,122,949 | 251,535,199 | 403,908,296 | 873,651 | 663,664 | 570,069 | 21,348,428 | 23,455,812 | 82,855,865 | 652,368,070 |
| 33 | Fuel Retained 1/ | 0 | 0 | 88,434 | 324,557 | 412,991 | 388,336 | 105,514 | 134,943 | 331,443 | 960,236 | 343,223 | 156,373 | 3,090,585 | 7,520,044 | 11,110,225 | 1,352 | 1,027 | 916 | 34,187 | 37,482 | 0 | 12,520,934 |
| 34 | Delivered Quantity | 994,000 | 1,900,286 | 12,201,864 | 26,310,883 | 41,407,033 | 21,555,993 | 14,361,251 | 18,350,293 | 45,100,300 | 99,367,837 | 19,047,577 | 8,702,975 | 121,032,364 | 244,015,155 | 392,798,071 | 875,003 | 664,691 | 570,985 | 21,382,615 | 23,418,330 | 82,855,865 | 639,847,136 |
| 35 | Fuel Retention Rate 2/ | 0.00% | 0.00% | 0.72% | 1.22% | 1.77% | 0.73% | 0.73% | 0.73% | 0.73% | 1.77% | 1.77% | 2.49% | 2.99% | 0.16% | 0.16% | 0.16% | 0.16% | 0.16% | 0.16% | 0.00% | | |

Notes:

- 1 - Total fuel retained was at the applicable maximum retention percentages in effect during the month. Any variance from the applicable fuel retention percentage is due to rounding to the nearest Dth on each of the underlying transactions. Excludes fuel retained for Elba Express Pipeline, LLC seamless service per GT&C Section 23.
- 2 - Quantities transported to storage include Zone 0 fuel. Quantities transported from storage included applicable zone-of-delivery fuel percentage less the Zone 0 fuel percentage. Any variance is attributable to rounding.
- 3 - Includes quantities transported to storage.
- 4 - Pool-to-pool transactions do not incur fuel.

Southern Natural Gas Company, L.L.C.
Transportation Fuel True-Up Determination

| Line No. | Particular | PPA 1/ | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 | Prior Balance 6/ | Total |
|----------|---|---------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) |
| 1 | Total Retained Fuel (dth) 2/ | | 1,803,885 | 1,997,517 | 2,265,640 | 2,436,890 | 2,132,979 | 1,884,023 | (754,917) | 11,766,017 |
| 2 | Fuel Used (dth) 3/ | 4,469 | 871,277 | 1,083,483 | 1,383,925 | 1,584,450 | 1,344,791 | 853,104 | | 7,125,499 |
| 3 | LAUF (dth) 4/ | | 81,683 | 77,928 | 103,796 | 315,577 | 139,101 | 73,998 | - | 792,083 |
| 4 | Net Over/(Under) Collection (dth) (line 1 minus line 2 minus line 3) | (4,469) | 850,925 | 836,106 | 777,919 | 536,863 | 649,087 | 956,921 | (754,917) | 3,848,435 |
| 5 | Electric Costs 5/ | | \$2,305,524 | \$2,743,293 | \$2,727,965 | \$3,738,235 | \$2,743,212 | \$1,777,298 | | \$16,035,526 |
| 6 | SNG Index Price 5/ | | \$2.95 | \$2.71 | \$2.61 | \$2.94 | \$1.85 | \$1.52 | | |
| 7 | Electric Costs in Dth (Fuel Use) | | 781,533 | 1,012,285 | 1,045,197 | 1,271,508 | 1,482,817 | 1,169,275 | | 6,762,615 |
| 8 | Total Transp. Over (Under) Collection With Electricity Included (dth) (line 4 minus line 7) | | 69,392 | (176,179) | (267,278) | (734,645) | (833,730) | (212,354) | (754,917) | (2,914,180) |

Sch 9, row 5, col (b)

Notes:

1 - Reflects PPA's booked after March 2023 applicable to period October 2022 through March 2023.

2 - See Schedule 4 for support

3 - See Schedule 7 for support

4 - See Schedule 6 for support

5 - See Schedule 8 for support

6 - Under-recovery amount from last winter's fuel filing in Docket No. RP23-975, Schedule 5; included in total retained amount per calculation specified in Section 35.3 of Southern Natural's General Terms and Conditions (i.e. similar to a deferred account)

Southern Natural Gas Company, L.L.C.
Support For LAUF Calculation

| Line No. | Month | Total Receipts 1/ | Total Deliveries 2/ | Lost and Unaccounted For (LAUF) Loss/(Gain) |
|----------|--|--------------------|---------------------|---|
| | (a) | (b) | (c) | (d) (b) - (c) |
| 1 | Oct-23 | 97,928,755 | 97,847,071 | 81,683 |
| 2 | Nov-23 | 102,152,397 | 102,074,468 | 77,928 |
| 3 | Dec-23 | 116,739,555 | 116,635,759 | 103,796 |
| 4 | Jan-24 | 130,654,824 | 130,339,247 | 315,577 |
| 5 | Feb-24 | 104,983,416 | 104,844,315 | 139,101 |
| 6 | Mar-24 | 99,909,124 | 99,835,126 | 73,998 |
| 7 | Total | 652,368,070 | 651,575,986 | 792,084 |
| 8 | LAUF Billing Determinants (Schedule 4, row 34; col (w) - col (b) - col(c)) | | | 636,952,850 |
| 9 | LAUF Retention Percentage (col (d); row 7/(row 7 + row 8)) | | | 0.12% |

Notes:

1 - From schedule 4

2 - Includes all storage activity whether customer activity or activity related to Southern's working storage, changes to line inventory, and compressor fuel consumed for operations.

Southern Natural Gas Company, L.L.C.
Compressor Fuel and Other Company Used Gas by Station and Zone
Base Period of October 1, 2023 through March 31, 2024

Attachment C
Schedule 7
Page 1 of 2

| Line No. | Zone | Compressor Location | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 | Total |
|----------|------|-----------------------------|----------------|------------------|------------------|------------------|------------------|----------------|------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| 1 | 0/1 | Bay Springs | 76,138 | 77,360 | 122,726 | 136,401 | 112,080 | 25,630 | 550,335 |
| 2 | 0/1 | Bienville | 8,732 | 9,033 | 9,189 | 9,030 | 8,432 | 8,715 | 53,131 |
| 3 | 0/1 | Franklinton | 37,226 | 36,404 | 45,417 | 49,996 | 49,659 | 41,805 | 260,507 |
| 4 | 0/1 | Gwinville | 81,533 | 92,396 | 99,077 | 104,518 | 94,031 | 70,921 | 542,476 |
| 5 | 0/1 | Louisville | 19,520 | 17,837 | 26,194 | 26,939 | 29,350 | 28,544 | 148,384 |
| 6 | 0/1 | Onward | 6,177 | 4,560 | 9,237 | 18,036 | 12,822 | 7,037 | 57,869 |
| 7 | 0/1 | Pearl River | 7,357 | 15,408 | 37,367 | 49,029 | 58,147 | 1,268 | 168,576 |
| 8 | 0/1 | Pickens | 14,362 | 14,821 | 17,187 | 16,151 | 13,995 | 3,077 | 79,593 |
| 9 | 0/1 | Rankin | 15,074 | 16,291 | 18,503 | 13,728 | 14,746 | 3,110 | 81,452 |
| 10 | 0/1 | SESH: Delhi & Gwinville | 123,946 | 136,262 | 144,808 | 134,380 | 120,511 | 181,081 | 840,988 |
| 11 | 0/1 | Shadyside | 23,176 | 19,018 | 18,397 | 23,455 | 21,429 | 23,864 | 129,339 |
| 12 | 0/1 | Toca | 19,963 | 24,409 | 38,011 | 30,167 | 28,668 | 12,193 | 153,411 |
| 13 | 0/1 | White Castle | 50,909 | 51,679 | 57,985 | 60,076 | 54,181 | 52,161 | 326,991 |
| 14 | 0/1 | Leaf/MS Hub Fuel | 20,977 | 4,071 | 12,835 | 12,447 | 15,457 | 6,785 | 72,572 |
| 15 | 0/1 | Fugitive Emissions | 8,993 | 9,535 | 10,044 | 9,527 | 9,518 | 9,545 | 57,163 |
| 16 | 0/1 | Other Company Used Gas | 8,212 | 9,550 | 7,613 | 7,290 | 24,943 | 7,533 | 65,141 |
| 17 | | Total Zone 0 & 1 | 522,295 | 538,634 | 674,590 | 701,170 | 667,969 | 483,269 | 3,587,928 |
| 18 | 2 | Sch 9, row 5, col (b) | 21,774 | 57,041 | 68,843 | 75,678 | 62,638 | 21,630 | 307,604 |
| 19 | 2 | Bell Mills | 5,900 | 11,136 | 10,622 | 18,505 | 10,080 | 8,813 | 65,056 |
| 20 | 2 | Dearmanville | 11,620 | 14,034 | 16,563 | 27,122 | 16,383 | 14,473 | 100,195 |
| 21 | 2 | Duncanville | 19 | 8 | 10 | 21 | 215 | 605 | 878 |
| 22 | 2 | Elmore | 846 | 12,621 | 23,133 | 35,463 | 16,748 | 2,869 | 91,680 |
| 23 | 2 | Enterprise | 111,572 | 131,539 | 143,020 | 150,163 | 127,378 | 117,579 | 781,251 |
| 24 | 2 | Gallion | 1,057 | 15,373 | 24,023 | 31,029 | 20,723 | 3,780 | 95,985 |
| 25 | 2 | McConnells | 0 | 0 | 8,970 | 14,902 | 2,974 | 6 | 26,852 |
| 26 | 2 | Pell City | 86 | 421 | 2 | 375 | 1 | 2 | 887 |
| 27 | 2 | Providence | 0 | 2,065 | 7,448 | 23,817 | 9,515 | 2,081 | 44,926 |
| 28 | 2 | Reform | 1,555 | 12,791 | 37,258 | 60,806 | 34,502 | 9,488 | 156,400 |
| 29 | 2 | Selma | 1,489 | 31,109 | 56,813 | 96,754 | 62,271 | 12,067 | 260,503 |
| 30 | 2 | Tarrant | 20,347 | 21,066 | 27,289 | 34,314 | 22,529 | 21,090 | 146,635 |
| 31 | 2 | York | 3,713 | 46,847 | 71,512 | 89,825 | 53,368 | 13,554 | 278,819 |
| 32 | 2 | Fugitive Emissions | 4,540 | 4,814 | 5,071 | 4,809 | 4,805 | 4,819 | 28,857 |
| 33 | 2 | Other Company Used Gas | 4,082 | 5,740 | 7,349 | 8,564 | 7,740 | 4,491 | 37,966 |
| 34 | | Total Zone 2 | 188,600 | 366,605 | 507,926 | 672,147 | 451,870 | 237,347 | 2,424,494 |
| 35 | 3 | Albany | 9,892 | 9,261 | 9,881 | 9,637 | 11,850 | 9,468 | 59,989 |
| 36 | 3 | Brookman | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 | 3 | Elba Express | 12,484 | 5,172 | 905 | 0 | 1,307 | 1,398 | 21,266 |
| 38 | 3 | Ellerslie | 11,113 | 14,365 | 17,486 | 31,484 | 22,995 | 14,377 | 111,820 |
| 39 | 3 | Hall Gate | 16,567 | 21,510 | 16,769 | 12,667 | 24,062 | 10,807 | 102,382 |
| 40 | 3 | Hilliard | 846 | 0 | 0 | 0 | 0 | 1 | 847 |
| 41 | 3 | Holy Trinity | 6,488 | 4,182 | 8,144 | 7,677 | 9,262 | 7,605 | 43,358 |
| 42 | 3 | Ocmulgee | 34,936 | 38,465 | 35,955 | 34,523 | 33,850 | 32,561 | 210,290 |
| 43 | 3 | Pavo | 98 | 99 | 69 | 104 | 3,647 | 370 | 4,387 |
| 44 | 3 | Riceboro | 5,740 | 732 | 0 | 0 | 256 | 3 | 6,731 |
| 45 | 3 | Rome | 9 | 3,591 | 1,467 | 12,680 | 4 | 0 | 17,751 |
| 46 | 3 | Thomaston | 26,051 | 42,521 | 71,212 | 74,282 | 72,685 | 33,421 | 320,172 |
| 47 | 3 | Wrens | 20,407 | 24,624 | 25,169 | 11,071 | 14,545 | 8,815 | 104,631 |
| 48 | 3 | Fugitive Emissions | 4,643 | 4,923 | 5,185 | 4,918 | 4,914 | 4,928 | 29,511 |
| 49 | 3 | Other Company Used Gas | 11,108 | 8,799 | 9,167 | 12,090 | 25,575 | 8,734 | 75,473 |
| 50 | | Total Zone 3 | 160,382 | 178,244 | 201,409 | 211,133 | 224,952 | 132,488 | 1,108,608 |
| 51 | | Total Fuel | 871,277 | 1,083,483 | 1,383,925 | 1,584,450 | 1,344,791 | 853,104 | 7,121,030 |

Southern Natural Gas Company, L.L.C.
Breakdown of Other Company Used Gas by Zone
Base Period of October 1, 2023 through March 31, 2024

Attachment C
Schedule 7
Page 2 of 2

| Line No. | Zone | Description | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 | Total |
|----------|------|--|---------------|--------------|--------------|---------------|---------------|--------------|---------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| 1 | 00 | SNG DOMESTIC NATCHITOCHE BIENVILLE | 312 | 302 | 312 | 313 | 292 | 313 | 1,844 |
| 2 | 00 | SNG DOMESTIC TOCA JEFFERSON | 156 | 150 | 156 | 157 | 145 | 157 | 921 |
| 3 | 00 | SNG/SNG BIENVILLE COMPRESSOR BLOWDOWN | 4 | 12 | 2 | 4 | 16 | 2 | 40 |
| 4 | 00 | SNG/SNG BIENVILLE COMPRESSOR ESD BI | | 14 | | | | | 14 |
| 5 | 00 | SNG/SNG FRANKLINTON COMPRESSOR BLOW | 1,499 | 2,008 | 807 | 213 | 553 | 833 | 5,913 |
| 6 | 00 | SNG/SNG LOGANSFORT COMPRESSOR BLOWD | | | 25 | 2 | | | 2 |
| 7 | 00 | SNG/SNG LOGANSFORT COMPRESSOR ESD D | | | | | | | 25 |
| 8 | 00 | SNG/SNG PIPELINE LOSS O&M 132 TOCA | 80 | 76 | 119 | 88 | 83 | 110 | 556 |
| 9 | 00 | SNG/SNG SHADYSIDE COMPRESSOR BLOWDOWN | 21 | 44 | 45 | 52 | 44 | 50 | 256 |
| 10 | 00 | SNG/SNG TOCA COMPRESSOR BLOWDOWNWN ST | 92 | 131 | 206 | 192 | 28 | 73 | 722 |
| 11 | 00 | SNG/SNG WHITE CASTLE COMPRESSOR BLO | 81 | 21 | 24 | 70 | 9 | 61 | 266 |
| 12 | | Total for Zone 0 | 2,245 | 2,758 | 1,696 | 1,091 | 1,170 | 1,599 | 10,559 |
| 13 | 01 | SNG DOMESTIC COLUMBUS WINSTON | 95 | 91 | 94 | 94 | 88 | 94 | 556 |
| 14 | 01 | SNG DOMESTIC HEIDELBERG JASPER | 3,381 | 3,275 | 3,385 | 3,379 | 3,156 | 3,374 | 19,950 |
| 15 | 01 | SNG DOMESTIC PERRYVILLE OUACHITA | | 1 | 3 | 8 | 6 | 2 | 20 |
| 16 | 01 | SNG/SNG BAY SPRINGS COMPRESSOR BLOW | 207 | 719 | 914 | 643 | 229 | 330 | 3,042 |
| 17 | 01 | SNG/SNG BAY SPRINGS COMPRESSOR ESD | | | | | | 354 | 354 |
| 18 | 01 | SNG/SNG ENTERPRISE COMPRESSOR BLOWD | 1,535 | 1,096 | 932 | 1,074 | 1,301 | 1,087 | 7,025 |
| 19 | 01 | Sch 9, row 5, col (b) | 340 | 245 | 170 | 501 | 240 | 330 | 1,826 |
| 20 | 01 | SNG/SNG GWINVILLE COMPRESSOR ESD JE | | | | | 403 | | 403 |
| 21 | 01 | SNG/SNG LOUISVILLE COMPRESSOR BLOWD | 124 | 99 | 137 | 118 | 128 | 114 | 720 |
| 22 | 01 | SNG/SNG LOUISVILLE COMPRESSOR ESD W | | 1,023 | | | | | 1,023 |
| 23 | 01 | SNG/SNG ONWARD COMPRESSOR BLOWDOWN | 3 | 22 | 16 | 4 | 19 | 10 | 74 |
| 24 | 01 | SNG/SNG P/L LOSS O&M 130 HEIDELBERG | | | | | 6,188 | | 6,188 |
| 25 | 01 | SNG/SNG PEARL RIVER COMPRESSOR BLOW | 4 | 25 | 47 | 80 | 30 | 8 | 194 |
| 26 | 01 | SNG/SNG PEARL RIVER COMPRESSOR ESD | | | | | 11,686 | | 11,686 |
| 27 | 01 | SNG/SNG PICKENS COMPRESSOR BLOWDOWN | 17 | 14 | 28 | 30 | 12 | 17 | 118 |
| 28 | 01 | SNG/SNG PIPELINE LOSS O&M 020 COLUM | 4 | | | | | 97 | 101 |
| 29 | 01 | SNG/SNG PIPELINE LOSS O&M 030 COLUM | | | 4 | | | | 4 |
| 30 | 01 | SNG/SNG RANKIN COMPRESSOR BLOWDOWN | 257 | 182 | 187 | 268 | 287 | 117 | 1,298 |
| 31 | | Total for Zone 1 | 5,967 | 6,792 | 5,917 | 6,199 | 23,773 | 5,934 | 54,582 |
| 32 | 02 | SNG DOMESTIC BIRMINGHAM JEFFERSON | 2,508 | 2,423 | 2,503 | 2,506 | 2,346 | 2,509 | 14,795 |
| 33 | 02 | SNG DOMESTIC MONTGOMERY ELMORE | 64 | 62 | 64 | 64 | 60 | 64 | 378 |
| 34 | 02 | SNG/SNG AUBURN COMPRESSOR BLOWDOWNWN | 353 | 402 | 534 | 538 | 323 | 232 | 2,382 |
| 35 | 02 | SNG/SNG BELL MILLS COMPRESSOR BLOWD | 20 | 11 | 2 | 10 | 5 | 6 | 54 |
| 36 | 02 | SNG/SNG DEARMANVILLE COMPRESSOR BLO | 573 | 741 | 263 | 682 | 635 | 187 | 3,081 |
| 37 | 02 | SNG/SNG ELMORE COMPRESSOR BLOWDOWNWN | 142 | 397 | 910 | 874 | 1,646 | 240 | 4,209 |
| 38 | 02 | SNG/SNG GALLION COMPRESSOR BLOWDOWNWN | 105 | 545 | 839 | 1,184 | 720 | 285 | 3,678 |
| 39 | 02 | SNG/SNG HOLY TRINITY COMPRESSOR BLO | 24 | 12 | | 9 | 8 | 14 | 67 |
| 40 | 02 | SNG/SNG MCCONNELLS COMPRESSOR BLOWD | | | 31 | 124 | 31 | 21 | 207 |
| 41 | 02 | SNG/SNG PELL CITY COMPRESSOR BLOWDOWN | 57 | 77 | | 37 | | 64 | 235 |
| 42 | 02 | SNG/SNG PROVIDENCE COMPRESSOR BLOWD | | 143 | 170 | 345 | 254 | 84 | 996 |
| 43 | 02 | SNG/SNG REFORM COMPRESSOR BLOWDOWNWN | 55 | 457 | 666 | 603 | 885 | 328 | 2,994 |
| 44 | 02 | SNG/SNG SELMA COMPRESSOR BLOWDOWNWN D | 135 | 279 | 844 | 942 | 424 | 179 | 2,803 |
| 45 | 02 | SNG/SNG TARRANT COMPRESSOR BLOWDOWNWN | | 4 | | 26 | 35 | 81 | 146 |
| 46 | 02 | SNG/SNG YORK COMPRESSOR BLOWDOWNWN SU | 46 | 187 | 523 | 620 | 368 | 197 | 1,941 |
| 47 | | Total for Zone 2 | 4,082 | 5,740 | 7,349 | 8,564 | 7,740 | 4,491 | 37,966 |
| 48 | 03 | SNG CHATTANOOGA HEATER FUEL HAMILTO | 192 | 247 | 285 | 308 | 285 | 295 | 1,612 |
| 49 | 03 | SNG DOMESTIC THOMASVILLE DOUGHERTY | 1,055 | 1,023 | 1,057 | 1,056 | 988 | 1,053 | 6,232 |
| 50 | 03 | SNG PLANT BRANDY BRANCH HEATER FUE | 6,436 | 4,757 | 3,958 | 5,390 | 5,668 | 2,615 | 28,824 |
| 51 | 03 | SNG/SNG ALBANY COMPRESSOR BLOWDOWNWN | 28 | 37 | 33 | 15 | 152 | 37 | 302 |
| 52 | 03 | SNG/SNG BROOKMAN COMPRESSOR BLOWDOWNWN | 20 | | 49 | | | 7 | 76 |
| 53 | 03 | SNG/SNG ELLERSLIE COMPRESSOR BLOWDOWN | 443 | 552 | 1,353 | 1,204 | 1,487 | 796 | 5,835 |
| 54 | 03 | SNG/SNG FAIRBURN COMPRESSOR BLOWDOWNWN | | 39 | 48 | | 15 | 140 | 242 |
| 55 | 03 | SNG/SNG HALL GATE COMPRESSOR BLOWDOWN | 763 | 613 | 958 | 1,184 | 819 | 925 | 5,262 |
| 56 | 03 | SNG/SNG HILLIARD COMPRESSOR BLOWDOWNWN | 81 | | | | | | 81 |
| 57 | 03 | SNG/SNG OCMULGEE COMPRESSOR BLOWDOWNWN | 431 | 479 | 352 | 680 | 647 | 333 | 2,922 |
| 58 | 03 | SNG/SNG PAVO COMPRESSOR BLOWDOWNWN BR | 10 | 13 | 26 | 24 | 25 | 11 | 109 |
| 59 | 03 | SNG/SNG PIPELINE LOSS O&M 060 ATLAN | 582 | | | | | | 582 |
| 60 | 03 | SNG/SNG PIPELINE LOSS O&M 160 SAVAN | | 7 | | 316 | 12,817 | | 13,140 |
| 61 | 03 | SNG/SNG RICEBORO COMPRESSOR BLOWDOWNWN | 100 | 57 | | | 61 | 2 | 220 |
| 62 | 03 | SNG/SNG ROME COMPRESSOR BLOWDOWNWN FL | | 44 | 23 | 99 | | | 166 |
| 63 | 03 | SNG/SNG SAVANNAH REG HTR FUEL CHATH | 386 | 364 | 382 | 1,002 | 2,232 | 2,177 | 6,543 |
| 64 | 03 | SNG/SNG THOMASTON COMPRESSOR BLOWDOWN | 230 | 352 | 355 | 240 | 12 | 222 | 1,411 |
| 65 | 03 | SNG/SNG WRENS COMPRESSOR BLOWDOWNWN J | 351 | 215 | 288 | 572 | 367 | 121 | 1,914 |
| 66 | | Total for Zone 3 | 11,108 | 8,799 | 9,167 | 12,090 | 25,575 | 8,734 | 75,473 |

Southern Natural Gas Company, L.L.C.
Electric Power Charge (EPC)

| Line No. | Item | Oct 2023 | Nov 2023 | Dec 2023 | Jan 2024 | Feb 2024 | Mar 2024 | Total |
|----------|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | Compressor Station | | | | | | | |
| 2 | Auburn | \$381,609 | \$512,286 | \$441,100 | \$521,036 | \$422,066 | \$259,763 | \$2,537,859 |
| 3 | Brookman | \$49,503 | \$5,395 | \$5,320 | \$5,968 | \$5,084 | \$5,071 | \$76,341 |
| 4 | Ellerslie | \$145,523 | \$145,349 | \$155,846 | \$488,431 | \$120,041 | \$73,378 | \$1,128,567 |
| 5 | Elmore | \$511,289 | \$410,353 | \$448,751 | \$597,578 | \$476,544 | \$326,349 | \$2,770,863 |
| 6 | Fairburn | \$182,894 | \$180,962 | \$205,968 | \$245,282 | \$163,729 | \$37,448 | \$1,016,283 |
| 7 | Gallion | \$517,029 | \$386,047 | \$460,907 | \$618,530 | \$488,747 | \$354,083 | \$2,825,343 |
| 8 | Pell City | \$3,506 | \$3,552 | \$3,556 | \$3,732 | \$3,638 | \$3,747 | \$21,731 |
| 9 | Selma | \$286,365 | \$551,177 | \$505,694 | \$547,163 | \$454,801 | \$307,568 | \$2,652,768 |
| 10 | Wrens | \$13,972 | \$15,157 | \$26,511 | \$166,325 | \$152,872 | \$159,810 | \$534,648 |
| 11 | York | \$213,834 | \$533,015 | \$474,311 | \$544,189 | \$455,691 | \$250,082 | \$2,471,122 |
| 12 | Total | \$2,305,524 | \$2,743,293 | \$2,727,965 | \$3,738,235 | \$2,743,212 | \$1,777,298 | \$16,035,526 |

Electric Power Cost for EPC Tracker

| | | | |
|----|---|---------------------|-----------------|
| 13 | Total Electric Power Costs | \$16,035,526 | row 12, col (h) |
| 14 | e-Dth Balance to be recovered | \$0 | Removed |
| 15 | Total Electric Power Cost for Rate | \$16,035,526 | |

Receipts for EPC Rate Determination

ch 9, row 5, col (b)

| | | | |
|----|--|--------------------|-------------------------------------|
| 16 | Total Receipts | 652,368,070 | sch 4, row 32, col (w) |
| 17 | Less No-Fuel Pooling Transactions | (82,855,865) | sch 4, row 32, col (v) |
| 18 | Less Zone 0/1 Quantities Received from Storage | (2,894,286) | sch 4, row 32, cols (b) + (c) |
| 19 | Less Backhaul Receipts | (23,455,812) | sch 4, row 32, col (u) |
| 20 | Less Intra-Zone 1,2, and 3 Receipts | (78,383,744) | sch 4, row 32, cols (h) + (i) + (j) |
| 21 | Receipts for EPC Rate 1/ | 464,778,363 | |

| | EPC Rate Determination | Total Receipts | Adjusted Receipts 2/ | EPC Allocation Ratio | EPC Allocation | EPC Rate |
|----|--|--------------------|----------------------|----------------------|---------------------|----------|
| 22 | EPC Surcharge - Inter-zone Forward haul | 464,778,363 | 464,778,363 | 96.0% | \$15,386,790 | \$0.0331 |
| 23 | EPC Surcharge - Intra-Zone 1,2, and 3 Receipts | 78,383,744 | 19,595,936 | 4.0% | \$648,736 | \$0.0083 |
| | Total | 543,162,107 | 484,374,299 | 100.0% | \$16,035,526 | |

Notes:

1 - Same transaction set that would have been applicable to e-Dth mechanism.

2 - 23.7% of EPC throughput to be consistent with methodology used for intra-zone rate in RP09-427 settlement and subsequent fuel filings.

Southern Natural Gas Company, L.L.C.
Determination of Storage Fuel Allocated to Transportation Services
(From Summer Fuel Filing in Docket No. RP24-497)

| Line No. | Item | | Quantity |
|----------|--|--------------------------------|-----------|
| | (a) | | (b) |
| 1 | Storage fuel used for 12 months ending 12/23 | RP24-497, App B, Sch 14, Row 1 | 700,435 |
| 2 | Storage over-collection from 1/23 -12/23 | RP24-497, App B, Sch 14, Row 2 | 141,297 |
| 3 | Total storage fuel | row 1 + row 2 | 841,732 |
| 4 | Fuel Allocated to Transportation Services | RP24-497, App B, Sch 14, Row 4 | (111,950) |
| 5 | Allocation to transportation services - Winter | row 4 x 50% | (55,975) |

ATTACHMENT D

CLEAN VERSION OF *PRO FORMA* TARIFF SECTIONS

CONTESTING PARTY RATES 3/
FIRM TRANSPORTATION SERVICES (FT)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|----------|----------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$5.71 | \$6.45 | \$9.65 | \$12.77 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1877 | \$.2121 | \$.3173 | \$.4198 |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|---------------------------------------|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>RECEIPT ZONE</u> | | | | |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

| | | | | |
|--|-------|-------|-------|-------|
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

| | | | | |
|--------------------------------|--------|--------|--------|--------|
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Small Shipper Backhaul
Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Fuel Retention (Winter Period: October – March)

| | | | | |
|---|-------|-------|-------|-------|
| Forward Haul Fuel, Used & Unaccounted For | 1.32% | 1.32% | 2.11% | 2.55% |
| Intrazone Fuel, Used & Unaccounted For | 1.32% | 0.74% | 0.74% | 0.74% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|------------------|----------|----------|----------|----------|
| Forward Haul EPC | \$0.0331 | \$0.0331 | \$0.0331 | \$0.0331 |
| Intrazone EPC | \$0.0331 | \$0.0083 | \$0.0083 | \$0.0083 |
| Backhaul EPC | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 for all Contesting Parties as defined in the Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

SETTLEMENT RATES 3/
FIRM TRANSPORTATION SERVICES (FT)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|---|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$4.67 | \$5.28 | \$7.90 | \$10.46 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1535 | \$.1736 | \$.2597 | \$.3439 |
| <u>2016 Expansion Reservation Charge (Dth) 1/ 5/</u> | | | | |
| <u>Maximum:</u> | | | | \$13.03 |
| <u>Minimum:</u> | | | | \$0.00 |
| <u>Maximum Daily Volumetric Capacity Release Rates 2/</u> | | | | \$.4284 |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>RECEIPT ZONE</u> | | | | |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | 3.90¢ | 5.00¢ | 5.60¢ |
| Zone 1 | 3.50¢ | 2.50¢ | 3.70¢ | 4.30¢ |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | 4.00¢ |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | N/A | N/A | N/A |
| Zone 1 | 3.50¢ | 2.50¢ | N/A | N/A |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | N/A |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |

| | | | | |
|--------|--------|--------|-------|--------|
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

Small Shipper Charge 4/

Maximum: 39.20¢ 44.50¢ 59.10¢ 78.50¢

Minimum: 0.500¢ 0.700¢ 2.10¢ 2.90¢

Small Shipper Backhaul Charge 4/

Maximum: 39.20¢ 44.50¢ 59.10¢ 78.50¢

Minimum: 0.500¢ 0.700¢ 2.10¢ 2.90¢

Fuel Retention (Winter Period: October - March)

Forward Haul Fuel, Used & Unaccounted For 1.32% 1.32% 2.11% 2.55%

Intrazone Fuel, Used & Unaccounted For 1.32% 0.74% 0.74% 0.74%

Backhaul Fuel, Used & Unaccounted For 0.16% 0.16% 0.16% 0.16%

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

Forward Haul EPC \$0.0331 \$0.0331 \$0.0331 \$0.0331

Intrazone EPC \$0.0331 \$0.0083 \$0.0083 \$0.0083

Backhaul EPC \$0.0000 \$0.0000 \$0.0000 \$0.0000

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

SOUTHERN NATURAL GAS COMPANY,
L.L.C.

2.1.1.

FERC Tariff
Eighth Revised Volume No. 1

Statement of Rates
FT Settlement
43.0.1

ACA Surcharge:

See Section 28 of the General Terms and
Conditions.

5/ Applicable to services provided pursuant to the expansion authorized under Docket No. CP14-493-000, et. al.

Issued on:

Effective on:

CONTESTING PARTY RATES 3/
FIRM TRANSPORTATION SERVICES - NO NOTICE(FT-NN)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|----------|----------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$5.71 | \$6.45 | \$9.65 | \$12.77 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1877 | \$.2121 | \$.3173 | \$.4198 |
| <u>RECEIPT ZONE</u> | | | | |
| | Production Area | <u>DELIVERY ZONE</u> | | |
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Small Shipper Backhaul
Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Fuel Retention (Winter Period: October - March)

| | | | | |
|---|-------|-------|-------|-------|
| Forward Haul Fuel, Used & Unaccounted For | 1.32% | 1.32% | 2.11% | 2.55% |
| Intrazone Fuel, Used & Unaccounted For | 1.32% | 0.74% | 0.74% | 0.74% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|------------------|----------|----------|----------|----------|
| Forward Haul EPC | \$0.0331 | \$0.0331 | \$0.0331 | \$0.0331 |
| Intrazone EPC | \$0.0331 | \$0.0083 | \$0.0083 | \$0.0083 |
| Backhaul EPC | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 for all Contesting Parties as defined in the Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions

SETTLEMENT RATES 3/
FIRM TRANSPORTATION SERVICES - NO NOTICE(FT-NN)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|----------|----------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$4.67 | \$5.28 | \$7.90 | \$10.46 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1535 | \$.1736 | \$.2597 | \$.3439 |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|---------------------------------------|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>RECEIPT ZONE</u> | | | | |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | 3.90¢ | 5.00¢ | 5.60¢ |
| Zone 1 | 3.50¢ | 2.50¢ | 3.70¢ | 4.30¢ |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | 4.00¢ |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | N/A | N/A | N/A |
| Zone 1 | 3.50¢ | 2.50¢ | N/A | N/A |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | N/A |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--------------------------------|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |

Small Shipper
Backhaul Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |

Fuel Retention (Winter Period: October – March)

| | | | | |
|---|-------|-------|-------|-------|
| Forward Haul Fuel, Used & Unaccounted For | 1.32% | 1.32% | 2.11% | 2.55% |
| Intrazone Fuel, Used & Unaccounted For | 1.32% | 0.74% | 0.74% | 0.74% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|------------------|----------|----------|----------|----------|
| Forward Haul EPC | \$0.0331 | \$0.0331 | \$0.0331 | \$0.0331 |
| Intrazone EPC | \$0.0331 | \$0.0083 | \$0.0083 | \$0.0083 |
| Backhaul EPC | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

Contesting Party Rates 3/
Interruptible Transportation Service

| <u>RECEIPT ZONE</u> | <u>DELIVERY ZONE</u> | | | |
|--|----------------------|----------|----------|----------|
| | Production Area | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 22.90¢ | 25.70¢ | 37.60¢ | 48.60¢ |
| Zone 1 | 22.90¢ | 11.20¢ | 23.10¢ | 34.20¢ |
| Zone 2 | 22.90¢ | 11.20¢ | 20.50¢ | 31.60¢ |
| Zone 3 | 22.90¢ | 11.20¢ | 20.50¢ | 19.30¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Backhaul Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 22.90¢ | N/A | N/A | N/A |
| Zone 1 | 22.90¢ | 11.20¢ | N/A | N/A |
| Zone 2 | 22.90¢ | 11.20¢ | 20.50¢ | N/A |
| Zone 3 | 22.90¢ | 11.20¢ | 20.50¢ | 19.30¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Fuel Retention (Winter Period: October - March)</u> | | | | |
| Forward Haul Fuel, Used & Unaccounted For | 1.32% | 1.32% | 2.11% | 2.55% |
| Intrazone Fuel, Used & Unaccounted For | 1.32% | 0.74% | 0.74% | 0.74% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |
| <u>Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)</u> | | | | |
| Forward Haul EPC | \$0.0331 | \$0.0331 | \$0.0331 | \$0.0331 |
| Intrazone EPC | \$0.0331 | \$0.0083 | \$0.0083 | \$0.0083 |

SETTLEMENT RATES 3/
Interruptible Transportation Service

| <u>RECEIPT_ZONE</u> | <u>DELIVERY_ZONE</u> | | | |
|--|----------------------|----------|----------|----------|
| | Production Area | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 19.60¢ | 22.00¢ | 32.20¢ | 41.60¢ |
| Zone 1 | 19.60¢ | 9.60¢ | 19.80¢ | 29.30¢ |
| Zone 2 | 19.60¢ | 9.60¢ | 17.60¢ | 27.00¢ |
| Zone 3 | 19.60¢ | 9.60¢ | 17.60¢ | 16.50¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |
| <u>Backhaul Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 19.60¢ | N/A | N/A | N/A |
| Zone 1 | 19.60¢ | 9.60¢ | N/A | N/A |
| Zone 2 | 19.60¢ | 9.60¢ | 17.60¢ | N/A |
| Zone 3 | 19.60¢ | 9.60¢ | 17.60¢ | 16.50¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |
| <u>Fuel Retention (Winter Period: October - March)</u> | | | | |
| Forward Haul Fuel, Used & Unaccounted For | 1.32% | 1.32% | 2.11% | 2.55% |
| Intrazone Fuel, Used & Unaccounted For | 1.32% | 0.74% | 0.74% | 0.74% |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |
| <u>Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)</u> | | | | |
| Forward Haul EPC | \$0.0331 | \$0.0331 | \$0.0331 | \$0.0331 |
| Intrazone EPC | \$0.0331 | \$0.0083 | \$0.0083 | \$0.0083 |

| | | | | |
|--------------|----------|----------|----------|----------|
| Backhaul EPC | \$0.0000 | \$0.0000 | \$0.0000 | \$0.0000 |
|--------------|----------|----------|----------|----------|

1/ The surcharges applicable to service under Rate Schedule IT and Supply Pool Balancing Agreement include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported.

2/ Surcharges applicable to service under Rate Schedule IT.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of all surcharges.

TRANSPORTATION RATES FOR
LIQUIDS AND LIQUEFIABLES 3/

Liquefiabiles 1/

For production from wells connected on or before December 31, 1981:

- 4.5¢ per Dth per 100 miles prorated to the actual mileage 2/

For production from wells connected on or after January 1, 1982:

- 10.25¢ per Dth per 100 miles of offshore transportation prorated to the actual mileage offshore, plus
- 3.1¢ per Dth per 100 miles of onshore transportation prorated to the actual mileage onshore

Liquids

For production from wells connected on or before December 31, 1981:

- 55.0¢ per barrel
- 11.0¢ per barrel for service of 20 miles or less from receipt point to removal point

For production from wells connected on or after January 1, 1982:

- \$1.025 per barrel if any part of the service is offshore
- 31.0¢ per barrel if the service is onshore
- 20% of the applicable offshore or onshore rate for service of 20 miles or less from receipt point to removal point

Fuel Retention:

| | |
|--|-------|
| Forward Haul & Intrazone Fuel, Used & Unaccounted For | 1.32% |
| Backhaul Fuel, Used & Unaccounted For | .16% |

1/ Surcharges applicable to Transportation Rates for Liquids and Liquefiabiles.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ Based on a Btu content of 1,000 Btu per cubic foot.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP09-427 for all Contesting Parties as defined in the Settlement.

SETTLEMENT RATES 3/
TRANSPORTATION RATES FOR LIQUIDS AND LIQUEFIABLES

Liquefiabiles 1/

For production from wells connected on or before December 31, 1981:

- 4.5¢ per Dth per 100 miles prorated to the actual mileage 2/

For production from wells connected on or after January 1, 1982:

- 10.25¢ per Dth per 100 miles of offshore transportation prorated to the actual mileage offshore, plus
- 3.1¢ per Dth per 100 miles of onshore transportation prorated to the actual mileage onshore

Liquids

For production from wells connected on or before December 31, 1981:

- 55.0¢ per barrel
- 11.0¢ per barrel for service of 20 miles or less from receipt point to removal point

For production from wells connected on or after January 1, 1982:

- \$1.025 per barrel if any part of the service is offshore
- 31.0¢ per barrel if the service is onshore
- 20% of the applicable offshore or onshore rate for service of 20 miles or less from receipt point to removal point

Fuel Retention:

| | |
|--|-------|
| Forward Haul & Intrazone Fuel, Used & Unaccounted For | 1.32% |
| Backhaul Fuel, Used & Unaccounted For | .16% |

1/ Surcharges applicable to Transportation Rates for Liquids and Liquefiabiles.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ Based on a Btu content of 1,000 Btu per cubic foot.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP09-427 applicable to all Supporting and Non-Opposing Parties as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP09-427 Settlement.

RATE SCHEDULE FT
Firm Transportation Service

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on a firm basis from Southern Natural Gas Company ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable hereto; and
 - (iii) SHIPPER and COMPANY have executed a Firm Transportation Service Agreement ("FT Agreement") for service under this Rate Schedule.

SHIPPER may combine packages of capacity, including capacity acquired under Section 22 of the General Terms and Conditions, under a master FT Agreement and the Exhibit "B" to said FT Agreement shall state the term, quantity, and Delivery Points associated with each package of capacity; and, if applicable, the months such quantities are available to SHIPPER. However, COMPANY may request that a package of capacity be contracted under a separate FT Agreement if needed to accurately track, schedule or bill such package of capacity.

SHIPPER may also designate a party to act as agent for multiple shippers under any FT Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the FT Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule except that COMPANY shall construct and install facilities necessary to deliver gas directly to an end user if SHIPPER meets the requirements set out in Section 36 of the General Terms and Conditions. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all shippers on a non-discriminatory basis.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to firm transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule.

Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.

- (b) The receipt of gas for transportation services performed under this Rate Schedule shall be:
- (i) on a firm basis for those Receipt Points specified on Exhibit A to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 15.3, and 16 of the General Terms and Conditions;
 - (ii) on a preferred interruptible basis for those Receipt Points specified on Exhibit A-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Receipt of gas under this Rate Schedule at the Exhibit A-1 Receipt Points shall have a priority over the receipt of gas for COMPANY'S interruptible services and shall have a priority subordinate to the receipt of gas at Receipt Points specified on Exhibit A to the Service Agreements under this Rate Schedule and Rate Schedule FT-NN and other firm transportation services. Receipt of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit A-1 Receipt Points in the Service Agreement's Primary Path shall have a priority over the receipt of gas at Exhibit A-1 Receipt Points outside of the Service Agreement's Primary Path; and
 - (iii) on an interruptible basis if nominated by Shipper as Authorized Overrun subject to the provisions in Sections 8.3, 12.3 (b), and 16 of the General Terms and Conditions.
- (c) The transportation of the gas received by COMPANY for SHIPPER'S account under this Rate Schedule and the delivery of such gas to the Delivery Points shall be:
- (d) on a firm basis along the Primary Path for those Delivery Points specified on Exhibit B to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 12.3(b), 15.3, and 16 of the General Terms and Conditions. Firm transportation services under this Rate Schedule shall have a comparable priority with firm transportation under Rate Schedule FT-NN and other firm transportation services and shall have priority over all of COMPANY'S interruptible services.
- on a preferred interruptible basis for those Delivery Points specified on Exhibit B-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Delivery of gas under this Rate Schedule at Exhibit B-1 Delivery Points shall be on a preferred interruptible basis and shall have a priority over the delivery of gas for COMPANY'S interruptible services and a priority subordinate to the delivery of gas at the Delivery Points specified on Exhibit B to the Service Agreements under this Rate Schedule and Rate Schedule FT-NN and deliveries under other firm transportation services. Delivery of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit B-1 Delivery Points in the Service Agreement's Primary Path shall have a priority over the delivery of gas at Exhibit B-1 Delivery Points outside of the Service Agreement's Primary Path; and
- (i) on an interruptible basis if nominated by Shipper as Authorized Overrun subject to the provisions of Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (e) Transportation service provided under this Rate Schedule shall be limited to SHIPPER'S Transportation Demand specified in the Service Agreement, subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, unless SHIPPER nominates and

COMPANY schedules Authorized Overrun under SHIPPER's firm Service Agreement. SHIPPER shall pay the Authorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Authorized Overrun gas allocated within a rate zone to SHIPPER'S Service Agreement on any day pursuant to the provisions of Section 13 of the General Terms and Conditions. Subject to the segmentation provisions set forth in Section 12.1(l)(3) of the General Terms and Conditions and the provisions for nominating and scheduling Authorized Overrun in the preceding sentence, it is provided that, if Unauthorized Overrun gas within a rate zone is allocated to SHIPPER'S Service Agreement under this Rate Schedule on any day pursuant to the allocation procedures set out in Section 13 of the General Terms and Conditions, SHIPPER shall pay the Unauthorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Unauthorized Overrun gas plus applicable penalties under Section 41 of the General Terms and Conditions of this Tariff.

3. RATES AND CHARGES

- (a) Unless SHIPPER is eligible for the volumetric rate election set forth in Section 3(b) below, SHIPPER shall pay COMPANY the sum of the following for transportation services rendered for SHIPPER each month under this Rate Schedule:
- (i) Reservation Charge: The applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the Transportation Demand (TD).
- (A) Reservation Charge Credit:
- (1) In the event COMPANY is unable to make deliveries of the quantity of gas to which SHIPPER has firm entitlements on any day at primary Delivery Point(s) under this firm Rate Schedule, then the applicable Reservation Charge shall be credited to SHIPPER for such day, except as provided in Section 3(a)(i)(A)(1), 3(a)(i)(A)(2), 3(a)(i)(B), and 3(a)(i)(C) below. Such credit shall be applied to the lesser of (i) the applicable MDDQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Delivery Point immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDDQ; or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or deliver solely as a result of COMPANY's inability to make deliveries as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (B-1) Delivery Point instead of its primary (B) Delivery Point when COMPANY is unable to make deliveries at SHIPPER's primary Delivery Point; (x) to the extent deliveries cannot be made to a Delivery Point on a secondary (B-1) basis and deliveries can be made to SHIPPER's primary Delivery Point(s); (y) to the extent the affected firm MDDQ has been released under Section 22 of the General Terms and Conditions to Delivery Points other than the affected primary Delivery Point; and/or (z) to the extent there are

limitations at firm Receipt Points but COMPANY's ability to make deliveries at Shipper's primary Delivery Point(s) as provided above has not been limited. However, when such delivery point restriction does occur and SHIPPER nominates quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (2) In the event all of SHIPPER'S primary Delivery Point(s) are interstate pipeline interconnection(s) or in the event SHIPPER's primary Receipt Point is the interconnection with Southern LNG at its Elba Island LNG terminal, then SHIPPER may elect, at the time the Service Agreement is executed, or, for existing contracts, at the time the Stipulation and Agreement in Docket No. RP04-523 becomes effective, for the reservation charge credit to apply at SHIPPER's primary Receipt Point(s) instead of its primary Delivery Point(s), in the event COMPANY is unable to receive at such Receipt Point(s) the quantity of gas to which SHIPPER has firm entitlements on any day. Such credit shall be applied to the lesser of (i) the applicable MDRQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Receipt Point(s) immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDRQ or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or receive solely as a result of COMPANY's inability to receive gas as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (A-1) Receipt Point or a Pool Location instead of its primary (A) Receipt Point when COMPANY is unable to receive gas from SHIPPER's primary Receipt Point; (x) to the extent gas cannot be received at a Receipt Point on a secondary (A-1) basis and receipts can be accepted at SHIPPER's primary firm Receipt Point(s); (y) to the extent the affected firm MDRQ has been released under Section 22 of the General Terms and Conditions to Receipt Points other than the affected primary Receipt Point; and/or (z) to the extent there are limitations at firm Delivery Points but COMPANY's ability to accept receipts at SHIPPER's primary Receipt Point(s) has not been limited. However, when such receipt point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (B) COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to deliver gas to SHIPPER as provided above in (A)(1) results from (1) the conduct or operations of SHIPPER or the downstream point operator of the facilities at a primary firm Delivery Point including, but not limited to, damage or malfunction of the downstream point operator's facilities or the inability of the downstream point operator to receive gas at SHIPPER's contract delivery pressure or COMPANY's mainline pressure; (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x); or (3) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the point operator's facilities in (1) or (3) above where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in (2) above, until such time that COMPANY's facilities are ready to be placed back in service.
- (C) In the case of the election pursuant to Section 3(a)(i)(A)(2), COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to receive gas from SHIPPER as provided above in (A)(2) results from (1) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the upstream point operator's facilities in this subparagraph (C)(1) where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in subparagraph (C)(2) below, until such time that COMPANY's facilities are ready to be placed back in service; or (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x).
- (ii) Transportation Charge: Except as provided in Section 3(a)(iii) below, the applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account up to SHIPPER'S Transportation Demand in effect each day. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.
- (iii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points under its FT Service Agreement, SHIPPER shall pay the sum of (A) the Transportation Charge in Section 2.1 or 2.1.1 to the zone of SHIPPER'S Exhibit B Delivery Points and (B) the maximum Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point, multiplied times the

quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. These rates shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (b) Each SHIPPER that qualifies to pay a volumetric transportation rate (Small Shipper Charge) for services under this Rate Schedule as of March 1, 2000, will pay the rates set forth in Section 3(c) below.

Any Existing Small Shippers that do not elect to convert to two-part firm transportation service by the Election Deadline shall execute new firm transportation agreements with COMPANY subject to the Small Shipper Charge by the Election Deadline and such agreements shall contain the following seasonal firm contract quantities. For the months of November - March, the Transportation Demand shall be the same as SHIPPER'S current Transportation Demand subject to the Small Shipper Charge. For the months of April - October, the Transportation Demand shall be reduced to no greater than the highest peak day delivery for each month under the Small Shipper agreement, including deliveries to storage, computed over the last three years ending March 31, 1999, unless Southern Natural agrees otherwise. The difference between SHIPPER'S current Small Shipper Transportation Demand and its reduced Transportation Demand hereunder can be reinstated on 12 months prior written notice if and to the extent the Existing Small Shipper can provide data demonstrating its need to reinstate its Transportation Demand for any month.

- (c) If SHIPPER qualifies to pay a volumetric transportation rate under Section 3(b) above, SHIPPER shall pay COMPANY the following for transportation services rendered for SHIPPER each month under this Rate Schedule:

- (i) Small Shipper Charge: The applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the quantities of gas delivered for SHIPPER'S account each day during the month up to the SHIPPER'S total Transportation Demand. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These charges shall not apply to deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, but it shall be charged on the transportation of gas from said account(s).
- (ii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay, in addition to the Small Shipper Charge for the zone of SHIPPER'S Exhibit B Delivery Points, the maximum applicable Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. This charge shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (d) The rates which are stated in the currently effective Section 2.1 or 2.1.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rate to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period of any such discount shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The

rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.1 or 2.1.1.

- (e) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:
- (i) Authorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas scheduled for delivery in excess of the SHIPPER'S firm Transportation Demand, by (b) the applicable rate set forth in the currently effective Rate Section 2.3 or 2.3.1 for the scheduled zones of receipt and delivery.
 - (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
 - (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
 - (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.
 - (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
 - (vi) Fuel and EPC charges: A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas, and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.1 or 2.1.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area

deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY'S contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.

- (vii) Unauthorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas taken by SHIPPER that is not scheduled and is in excess of the SHIPPER'S firm Transportation Demand, by (b) the maximum recourse transportation charge from the Production Area rate zone to the applicable zone of delivery under Rate Section 2.3 or 2.3.1.

4. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

5. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation. Notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY four (4) calendar days' written notice of any change to this information). In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures. SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

6. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point ("Interconnection Facilities"). Interconnection Facilities consist of the facilities at the physical interconnection between the facilities of COMPANY and the facilities of the upstream or downstream facility owner. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the entire cost to COMPANY thereof, COMPANY will construct and install, or cause to be constructed and installed, or will modify, or cause to be modified, Interconnection Facilities; provided that,

- (i) the proposed Interconnection Facilities do not adversely affect Southern's operations;

- (ii) the proposed Interconnection Facilities and the associated transportation service to or from the interconnection do not diminish service to any of Southern's shippers;
- (iii) the proposed Interconnection Facilities do not cause Southern to violate or be in violation of any applicable environmental or safety laws, permits or regulations; and/or
- (iv) the proposed Interconnection Facilities do not conflict with or cause Southern to be in violation of its rights-of-way agreements or any other contractual obligation.

In the event SHIPPER does not agree to pay the costs of installing or modifying the Interconnection Facilities, COMPANY will construct or modify such facilities on a nondiscriminatory basis for similarly situated SHIPPERS if the construction or modification of such Interconnection Facilities is economically feasible and the conditions listed above in (i) -(iv) are met. Construction or modification is economically feasible if the proposed transportation service to be provided through the Interconnection Facilities is revenue positive to COMPANY. The proposed transportation service to be provided through said Interconnection Facilities will be deemed revenue positive if the transportation service produces a net revenue gain. The net revenue gain requirement will be met if

- (a) the total revenues generated over the term of SHIPPER's Service Agreement for the service provided through the new facilities exceed the cost of service of said facilities for the greater of
 - (i) ten years or
 - (ii) the term of SHIPPER's Service Agreement for the service provided through the new facilities and the SHIPPER extends the terms of its existing Service Agreement(s) with COMPANY for a period commensurate with that of its new Service Agreement; provided however, that
 - (1) SHIPPER does not have to extend the remaining term of an existing Service Agreement if said term already exceeds the term of its new Service Agreement, and
 - (2) if the net revenue gain requirement is met over a period less than the term of the new Service Agreement, SHIPPER need extend the term of its existing Service Agreement(s) only for a term commensurate with that shorter period; or
- (b) COMPANY determines that the construction of the facilities will avoid a significant reduction in revenue when comparing the cost of the construction to the projected amount of revenue which would be lost as a result of a SHIPPER's exercising a right to reduce its firm transportation quantity or as a result of a SHIPPER's failing to extend or renew its existing Service Agreement(s); or
- (c) the total costs of construction or modification of such facilities is less than the cost of replacing, repairing, or continuing to operate COMPANY's existing facilities.

As used in this provision, the term "cost of service," includes, but is not limited to:

- (1) a return on all costs associated with the construction of the facilities, including overhead and taxes;
- (2) incremental operating and maintenance expenses;
- (3) depreciation and amortization of expenses; and
- (4) incremental tax expenses.

It is understood and agreed that, if COMPANY pays for the cost of constructing the Interconnection Facilities, title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system. It is also understood and agreed that, if the requesting SHIPPER chooses to incur the costs of constructing the Interconnection Facilities, then COMPANY will build and operate at least the tap and SCADA portion of the facilities at the SHIPPER's expense with other portions of the constructed facilities to be built and operated by the requesting SHIPPER or on behalf of the requesting SHIPPER at the SHIPPER's expense. The Interconnection Facilities built and operated by the requesting SHIPPER or on behalf of the requesting SHIPPER shall be built and operated in accordance with COMPANY'S reasonable specifications and subject to COMPANY'S inspection at the requesting SHIPPER'S expense; provided, however, such inspection shall not include SHIPPER's facilities upstream or downstream of the Interconnection Facilities. COMPANY inspections of measuring equipment shall be performed consistent with Section 5 of the General Terms and Conditions.

Where COMPANY competes for transportation of gas under this Rate Schedule, conditions may be such that it is more favorable for SHIPPER to construct, own and operate certain facilities at or near a Receipt Point or Delivery Point. In such case, COMPANY may make a contribution in aid of construction ("CIAC") for such facilities. A CIAC made pursuant to this Section 6 shall not exceed an amount that would constitute an economically feasible investment for facilities constructed, owned, and operated by COMPANY. COMPANY shall make CIACs pursuant to this provision on a nondiscriminatory basis for similarly situated shippers.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof. If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, the firm contract quantities for each firm package of capacity under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract TD, MDDQ and MDRQ in Mcf times 1.021 Dth/Mcf. COMPANY shall provide SHIPPER new contract numbers for each Service Agreement and each firm package of capacity prior to or on such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by SHIPPER.

RATE SCHEDULE FT-NN
Firm Transportation Service - No Notice

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on a firm basis from Southern Natural Gas Company ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has elected to convert a portion of its bundled firm sales service from COMPANY to service under this Rate Schedule as of the effective date hereof;
 - (iii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable to this Rate Schedule;
 - (iv) SHIPPER and COMPANY have executed a Service Agreement for service under Rate Schedule CSS providing for a Maximum Daily Withdrawal Quantity equal to or in excess of the Transportation Demand to be provided under this Rate Schedule; and
 - (v) SHIPPER and COMPANY have executed a Service Agreement ("FT-NN Agreement") for service under this Rate Schedule.

SHIPPER may combine packages of capacity, including capacity acquired under Section 22 of the General Terms and Conditions, under a master FT-NN Agreement and the Exhibit "B" to said FT-NN Agreement shall state the term, quantity, and Delivery Points associated with each package of capacity; and, if applicable, the months such quantities are available to SHIPPER. However, COMPANY may request that a package of capacity be contracted under a separate FT-NN Agreement if needed to accurately track, schedule or bill such package of capacity.

SHIPPER may also designate a party to act as agent for multiple shippers under any FT-NN Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the FT-NN Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all Shippers on a non-discriminatory basis.
- (c) The right to obtain no-notice service under this Rate Schedule from COMPANY originally was a one-time election available only to COMPANY'S firm sales customers during the restructuring proceedings in COMPANY'S Docket No. RS92-10. COMPANY is not obligated to provide no-notice service under this Rate Schedule at any greater level than was established in total as a result of Docket No. RS92-10.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to no-notice firm transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule. Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.
- (b) The receipt of gas for transportation services performed under this Rate Schedule shall be:
- (i) on a firm basis for those Receipt Points specified on Exhibit A to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 15.3, and 16 of the General Terms and Conditions;
 - (ii) on a preferred interruptible basis for those Receipt Points specified on Exhibit A-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Section 8.3, 12.3(b), and 16 of the General Terms and Conditions. Receipt of gas under this Rate Schedule at the Exhibit A-1 Receipt Points shall have a priority over the receipt of gas for COMPANY'S interruptible services and shall have a priority subordinate to the receipt of gas at Receipt Points specified on Exhibit A to the Service Agreements under this Rate Schedule and Rate Schedule FT and other firm transportation services. Receipt of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit A-1 Receipt Points in the Service Agreement's Primary Path shall have a priority over the receipt of gas at Exhibit A-1 Receipt Points outside of the Service Agreement's Primary Path; and
 - (iii) on an interruptible basis if nominated by SHIPPER as Authorized Overrun subject to the provisions of Section 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (c) The transportation of the gas received by COMPANY for SHIPPER'S account under this Rate Schedule and the delivery of such gas to the Delivery Points shall be :
- (d) on a firm basis along the Primary Path for those Delivery Points specified on Exhibit B to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 12.3(b), 15.3, and 16 of the General Terms and Conditions. Firm transportation services under this Rate Schedule shall have a comparable priority with firm transportation under Rate Schedule FT and other firm transportation services and shall have priority over all of COMPANY'S interruptible services.
- on a preferred interruptible basis for Delivery Points specified on Exhibit B-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Delivery of gas under this Rate Schedule at Exhibit B-1 Delivery Points shall be on a preferred interruptible basis and shall have a priority over the delivery of gas for COMPANY'S interruptible services and a priority subordinate to the delivery of gas at the Delivery Points specified on Exhibit B to the Service Agreements under this Rate Schedule and Rate Schedule FT and deliveries under other firm transportation services. Delivery of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit B-1 Delivery Points in the Service Agreement's Primary Path shall have a priority over the delivery of gas at Exhibit B-1 Delivery Points outside of the Service Agreement's Primary Path; and

- (iii) on an interruptible basis if nominated by SHIPPER as Authorized Overrun subject to the provisions of Section 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (e) Transportation service provided under this Rate Schedule shall be limited to SHIPPER'S Transportation Demand specified in the Service Agreement, subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, unless SHIPPER nominates and COMPANY schedules Authorized Overrun under SHIPPER'S firm Service Agreement. SHIPPER shall pay the Authorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Authorized Overrun gas allocated within a rate zone to SHIPPER'S Service Agreement on any day pursuant to the provisions of Section 13 of the General Terms and Conditions. Subject to the segmentation provisions set forth in Section 12.1(l)(3) of the General Terms and Conditions and the provisions for nominating and scheduling Authorized Overrun in the preceding sentence, it is provided that, if Unauthorized Overrun gas within a rate zone is allocated to SHIPPER'S Service Agreement under this Rate Schedule on any day pursuant to the allocation procedures set out in Section 13 of the General Terms and Conditions, SHIPPER shall pay the Unauthorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Unauthorized Overrun gas plus applicable penalties under Section 41 of the General Terms and Conditions of this Tariff.

3. RATES AND CHARGES

- (a) Unless SHIPPER is eligible for the volumetric rate election set forth in Section 3(b) below, SHIPPER shall pay COMPANY the sum of the following for transportation services rendered for SHIPPER each month under this Rate Schedule:
 - (i) Reservation Charge: The applicable rate set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the Transportation Demand.
 - (A) Reservation Charge Credit:
 - (1) In the event COMPANY is unable to make deliveries of the quantity of gas to which SHIPPER has firm entitlements on any day at primary Delivery Point(s) under this firm Rate Schedule, then the applicable Reservation Charge shall be credited to SHIPPER for such day, except as provided in Section 3(a)(i)(A)(1), 3(a)(i)(A)(2), 3(a)(i)(B), and 3(a)(i)(C) below. Such credit shall be applied to the lesser of (i) the applicable MDDQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Delivery Point immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDDQ; or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or deliver solely as a result of COMPANY's inability to make deliveries as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (B-1) Delivery Point instead of its primary (B) Delivery Point when COMPANY is unable to make deliveries at SHIPPER's primary Delivery Point; (x) to the extent deliveries cannot be made to a Delivery Point on a secondary (B-1) basis and deliveries

can be made to SHIPPER's primary Delivery Point(s); (y) to the extent the affected firm MDDQ has been released under Section 22 of the General Terms and Conditions to Delivery Points other than the affected primary Delivery Point; and/or (z) to the extent there are limitations at firm Receipt Points but COMPANY's ability to make deliveries at Shipper's primary Delivery Point(s) as provided above has not been limited. However, when such delivery point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (2) In the event all of SHIPPER'S primary Delivery Point(s) are interstate pipeline interconnection(s) or in the event SHIPPER's primary Receipt Point is the interconnection with Southern LNG at its Elba Island LNG terminal, then SHIPPER may elect, at the time the Service Agreement is executed, or, for existing contracts, at the time the Stipulation and Agreement in Docket No. RP04-523 becomes effective, for the reservation charge credit to apply at SHIPPER's primary Receipt Point(s) instead of its primary Delivery Point(s), in the event COMPANY is unable to receive at such Receipt Point(s) the quantity of gas to which SHIPPER has firm entitlements on any day. Such credit shall be applied to the lesser of (i) the applicable MDRQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Receipt Point(s) immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDRQ or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or receive solely as a result of COMPANY's inability to receive gas as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (A-1) Receipt Point or a Pool Location instead of its primary (A) Receipt Point when COMPANY is unable to receive gas from SHIPPER's primary Receipt Point; (x) to the extent gas cannot be received at a Receipt Point on a secondary (A-1) basis and receipts can be accepted at SHIPPER's primary firm Receipt Point(s); (y) to the extent the affected firm MDRQ has been released under Section 22 of the General Terms and Conditions to Receipt Points other than the affected primary Receipt Point; and/or (z) to the extent there are limitations at firm Delivery Points but COMPANY's ability to accept receipts at SHIPPER's primary Receipt Point(s) has not been limited. However, when such receipt point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have

already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (B) COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to deliver gas to SHIPPER as provided above in (A)(1) results from (1) the conduct or operations of SHIPPER or the downstream point operator of the facilities at a primary firm Delivery Point including, but not limited to, damage or malfunction of the downstream point operator's facilities or the inability of the downstream point operator to receive gas at SHIPPER's contract delivery pressure or COMPANY's mainline pressure; (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x); or (3) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the point operator's facilities in (1) or (3) above where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in (2) above, until such time that COMPANY's facilities are ready to be placed back in service.
- (C) In the case of the election pursuant to Section 3(a)(i)(A)(2), COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to receive gas from SHIPPER as provided above in (A)(2) results from (1) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the upstream point operator's facilities in this subparagraph (C)(1) where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in subparagraph (C)(2) below, until such time that COMPANY's facilities are ready to be placed back in service; or (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x).
- (ii) Transportation Charge: Except as provided in Section 3(a)(iii) below, the applicable rates set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account during the month up to SHIPPER'S Transportation Demand in effect each day. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt

deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (iii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay the sum of (A) the Transportation Charge in Section 2.2 or 2.2.1 to the zone of SHIPPER'S Exhibit B Delivery Points and (B) the maximum Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point, multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. These rates shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.
 - (iv) No Notice Service: The applicable Injection and Withdrawal Charges under Rate Schedule CSS as set forth in the currently effective Section 2.4 or 2.4.1 multiplied by the aggregate quantities of gas injected or withdrawn for SHIPPER'S account hereunder during each day of the month plus the percentage of the quantities of gas injected or withdrawn for SHIPPER'S account to be retained by COMPANY as a fuel charge as set forth in currently effective Section 2.4 or 2.4.1.
- (b) Each SHIPPER that qualifies to pay a volumetric transportation rate (Small Shipper Charge) for services under this Rate Schedule as of March 1, 2000, will pay the rates set forth in Section 3(c) below.

Any Existing Small Shippers that do not elect to convert to two-part firm transportation service by the Election Deadline shall execute new firm transportation agreements with COMPANY subject to the Small Shipper Charge by the Election Deadline and such agreements shall contain the following seasonal firm contract quantities. For the months of November - March, the Transportation Demand shall be the same as SHIPPER'S current Transportation Demand subject to the Small Shipper Charge. For the months of April - October, the Transportation Demand shall be reduced to no greater than the highest peak day delivery for each month under the Small Shipper agreement, including deliveries to storage, computed over the last three years ending March 31, 1999, unless Southern Natural agrees otherwise. The difference between SHIPPER'S current Small Shipper Transportation Demand and its reduced Transportation Demand hereunder can be reinstated on 12 months prior written notice if and to the extent the Existing Small Shipper can provide data demonstrating its need to reinstate its Transportation Demand for any month.

- (c) If SHIPPER qualifies to pay a volumetric transportation rate under Section 3(b) above, SHIPPER shall pay COMPANY the following for:
- (i) Small Shipper Charge: The applicable rates set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the quantities of gas delivered for SHIPPER'S account each day during the month up to the SHIPPER'S total Transportation Demand. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These charges shall not apply to deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, but shall be charged on the transportation of gas from said storage account(s).
 - (ii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay, in addition to the Small Shipper Charge for the zone of SHIPPER'S Exhibit B Delivery Points, the maximum applicable Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the

downstream Delivery Point multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. This charge shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (iii) No Notice Service: The applicable Injection and Withdrawal Charges under Rate Schedule CSS as set forth in the currently effective Section 2.4 or 2.4.1 multiplied by the aggregate quantities of gas injected or withdrawn for SHIPPER'S account hereunder during each day of the month plus the percentage of the quantities of gas injected or withdrawn for SHIPPER'S account to be retained by COMPANY as a fuel charge as set forth in currently effective Section 3.4.
- (d) The rates which are stated in the currently effective Section 2.2 or 2.2.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rates to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period thereof shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.2 or 2.2.1.
- (e) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:
 - (i) Authorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas scheduled for delivery in excess of the SHIPPER'S firm Transportation Demand, by (b) the applicable rate set forth in the currently effective Rate Section 2.3 or 2.3.1 for the scheduled zones of receipt and delivery .
 - (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
 - (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
 - (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.

- (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
- (vi) Fuel and EPC charges: A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas, and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.2 or 2.2.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY'S contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.
- (vii) Unauthorized Overrun Charge An amount obtained by multiplying (a) the quantity of gas taken by SHIPPER that is not scheduled and in excess of the SHIPPER'S firm Transportation Demand, by (b) the maximum recourse transportation charge from the Production Area rate zone to the applicable zone of delivery under Rate Section 2.3 or 2.3.1.

4. NO NOTICE SERVICE

- (a) SHIPPER may utilize transportation under this Rate Schedule to have gas it has in storage under COMPANY'S Rate Schedule CSS delivered to any Delivery Point listed on Exhibit B to the Service Agreement without having submitted to COMPANY a prior nomination for the delivery of such gas.
- (b) The daily quantity of gas transported under this Rate Schedule shall be determined in accordance with the allocation procedures set out in Section 13 of the General Terms and Conditions; provided, however, that gas may be allocated to no notice transportation service under this Rate Schedule only to the extent SHIPPER has not otherwise fully utilized its Maximum Daily Withdrawal Quantity or Maximum Daily Injection Quantity under Rate Schedule CSS and has at least an equal quantity of gas in its Storage Inventory or its available storage capacity under COMPANY'S Rate Schedule CSS. The quantity of gas allocated each day to no notice transportation service under this Rate Schedule shall be deducted from or added to the quantity of gas SHIPPER has in its Storage Inventory under COMPANY'S Rate Schedule CSS.
- (c) If SHIPPER elects to nominate gas for transportation under this Rate Schedule as provided by Section 12 of the General Terms and Conditions, the maximum amount of no notice service available on such

day shall be the difference between SHIPPER'S Transportation Demand under this Rate Schedule, reduced for storage withdrawals or injections nominated under Rate Schedule CSS, and the quantity of gas nominated for transportation hereunder on such day.

- (d) Injections of gas into Storage under this Rate Schedule shall not exceed SHIPPER'S Maximum Daily Injection Quantity under Rate Schedule CSS, reduced for storage injections nominated under Rate Schedule CSS, and may not be made if the injection of such quantity of gas would cause SHIPPER to exceed its Maximum Storage Quantity under Rate Schedule CSS. Withdrawals of gas from storage under this Rate Schedule shall not exceed SHIPPER'S Maximum Daily Withdrawal Quantity under Rate Schedule CSS, reduced for storage withdrawals nominated under Rate Schedule CSS, and may not be made if the withdrawal of such quantity of gas would exceed SHIPPER'S Storage Inventory under Rate Schedule CSS.
- (e) Notwithstanding the foregoing provisions of this Section 4 to the contrary, COMPANY recognizes that SHIPPER may wish to designate another party to fully administer its no-notice service under its FT-NN Service Agreement and associated CSS Service Agreement. In this regard, a SHIPPER that initially qualifies for service hereunder will continue to qualify for no-notice service in the following two circumstances:
 - (i) SHIPPER may release all of its firm capacity under its CSS Service Agreement on a temporary basis and still receive no-notice service under its FT-NN Service Agreement if a condition of such release is that the REPLACEMENT SHIPPER must agree to the continued utilization of the released firm storage capacity on a no-notice basis by SHIPPER'S FT-NN Service Agreement. To the extent the Replacement Shipper also has FT-NN service or has acquired CSS capacity from more than one Releasing Shipper pursuant to this provision, Replacement Shipper must notify Company of the manner in which the no-notice service for each of the Releasing Shipper(s) as well as their own, if applicable, is to be administered; or
 - (ii) SHIPPER may release on a temporary basis all of its firm capacity under both its CSS Service Agreement and its FT-NN Service Agreement under which it pays reservation charges and still receive no-notice service hereunder if a condition of such release is that the REPLACEMENT SHIPPER must agree to the continued utilization of the released firm storage and transportation capacity to provide full no-notice service to SHIPPER pursuant to the provisions of the Service Agreements prior to their release.

5. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

6. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation.

SHIPPER shall notify COMPANY by 5:00 p.m. at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY five (5) business days' written notice of any change to this information). In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures.

SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

7. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the cost thereof, and should COMPANY agree to install said facilities or to modify its existing facilities pursuant to SHIPPER'S request, it is agreed that COMPANY will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be

modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event SHIPPER does not agree to pay the costs of installing or modifying said facilities, COMPANY may agree to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated SHIPPERS. Whether said facilities will provide a benefit to all SHIPPERS using COMPANY'S pipeline system such that it is appropriate to include the cost of said facilities in COMPANY'S general system rates will be determined in the rate proceeding in which COMPANY proposes to include such costs in its general system rates. It is understood and agreed that title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system.

8. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof.

If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, the firm contract quantities for each firm package of capacity under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract TD, MDDQ and MDRQ in Mcf times 1.021 Dth/Mcf. COMPANY shall provide SHIPPER new contract numbers for each Service Agreement and each firm package of capacity prior to or on such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by SHIPPER.

RATE SCHEDULE IT
Interruptible Transportation Service

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on an interruptible basis from Southern Natural Gas Company, L.L.C. ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable to this Rate Schedule; and
 - (iii) SHIPPER and COMPANY have executed a Service Agreement ("IT Agreement") for service under this Rate Schedule.

SHIPPER may designate a party to act as agent for multiple shippers under any IT Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the IT Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule except that COMPANY shall construct and install facilities necessary to deliver gas directly to an end user if SHIPPER meets the requirements set out in Section 36 of the General Terms and Conditions. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all shippers on a non-discriminatory basis.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all interruptible transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule.
- (b) The transportation services performed under this Rate Schedule shall be on an interruptible basis and shall be further subject, in COMPANY'S sole judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY. Interruptible transportation services under this Rate Schedule shall have a priority subordinate to COMPANY'S firm transportation services provided pursuant to COMPANY'S Rate Schedules and the General Terms and Conditions applicable thereto contained in COMPANY'S FERC Gas Tariff.

3. RATES AND CHARGES

- (a) For transportation services rendered for SHIPPER each month under this Rate Schedule, SHIPPER shall pay COMPANY the following:

Transportation Charge: The applicable rates set forth in the currently effective Section 2.3 or 2.3.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account during the month. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply.

These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (b) The rates which are stated in the currently effective Section 2.3 or 2.3.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rates to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period thereof shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.3 or 2.3.1.

- (c) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:

- (i) (Reserved for future use).
- (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
- (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
- (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.

- (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
- (vi) Fuel and EPC charges: A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.3 or 2.3.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., on March 15, 1995, COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY'S contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.

4. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

5. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY four (4) calendar days' written notice of any change to this information).

In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures.

SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

6. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the cost thereof, and should COMPANY agree to install said facilities or to modify its existing facilities pursuant to SHIPPER'S request, it is agreed that COMPANY will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event SHIPPER does not agree to pay the costs of installing or modifying said facilities, COMPANY may agree to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated SHIPPERS. Whether said facilities will provide a benefit to all SHIPPERS using COMPANY'S pipeline system such that it is appropriate to include the cost of said facilities in COMPANY'S general system rates will be determined in the rate proceeding in which COMPANY proposes to include such costs in its general system rates. It is understood and agreed that title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof.

If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, COMPANY shall provide SHIPPER new contract numbers for each Service Agreement prior to or on such conversion date via its Interactive Website.

35. FUEL MECHANISM

35.1 Purpose

This Section 35 describes how COMPANY shall update the COMPANY's fuel retention percentages for its services on a periodic basis.

35.2 Procedures

The fuel retention rates pursuant to Section 35.4 and the Electric Power Cost ("EPC") rates, if applicable, pursuant to Section 35.5 under Rate Schedules CSS and ISS will be updated annually. The fuel retention rates pursuant to Section 35.3 and the EPC rates pursuant to Section 35.5 under Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements will be updated semiannually. The COMPANY will make a filing (with workpapers) with the FERC at least thirty days before the effective date of April 1 of each year setting forth the updated fuel retention rates and EPC rates, if applicable, to be effective April 1 through March 31 to be applicable to Rate Schedules CSS and ISS ("Storage Fuel"). These updated fuel retention rates and EPC rates will be based upon the actual data for the twelve months ended the previous December 31 ("Storage Base Period"). The COMPANY will make a filing (with workpapers) with the FERC at least 30 days before the effective date of April 1 of each year setting forth the updated fuel retention percentages and EPC rates to be effective from April 1 through September 30 to be applicable to Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements ("Summer Fuel"). The Storage Fuel filing and the Summer Fuel filing will be made together as a single filing. The updated Summer Fuel retention rates will be based on the actual data for the six months ended the previous September 30 ("Summer Base Period") The COMPANY will make a filing (with workpapers) with the FERC at least 30 days before the effective date of October 1 of each year setting forth the updated fuel retention percentages and EPC rates to be effective from October 1 through March 31 to be applicable to Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements ("Winter Fuel"). The updated Winter Fuel retention rates and EPC rates will be based on the actual data for the six months ended the previous March 31 ("Winter Base Period"). The initial Summer Fuel and Storage Fuel filing will be effective April 1, 2014 and the initial Winter Fuel filing will be effective October 1, 2014.

35.3 Calculation For Transportation Fuel Retention Rates

The Winter Fuel and Summer Fuel retention percentages for Rate Schedules FT, FT-NN, IT and, if applicable, under Liquefiable Transportation Agreements shall be determined by dividing the sum of items 1 and 2 by item 3 as described below:

1. The actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, prior to November 1, 2024, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's transmission facilities for the Winter Base Period or Summer Base Period, as applicable. Such resulting quantity shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.
2. Over-recovery (as a negative value) or under-recovery (as a positive value) amount associated with COMPANY's transmission facilities during the Winter Base Period or Summer Base Period, as applicable. Such amount shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.
3. The amount in item 1 above in this Section 35.3 plus the applicable quantity of gas delivered by COMPANY during the Winter Base Period or Summer Base Period, as applicable. Such resulting quantity shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.

The Dth equivalent of the costs of electricity used for electric compression shall be calculated as follows: each month's electricity costs used for electric compression shall be divided by the Index Price set forth in Section 14.1 of these General Terms and Conditions for the applicable month to derive a Dth equivalent amount for that month.

The over-recovery or under-recovery amount during the Winter Base Period or Summer Base Period, as applicable, shall be calculated as the difference between a and b as follows: (a) the quantity of gas retained by COMPANY under the applicable rate schedules during the Winter Base Period or Summer Base Period, as applicable, plus the over-recovery amount (will be an addition to the quantity of gas retained) or under-recovery amount (will be a subtraction to the quantity of gas retained) for the prior year Winter Base Period or Summer Base Period, as applicable, (prior year Winter Base Period and prior year Summer Base Period over-recovery or under-recovery amount for the initial Winter Season and initial Summer Season filings will each include 50% of the cumulative transportation fuel over-recovery or under-recovery amount as of March 31, 2013 and (b) the actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, for base periods prior to November 1, 2024, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's transmission facilities during the Winter Base Period or Summer Base Period, as applicable.

The backhaul fuel retention percentage will remain at 0.16% without adjustment.

35.4 Calculation For Storage Fuel Retention Rates

The fuel retention percentage for Rate Schedules CSS and ISS shall be determined by dividing the sum of items 1 and 2 by item 3 as described below:

1. The actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, prior to January 1, 2025, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's storage facilities for the applicable Base Period;
2. Over-recovery (as a negative value) or under-recovery (as a positive value) amount associated with COMPANY's storage facilities during the Storage Base Period;
3. The amount in item 1 above in this Section 35.4 plus the quantity of gas injected and plus the quantity of gas withdrawn under Rate Schedules CSS and ISS during the Storage Base Period.

The Dth equivalent of the costs of electricity used for electric compression shall be calculated as follows: each month's electricity costs used for electric compression shall be divided by the Index Price set forth in Section 14.1 of these General Terms and Conditions for the applicable month to derive a Dth equivalent amount for that month.

The over-recovery or under-recovery amount during the Storage Base Period shall be calculated as the difference between a and b as follows: (a) the quantity of gas retained by the COMPANY under the applicable rate schedules during the Storage Base Period plus the over-recovery amount (will be an addition to the quantity of gas retained) or under-recovery amount (will be a subtraction to the quantity of gas retained) for the prior year Storage Base Period (prior year Storage Base Period over-recovery or under-recovery amount will be the cumulative storage fuel over-recovery or under-recovery amount as of December 31, 2013 for the initial filing) and (b) the actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, for a Storage Base Period prior to January 1, 2025, the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's storage facilities during the Storage Base Period.

35.5 Electric Power Cost Recovery

- (a) Prior to November 1, 2024, for transportation and prior to January 1, 2025, for storage, COMPANY will account for gains and losses on the sale of transportation fuel retained for electricity as described below:
1. Following the end of each Winter Base Period and each Summer Base Period, respectively, COMPANY will determine the difference between the sales proceeds attributable to COMPANY's sale of the Dth equivalent of the cost of electricity used for electric compression as described in Section 35.3 and COMPANY's cost of electricity used for electric compression for the applicable Winter Base Period or Summer Base Period. If the difference is positive, the difference will be reduced by any cumulative losses existing in the Winter or Summer Deferred Electricity Losses Account, as applicable, described in item 4 below as of the beginning of the applicable Winter Base Period or Summer Base Period to determine the net difference. The positive difference will be deducted from the Winter or Summer Deferred Electricity Losses Account, as applicable, provided, however, the resulting Winter or Summer Deferred Electricity Losses Account balance, as applicable, shall never be less than zero (0). If the net difference is positive, the net difference will be shared as described in item 2 below. If the net difference is negative, such net difference will remain in the applicable Winter or Summer Deferred Electricity Losses Account and be carried over to the next applicable Summer or Winter Base Period. For the initial Summer Base Period the calculation of the difference described above will exclude sales and costs attributable to the month of April, 2013.
 2. If the net difference for the applicable Winter Base Period or Summer Base Period is positive, COMPANY will provide a monetary credit on SHIPPER's bill for 85% of SHIPPER's pro rata share of such net difference based on the volume of gas retained from SHIPPER for transportation fuel to the total volume of gas retained from all SHIPPERS for transportation fuel, during the applicable Winter Base Period or Summer Base Period. The monetary credit will be applied to SHIPPER's bill within 80 days of the end of the applicable Winter Base Period or Summer Base Period. The remaining 15% of any net positive difference will be retained by COMPANY and will be taken into income.
 3. If the difference is negative the difference will be added to the Winter or Summer Deferred Electricity Losses Account, as applicable, described in item 4 below and no sharing will occur for that period.
 4. Any negative difference calculated as described in item 1 above for a Winter Base Period or Summer Base Period will be recorded in the Winter or Summer Deferred Electricity Losses Account, respectively, and carried over to the next Winter Base Period or Summer Base Period, as applicable.
- (b) Beginning on November 1, 2024, for transportation and beginning on January 1, 2025, for storage, the COMPANY will recover electric power costs through an EPC tracking and true-up mechanism. EPC shall mean the electric power costs incurred by COMPANY which are required for the operation of COMPANY's electric compression facilities recorded in COMPANY's FERC Account 819 for storage and COMPANY's FERC Account 855 for transportation. The EPC rates, expressed in dollars per Dth, shall be stated on the Statement of Rates in COMPANY's Tariff, reflected on SHIPPER's invoice and paid by SHIPPER pursuant to the provisions of Section 15 of the General Terms and Conditions of COMPANY's Tariff.

The EPC rate for storage, if applicable, shall be determined by dividing the sum of items 1 and 2 by item 3:

1. The sum of the EPC during the Storage Base Period.
2. The EPC balance, which includes revenue received from the EPC charge during the applicable base period and any over-recovery (as a negative value) or under-

recovery (as a positive value) of COMPANY'S total actual expenses and the revenue amounts collected from the EPC rate during the applicable base period.

3. The quantity of gas injected and plus the quantity of gas withdrawn under Rate Schedules CSS and ISS during the Storage Base Period.

The EPC rates for transportation shall be determined by dividing the sum of items 1 and 2 by item 3:

1. The sum of the EPC during the applicable Winter Base Period or Summer Base Period.
2. The EPC balance, which includes revenue received from the EPC charge during the applicable Winter Base Period or Summer Base Period and any over-recovery (as a negative value) or under-recovery (as a positive value) of COMPANY'S total actual expenses and the revenue amounts collected from the EPC rates during the applicable Winter Base Period or Summer Base Period. Subject to the outcome of the proceeding in Docket No. RP24-982-000, the initial EPC balance for the Winter Base Period or Summer Base Period, as applicable, will include any negative difference calculated pursuant to Section 35.5(a)(4).
3. For transportation, the receipt quantities under all applicable transportation rate schedules during the applicable Winter Base Period or Summer Base Period.

ATTACHMENT D

**REDLINE VERSION OF *PRO FORMA* TARIFF
SECTIONS**

CONTESTING PARTY RATES 3/
 FIRM TRANSPORTATION SERVICES (FT)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$5.71 | \$6.45 | \$9.65 | \$12.77 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1877 | \$.2121 | \$.3173 | \$.4198 |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|---------------------------------------|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>RECEIPT ZONE</u> | | | | |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

| | | | | |
|--|-------|-------|-------|-------|
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

| | | | | |
|--------------------------------|--------|--------|--------|--------|
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Small Shipper Backhaul
 Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Fuel Retention (Winter~~Summer~~ Period: ~~October~~April – ~~March~~September)

| | | | | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Forward Haul Fuel, Used & Unaccounted For | <u>1.32</u> 3.16 % | <u>1.32</u> 3.16 % | <u>2.11</u> 4.14 % | <u>2.55</u> 5.06 % |
| Intrazone Fuel, Used & Unaccounted For | <u>1.32</u> 3.16 % | <u>0.74</u> 1.04 % | <u>0.74</u> 1.04 % | <u>0.74</u> 1.04 % |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Forward Haul EPC</u> | <u>\$0.0331</u> | <u>\$0.0331</u> | <u>\$0.0331</u> | <u>\$0.0331</u> |
| <u>Intrazone EPC</u> | <u>\$0.0331</u> | <u>\$0.0083</u> | <u>\$0.0083</u> | <u>\$0.0083</u> |
| <u>Backhaul EPC</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 for all Contesting Parties as defined in the Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

SETTLEMENT RATES 3/
 FIRM TRANSPORTATION SERVICES (FT)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|---|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$4.67 | \$5.28 | \$7.90 | \$10.46 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1535 | \$.1736 | \$.2597 | \$.3439 |
| <u>2016 Expansion Reservation Charge (Dth) 1/ 5/</u> | | | | |
| <u>Maximum:</u> | | | | \$13.03 |
| <u>Minimum:</u> | | | | \$0.00 |
| <u>Maximum Daily Volumetric Capacity Release Rates 2/</u> | | | | \$.4284 |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>RECEIPT ZONE</u> | | | | |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | 3.90¢ | 5.00¢ | 5.60¢ |
| Zone 1 | 3.50¢ | 2.50¢ | 3.70¢ | 4.30¢ |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | 4.00¢ |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | N/A | N/A | N/A |
| Zone 1 | 3.50¢ | 2.50¢ | N/A | N/A |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | N/A |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |

| | | | | |
|--------|--------|--------|-------|--------|
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

Small Shipper Charge 4/

Maximum: 39.20¢ 44.50¢ 59.10¢ 78.50¢

Minimum: 0.500¢ 0.700¢ 2.10¢ 2.90¢

Small Shipper Backhaul Charge 4/

Maximum: 39.20¢ 44.50¢ 59.10¢ 78.50¢

Minimum: 0.500¢ 0.700¢ 2.10¢ 2.90¢

Fuel Retention (Winter Summer Period: October April - March September)

Forward Haul Fuel, Used & Unaccounted For 1.323-16% 1.323-16% 2.114-14% 2.555-06%

Intrazone Fuel, Used & Unaccounted For 1.323-16% 0.741-04% 0.741-04% 0.741-04%

Backhaul Fuel, Used & Unaccounted For 0.16% 0.16% 0.16% 0.16%

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

Forward Haul EPC \$0.0331 \$0.0331 \$0.0331 \$0.0331

Intrazone EPC \$0.0331 \$0.0083 \$0.0083 \$0.0083

Backhaul EPC \$0.0000 \$0.0000 \$0.0000 \$0.0000

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge:

See Section 28 of the General Terms and
Conditions.

5/ Applicable to services provided pursuant to the expansion authorized under Docket No. CP14-493-000, et. al.

CONTESTING PARTY RATES 3/
 FIRM TRANSPORTATION SERVICES - NO NOTICE(FT-NN)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$5.71 | \$6.45 | \$9.65 | \$12.77 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1877 | \$.2121 | \$.3173 | \$.4198 |
| <u>RECEIPT ZONE</u> | | | | |
| | Production Area | <u>DELIVERY ZONE</u> | | |
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Small Shipper Backhaul
 Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 47.90¢ | 54.40¢ | 72.10¢ | 95.80¢ |
| Minimum: | 4.1¢ | 4.5¢ | 5.8¢ | 6.6¢ |

Fuel Retention (Winter~~Summer~~ Period: ~~October~~April - ~~March~~September)

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Forward Haul Fuel, Used & Unaccounted For | <u>1.323-16%</u> | <u>1.323-16%</u> | <u>2.114-14%</u> | <u>2.555-06%</u> |
| Intrazone Fuel, Used & Unaccounted For | <u>1.323-16%</u> | <u>0.741-04%</u> | <u>0.741-04%</u> | <u>0.741-04%</u> |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Forward Haul EPC</u> | <u>\$0.0331</u> | <u>\$0.0331</u> | <u>\$0.0331</u> | <u>\$0.0331</u> |
| <u>Intrazone EPC</u> | <u>\$0.0331</u> | <u>\$0.0083</u> | <u>\$0.0083</u> | <u>\$0.0083</u> |
| <u>Backhaul EPC</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: Section 28 of the General Terms and Conditions.

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 for all Contesting Parties as defined in the Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions

SETTLEMENT RATES 3/
 FIRM TRANSPORTATION SERVICES - NO NOTICE(FT-NN)

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|---------|---------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Reservation Charge (Dth) 1/</u> | | | | |
| Maximum: | \$4.67 | \$5.28 | \$7.90 | \$10.46 |
| Minimum: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Maximum Daily Volumetric Capacity Release Rates 2/ | \$.1535 | \$.1736 | \$.2597 | \$.3439 |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|---------------------------------------|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | 3.90¢ | 5.00¢ | 5.60¢ |
| Zone 1 | 3.50¢ | 2.50¢ | 3.70¢ | 4.30¢ |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | 4.00¢ |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

| | Production Area | <u>DELIVERY ZONE</u> | | |
|--|-----------------|----------------------|--------|--------|
| | | Zone 1 | Zone 2 | Zone 3 |
| <u>Backhaul Transportation Charge (Dth) 1/</u> | | | | |
| Maximum: | | | | |
| Production Area | 3.50¢ | N/A | N/A | N/A |
| Zone 1 | 3.50¢ | 2.50¢ | N/A | N/A |
| Zone 2 | 3.50¢ | 2.50¢ | 3.30¢ | N/A |
| Zone 3 | 3.50¢ | 2.50¢ | 3.30¢ | 2.90¢ |
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

| | | | | |
|--------------------------------|--------|--------|--------|--------|
| <u>Small Shipper Charge 4/</u> | | | | |
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |

Small Shipper
 Backhaul Charge 4/

| | | | | |
|----------|--------|--------|--------|--------|
| Maximum: | 39.20¢ | 44.50¢ | 59.10¢ | 78.50¢ |
| Minimum: | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |

Fuel Retention (Winter~~Summer~~ Period: ~~October~~April – ~~March~~September)

| | | | | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Forward Haul Fuel, Used & Unaccounted For | <u>1.32</u> 3.16 % | <u>1.32</u> 3.16 % | <u>2.11</u> 4.14 % | <u>2.55</u> 5.06 % |
| Intrazone Fuel, Used & Unaccounted For | <u>1.32</u> 3.16 % | <u>0.74</u> 1.04 % | <u>0.74</u> 1.04 % | <u>0.74</u> 1.04 % |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Forward Haul EPC</u> | <u>\$0.0331</u> | <u>\$0.0331</u> | <u>\$0.0331</u> | <u>\$0.0331</u> |
| <u>Intrazone EPC</u> | <u>\$0.0331</u> | <u>\$0.0083</u> | <u>\$0.0083</u> | <u>\$0.0083</u> |
| <u>Backhaul EPC</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> | <u>\$0.0000</u> |

1/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions

2/ See Section 22 of the General Terms and Conditions for exceptions to these maximum capacity release rates.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP18-556 applicable to all Supporting/Non-Opposing Participants as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP18-556 Settlement. These rates are exclusive of all surcharges.

4/ These rates are exclusive of all surcharges. The surcharges applicable to service under Rate Schedule FT-NN for shippers designated as small shippers include:

Storage Cost Reconciliation Mechanism Volumetric Surcharge: \$(0.0074) applicable to each Dth transported

ACA Surcharge: See Section 28 of the General Terms and Conditions.

Contesting Party Rates 3/
 Interruptible Transportation Service

| <u>RECEIPT ZONE</u> | <u>DELIVERY ZONE</u> | | | |
|--|----------------------|--------|--------|--------|
| | Production Area | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 22.90¢ | 25.70¢ | 37.60¢ | 48.60¢ |
| Zone 1 | 22.90¢ | 11.20¢ | 23.10¢ | 34.20¢ |
| Zone 2 | 22.90¢ | 11.20¢ | 20.50¢ | 31.60¢ |
| Zone 3 | 22.90¢ | 11.20¢ | 20.50¢ | 19.30¢ |

| | | | | |
|-----------------|-------|-------|-------|-------|
| Minimum: | | | | |
| Production Area | 4.10¢ | 4.50¢ | 5.80¢ | 6.60¢ |
| Zone 1 | 4.10¢ | 2.90¢ | 4.30¢ | 5.10¢ |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | 4.70¢ |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

Backhaul Transportation Charge (Dth) 1/ 2/

| | | | | |
|-----------------|--------|--------|--------|--------|
| Maximum: | | | | |
| Production Area | 22.90¢ | N/A | N/A | N/A |
| Zone 1 | 22.90¢ | 11.20¢ | N/A | N/A |
| Zone 2 | 22.90¢ | 11.20¢ | 20.50¢ | N/A |
| Zone 3 | 22.90¢ | 11.20¢ | 20.50¢ | 19.30¢ |

| | | | | |
|-----------------|-------|-------|-------|-------|
| Minimum: | | | | |
| Production Area | 4.10¢ | N/A | N/A | N/A |
| Zone 1 | 4.10¢ | 2.90¢ | N/A | N/A |
| Zone 2 | 4.10¢ | 2.90¢ | 3.90¢ | N/A |
| Zone 3 | 4.10¢ | 2.90¢ | 3.90¢ | 3.40¢ |

Fuel Retention (Winter Summer Period: October April - March September)

| | | | | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Forward Haul Fuel, Used & Unaccounted For | <u>1.32</u> 3.16 % | <u>1.32</u> 3.16 % | <u>2.11</u> 4.14 % | <u>2.55</u> 5.06 % |
| Intrazone Fuel, Used & Unaccounted For | <u>1.32</u> 3.16 % | <u>0.74</u> 1.04 % | <u>0.74</u> 1.04 % | <u>0.74</u> 1.04 % |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Forward Haul EPC</u> | <u>\$0.0331</u> | <u>\$0.0331</u> | <u>\$0.0331</u> | <u>\$0.0331</u> |
| <u>Intrazone EPC</u> | <u>\$0.0331</u> | <u>\$0.0083</u> | <u>\$0.0083</u> | <u>\$0.0083</u> |

SETTLEMENT RATES 3/
 Interruptible Transportation Service

| <u>RECEIPT_ZONE</u> | <u>DELIVERY_ZONE</u> | | | |
|--|----------------------|--------|--------|--------|
| | Production Area | Zone 1 | Zone 2 | Zone 3 |
| <u>Transportation Charge (Dth) 1/ 2/</u> | | | | |
| Maximum: | | | | |
| Production Area | 19.60¢ | 22.00¢ | 32.20¢ | 41.60¢ |
| Zone 1 | 19.60¢ | 9.60¢ | 19.80¢ | 29.30¢ |
| Zone 2 | 19.60¢ | 9.60¢ | 17.60¢ | 27.00¢ |
| Zone 3 | 19.60¢ | 9.60¢ | 17.60¢ | 16.50¢ |

| | | | | |
|-----------------|--------|--------|-------|--------|
| Minimum: | | | | |
| Production Area | 0.500¢ | 0.700¢ | 2.10¢ | 2.90¢ |
| Zone 1 | 0.500¢ | 0.200¢ | 1.60¢ | 2.40¢ |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | 2.20¢ |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

Backhaul Transportation Charge (Dth) 1/ 2/

| | | | | |
|-----------------|--------|-------|--------|--------|
| Maximum: | | | | |
| Production Area | 19.60¢ | N/A | N/A | N/A |
| Zone 1 | 19.60¢ | 9.60¢ | N/A | N/A |
| Zone 2 | 19.60¢ | 9.60¢ | 17.60¢ | N/A |
| Zone 3 | 19.60¢ | 9.60¢ | 17.60¢ | 16.50¢ |

| | | | | |
|-----------------|--------|--------|-------|--------|
| Minimum: | | | | |
| Production Area | 0.500¢ | N/A | N/A | N/A |
| Zone 1 | 0.500¢ | 0.200¢ | N/A | N/A |
| Zone 2 | 0.500¢ | 0.200¢ | 1.40¢ | N/A |
| Zone 3 | 0.500¢ | 0.200¢ | 1.40¢ | 0.900¢ |

Fuel Retention (Winter Summer Period: October April - March September)

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Forward Haul Fuel, Used & Unaccounted For | <u>1.323-16%</u> | <u>1.323-16%</u> | <u>2.114-14%</u> | <u>2.555-06%</u> |
| Intrazone Fuel, Used & Unaccounted For | <u>1.323-16%</u> | <u>0.741-04%</u> | <u>0.741-04%</u> | <u>0.741-04%</u> |
| Backhaul Fuel, Used & Unaccounted For | 0.16% | 0.16% | 0.16% | 0.16% |

Electric Power Charge (Winter Period: October - March) (\$/Dth of Receipts)

| | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Forward Haul EPC</u> | <u>\$0.0331</u> | <u>\$0.0331</u> | <u>\$0.0331</u> | <u>\$0.0331</u> |
| <u>Intrazone EPC</u> | <u>\$0.0331</u> | <u>\$0.0083</u> | <u>\$0.0083</u> | <u>\$0.0083</u> |

TRANSPORTATION RATES FOR
LIQUIDS AND LIQUEFIABLES 3/

Liquefiabiles 1/

For production from wells connected on or before December 31, 1981:

- 4.5¢ per Dth per 100 miles prorated to the actual mileage 2/

For production from wells connected on or after January 1, 1982:

- 10.25¢ per Dth per 100 miles of offshore transportation prorated to the actual mileage offshore, plus
- 3.1¢ per Dth per 100 miles of onshore transportation prorated to the actual mileage onshore

Liquids

For production from wells connected on or before December 31, 1981:

- 55.0¢ per barrel
- 11.0¢ per barrel for service of 20 miles or less from receipt point to removal point

For production from wells connected on or after January 1, 1982:

- \$1.025 per barrel if any part of the service is offshore
- 31.0¢ per barrel if the service is onshore
- 20% of the applicable offshore or onshore rate for service of 20 miles or less from receipt point to removal point

Fuel Retention:

| | |
|--|-----------------------|
| Forward Haul & Intrazone Fuel, Used & Unaccounted For | 3.16 1.32% |
| Backhaul Fuel, Used & Unaccounted For | .16% |

1/ Surcharges applicable to Transportation Rates for Liquids and Liquefiabiles.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ Based on a Btu content of 1,000 Btu per cubic foot.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP09-427 for all Contesting Parties as defined in the Settlement.

SETTLEMENT RATES 3/
TRANSPORTATION RATES FOR LIQUIDS AND LIQUEFIABLES

Liquefiabiles 1/

For production from wells connected on or before December 31, 1981:

- 4.5¢ per Dth per 100 miles prorated to the actual mileage 2/

For production from wells connected on or after January 1, 1982:

- 10.25¢ per Dth per 100 miles of offshore transportation prorated to the actual mileage offshore, plus
- 3.1¢ per Dth per 100 miles of onshore transportation prorated to the actual mileage onshore

Liquids

For production from wells connected on or before December 31, 1981:

- 55.0¢ per barrel
- 11.0¢ per barrel for service of 20 miles or less from receipt point to removal point

For production from wells connected on or after January 1, 1982:

- \$1.025 per barrel if any part of the service is offshore
- 31.0¢ per barrel if the service is onshore
- 20% of the applicable offshore or onshore rate for service of 20 miles or less from receipt point to removal point

Fuel Retention:

| | |
|--|------------------------|
| Forward Haul & Intrazone Fuel, Used & Unaccounted For | 1.32 3.16 % |
| Backhaul Fuel, Used & Unaccounted For | .16% |

1/ Surcharges applicable to Transportation Rates for Liquids and Liquefiabiles.

ACA Surcharge: See Section 28 of the General Terms and Conditions.

2/ Based on a Btu content of 1,000 Btu per cubic foot.

3/ The foregoing rates have been established pursuant to the terms of the Settlement filed in Docket No. RP09-427 applicable to all Supporting and Non-Opposing Parties as defined in the Settlement. Such rates shall remain in effect until superseded by new rates placed into effect consistent with the provisions of the Docket No. RP09-427 Settlement.

RATE SCHEDULE FT
Firm Transportation Service

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on a firm basis from Southern Natural Gas Company ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable hereto; and
 - (iii) SHIPPER and COMPANY have executed a Firm Transportation Service Agreement ("FT Agreement") for service under this Rate Schedule.

SHIPPER may combine packages of capacity, including capacity acquired under Section 22 of the General Terms and Conditions, under a master FT Agreement and the Exhibit "B" to said FT Agreement shall state the term, quantity, and Delivery Points associated with each package of capacity; and, if applicable, the months such quantities are available to SHIPPER. However, COMPANY may request that a package of capacity be contracted under a separate FT Agreement if needed to accurately track, schedule or bill such package of capacity.

SHIPPER may also designate a party to act as agent for multiple shippers under any FT Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the FT Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule except that COMPANY shall construct and install facilities necessary to deliver gas directly to an end user if SHIPPER meets the requirements set out in Section 36 of the General Terms and Conditions. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all shippers on a non-discriminatory basis.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to firm transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule.

Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.

- (b) The receipt of gas for transportation services performed under this Rate Schedule shall be:
- (i) on a firm basis for those Receipt Points specified on Exhibit A to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 15.3, and 16 of the General Terms and Conditions;
 - (ii) on a preferred interruptible basis for those Receipt Points specified on Exhibit A-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Receipt of gas under this Rate Schedule at the Exhibit A-1 Receipt Points shall have a priority over the receipt of gas for COMPANY'S interruptible services and shall have a priority subordinate to the receipt of gas at Receipt Points specified on Exhibit A to the Service Agreements under this Rate Schedule and Rate Schedule FT-NN and other firm transportation services. Receipt of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit A-1 Receipt Points in the Service Agreement's Primary Path shall have a priority over the receipt of gas at Exhibit A-1 Receipt Points outside of the Service Agreement's Primary Path; and
 - (iii) on an interruptible basis if nominated by Shipper as Authorized Overrun subject to the provisions in Sections 8.3, 12.3 (b), and 16 of the General Terms and Conditions.
- (c) The transportation of the gas received by COMPANY for SHIPPER'S account under this Rate Schedule and the delivery of such gas to the Delivery Points shall be:
- (d) on a firm basis along the Primary Path for those Delivery Points specified on Exhibit B to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 12.3(b), 15.3, and 16 of the General Terms and Conditions. Firm transportation services under this Rate Schedule shall have a comparable priority with firm transportation under Rate Schedule FT-NN and other firm transportation services and shall have priority over all of COMPANY'S interruptible services.
- on a preferred interruptible basis for those Delivery Points specified on Exhibit B-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Delivery of gas under this Rate Schedule at Exhibit B-1 Delivery Points shall be on a preferred interruptible basis and shall have a priority over the delivery of gas for COMPANY'S interruptible services and a priority subordinate to the delivery of gas at the Delivery Points specified on Exhibit B to the Service Agreements under this Rate Schedule and Rate Schedule FT-NN and deliveries under other firm transportation services. Delivery of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit B-1 Delivery Points in the Service Agreement's Primary Path shall have a priority over the delivery of gas at Exhibit B-1 Delivery Points outside of the Service Agreement's Primary Path; and
- (i) on an interruptible basis if nominated by Shipper as Authorized Overrun subject to the provisions of Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (e) Transportation service provided under this Rate Schedule shall be limited to SHIPPER'S Transportation Demand specified in the Service Agreement, subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, unless SHIPPER nominates and

COMPANY schedules Authorized Overrun under SHIPPER's firm Service Agreement. SHIPPER shall pay the Authorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Authorized Overrun gas allocated within a rate zone to SHIPPER'S Service Agreement on any day pursuant to the provisions of Section 13 of the General Terms and Conditions. Subject to the segmentation provisions set forth in Section 12.1(l)(3) of the General Terms and Conditions and the provisions for nominating and scheduling Authorized Overrun in the preceding sentence, it is provided that, if Unauthorized Overrun gas within a rate zone is allocated to SHIPPER'S Service Agreement under this Rate Schedule on any day pursuant to the allocation procedures set out in Section 13 of the General Terms and Conditions, SHIPPER shall pay the Unauthorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Unauthorized Overrun gas plus applicable penalties under Section 41 of the General Terms and Conditions of this Tariff.

3. RATES AND CHARGES

- (a) Unless SHIPPER is eligible for the volumetric rate election set forth in Section 3(b) below, SHIPPER shall pay COMPANY the sum of the following for transportation services rendered for SHIPPER each month under this Rate Schedule:
- (i) Reservation Charge: The applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the Transportation Demand (TD).
- (A) Reservation Charge Credit:
- (1) In the event COMPANY is unable to make deliveries of the quantity of gas to which SHIPPER has firm entitlements on any day at primary Delivery Point(s) under this firm Rate Schedule, then the applicable Reservation Charge shall be credited to SHIPPER for such day, except as provided in Section 3(a)(i)(A)(1), 3(a)(i)(A)(2), 3(a)(i)(B), and 3(a)(i)(C) below. Such credit shall be applied to the lesser of (i) the applicable MDDQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Delivery Point immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDDQ; or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or deliver solely as a result of COMPANY's inability to make deliveries as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (B-1) Delivery Point instead of its primary (B) Delivery Point when COMPANY is unable to make deliveries at SHIPPER's primary Delivery Point; (x) to the extent deliveries cannot be made to a Delivery Point on a secondary (B-1) basis and deliveries can be made to SHIPPER's primary Delivery Point(s); (y) to the extent the affected firm MDDQ has been released under Section 22 of the General Terms and Conditions to Delivery Points other than the affected primary Delivery Point; and/or (z) to the extent there are

limitations at firm Receipt Points but COMPANY's ability to make deliveries at Shipper's primary Delivery Point(s) as provided above has not been limited. However, when such delivery point restriction does occur and SHIPPER nominates quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (2) In the event all of SHIPPER'S primary Delivery Point(s) are interstate pipeline interconnection(s) or in the event SHIPPER's primary Receipt Point is the interconnection with Southern LNG at its Elba Island LNG terminal, then SHIPPER may elect, at the time the Service Agreement is executed, or, for existing contracts, at the time the Stipulation and Agreement in Docket No. RP04-523 becomes effective, for the reservation charge credit to apply at SHIPPER's primary Receipt Point(s) instead of its primary Delivery Point(s), in the event COMPANY is unable to receive at such Receipt Point(s) the quantity of gas to which SHIPPER has firm entitlements on any day. Such credit shall be applied to the lesser of (i) the applicable MDRQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Receipt Point(s) immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDRQ or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or receive solely as a result of COMPANY's inability to receive gas as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (A-1) Receipt Point or a Pool Location instead of its primary (A) Receipt Point when COMPANY is unable to receive gas from SHIPPER's primary Receipt Point; (x) to the extent gas cannot be received at a Receipt Point on a secondary (A-1) basis and receipts can be accepted at SHIPPER's primary firm Receipt Point(s); (y) to the extent the affected firm MDRQ has been released under Section 22 of the General Terms and Conditions to Receipt Points other than the affected primary Receipt Point; and/or (z) to the extent there are limitations at firm Delivery Points but COMPANY's ability to accept receipts at SHIPPER's primary Receipt Point(s) has not been limited. However, when such receipt point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (B) COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to deliver gas to SHIPPER as provided above in (A)(1) results from (1) the conduct or operations of SHIPPER or the downstream point operator of the facilities at a primary firm Delivery Point including, but not limited to, damage or malfunction of the downstream point operator's facilities or the inability of the downstream point operator to receive gas at SHIPPER's contract delivery pressure or COMPANY's mainline pressure; (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x); or (3) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the point operator's facilities in (1) or (3) above where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in (2) above, until such time that COMPANY's facilities are ready to be placed back in service.
- (C) In the case of the election pursuant to Section 3(a)(i)(A)(2), COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to receive gas from SHIPPER as provided above in (A)(2) results from (1) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the upstream point operator's facilities in this subparagraph (C)(1) where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in subparagraph (C)(2) below, until such time that COMPANY's facilities are ready to be placed back in service; or (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x).
- (ii) Transportation Charge: Except as provided in Section 3(a)(iii) below, the applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account up to SHIPPER'S Transportation Demand in effect each day. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.
- (iii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points under its FT Service Agreement, SHIPPER shall pay the sum of (A) the Transportation Charge in Section 2.1 or 2.1.1 to the zone of SHIPPER'S Exhibit B Delivery Points and (B) the maximum Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point, multiplied times the

quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. These rates shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (b) Each SHIPPER that qualifies to pay a volumetric transportation rate (Small Shipper Charge) for services under this Rate Schedule as of March 1, 2000, will pay the rates set forth in Section 3(c) below.

Any Existing Small Shippers that do not elect to convert to two-part firm transportation service by the Election Deadline shall execute new firm transportation agreements with COMPANY subject to the Small Shipper Charge by the Election Deadline and such agreements shall contain the following seasonal firm contract quantities. For the months of November - March, the Transportation Demand shall be the same as SHIPPER'S current Transportation Demand subject to the Small Shipper Charge. For the months of April - October, the Transportation Demand shall be reduced to no greater than the highest peak day delivery for each month under the Small Shipper agreement, including deliveries to storage, computed over the last three years ending March 31, 1999, unless Southern Natural agrees otherwise. The difference between SHIPPER'S current Small Shipper Transportation Demand and its reduced Transportation Demand hereunder can be reinstated on 12 months prior written notice if and to the extent the Existing Small Shipper can provide data demonstrating its need to reinstate its Transportation Demand for any month.

- (c) If SHIPPER qualifies to pay a volumetric transportation rate under Section 3(b) above, SHIPPER shall pay COMPANY the following for transportation services rendered for SHIPPER each month under this Rate Schedule:

- (i) Small Shipper Charge: The applicable rate set forth in the currently effective Section 2.1 or 2.1.1 multiplied by the quantities of gas delivered for SHIPPER'S account each day during the month up to the SHIPPER'S total Transportation Demand. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These charges shall not apply to deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, but it shall be charged on the transportation of gas from said account(s).
- (ii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay, in addition to the Small Shipper Charge for the zone of SHIPPER'S Exhibit B Delivery Points, the maximum applicable Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. This charge shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (d) The rates which are stated in the currently effective Section 2.1 or 2.1.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rate to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period of any such discount shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The

rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.1 or 2.1.1.

- (e) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:
- (i) Authorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas scheduled for delivery in excess of the SHIPPER'S firm Transportation Demand, by (b) the applicable rate set forth in the currently effective Rate Section 2.3 or 2.3.1 for the scheduled zones of receipt and delivery.
 - (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
 - (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
 - (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.
 - (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
 - (vi) Fuel and EPC charges: A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas, and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.1 or 2.1.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area

deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY's contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). [COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.](#)

- (vii) Unauthorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas taken by SHIPPER that is not scheduled and is in excess of the SHIPPER'S firm Transportation Demand, by (b) the maximum recourse transportation charge from the Production Area rate zone to the applicable zone of delivery under Rate Section 2.3 or 2.3.1.

4. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

5. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation. Notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY four (4) calendar days' written notice of any change to this information). In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures. SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

6. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point ("Interconnection Facilities"). Interconnection Facilities consist of the facilities at the physical interconnection between the facilities of COMPANY and the facilities of the upstream or downstream facility owner. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the entire cost to COMPANY thereof, COMPANY will construct and install, or cause to be constructed and installed, or will modify, or cause to be modified, Interconnection Facilities; provided that,

- (i) the proposed Interconnection Facilities do not adversely affect Southern's operations;

- (ii) the proposed Interconnection Facilities and the associated transportation service to or from the interconnection do not diminish service to any of Southern's shippers;
- (iii) the proposed Interconnection Facilities do not cause Southern to violate or be in violation of any applicable environmental or safety laws, permits or regulations; and/or
- (iv) the proposed Interconnection Facilities do not conflict with or cause Southern to be in violation of its rights-of-way agreements or any other contractual obligation.

In the event SHIPPER does not agree to pay the costs of installing or modifying the Interconnection Facilities, COMPANY will construct or modify such facilities on a nondiscriminatory basis for similarly situated SHIPPERS if the construction or modification of such Interconnection Facilities is economically feasible and the conditions listed above in (i) -(iv) are met. Construction or modification is economically feasible if the proposed transportation service to be provided through the Interconnection Facilities is revenue positive to COMPANY. The proposed transportation service to be provided through said Interconnection Facilities will be deemed revenue positive if the transportation service produces a net revenue gain. The net revenue gain requirement will be met if

- (a) the total revenues generated over the term of SHIPPER's Service Agreement for the service provided through the new facilities exceed the cost of service of said facilities for the greater of
 - (i) ten years or
 - (ii) the term of SHIPPER's Service Agreement for the service provided through the new facilities and the SHIPPER extends the terms of its existing Service Agreement(s) with COMPANY for a period commensurate with that of its new Service Agreement; provided however, that
 - (1) SHIPPER does not have to extend the remaining term of an existing Service Agreement if said term already exceeds the term of its new Service Agreement, and
 - (2) if the net revenue gain requirement is met over a period less than the term of the new Service Agreement, SHIPPER need extend the term of its existing Service Agreement(s) only for a term commensurate with that shorter period; or
- (b) COMPANY determines that the construction of the facilities will avoid a significant reduction in revenue when comparing the cost of the construction to the projected amount of revenue which would be lost as a result of a SHIPPER's exercising a right to reduce its firm transportation quantity or as a result of a SHIPPER's failing to extend or renew its existing Service Agreement(s); or
- (c) the total costs of construction or modification of such facilities is less than the cost of replacing, repairing, or continuing to operate COMPANY's existing facilities.

As used in this provision, the term "cost of service," includes, but is not limited to:

- (1) a return on all costs associated with the construction of the facilities, including overhead and taxes;
- (2) incremental operating and maintenance expenses;
- (3) depreciation and amortization of expenses; and
- (4) incremental tax expenses.

It is understood and agreed that, if COMPANY pays for the cost of constructing the Interconnection Facilities, title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system. It is also understood and agreed that, if the requesting SHIPPER chooses to incur the costs of constructing the Interconnection Facilities, then COMPANY will build and operate at least the tap and SCADA portion of the facilities at the SHIPPER's expense with other portions of the constructed facilities to be built and operated by the requesting SHIPPER or on behalf of the requesting SHIPPER at the SHIPPER's expense. The Interconnection Facilities built and operated by the requesting SHIPPER or on behalf of the requesting SHIPPER shall be built and operated in accordance with COMPANY'S reasonable specifications and subject to COMPANY'S inspection at the requesting SHIPPER'S expense; provided, however, such inspection shall not include SHIPPER's facilities upstream or downstream of the Interconnection Facilities. COMPANY inspections of measuring equipment shall be performed consistent with Section 5 of the General Terms and Conditions.

Where COMPANY competes for transportation of gas under this Rate Schedule, conditions may be such that it is more favorable for SHIPPER to construct, own and operate certain facilities at or near a Receipt Point or Delivery Point. In such case, COMPANY may make a contribution in aid of construction ("CIAC") for such facilities. A CIAC made pursuant to this Section 6 shall not exceed an amount that would constitute an economically feasible investment for facilities constructed, owned, and operated by COMPANY. COMPANY shall make CIACs pursuant to this provision on a nondiscriminatory basis for similarly situated shippers.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof. If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, the firm contract quantities for each firm package of capacity under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract TD, MDDQ and MDRQ in Mcf times 1.021 Dth/Mcf. COMPANY shall provide SHIPPER new contract numbers for each Service Agreement and each firm package of capacity prior to or on such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by SHIPPER.

RATE SCHEDULE FT-NN
Firm Transportation Service - No Notice

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on a firm basis from Southern Natural Gas Company ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has elected to convert a portion of its bundled firm sales service from COMPANY to service under this Rate Schedule as of the effective date hereof;
 - (iii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable to this Rate Schedule;
 - (iv) SHIPPER and COMPANY have executed a Service Agreement for service under Rate Schedule CSS providing for a Maximum Daily Withdrawal Quantity equal to or in excess of the Transportation Demand to be provided under this Rate Schedule; and
 - (v) SHIPPER and COMPANY have executed a Service Agreement ("FT-NN Agreement") for service under this Rate Schedule.

SHIPPER may combine packages of capacity, including capacity acquired under Section 22 of the General Terms and Conditions, under a master FT-NN Agreement and the Exhibit "B" to said FT-NN Agreement shall state the term, quantity, and Delivery Points associated with each package of capacity; and, if applicable, the months such quantities are available to SHIPPER. However, COMPANY may request that a package of capacity be contracted under a separate FT-NN Agreement if needed to accurately track, schedule or bill such package of capacity.

SHIPPER may also designate a party to act as agent for multiple shippers under any FT-NN Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the FT-NN Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all Shippers on a non-discriminatory basis.
- (c) The right to obtain no-notice service under this Rate Schedule from COMPANY originally was a one-time election available only to COMPANY'S firm sales customers during the restructuring proceedings in COMPANY'S Docket No. RS92-10. COMPANY is not obligated to provide no-notice service under this Rate Schedule at any greater level than was established in total as a result of Docket No. RS92-10.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to no-notice firm transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule. Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.
- (b) The receipt of gas for transportation services performed under this Rate Schedule shall be:
- (i) on a firm basis for those Receipt Points specified on Exhibit A to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 15.3, and 16 of the General Terms and Conditions;
 - (ii) on a preferred interruptible basis for those Receipt Points specified on Exhibit A-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY and as provided in Section 8.3, 12.3(b), and 16 of the General Terms and Conditions. Receipt of gas under this Rate Schedule at the Exhibit A-1 Receipt Points shall have a priority over the receipt of gas for COMPANY'S interruptible services and shall have a priority subordinate to the receipt of gas at Receipt Points specified on Exhibit A to the Service Agreements under this Rate Schedule and Rate Schedule FT and other firm transportation services. Receipt of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit A-1 Receipt Points in the Service Agreement's Primary Path shall have a priority over the receipt of gas at Exhibit A-1 Receipt Points outside of the Service Agreement's Primary Path; and
 - (iii) on an interruptible basis if nominated by SHIPPER as Authorized Overrun subject to the provisions of Section 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (c) The transportation of the gas received by COMPANY for SHIPPER'S account under this Rate Schedule and the delivery of such gas to the Delivery Points shall be :
- (d) on a firm basis along the Primary Path for those Delivery Points specified on Exhibit B to the Service Agreement and shall not be subject to limitation or interruption, except as provided in Sections 8.3, 12.3(b), 15.3, and 16 of the General Terms and Conditions. Firm transportation services under this Rate Schedule shall have a comparable priority with firm transportation under Rate Schedule FT and other firm transportation services and shall have priority over all of COMPANY'S interruptible services.
- on a preferred interruptible basis for Delivery Points specified on Exhibit B-1 to the Service Agreement and shall be subject, in COMPANY'S reasonable judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY as provided in Sections 8.3, 12.3(b), and 16 of the General Terms and Conditions. Delivery of gas under this Rate Schedule at Exhibit B-1 Delivery Points shall be on a preferred interruptible basis and shall have a priority over the delivery of gas for COMPANY'S interruptible services and a priority subordinate to the delivery of gas at the Delivery Points specified on Exhibit B to the Service Agreements under this Rate Schedule and Rate Schedule FT and deliveries under other firm transportation services. Delivery of gas pursuant to a Service Agreement under this Rate Schedule at Exhibit B-1 Delivery Points in the Service Agreement's Primary Path shall have a priority over the delivery of gas at Exhibit B-1 Delivery Points outside of the Service Agreement's Primary Path; and

- (iii) on an interruptible basis if nominated by SHIPPER as Authorized Overrun subject to the provisions of Section 8.3, 12.3(b), and 16 of the General Terms and Conditions.
- (e) Transportation service provided under this Rate Schedule shall be limited to SHIPPER'S Transportation Demand specified in the Service Agreement, subject to the provisions of Section 22 of the General Terms and Conditions applicable hereto, unless SHIPPER nominates and COMPANY schedules Authorized Overrun under SHIPPER'S firm Service Agreement. SHIPPER shall pay the Authorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Authorized Overrun gas allocated within a rate zone to SHIPPER'S Service Agreement on any day pursuant to the provisions of Section 13 of the General Terms and Conditions. Subject to the segmentation provisions set forth in Section 12.1(l)(3) of the General Terms and Conditions and the provisions for nominating and scheduling Authorized Overrun in the preceding sentence, it is provided that, if Unauthorized Overrun gas within a rate zone is allocated to SHIPPER'S Service Agreement under this Rate Schedule on any day pursuant to the allocation procedures set out in Section 13 of the General Terms and Conditions, SHIPPER shall pay the Unauthorized Overrun Charge in Section 3(c) of this Rate Schedule for each Dth of Unauthorized Overrun gas plus applicable penalties under Section 41 of the General Terms and Conditions of this Tariff.

3. RATES AND CHARGES

- (a) Unless SHIPPER is eligible for the volumetric rate election set forth in Section 3(b) below, SHIPPER shall pay COMPANY the sum of the following for transportation services rendered for SHIPPER each month under this Rate Schedule:
 - (i) Reservation Charge: The applicable rate set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the Transportation Demand.
 - (A) Reservation Charge Credit:
 - (1) In the event COMPANY is unable to make deliveries of the quantity of gas to which SHIPPER has firm entitlements on any day at primary Delivery Point(s) under this firm Rate Schedule, then the applicable Reservation Charge shall be credited to SHIPPER for such day, except as provided in Section 3(a)(i)(A)(1), 3(a)(i)(A)(2), 3(a)(i)(B), and 3(a)(i)(C) below. Such credit shall be applied to the lesser of (i) the applicable MDDQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Delivery Point immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDDQ; or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or deliver solely as a result of COMPANY's inability to make deliveries as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (B-1) Delivery Point instead of its primary (B) Delivery Point when COMPANY is unable to make deliveries at SHIPPER's primary Delivery Point; (x) to the extent deliveries cannot be made to a Delivery Point on a secondary (B-1) basis and deliveries

can be made to SHIPPER's primary Delivery Point(s); (y) to the extent the affected firm MDDQ has been released under Section 22 of the General Terms and Conditions to Delivery Points other than the affected primary Delivery Point; and/or (z) to the extent there are limitations at firm Receipt Points but COMPANY's ability to make deliveries at Shipper's primary Delivery Point(s) as provided above has not been limited. However, when such delivery point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (2) In the event all of SHIPPER'S primary Delivery Point(s) are interstate pipeline interconnection(s) or in the event SHIPPER's primary Receipt Point is the interconnection with Southern LNG at its Elba Island LNG terminal, then SHIPPER may elect, at the time the Service Agreement is executed, or, for existing contracts, at the time the Stipulation and Agreement in Docket No. RP04-523 becomes effective, for the reservation charge credit to apply at SHIPPER's primary Receipt Point(s) instead of its primary Delivery Point(s), in the event COMPANY is unable to receive at such Receipt Point(s) the quantity of gas to which SHIPPER has firm entitlements on any day. Such credit shall be applied to the lesser of (i) the applicable MDRQ; (ii) an average of the previous 7 day's daily quantities allocated to the primary firm service at the Receipt Point(s) immediately preceding the service interruption, but not to include quantities outside of SHIPPER's entitlements or quantities in excess of SHIPPER's MDRQ or (iii) such quantity as SHIPPER has nominated but COMPANY was not able to either schedule or receive solely as a result of COMPANY's inability to receive gas as provided above; provided, however, in the event SHIPPER has no nomination in place, then the credit shall be applied to the lesser of (i) or (ii). If, however, COMPANY's notice of a non-force majeure service interruption is not provided until after the Timely Nomination Cycle then the 7 day average criteria in (ii) above shall not apply. The applicable Reservation Charge shall not be credited (w) to the extent that the SHIPPER uses a secondary (A-1) Receipt Point or a Pool Location instead of its primary (A) Receipt Point when COMPANY is unable to receive gas from SHIPPER's primary Receipt Point; (x) to the extent gas cannot be received at a Receipt Point on a secondary (A-1) basis and receipts can be accepted at SHIPPER's primary firm Receipt Point(s); (y) to the extent the affected firm MDRQ has been released under Section 22 of the General Terms and Conditions to Receipt Points other than the affected primary Receipt Point; and/or (z) to the extent there are limitations at firm Delivery Points but COMPANY's ability to accept receipts at SHIPPER's primary Receipt Point(s) has not been limited. However, when such receipt point restriction does occur and SHIPPER nominates its restricted quantities on another pipeline as a result of such restriction, SHIPPER will not be required to re-nominate quantities that have

already been determined to be restricted in a nomination cycle after the Timely Nomination Cycle to receive its applicable reservation charge credit for that Gas Day.

- (B) COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to deliver gas to SHIPPER as provided above in (A)(1) results from (1) the conduct or operations of SHIPPER or the downstream point operator of the facilities at a primary firm Delivery Point including, but not limited to, damage or malfunction of the downstream point operator's facilities or the inability of the downstream point operator to receive gas at SHIPPER's contract delivery pressure or COMPANY's mainline pressure; (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x); or (3) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the point operator's facilities in (1) or (3) above where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in (2) above, until such time that COMPANY's facilities are ready to be placed back in service.
- (C) In the case of the election pursuant to Section 3(a)(i)(A)(2), COMPANY shall not be obligated to credit the Reservation Charge when COMPANY'S failure to receive gas from SHIPPER as provided above in (A)(2) results from (1) the conduct or operations of SHIPPER or the upstream point operator of the facilities at a primary firm Receipt Point including, but not limited to, damage or malfunction of the upstream point operator's facilities or the inability of the upstream point operator to deliver gas at COMPANY's mainline pressure; provided, however, that in the event of damage or malfunction of the upstream point operator's facilities in this subparagraph (C)(1) where COMPANY's facilities also incurred damage and are inoperable, a credit shall apply under the terms hereof, except for the period provided in subparagraph (C)(2) below, until such time that COMPANY's facilities are ready to be placed back in service; or (2) such failure occurring within the earlier of (x) ten (10) days following a force majeure event as set forth in Section 8.3 of the General Terms and Conditions herein; or (y) the date COMPANY should have, in the exercise of due diligence, overcome the force majeure event, if earlier than the period set forth above in (x).
- (ii) Transportation Charge: Except as provided in Section 3(a)(iii) below, the applicable rates set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account during the month up to SHIPPER'S Transportation Demand in effect each day. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt

deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (iii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay the sum of (A) the Transportation Charge in Section 2.2 or 2.2.1 to the zone of SHIPPER'S Exhibit B Delivery Points and (B) the maximum Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the downstream Delivery Point, multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. These rates shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.
- (iv) No Notice Service: The applicable Injection and Withdrawal Charges under Rate Schedule CSS as set forth in the currently effective Section 2.4 or 2.4.1 multiplied by the aggregate quantities of gas injected or withdrawn for SHIPPER'S account hereunder during each day of the month plus the percentage of the quantities of gas injected or withdrawn for SHIPPER'S account to be retained by COMPANY as a fuel charge as set forth in currently effective Section 2.4 or 2.4.1.

- (b) Each SHIPPER that qualifies to pay a volumetric transportation rate (Small Shipper Charge) for services under this Rate Schedule as of March 1, 2000, will pay the rates set forth in Section 3(c) below.

Any Existing Small Shippers that do not elect to convert to two-part firm transportation service by the Election Deadline shall execute new firm transportation agreements with COMPANY subject to the Small Shipper Charge by the Election Deadline and such agreements shall contain the following seasonal firm contract quantities. For the months of November - March, the Transportation Demand shall be the same as SHIPPER'S current Transportation Demand subject to the Small Shipper Charge. For the months of April - October, the Transportation Demand shall be reduced to no greater than the highest peak day delivery for each month under the Small Shipper agreement, including deliveries to storage, computed over the last three years ending March 31, 1999, unless Southern Natural agrees otherwise. The difference between SHIPPER'S current Small Shipper Transportation Demand and its reduced Transportation Demand hereunder can be reinstated on 12 months prior written notice if and to the extent the Existing Small Shipper can provide data demonstrating its need to reinstate its Transportation Demand for any month.

- (c) If SHIPPER qualifies to pay a volumetric transportation rate under Section 3(b) above, SHIPPER shall pay COMPANY the following for:
 - (i) Small Shipper Charge: The applicable rates set forth in the currently effective Section 2.2 or 2.2.1 multiplied by the quantities of gas delivered for SHIPPER'S account each day during the month up to the SHIPPER'S total Transportation Demand. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply. These charges shall not apply to deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, but shall be charged on the transportation of gas from said storage account(s).
 - (ii) Downstream Delivery Charge: If gas is delivered for SHIPPER'S account to an Exhibit B-1 Delivery Point in a zone downstream of the zone of SHIPPER'S Exhibit B Delivery Points, SHIPPER shall pay, in addition to the Small Shipper Charge for the zone of SHIPPER'S Exhibit B Delivery Points, the maximum applicable Transportation Charge under Rate Schedule IT from SHIPPER'S Exhibit B delivery zone to the zone of the

downstream Delivery Point multiplied times the quantities delivered to the downstream Delivery Point within SHIPPER'S Transportation Demand. This charge shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (iii) No Notice Service: The applicable Injection and Withdrawal Charges under Rate Schedule CSS as set forth in the currently effective Section 2.4 or 2.4.1 multiplied by the aggregate quantities of gas injected or withdrawn for SHIPPER'S account hereunder during each day of the month plus the percentage of the quantities of gas injected or withdrawn for SHIPPER'S account to be retained by COMPANY as a fuel charge as set forth in currently effective Section 3.4.
- (d) The rates which are stated in the currently effective Section 2.2 or 2.2.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rates to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period thereof shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.2 or 2.2.1.
- (e) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:
 - (i) Authorized Overrun Charge: An amount obtained by multiplying (a) the quantity of gas scheduled for delivery in excess of the SHIPPER'S firm Transportation Demand, by (b) the applicable rate set forth in the currently effective Rate Section 2.3 or 2.3.1 for the scheduled zones of receipt and delivery .
 - (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
 - (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
 - (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.

- (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
- (vi) Fuel [and EPC charges](#): A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas, and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.2 or 2.2.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY'S contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). [COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.](#)
- (vii) Unauthorized Overrun Charge An amount obtained by multiplying (a) the quantity of gas taken by SHIPPER that is not scheduled and in excess of the SHIPPER'S firm Transportation Demand, by (b) the maximum recourse transportation charge from the Production Area rate zone to the applicable zone of delivery under Rate Section 2.3 or 2.3.1.

4. NO NOTICE SERVICE

- (a) SHIPPER may utilize transportation under this Rate Schedule to have gas it has in storage under COMPANY'S Rate Schedule CSS delivered to any Delivery Point listed on Exhibit B to the Service Agreement without having submitted to COMPANY a prior nomination for the delivery of such gas.
- (b) The daily quantity of gas transported under this Rate Schedule shall be determined in accordance with the allocation procedures set out in Section 13 of the General Terms and Conditions; provided, however, that gas may be allocated to no notice transportation service under this Rate Schedule only to the extent SHIPPER has not otherwise fully utilized its Maximum Daily Withdrawal Quantity or Maximum Daily Injection Quantity under Rate Schedule CSS and has at least an equal quantity of gas in its Storage Inventory or its available storage capacity under COMPANY'S Rate Schedule CSS. The quantity of gas allocated each day to no notice transportation service under this Rate Schedule shall be deducted from or added to the quantity of gas SHIPPER has in its Storage Inventory under COMPANY'S Rate Schedule CSS.
- (c) If SHIPPER elects to nominate gas for transportation under this Rate Schedule as provided by Section 12 of the General Terms and Conditions, the maximum amount of no notice service available on such

day shall be the difference between SHIPPER'S Transportation Demand under this Rate Schedule, reduced for storage withdrawals or injections nominated under Rate Schedule CSS, and the quantity of gas nominated for transportation hereunder on such day.

- (d) Injections of gas into Storage under this Rate Schedule shall not exceed SHIPPER'S Maximum Daily Injection Quantity under Rate Schedule CSS, reduced for storage injections nominated under Rate Schedule CSS, and may not be made if the injection of such quantity of gas would cause SHIPPER to exceed its Maximum Storage Quantity under Rate Schedule CSS. Withdrawals of gas from storage under this Rate Schedule shall not exceed SHIPPER'S Maximum Daily Withdrawal Quantity under Rate Schedule CSS, reduced for storage withdrawals nominated under Rate Schedule CSS, and may not be made if the withdrawal of such quantity of gas would exceed SHIPPER'S Storage Inventory under Rate Schedule CSS.
- (e) Notwithstanding the foregoing provisions of this Section 4 to the contrary, COMPANY recognizes that SHIPPER may wish to designate another party to fully administer its no-notice service under its FT-NN Service Agreement and associated CSS Service Agreement. In this regard, a SHIPPER that initially qualifies for service hereunder will continue to qualify for no-notice service in the following two circumstances:
 - (i) SHIPPER may release all of its firm capacity under its CSS Service Agreement on a temporary basis and still receive no-notice service under its FT-NN Service Agreement if a condition of such release is that the REPLACEMENT SHIPPER must agree to the continued utilization of the released firm storage capacity on a no-notice basis by SHIPPER'S FT-NN Service Agreement. To the extent the Replacement Shipper also has FT-NN service or has acquired CSS capacity from more than one Releasing Shipper pursuant to this provision, Replacement Shipper must notify Company of the manner in which the no-notice service for each of the Releasing Shipper(s) as well as their own, if applicable, is to be administered; or
 - (ii) SHIPPER may release on a temporary basis all of its firm capacity under both its CSS Service Agreement and its FT-NN Service Agreement under which it pays reservation charges and still receive no-notice service hereunder if a condition of such release is that the REPLACEMENT SHIPPER must agree to the continued utilization of the released firm storage and transportation capacity to provide full no-notice service to SHIPPER pursuant to the provisions of the Service Agreements prior to their release.

5. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

6. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation.

SHIPPER shall notify COMPANY by 5:00 p.m. at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY five (5) business days' written notice of any change to this information). In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures.

SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

7. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the cost thereof, and should COMPANY agree to install said facilities or to modify its existing facilities pursuant to SHIPPER'S request, it is agreed that COMPANY will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be

modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event SHIPPER does not agree to pay the costs of installing or modifying said facilities, COMPANY may agree to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated SHIPPERS. Whether said facilities will provide a benefit to all SHIPPERS using COMPANY'S pipeline system such that it is appropriate to include the cost of said facilities in COMPANY'S general system rates will be determined in the rate proceeding in which COMPANY proposes to include such costs in its general system rates. It is understood and agreed that title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system.

8. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof.

If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, the firm contract quantities for each firm package of capacity under such Service Agreement(s) shall be deemed to be converted to an equivalent Dth derived by multiplying the firm contract TD, MDDQ and MDRQ in Mcf times 1.021 Dth/Mcf. COMPANY shall provide SHIPPER new contract numbers for each Service Agreement and each firm package of capacity prior to or on such conversion date via its Interactive Website, and will provide new paper copies of such converted contracts when requested by SHIPPER.

RATE SCHEDULE IT
Interruptible Transportation Service

1. AVAILABILITY

- (a) This Rate Schedule is available to any party ("SHIPPER") that requests transportation of natural gas on an interruptible basis from Southern Natural Gas Company, L.L.C. ("COMPANY") when:
- (i) COMPANY has sufficient capacity and is able to provide said transportation;
 - (ii) SHIPPER has complied with the requirements of Section 2 of the General Terms and Conditions applicable to this Rate Schedule; and
 - (iii) SHIPPER and COMPANY have executed a Service Agreement ("IT Agreement") for service under this Rate Schedule.

SHIPPER may designate a party to act as agent for multiple shippers under any IT Agreement provided the following conditions have been met:

- A. SHIPPERS demonstrate to COMPANY that they collectively meet the "shipper must have title" requirement set forth in Section 2.1(a)(viii) of the General Terms and Conditions hereunder;
 - B. SHIPPERS provide COMPANY with written notice to COMPANY pursuant to Section 24 of the General Terms and Conditions that the agent is authorized to act on their behalf and that each SHIPPER is jointly and severally liable for all of the obligations of SHIPPER under the IT Agreement; and
 - C. SHIPPERS recognize and agree that they shall be treated collectively as one SHIPPER for nomination, allocation and billing purposes.
- (b) COMPANY shall not be obligated to construct, modify, or acquire facilities to perform transportation services under this Rate Schedule except that COMPANY shall construct and install facilities necessary to deliver gas directly to an end user if SHIPPER meets the requirements set out in Section 36 of the General Terms and Conditions. In the event that COMPANY determines that it will construct facilities that will result in the expansion of its pipeline system, COMPANY shall offer the proposed expansion capacity to all shippers on a non-discriminatory basis.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all interruptible transportation service rendered by COMPANY for SHIPPER pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule.
- (b) The transportation services performed under this Rate Schedule shall be on an interruptible basis and shall be further subject, in COMPANY'S sole judgment, to the availability of excess capacity in COMPANY'S pipeline facilities and to the operating conditions and system requirements of COMPANY. Interruptible transportation services under this Rate Schedule shall have a priority subordinate to COMPANY'S firm transportation services provided pursuant to COMPANY'S Rate Schedules and the General Terms and Conditions applicable thereto contained in COMPANY'S FERC Gas Tariff.

3. RATES AND CHARGES

- (a) For transportation services rendered for SHIPPER each month under this Rate Schedule, SHIPPER shall pay COMPANY the following:

Transportation Charge: The applicable rates set forth in the currently effective Section 2.3 or 2.3.1 multiplied by the daily quantities of gas delivered for SHIPPER'S account during the month. This charge shall apply both to (A) deliveries made hereunder for injection into a storage account under Rate Schedule CSS or ISS, with the delivery deemed to have been made in the production area rate zone, and (B) the transportation of gas from said storage account(s), with said withdrawal/receipt deemed to have occurred in rate zone 1. For transportation of gas on a backhaul basis, a backhaul transportation charge, as shown in the above referenced rate sections shall apply.

These transportation charges shall be applied to the daily deliveries pursuant to the method set forth in Section 13.7 of the General Terms and Conditions.

- (b) The rates which are stated in the currently effective Section 2.3 or 2.3.1 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. SHIPPER shall pay the maximum rates for service under this Rate Schedule unless COMPANY, in its reasonable judgment, offers to discount its rates to SHIPPER under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 34 of the General Terms and Conditions. Any discount or Negotiated Rate agreed to by COMPANY and the effective period thereof shall be stated on an executed Exhibit E or Exhibit F to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 42 of the General Terms and Conditions. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified in the currently effective Section 2.3 or 2.3.1.

- (c) In addition to the charges specified above, SHIPPER shall pay to COMPANY the following charges and such other charges applicable to service hereunder as may be set forth from time to time in the General Terms and Conditions:

- (i) (Reserved for future use).
- (ii) ACA charge: An Annual Charge Adjustment charge as prescribed by Section 28 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The ACA charge shall not be assessed, however, on deliveries to a SHIPPER'S Rate Schedule CSS or ISS storage account.
- (iii) SCRM surcharge: A Storage Cost Reconciliation Mechanism Surcharge as prescribed by Section 14.2 of the General Terms and Conditions of COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1, as said charge may be changed from time to time. The SCRM surcharge shall be applied as either a credit or a debit to the Transportation Volumes as defined in Section 14.2.
- (iv) Filing fees: Any and all filing or other fees required in connection with transportation under this Rate Schedule that COMPANY is obligated to pay to the Commission or to any other governmental authority having jurisdiction. SHIPPER shall pay COMPANY for such fees within ten (10) days of receipt of COMPANY'S invoice detailing the amount of such filing fees.

- (v) Facilities: All costs, including reasonable overheads, actually incurred by COMPANY in the construction and installation, modification, and/or acquisition of facilities for the receipt, measurement, or transportation of gas for SHIPPER'S account which SHIPPER requests and COMPANY, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities.
- (vi) Fuel and EPC charges: A percentage of the quantity of gas delivered by SHIPPER for transportation and accepted by COMPANY at the Receipt Point(s) as gas which shall be deemed to have been used as compressor fuel, company-use gas and unaccounted-for gas. The percentage of the quantity of gas retained by COMPANY for such purposes shall be set forth in the currently effective Section 2.3 or 2.3.1 and shall be made effective only at the beginning of a month. These fuel retention percentages are updated semi-annually as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff. On the first day of the month following the effective date of COMPANY'S Stipulation and Agreement filed in Docket Nos. RP89-224, et al., on March 15, 1995, COMPANY shall commence retaining fuel for deliveries into and receipts from COMPANY'S storage fields as follows. On the delivery of gas for injection into storage under Rate Schedules CSS or ISS, COMPANY shall retain the fuel applicable to production area deliveries. On the receipt of gas from storage for subsequent delivery, COMPANY shall retain the fuel at the rate applicable to the zone of delivery minus the rate applicable to production area deliveries previously tendered by SHIPPER, but not less than zero. COMPANY shall not retain fuel on receipts from Receipt Points that are not connected to COMPANY's contiguous pipeline system shown in Section 2.0 ("Offsystem Points"). COMPANY'S EPC rate shall be assessed in all zones and shall be updated as set forth in Section 35 of the General Terms and Conditions of COMPANY'S Tariff.

4. SIMULTANEOUS RECEIPT AND DELIVERY OF GAS

- (a) Although services under this Rate Schedule will be provided on the basis that gas will be received and delivered by COMPANY on a simultaneous basis, COMPANY'S obligation under this Rate Schedule to deliver gas to or for the account of SHIPPER on any day of transportation is limited to making available at the Delivery Point(s) a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s). SHIPPER'S right under this Rate Schedule to take gas at a Delivery Point on a day of transportation is limited to taking a thermally equivalent quantity of gas (less gas retained for compressor fuel, company-use gas, and unaccounted-for gas) to the quantity of gas tendered by or for the account of SHIPPER at the Receipt Point(s).
- (b) It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by COMPANY for transportation under this Rate Schedule and the daily quantities of gas delivered by COMPANY. SHIPPER shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

5. TRANSPORTATION OF LIQUIDS AND LIQUEFIABLES

- (a) Liquids: Any party with the ownership interest to liquids, as defined in the General Terms and Conditions, separated prior to measurement at the Receipt Point(s) may request that such liquids be delivered to COMPANY for transportation by injection of such liquids into COMPANY'S system immediately downstream from said measurement, and COMPANY may, in its reasonable discretion, agree to accept the liquids for transportation. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the month when the transportation of liquids is requested to commence, and submit the information required in Section 5(b) below (and shall give COMPANY four (4) calendar days' written notice of any change to this information).

In the event SHIPPER injects, or causes to be injected, liquids into COMPANY'S system, SHIPPER shall cause the removal of such liquids from the gas delivered into COMPANY'S system at liquid removal facilities installed and operated by the owners of such liquids or their agents at a mutually agreeable point on COMPANY'S onshore pipeline facilities and subject to mutually agreeable accounting procedures.

SHIPPER and COMPANY shall execute a separate Service Agreement for the transportation of said liquids.

- (b) Liquefiabiles: For quantities of gas which are received at a Receipt Point from which the gas enters into a stream of gas which is processed at a processing facility on COMPANY'S pipeline system for the removal of liquefiabiles, as defined in the General Terms and Conditions, the party with the right to process the ownership interest therein ("SHIPPER") may elect to process such gas for its account subject to the further provisions hereof. SHIPPER shall notify COMPANY by 5:00 p.m. CCT at least four (4) calendar days prior to the beginning of the month if the liquefiabiles are to be processed for the account of SHIPPER and shall give COMPANY four (4) calendar days written notice of any change to this election prior to the beginning of the month for which the change is to be effective. COMPANY may extend the election deadline on a nondiscriminatory basis in the event (1) SHIPPER brings on a new source of production at or behind a receipt point during the production month or (2) has a change in interest ownership or liquefiabiles marketing rights, and such election is made prior to the Intraday 2 nomination deadline for the first day of the production month for which the election applies. In its notice SHIPPER shall specify its Liquefiabiles Transportation Agreement (by contract number), the Receipt Point code and source of the subject gas, the working interest owner of the gas, the duration of the election, the Delivery Point code of the processing plant to which the gas is to be delivered and verification that all processing arrangements are in place if the election is to process. In the event SHIPPER fails to make an election and the liquefiabiles are not being processed under a direct processing arrangement with the processing plant, COMPANY shall be authorized to act as SHIPPER'S agent in arranging said processing and, at COMPANY'S election, either (i) assess to SHIPPER its allocated share of plant volume reduction and credit SHIPPER with its allocated share of revenues received by COMPANY for said liquefiabiles, or (ii) replace the allocated share of plant volume reduction in Dth. Such processing arrangements may have a lower processing priority with the processing plant than might be available to SHIPPER by contracting directly with the processing plant for the processing of its gas.

The gas remaining after processing shall be returned to COMPANY'S pipeline at a mutually agreeable point downstream from the processing plant. Such processing shall not cause the gas to fail to meet the quality specifications set forth in the General Terms and Conditions.

SHIPPER shall tender a request for transportation of liquefiabiles pursuant to the provisions of Section 2 of the General Terms and Conditions. Upon submission of a valid request for service, SHIPPER and COMPANY shall execute a separate Liquefiabiles Transportation Agreement in the form set forth in COMPANY'S FERC Gas Tariff, Eighth Revised Volume No. 1.

6. FACILITIES

In order for COMPANY to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for COMPANY to install facilities or to modify existing facilities at or near a Receipt Point or Delivery Point. Should SHIPPER request the installation or modification of said facilities and agree to reimburse COMPANY for the cost thereof, and should COMPANY agree to install said facilities or to modify its existing facilities pursuant to SHIPPER'S request, it is agreed that COMPANY will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities. In the event SHIPPER does not agree to pay the costs of installing or modifying said facilities, COMPANY may agree to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated SHIPPERS. Whether said facilities will provide a benefit to all SHIPPERS using COMPANY'S pipeline system such that it is appropriate to include the cost of said facilities in COMPANY'S general system rates will be determined in the rate proceeding in which COMPANY proposes to include such costs in its general system rates. It is understood and agreed that title to and ownership of said facilities shall remain in COMPANY, and COMPANY shall operate such facilities as part of its pipeline system.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions contained in this Tariff, including from and after their effective date any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation services rendered under this Rate Schedule and, by this reference, are made a part hereof.

If and to the extent the provisions of this Rate Schedule conflict with provisions of said General Terms and Conditions, the provisions of this Rate Schedule shall prevail.

To the extent COMPANY and SHIPPER have executed one or more Service Agreements under this Rate Schedule that are in effect on the date COMPANY converts to its new Interactive Website on April 1, 2016, COMPANY shall provide SHIPPER new contract numbers for each Service Agreement prior to or on such conversion date via its Interactive Website.

35. FUEL MECHANISM

35.1 Purpose

This Section 35 describes how COMPANY shall update the COMPANY's fuel retention percentages for its services on a periodic basis.

35.2 Procedures

The fuel retention rates [pursuant to Section 35.4 and the Electric Power Cost \("EPC"\) rates, if applicable, pursuant to Section 35.5](#) under Rate Schedules CSS and ISS will be updated annually. The fuel retention rates [pursuant to Section 35.3 and the EPC rates pursuant to Section 35.5](#) under Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements will be updated semiannually. The COMPANY will make a filing (with workpapers) with the FERC at least thirty days before the effective date of April 1 of each year setting forth the updated fuel retention rates [and EPC rates, if applicable](#), to be effective April 1 through March 31 to be applicable to Rate Schedules CSS and ISS ("Storage Fuel"). These updated fuel retention rates [and EPC rates](#) will be based upon the actual data for the twelve months ended the previous December 31 ("Storage Base Period"). The COMPANY will make a filing (with workpapers) with the FERC at least 30 days before the effective date of April 1 of each year setting forth the updated fuel retention percentages [and EPC rates](#) to be effective from April 1 through September 30 to be applicable to Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements ("Summer Fuel"). The Storage Fuel filing and the Summer Fuel filing will be made together as a single filing. The updated Summer Fuel retention rates will be based on the actual data for the six months ended the previous September 30 ("Summer Base Period"). The COMPANY will make a filing (with workpapers) with the FERC at least 30 days before the effective date of October 1 of each year setting forth the updated fuel retention percentages [and EPC rates](#) to be effective from October 1 through March 31 to be applicable to Rate Schedules FT, FTNN, IT and, if applicable, under Liquefiable Transportation Agreements ("Winter Fuel"). The updated Winter Fuel retention rates [and EPC rates](#) will be based on the actual data for the six months ended the previous March 31 ("Winter Base Period"). The initial Summer Fuel and Storage Fuel filing will be effective April 1, 2014 and the initial Winter Fuel filing will be effective October 1, 2014.

35.3 Calculation For Transportation Fuel Retention Rates

The Winter Fuel and Summer Fuel retention percentages for Rate Schedules FT, FT-NN, IT and, if applicable, under Liquefiable Transportation Agreements shall be determined by dividing the sum of items 1 and 2 by item 3 as described below:

1. The actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and [prior to November 1, 2024](#), the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's transmission facilities for the Winter Base Period or Summer Base Period, as applicable. Such resulting quantity shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.
2. Over-recovery (as a negative value) or under-recovery (as a positive value) amount associated with COMPANY's transmission facilities during the Winter Base Period or Summer Base Period, as applicable. Such amount shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.
3. The amount in item 1 above in this Section 35.3 plus the applicable quantity of gas delivered by COMPANY during the Winter Base Period or Summer Base Period, as applicable. Such resulting quantity shall be allocated to the various zones in accordance with the fuel allocation methods in effect on COMPANY's system.

The Dth equivalent of the costs of electricity used for electric compression shall be calculated as follows: each month's electricity costs used for electric compression shall be divided by the Index Price set forth in Section 14.1 of these General Terms and Conditions for the applicable month to derive a Dth equivalent amount for that month.

The over-recovery or under-recovery amount during the Winter Base Period or Summer Base Period, as applicable, shall be calculated as the difference between a and b as follows: (a) the quantity of gas retained by COMPANY under the applicable rate schedules during the Winter Base Period or Summer Base Period, as applicable, plus the over-recovery amount (will be an addition to the quantity of gas retained) or under-recovery amount (will be a subtraction to the quantity of gas retained) for the prior year Winter Base Period or Summer Base Period, as applicable, (prior year Winter Base Period and prior year Summer Base Period over-recovery or under-recovery amount for the initial Winter Season and initial Summer Season filings will each include 50% of the cumulative transportation fuel over-recovery or under-recovery amount as of March 31, 2013 and (b) the actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, [for base periods prior to November 1, 2024](#), the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's transmission facilities during the Winter Base Period or Summer Base Period, as applicable.

The backhaul fuel retention percentage will remain at [0.16%](#) without adjustment.

35.4 Calculation For Storage Fuel Retention Rates

The fuel retention percentage for Rate Schedules CSS and ISS shall be determined by dividing the sum of items 1 and 2 by item 3 as described below:

1. The actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, [prior to January 1, 2025](#), the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's storage facilities for the applicable Base Period;
2. Over-recovery (as a negative value) or under-recovery (as a positive value) amount associated with COMPANY's storage facilities during the Storage Base Period;
3. The amount in item 1 above in this Section 35.4 plus the quantity of gas injected and plus the quantity of gas withdrawn under Rate Schedules CSS and ISS during the Storage Base Period.

The Dth equivalent of the costs of electricity used for electric compression shall be calculated as follows: each month's electricity costs used for electric compression shall be divided by the Index Price set forth in Section 14.1 of these General Terms and Conditions for the applicable month to derive a Dth equivalent amount for that month.

The over-recovery or under-recovery amount during the Storage Base Period shall be calculated as the difference between a and b as follows: (a) the quantity of gas retained by the COMPANY under the applicable rate schedules during the Storage Base Period plus the over-recovery amount (will be an addition to the quantity of gas retained) or under-recovery amount (will be a subtraction to the quantity of gas retained) for the prior year Storage Base Period (prior year Storage Base Period over-recovery or under-recovery amount will be the cumulative storage fuel over-recovery or under-recovery amount as of December 31, 2013 for the initial filing) and (b) the actual quantity of gas consumed by COMPANY for company use and lost and unaccounted for gas and, [for a Storage Base Period prior to January 1, 2025](#), the Dth equivalent of the costs of electricity used for COMPANY's electric compression associated with COMPANY's storage facilities during the Storage Base Period.

35.5 [Electric Power Cost Recovery](#)~~Gains and Losses on Electricity~~

(a) Prior to November 1, 2024, for transportation and prior to January 1, 2025, for storage, COMPANY will account for gains and losses on the sale of transportation fuel retained for electricity as described below:

1. Following the end of each Winter Base Period and each Summer Base Period, respectively, COMPANY will determine the difference between the sales proceeds attributable to COMPANY's sale of the Dth equivalent of the cost of electricity used for electric compression as described in Section 35.3 and COMPANY's cost of electricity used for electric compression for the applicable Winter Base Period or Summer Base Period. If the difference is positive, the difference will be reduced by any cumulative losses existing in the Winter or Summer Deferred Electricity Losses Account, as applicable, described in item 4 below as of the beginning of the applicable Winter Base Period or Summer Base Period to determine the net difference. The positive difference will be deducted from the Winter or Summer Deferred Electricity Losses Account, as applicable, provided, however, the resulting Winter or Summer Deferred Electricity Losses Account balance, as applicable, shall never be less than zero (0). If the net difference is positive, the net difference will be shared as described in item 2 below. If the net difference is negative, such net difference will remain in the applicable Winter or Summer Deferred Electricity Losses Account and be carried over to the next applicable Summer or Winter Base Period. For the initial Summer Base Period the calculation of the difference described above will exclude sales and costs attributable to the month of April, 2013.
2. If the net difference for the applicable Winter Base Period or Summer Base Period is positive, COMPANY will provide a monetary credit on SHIPPER's bill for 85% of SHIPPER's pro rata share of such net difference based on the volume of gas retained from SHIPPER for transportation fuel to the total volume of gas retained from all SHIPPERS for transportation fuel, during the applicable Winter Base Period or Summer Base Period. The monetary credit will be applied to SHIPPER's bill within 80 days of the end of the applicable Winter Base Period or Summer Base Period. The remaining 15% of any net positive difference will be retained by COMPANY and will be taken into income.
3. If the difference is negative the difference will be added to the Winter or Summer Deferred Electricity Losses Account, as applicable, described in item 4 below and no sharing will occur for that period.
4. Any negative difference calculated as described in item 1 above for a Winter Base Period or Summer Base Period will be recorded in the Winter or Summer Deferred Electricity Losses Account, respectively, and carried over to the next Winter Base Period or Summer Base Period, as applicable.

(b) Beginning on November 1, 2024, for transportation and beginning on January 1, 2025, for storage, the COMPANY will recover electric power costs through an EPC tracking and true-up mechanism. EPC shall mean the electric power costs incurred by COMPANY which are required for the operation of COMPANY's electric compression facilities recorded in COMPANY's FERC Account 819 for storage and COMPANY's FERC Account 855 for transportation. The EPC rates, expressed in dollars per Dth, shall be stated on the Statement of Rates in COMPANY's Tariff, reflected on SHIPPER's invoice and paid by SHIPPER pursuant to the provisions of Section 15 of the General Terms and Conditions of COMPANY's Tariff.

The EPC rate for storage, if applicable, shall be determined by dividing the sum of items 1 and 2 by item 3:

1. The sum of the EPC during the Storage Base Period.
2. The EPC balance, which includes revenue received from the EPC charge during the applicable base period and any over-recovery (as a negative value) or under-recovery (as a positive value) of COMPANY'S total actual expenses and

the revenue amounts collected from the EPC rate during the applicable base period.

3. The quantity of gas injected and plus the quantity of gas withdrawn under Rate Schedules CSS and ISS during the Storage Base Period.

The EPC rates for transportation shall be determined by dividing the sum of items 1 and 2 by item 3:

1. The sum of the EPC during the applicable Winter Base Period or Summer Base Period.
2. The EPC balance, which includes revenue received from the EPC charge during the applicable Winter Base Period or Summer Base Period and any over-recovery (as a negative value) or under-recovery (as a positive value) of COMPANY'S total actual expenses and the revenue amounts collected from the EPC rates during the applicable Winter Base Period or Summer Base Period. Subject to the outcome of the proceeding in Docket No. RP24-982-000, the initial EPC balance for the Winter Base Period or Summer Base Period, as applicable, will include any negative difference calculated pursuant to Section 35.5(a)(4).
3. For transportation, the receipt quantities under all applicable transportation rate schedules during the applicable Winter Base Period or Summer Base Period.