



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

October 24, 2024

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

Re: Southern Natural Gas Company, L.L.C.
Supplement to Offer of Partial Settlement
Docket Nos. RP25-36-000 and RP24-982-003 (consolidated)

Dear Ms. Reese:

On October 23, 2024, Southern Natural Gas Company, L.L.C. (“SNG”) submitted to the Federal Energy Regulatory Commission (“Commission” or “FERC”) an Offer of Partial Settlement in the above referenced consolidated dockets. Subsequent to that submission, it came to SNG’s attention that the *pro forma* tariff sheets included in Attachment D of the filing should have reflected a date of October 1, 2024 instead of November 1, 2024 in Section 35. SNG hereby submits an amended Attachment D including the corrected *pro forma* tariff records.

Pursuant to Rule 602(b)(2)(i),¹ SNG respectfully requests that the Secretary transmit the Amendment to 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 Amendment to 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.

In accordance with the applicable provisions of Part 154 of the Commission’s regulations,² SNG is submitting an eTariff XML filing package, which includes the following:

1. This transmittal letter; and
2. A revised Attachment D including the *Pro Forma* clean and marked versions of the tariff records in PDF format.

¹ *Id.* § 385.602(b)(2)(i).

² 18 C.F.R. §§ 154.1 – 154.603 (2022).

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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Pursuant to 18 C.F.R. § 154.4(b) and § 385.2005 (a)(2) of the Commission's regulations, the undersigned hereby certifies that he has read this filing and knows (i) the contents of such filing and the attachments; (ii) that the contents as stated in the filing and in the attachments are true to 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
Southern Natural Gas Company, L.L.C.
Post Office Box 2563
Birmingham, Alabama 35202-2563
(205) 325-7105
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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 24th day of October 2024.

/s/ Ryan Leahy_____

Ryan Leahy
Director, Regulatory
Southern Natural Gas Company, LLC
569 Brookwood Village
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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>				\$4.284

	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
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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. 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	<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 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/	\$1.1877	\$2.2121	\$3.3173	\$4.4198
<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¢

<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 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. 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.