

November 30, 2018

Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Attention: Ms. Kimberly D. Bose, Secretary

Re: Fuel Gas Reimbursement Mechanism Update;
TransColorado Gas Transmission Company LLC;
Docket No. RP19-

Commissioners:

TransColorado Gas Transmission Company LLC ("TransColorado") tenders for filing and acceptance by the Federal Energy Regulatory Commission ("Commission") the tariff records listed on Attachment A for inclusion in TransColorado's Third Revised Volume No. 1 FERC Gas Tariff ("Tariff").

Proposed with an effective date of January 1, 2019, these tariff records collapse the fuel gas reimbursement percentages ascribed to the historical phases of construction for TransColorado's system for the purpose of assessing fuel and lost and unaccounted for gas reimbursement percentages. In addition, TransColorado is proposing to consolidate its list of "no fuel" routes and to update such list for the inclusion of a few additional routes that no longer consume fuel. As explained in more detail below, this update to TransColorado's fuel tracker better aligns the assessment of fuel and lost and unaccounted for gas with current system operations and cost causation principles.

Background

Development of TransColorado's System and Current Operations

TransColorado's pipeline system provides interstate natural gas transportation services within the states of Colorado and New Mexico. As depicted on the system map in Attachment B, this system extends from Greasewood located in Rio Blanco County, Colorado, southward to a point of interconnection with various interstate and intrastate pipelines at the Blanco Hub located in San Juan County, New Mexico.¹ The system also connects with several producers in Colorado and New Mexico and delivers supplies of natural gas produced from the Piceance, Paradox, and San Juan production basins.

¹ Currently, the Blanco Hub consists of three interconnects with the following pipelines: El Paso Natural Gas Company, L.L.C., Southern Trails Pipeline, and Transwestern Pipeline Company, LLC.

TransColorado's system has evolved considerably over time through several expansions and other system modifications necessary to fulfill the demand for transportation capacity. TransColorado's system was initially designed to transport natural gas supplies from the Piceance and Uinta Basins and other Rocky Mountain production areas south to interconnects with the systems of El Paso Natural Gas Company, L.L.C. ("El Paso") and Transwestern Pipeline Company, LLC ("TW") in northern New Mexico.² Following its acceptance of TransColorado's initial certificate pursuant to section 7 of the Natural Gas Act ("NGA"), the Commission amended the certificate to authorize TransColorado to construct the system in two phases.³ Among other things, Phase I included connecting a new treatment plant to the southernmost portion of TransColorado's system in order to provide producers near the plant with an outlet for their production.⁴ This phase did not involve compression facilities and was placed in service on December 15, 1996. Subsequently, the completion of Phase II added approximately 270 miles of pipeline and compression to TransColorado's system on March 31, 1999.

On March 24, 2004, the Commission authorized TransColorado to construct three new compressor stations (i.e., Whitewater, Redvale, and Mancos) and upgrade two existing compressor stations (i.e., Olathe and Dolores) all within the State of Colorado.⁵ The facilities increased TransColorado's transport capacity by approximately 125,000 Dth per day. Fuel consumed by these facilities is currently included with the Phase II facilities.

On May 27, 2005, the Commission granted TransColorado's certificate application pursuant to section 7 of the NGA to install and operate facilities to enhance the transportation options of northbound shippers ("North Expansion").⁶ In particular, this enhancement helped facilitate the transportation of natural gas northward from the Piceance Basin (i.e., located in approximately the middle of TransColorado's system at and north of the Anderson Gulch Plant⁷) to the Greasewood Hub located at the northeastern terminus of TransColorado's system.⁸ Coincident with its acceptance of TransColorado's certificate, the

² *TransColorado Gas Transmission Co.*, 67 FERC ¶ 61,301 at 62,049 (1994).

³ *TransColorado Gas Transmission Co.*, 76 FERC ¶ 61,366 (1996).

⁴ *Id.* at 62,703.

⁵ *TransColorado Gas Transmission Co.*, 106 FERC ¶ 61,276 (2004).

⁶ *TransColorado Gas Transmission Co.*, 111 FERC ¶ 62,224 (2005).

⁷ See page 1 of Attachment B. The Anderson Gulch Plant is located between the Conn Creek Compressor Station and the Whitewater Compressor Station.

⁸ See *TransColorado Gas Transmission Co.*, 111 FERC ¶ 62,224 (2005). Previously, TransColorado had installed a back pressure valve near Raccoon Hollow (located between the Conn Creek Compressor Station and the Anderson Gulch Plant) that allowed TransColorado to accommodate limited northbound flows between receipt and delivery point combinations established in Section 12.9 of the General Terms and Conditions of its then existing tariff. These transportation transactions that took place between northern receipt and delivery points were at that time not assessed any fuel charges. *TransColorado Gas Transmission Co.*, Docket No. RP05-108-000 (Dec. 16, 2004) (unpublished letter order).

Commission accepted TransColorado's proposal for a separate fuel charge for these transactions known as FGRP-N.⁹ The North Expansion facilities were placed in service between 2006 and 2008.

On April 19, 2007, the Commission granted TransColorado's request to construct and install additional facilities, including new compression,¹⁰ to provide northward transportation from the Blanco Hub area in San Juan County, New Mexico to the Meeker Hub in Rio Blanco County, Colorado at the northern end of TransColorado's system.¹¹ This enhanced TransColorado's ability to be a completely bi-directional pipeline. These facilities were placed in service on January 1, 2008.

Thus, TransColorado's system has evolved from a north to south pipeline, to a pipeline with receipt points in the middle of its system and the ability to flow either north or south, and, finally, to a fully bi-directional pipeline. Over the last three years, natural gas has physically flowed both north and south in each of the years, as shown on Attachment C.

TransColorado cannot predict with reasonable certainty the duration of the direction of the flow of the natural gas. Additionally, the compressors operate in an integrated manner and may be substituted for each other to varying degrees depending on their proximity and the direction of the flow of gas.¹² TransColorado operates the system in the most efficient manner depending on the direction of flow, location of gas receipts and deliveries as well as other operating conditions. For example, the compressor at Conn Creek may be operated in conjunction with or in lieu of the compressors at Greasewood or Whitewater. Significantly, which compressors are used is not dependent on which expansion facilities are used. In other words, the Greasewood compressor is not operated only for northbound volumes received at or north of Anderson Gulch and the Conn Creek or Whitewater compressors are not only operated for northbound volumes received south of Anderson Gulch.

Current Fuel and Lost and Unaccounted For Gas Reimbursement Mechanisms

The treatment of fuel and/or lost and unaccounted for gas is separated into four different categories as a result of the different phases of construction of

⁹ See *TransColorado Gas Transmission Co.*, 111 FERC ¶ 62,224 (2005).

¹⁰ This additional compression included new compressor units at the proposed Blanco and Conn Creek Compressor Stations as well as an additional unit at the existing Greasewood Compressor Station.

¹¹ *TransColorado Gas Transmission Co.*, 119 FERC ¶ 61,069 (2007). The Commission approved the assessment of the same charge for fuel and unaccounted for gas as existed for Phase II. Phase I was not assessed a fuel charge and assessed only its proportionate share of lost and unaccounted for gas.

¹² See TransColorado's Amendment to Certificates in Docket Nos. CP05-45-000 and CP06-401-000 filed on February 11, 2008.

the pipeline: Phase I, Phase II, FGRP-N, and No-Fuel Routes. The locations and/or routes for the application of the different gas and lost and unaccounted for gas charges (termed as FGRP and FGRP-N) are found in current Section 12.9 of the General Terms and Conditions (“GT&C”) of TransColorado’s Tariff and are generally identified as follows:

- Fuel Gas Reimbursement Percentage (“FGRP”)
 - Phase I: Lost and unaccounted for gas only and applies to quantities physically transported on the lower segment of TransColorado’s system from Coyote Gulch in La Plata County, Colorado (located approximately at the state line between Colorado and New Mexico) to Blanco in San Juan County, New Mexico, as highlighted on page 1 of Attachment B;
 - No-Fuel Routes: Lost and unaccounted for gas only and applies to quantities generally transported between the Greasewood Hub and the Meeker Hub¹³ located in Rio Blanco County, Colorado that do not use compression and are specified in the tariff; and
 - Phase II: Fuel and lost and unaccounted for gas and applies to the remaining segments on the system not covered by the other three categories (i.e., FGRP-N, Phase I and No-Fuel Routes).

- Fuel Gas Reimbursement Percentage – North Expansion (“FGRP-N”): Fuel and lost and unaccounted for gas and applies to North Expansion transportation (i.e., certain specified receipt and delivery points at and between the Anderson Gulch Plant in Mesa County, Colorado and the terminus of TransColorado’s system at Greasewood Hub¹⁴ in Rio Blanco County, Colorado). The fuel-gas component of the FGRP-N percentage consists solely of gas burned at the Greasewood Compressor Station.

With regard to adjustments to the FGRP categories, TransColorado posts on its interactive website such percentages five days in advance of the first day of each month to be effective during the month. Additionally, TransColorado files an annual fuel gas reimbursement percentage update and annual report on March 1st that illustrates the application of its fuel reimbursement provisions for its FGRP and FGRP-N for the 12-months beginning January 1st of the previous year. With this report, TransColorado also establishes variance adjustments applicable to each of the FGRP categories and FGRP-N to be effective during

¹³ At this time, the Meeker Hub consists of three interconnects: 1) White River Hub, LLC’s Ryan Gulch location, 2) Rockies Express Pipeline LLC’s Love Ranch location, and 3) Enterprise Gas Processing LLC’s Horse Draw location.

¹⁴ Currently, the Greasewood Hub consists of six interconnects with the following pipelines: Williams Company, ExxonMobil Gas & Power Marketing Company, a division of Exxon Mobil Corporation, Bargath, LLC, Dominion Energy Questar Pipeline, LLC, Colorado Interstate Gas Company, L.L.C., and Wyoming Interstate Company, L.L.C. (i.e., the Yellow Jacket Pass location).

the 12-month period April 1 through March 31 based on the 12 months ended December 31 of the previous year.

Reason for Filing

Fuel Reimbursement

TransColorado's existing fuel and lost and unaccounted for gas reimbursement mechanism does not properly align cost collection with cost causation due to the evolution of system operations as described above in the background and further below. For example, with the considerable growth in the Permian Basin, natural gas flows on TransColorado have shifted such that there are now substantial flows for significant time periods from south to north, instead of the historical primary flow of north to south (although the system still physically flows both directions). The interconnects at the Blanco Hub with the systems of El Paso and TW offer an outlet for the Permian Basin gas to flow north on TransColorado's system. As such, some shippers are nominating transportation service from anywhere south of approximately Anderson Gulch including the southern terminus of the pipeline so as to flow to the northernmost part of the system. TransColorado may use the Conn Creek Compressor Station or the Greasewood Compressor Station to facilitate these deliveries at the northernmost point of the system. Because the natural gas is received at points previously associated only with the Phase II expansion, shippers with such south to north transactions are assessed the Phase II FGRP which does not include any fuel used by the Greasewood Compressor Station, even if it is used to physically make the deliveries.

Similarly, TransColorado can (and does) utilize compression from the Conn Creek Compressor Station (or other compressors) to transport natural gas to the Meeker Hub or the Greasewood Hub. It is generally more operationally effective to utilize the compression at the Conn Creek Compressor Station (located further south on the TransColorado system) to meet pressure requirements for delivery into both the Meeker Hub and the Greasewood Hub. However, the FGRP-N fuel charge for certain deliveries to the Meeker Hub or Greasewood Hub would not include the fuel consumed by the Conn Creek Compressor Station (or those other compressors) used to make those deliveries.

Moreover, TransColorado is constructing new receipt points north of Anderson Gulch. However, these points are not necessarily defined as points that qualify for FGRP-N even though they may physically be between receipt points that are specified to qualify for FGRP-N. Thus, two receipt points in close proximity nominating gas to be delivered to the same point could be assessed two different fuel reimbursement percentages. Therefore, in view of these operational changes, TransColorado is proposing to modify its fuel

reimbursement provisions consistent with the principles of cost causation¹⁵ such that fuel is assessed when fuel is utilized.

No-Fuel Routes

With respect to no-fuel routes, TransColorado currently has multiple no-fuel routes on its system, as identified in Sections 12.9(f) and 12.9(g) of the GT&C. These two provisions address the no-fuel routes based on the timing of the proposal or associated construction phase and subsequent acceptance by the Commission. GT&C Section 12.9(f) lists routes that qualify for the Phase I FGRP, while additional no-fuel routes are identified in GT&C Section 12.9(g). The underlying reason for not assessing fuel for the routes in both of these provisions remains the same, i.e., the transactions do not consume or require fuel. Consequently, TransColorado is proposing to consolidate these provisions and, ultimately, assess only a single lost and unaccounted for reimbursement percentage for the applicable routes.

Currently, the no-fuel routes include transportation from Greasewood to certain locations in the Meeker Hub (i.e., Love Ranch and Horse Draw) that are listed in the No-Fuel Routes provision (i.e., GT&C Section 12.9(f)). Additionally, certain no-fuel routes associated with the Phase I FGRP occur between interconnecting pipelines at the Blanco Hub as well as from the Coyote Gulch Plant to the Blanco Hub.¹⁶

As part of its review of the reimbursement percentages, TransColorado found that additional no-fuel routes should be added. Specifically, the majority of the current transactions being assessed the FGRP-N percentage are now occurring between receipt and delivery points within the Meeker Hub rather than from the historical route of Meeker (or south of Meeker) to Greasewood. Such transportation within the Meeker Hub does not utilize the compression from the Greasewood Compressor Station.¹⁷ However, the FGRP-N percentage, which includes only fuel from the Greasewood Compressor Station, is being assessed for those transactions. Accordingly, TransColorado is proposing to include two

¹⁵ *Trunkline Gas Co., LLC*, 142 FERC ¶ 61,133 at P 30 & n.39 (2013) (citing *KN Energy Inc. v. FERC*, 968 F.2d 1295, 1300 (D.C. Cir. 1992) ("Simply put, it has been traditionally required that all approved rates reflect to some degree the costs actually caused by the customer who must pay them.")).

¹⁶ See the No-Fuel Routes and Phase I FGRP provisions in Sections 12.9(f) and 12.9(g), respectively, of the GT&C of TransColorado's Tariff.

¹⁷ Transportation between the points within the hub also do not rely on compression. The transportation is either by displacement or physical. For physical transportation, the pressure from the point must be higher than the pressure of TransColorado's system for the gas to be received, and higher than the delivery point at the hub in order to be delivered. Because the pressure from the receipt point must be higher than TransColorado's system and the pressure at the delivery point, the transportation does not rely on TransColorado's compression to be delivered.

additional no-fuel routes between certain locations within the Meeker Hub: 1) Ryan Gulch to Horse Draw, and 2) Love Ranch to Horse Draw.

Additionally, TransColorado's Tariff identifies an existing no-fuel route between locations within the Greasewood Hub.¹⁸ However, TransColorado is proposing to exclude from the no-fuel routes any of the locations within the Greasewood Hub delivering to Yellow Jacket Pass as such transactions may consume fuel due to the utilization of the Greasewood Compressor Station.¹⁹ Attachment B, pages 1 and 2, illustrates the location and proximity of the Greasewood Compressor Station in relation to the interconnect points within the Greasewood Hub. The only delivery point that requires gas to flow through the Greasewood Compressor Station is Yellow Jacket Pass.²⁰

Finally, the current tariff also exempts fuel assessment for certain transactions with receipts from the Greasewood Hub to the Meeker Hub,²¹ such as the Greasewood locations to Love Ranch or Horse Draw; Dark Canyon to Love Ranch or Horse Draw,²² or, Yellow Jacket to Love Ranch or Horse Draw. When gas is flowing north to south from the Greasewood locations to the Meeker Hub locations, no compression is required for that direction of flow for these transactions. Though the current tariff identifies two of the locations within the Meeker Hub as exempt from fuel, it does not include the Ryan Gulch location within the Meeker Hub as exempt. Consequently, TransColorado is proposing to include transactions from the Greasewood Hub to Ryan Gulch, consistent with the other Meeker Hub locations.

Description of Filing

Fuel and L&U Percentages

Given the integrated nature of operating compression on TransColorado's system and to better align fuel incurrence with fuel assessment, TransColorado is proposing to collapse the FGRP-N and Phase II FGRP into one fuel reimbursement percentage in proposed GT&C Section 12.9. All shippers will be assessed the same reimbursement percentages for fuel and lost and

¹⁸ See current GT&C Section 12.9(e)(v).

¹⁹ See note 14 *infra* for an explanation of why gas is not consumed within the Greasewood Hub, with the exception of deliveries to Yellow Jacket Pass.

²⁰ Delivery to the Yellow Jacket Pass does require compression; however, as mentioned earlier, many of those transactions do not require the physical use of the Greasewood compressor facilities because Conn Creek is able to supply the required pressure.

²¹ Proposed GT&C Section 12.9(d) more specifically delineates some of the receipt and delivery points that are more generally described in current GT&C Section 12.9(f).

²² Previously, Dark Canyon was generally considered included with no-fuel route references to Greasewood. However, with the proposed modifications and specificity, TransColorado is taking this opportunity to note Dark Canyon individually. This identification in the Tariff does not propose to change the current treatment; rather, to provide additional clarification for the reader.

unaccounted for gas (separately) except for shippers using the designated no-fuel routes. In that case, such shipper would be assessed the same lost and unaccounted for gas reimbursement percentage. The reimbursement percentages for the two separate phases of construction for the North Expansion and Phase II have been consistently approaching equivalency (i.e., there is little difference between the FGRP-N and the Phase II FGRP percentages). Currently, the FGRP-N percentage is 1.763% and the Phase II FGRP percentage is 1.75%. As will be shown in the attached analysis and discussed later, collapsing the fuel rates into one reimbursement percentage will not affect shippers whose transactions do require compression.

In addition to collapsing the two percentages into a single percentage, TransColorado is also proposing to separately assess the two distinct components of Fuel and L&U. While TransColorado is collecting both fuel and lost and unaccounted for gas through the current FGRP collection mechanism, it is difficult to readily identify whether an over- or under-collection is specifically attributable to fuel or lost and unaccounted for gas. As such, separation of the components provides more transparency to shippers regarding TransColorado's collections and subsequent filings.

To accomplish both the proposition of collapsing the Phase II FGRP and the FGRP-N into one reimbursement percentage and also separating the fuel component from the lost and unaccounted for gas component going forward, TransColorado has attached workpapers under Attachments D and E. TransColorado proposes using the period of January 2018 through September 2018 as its baseline data collection period to determine the separation of the two components, as well as the initial true-up reimbursement percentages for the new mechanism. An explanation of the workpapers and the reimbursement derivation is detailed in the following section.

In addition, TransColorado is proposing to establish one tariff provision for no-fuel routes in proposed GT&C Section 12.9(d) to simplify the tariff structure and provide more transparency. As part of that process, TransColorado proposes to include additional routes identified as no-fuel routes as well as an exception to an existing no-fuel route discussed earlier. With the effectiveness of the new proposed fuel tracking mechanism, transactions for the above listed routes will only be assessed for lost and unaccounted for gas. Further, with the separation of fuel and lost and unaccounted for gas reimbursement percentages, it will be transparent that these No-Fuel Routes are being assessed only the L&U component.

Finally, in proposed GT&C Section 12.9(b), TransColorado is proposing to change the frequency and method of proposed changes to the new Fuel and L&U reimbursement percentages. Currently, TransColorado is required to evaluate its system on a monthly basis and post any FGRP changes to its interactive website. Then, on an annual basis, TransColorado files a report with

the Commission detailing the monthly over- or under-collection of FGRP throughout the calendar year and setting the variance adjustment percentage for the next 12 months to collect or return any difference between collected FGRP volumes and experienced FGRP volumes.²³ In the instant filing, TransColorado is proposing to file quarterly updates to the Fuel and L&U reimbursement percentages through limited section 4 filings. These filings provide benefits to the shippers in two ways. First, the additional transparency and workpapers provided in the quarterly filings afford shippers supplemental information as it relates to the separate collection of Fuel and L&U. Second, moving from a monthly potential change to a quarterly potential change in reimbursement percentages provides shippers with increased stability in the rates, while still mitigating large swings in the percentages that might be experienced from less frequent filings (i.e., annual or semi-annual filings). As a final point, this adjustment process will also assist TransColorado by minimizing the amount of under- and over-collections. Given that TransColorado is a relatively shorter pipeline of moderate diameter and no system storage, it has fewer system assets to manage sizeable over- and under-collections.

Transition Analysis

To facilitate the transition of collapsing two fuel reimbursement percentages (i.e., Phase II FGRP and FGRP-N) for the purpose of assessing a single proposed Fuel Reimbursement Percentage and also separating the fuel gas reimbursement percentages into the proposed Fuel and L&U components, TransColorado first determined the amount of over/under-collected volumes of gas from Phase I, Phase II, No-Fuel Routes, and FGRP-N for the period of January 1, 2018 through September 30, 2018. Attachment D, page 1, details monthly data used to compute the over/under-collected volumes. The data includes FGRP (both fuel and lost and unaccounted for gas) collected for each of the four areas,²⁴ along with the separate actual fuel burned and lost and unaccounted for gas experienced, for the period January 2018 through September 2018. The same data is also displayed for any volumes collected as a variance adjustment from prior periods.²⁵ The difference between amounts collected as compared to volumes experienced results in the over/under-collected balances for each of the areas. Of note, Attachment D, page 1, is the same format and data utilized by TransColorado to compute over/under-

²³ Similarly, TransColorado includes in its annual report with the Commission the over- or under-collection of FGRP-N throughout the calendar year and sets the variance adjustment percentage for the next 12 months to collect or return any difference between collected FGRP-N volumes and experienced FGRP-N volumes.

²⁴ For purposes of the Transition Analysis, TransColorado will refer to the phases of construction (i.e., Phase I, Phase II, FGRP-N, and No Fuel Routes) as areas to simplify the explanation set forth herein.

²⁵ The term “variance adjustment” is utilized in the current mechanism to indicate the difference between volumes experienced and volumes collected. The proposed filing uses the term “true-up” or “adjustment reimbursement percentage” to describe these differences.

collection for its annual filings. Page 2 of Attachment D summarizes the variances for the four areas as of September 30, 2018. This analysis provides the baseline volumes to incorporate into the proposed updated fuel reimbursement adjustment mechanism.

The next step is to separate the volumes currently identified only as “FGRP” for Phase II and FGRP-N (both encompassing fuel gas and lost and unaccounted for gas) into the newly proposed individual components of Fuel and L&U.²⁶ TransColorado began with data from 2017 utilized to calculate the current variance adjustment percentages for 2018.²⁷ Attachment E, Schedule 1, page 1, details Phase II and contains data for FGRP collected, the previous unamortized balance, actual fuel gas burned (not including lost and unaccounted for gas), the actual lost and unaccounted for gas experienced and system receipt volumes for the Phase II variance adjustment. Dividing the actual fuel gas burned and lost and unaccounted for gas experienced with the system receipt volumes yields the percentage of fuel gas and lost and unaccounted for gas as compared to the total receipt volumes. Applying those percentages to the total amount of FGRP collected produces the separate theoretical components of Fuel and L&U embedded in the collected amount of FGRP volume. The same procedure can be utilized to determine the components of Fuel and L&U contained in the FGRP unamortized balance. Once the collected amounts and unamortized balances have been separately categorized as fuel and lost and unaccounted for gas, the level of over/under-collection can be determined by subtracting the collected amounts from the fuel and lost and unaccounted for gas volumes experienced. As the last step, the variance (or true-up) percentage can be determined by dividing the over/under-collected volumes by the system receipts. As shown on page 1 of Attachment E, Schedule 1, the fuel variance adjustment for Phase II is calculated as 0.305% (which is to be the “Fuel” component in the proposed tariff records) and the lost and unaccounted for gas variance adjustment is calculated as 0.161% (which is to be “L&U” component in the proposed tariff records). Summing these separate components yields a total variance adjustment of 0.466%, which is the exact variance percentage filed for Phase II FGRP (which includes both fuel and lost and unaccounted for gas) and applicable for the 12-month period beginning April 1, 2018.

This same process is utilized to separate fuel gas and lost and unaccounted for gas for the FGRP-N, as displayed on page 2 of Attachment E, Schedule 1. As shown on that schedule, the fuel gas variance adjustment is calculated as 0.606% and the lost and unaccounted for gas variance adjustment is calculated as 0.095%. The sum of those two components is 0.701%, which is

²⁶ The Phase I FGRP and No-Fuel Routes volumes are exclusively lost and unaccounted for gas attributable to the new L&U component, so no additional analysis is required.

²⁷ See TransColorado’s Annual Fuel Gas Percentage Update Filing and Annual Report filed on March 1, 2018 in Docket No. RP18-519-000.

the same variance percentage filed for FGRP-N in the last annual filing and applicable for the 12-month period beginning April 1, 2018.

This logic can also be applied to separate the FGRP volumes for the period January 1, 2018 through September 30, 2018. The calculations for Phase II are shown on Attachment E, Schedule 2, page 1 and the calculations for FGRP-N are detailed on Attachment E, Schedule 2, page 2. Utilizing the 2018 volumes identified in Attachment D, the proportional amount of fuel gas and lost and unaccounted for gas contained within the FGRP collected for the current period is determined. Similarly, the FGRP volumes collected through the variance adjustment are separated into the two components of Fuel and L&U. While the methodology is similar, the true-up volume separation differs slightly from the derivation for the current period volumes. The current period volumes are separated using percentages computed from current period retention as compared to actual experience during the period January 1, 2018 through September 30, 2018. The adjustment volume separation relies on the percentages calculated earlier in Attachment E, Schedules 1 and 2 because those percentages, when combined, were set in Docket No. RP18-519-000 and utilized to collect the FGRP variance adjustment amounts beginning April 1, 2018. Once the actual over/under-collected volumes for each FGRP are identified as either fuel or lost and unaccounted for gas, the new reimbursement percentages may be calculated.

Derivation of the Reimbursement Percentage

Attachment F contains the schedules and workpapers detailing computations for the new Fuel and L&U Reimbursement Percentages TransColorado proposes for effectiveness on January 1, 2019. The data collection period is proposed to be the three-month period ending two months prior to the filing date. Therefore, this initial filing utilizes the period of June 2018 through September 2018 for the data collection period. Appendix A, Schedule 1 of Attachment F demonstrates the calculation of the Fuel Reimbursement Percentage, including the Current Reimbursement Component and the Adjustment Reimbursement Component. As discussed earlier, for purposes of determining the separation of FGRP quantities into Fuel and L&U volumes, fuel burned quantities through September 2018 were included in the calculations provided in Attachment E. Those volumes were then included in the net over/under-collection of fuel as of September, 2018. Because those fuel burned volumes are already considered in the under-collection of fuel from previous filings (see line 7 of Appendix A, Schedule 1), TransColorado excluded those quantities for the current period (see line 1 of Appendix A, Schedule 1).

Schedule 2 of Appendix A operates in a similar manner to Schedule 1 of Appendix A to calculate the L&U Reimbursement Percentage including its components. Similar to the logic in Schedule 1, the lost and unaccounted for gas volumes through September 2018 have been considered in the under-collection

of lost and unaccounted for gas from previous filings (see line 7 of Appendix A, Schedule 2). TransColorado excluded those volumes for the current period (see line 1 of Appendix A, Schedule 2).

Appendix B of Attachment F details the physical gas balance on TransColorado for the 12-month period of October 2017 through September 2018. Appendix C, page 1, of Attachment F provides fuel gas used by the various compressor facilities located on TransColorado. As mentioned earlier, although there are fuel gas burned volumes for the period July 2018 through September 2018, the calculations in Appendix A, Schedule 1, do not reflect those quantities as current volumes. Rather, they are captured in the under-collected quantities for this filing only. Future filings will reflect fuel gas burned quantities for the current period on the appropriate lines within Schedule 1 of Appendix A. Schedule 2, page 1 of Appendix C displays fuel gas volumes retained for both the current period and the true-up period. Although there are no volumes to report at this time because the distinction between Fuel and L&U is not applicable until January 1, 2019, TransColorado is providing the schedule to demonstrate what data will be available in future filings. Appendix D of Attachment F details monthly L&U experienced, along with the associated volumes retained for the current and true-up periods.

As demonstrated on Appendix A of Attachment F, both the proposed Fuel Reimbursement Percentage and the proposed L&U Reimbursement Percentage contain two components: a current reimbursement component percentage, which is defined as the three-month period these percentages will be in effect, and an adjustment reimbursement component percentage which assesses any over/under-collected volumes from prior periods, including the three month period ending two months prior to the quarterly filing. The sum of the current reimbursement component and adjustment reimbursement component is defined as the Fuel Reimbursement Percentage and the L&U Reimbursement Percentage.²⁸ As stated in the proposed GT&C Section 12.9 of TransColorado's Tariff, neither the Fuel Reimbursement Percentage nor the L&U Reimbursement Percentage can be less than zero. Therefore, should the application of any volumes result in total percentages less than zero, TransColorado proposes to defer those volumes to future filings. Those deferred amounts can be netted against any calculated under-collections to reduce the indicated reimbursement percentages. In other words, deferred Fuel volumes can be applied to Fuel volumes required in the next quarterly filing to reduce the required Fuel amount. Likewise, deferred L&U volumes can be applied to L&U volumes required in subsequent filings.

²⁸ See the proposed Statement of Rates for Fuel and L&U Rates.

Tariff Provisions

This filing is being made in accordance with the provisions of Subpart C of Part 154 of the Commission's regulations²⁹ and is proposing revisions to certain tariff provisions, as described below.

GT&C Section 12 reflects: 1) new fuel and lost and unaccounted for gas reimbursement provisions to assess one reimbursement percentage to collect both newly defined Fuel and L&U components and to assess and collect a reimbursement percentage to collect the L&U component for No-Fuel Routes, 2) the consolidation of the transactions exempt from fuel in one tariff provision; and 3) the addition of a small number of new no-fuel routes. Moreover, TransColorado is proposing to add to the Statement of Rates a new tariff record specific to the Fuel and L&U Percentages. As part of this instant proposal, TransColorado has updated several tariff references to note the separation and calculation of Fuel and L&U, while removing references to the existing fuel reimbursement calculations.³⁰

Finally, TransColorado reviewed the tariff records submitted with this instant filing and identified inconsistencies in the format of the tariff record footers. Consequently, TransColorado is taking this opportunity to modify the tariff record footers to show only the Issued Date and Effective Date. This proposed change simplifies the footer by not identifying the director or former vice president under which the tariff record was proposed and accepted. Every tariff record submitted with this instant filing reflects this proposed format.

Section 154.204 Discussion

Pursuant to 18 C.F.R. § 154.204 (2018) of the Commission's regulations, TransColorado states the following:

- (a) TransColorado does not anticipate any increase in costs as a result of these tariff changes.
- (b) TransColorado is not aware of any filings pending before the Commission that may significantly affect this filing.

Procedural Matters

Inasmuch as this filing is fully described in this transmittal letter, the statement of the nature, the reasons and the basis for the instant tariff filing

²⁹ See 18 C.F.R. §§ 154.201 - 154.210 (2018) (Subpart C).

³⁰ See the Statement of Rates for Rate Schedules FT, FFT, and IT; Rate Schedules FT, IT, and FFT; GT&C Sections 1, 2, 6, 8, 9, 12, 13, and 23; Service Agreements for Rate Schedules FT, IT and FFT.

required by 18 C.F.R. § 154.7(a)(6) (2018) of the Commission's regulations is omitted.

In accordance with the applicable provisions of the Commission's regulations, TransColorado is submitting an eTariff XML filing package, which includes the following:

- a) a transmittal letter;
- b) Attachment A, a list of the proposed tariff records;
- c) Attachment B, TransColorado's system map and schematic of certain areas of the system;
- d) Attachment C, a chart reflecting the direction of physical flow on TransColorado's system for the past three years;
- e) Attachments D through F, workpapers in PDF format; and
- f) clean and marked versions of the tariff records in PDF format.

TransColorado respectfully requests the Commission accept the tendered tariff records for filing and permit them to become effective on January 1, 2019, which is not less than 30 days following the date of this filing. With respect to any tariff provision the Commission allows to go into effect without change, TransColorado hereby moves to place the tendered tariff provisions into effect at the end of the suspension period, if any, specified by the Commission.

Additionally, pursuant to 18 C.F.R. § 154.7(a)(7) (2018) of the Commission's regulations, TransColorado respectfully requests that the Commission grant all necessary waivers in order to effectuate this filing.

Correspondence and communications concerning this filing should be directed to:

Ms. M. Catherine Rezendes
Director, Rates
TransColorado Gas Transmission
Company LLC
Post Office Box 1087
Colorado Springs, CO 80944
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These persons have been designated for service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.203 (2018)).

The undersigned hereby certifies that she 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 her knowledge and belief; and (iii) that she possesses full power and authority to sign this filing.

Respectfully submitted,

TRANSCOLORADO GAS
TRANSMISSION COMPANY LLC

By _____ /s/_____
M. Catherine Rezendes
Director, Rates

Enclosures

Certificate of Service

I hereby certify that I have this day caused a copy of the foregoing document to be served upon all shippers on TransColorado's system and interested state regulatory commissions, in accordance with the requirements of 18 C.F.R. §§ 154.208 and 385.2010 of the Commission's Rules of Practice and Procedures.

Dated at Colorado Springs, Colorado as of this 30th day of November 2018.

/s/

M. Catherine Rezendes

Post Office Box 1087
Colorado Springs, CO 80944
(719) 520-4743

TRANSCOLORADO GAS TRANSMISSION COMPANY LLC
Fuel Gas Reimbursement Mechanism Update

Third Revised Volume No. 1

Rates

Statement of Rates – FT	Version 5.0.0
Statement of Rates – FFT	Version 5.0.0
Statement of Rates – IT	Version 5.0.0
Fuel Gas and L&U Rates	Version 0.0.0

Rate Schedules

Rate Schedule FT	Version 2.0.0
Rate Schedule IT	Version 1.0.0
Rate Schedule FFT	Version 1.0.0

General Terms and Conditions

Section 1	Definitions	Version 6.0.0
Section 2	Interactive Website	Version 1.0.0
Section 6	Capacity Release by Firm Shippers	Version 4.0.0
Section 8	Noms and Scheduling	Version 5.0.0
Section 9	Use of R&D Points	Version 1.0.0
Section 12	Balancing of Gas	Version 6.0.0
Section 13	Billing and Payment	Version 2.0.0
Section 23	Negotiated Rates	Version 2.0.0

Service Agreements

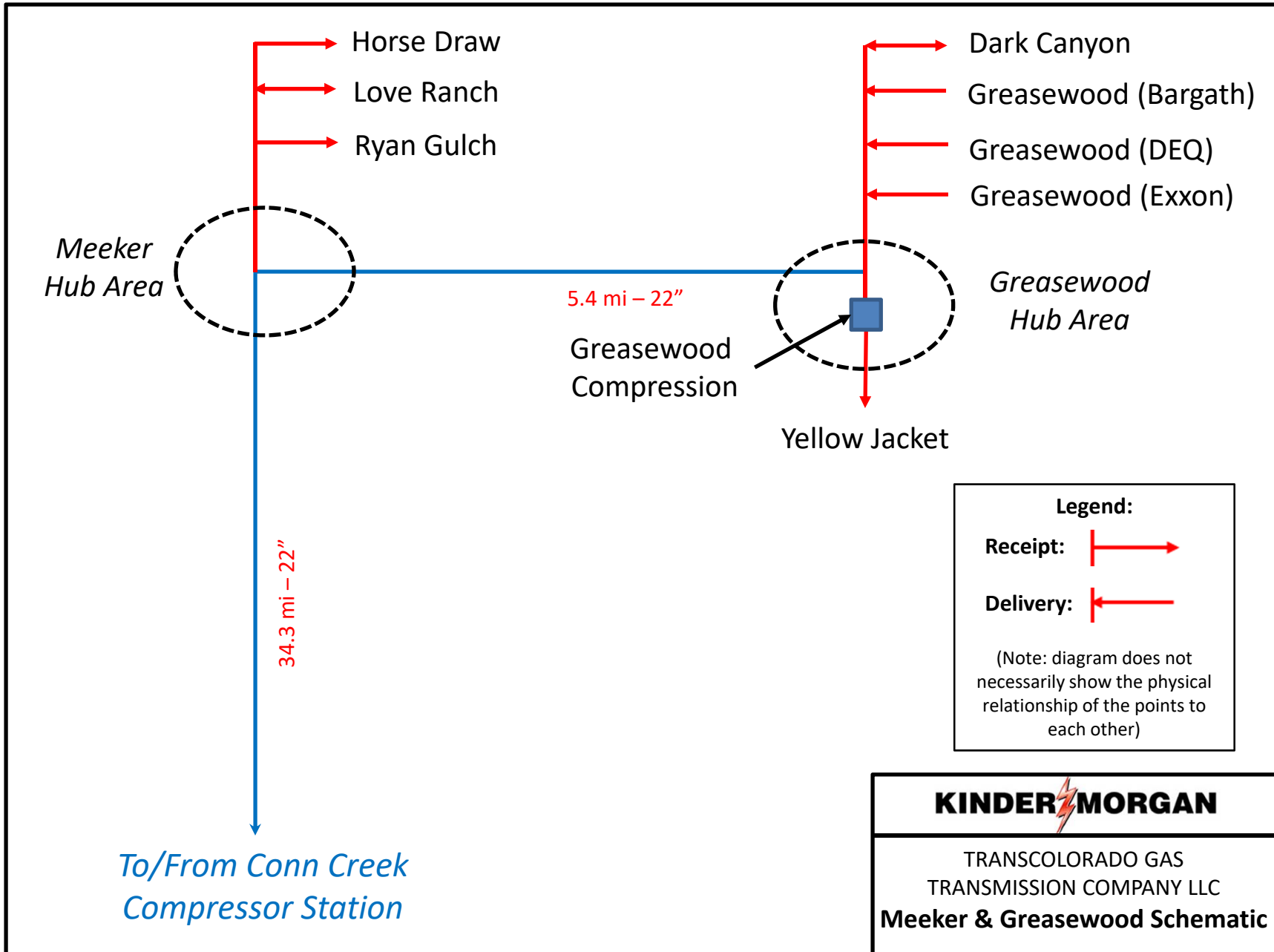
Service Agreement – FT	Version 4.0.0
Service Agreement – IT	Version 3.0.0
Service Agreement – FFT	Version 4.0.0

Attachment B

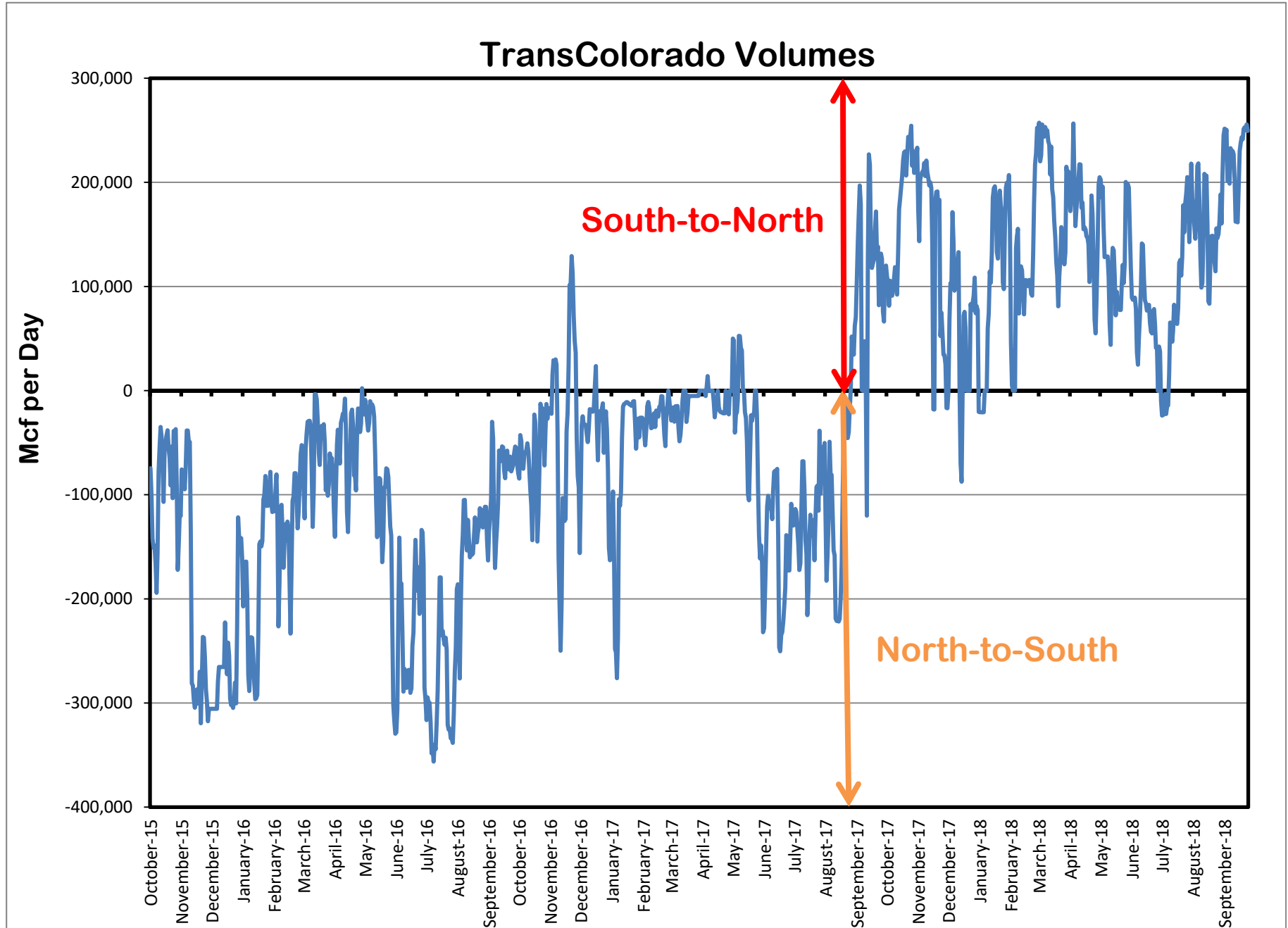
TransColorado Gas Transmission Company LLC - System Map



TransColorado Gas Transmission Company LLC - Meeker & Greasewood Schematic



Attachment C



Attachment D

TransColorado Gas Transmission Company LLC
Fuel Gas Reimbursement Detail
January 2018 Through September 30, 2018

Line No.	Description	31 Jan-18 (b) Dth	28 Feb-18 (c) Dth	31 Mar-18 (d) Dth	30 Apr-18 (e) Dth	31 May-18 (f) Dth	30 Jun-18 (g) Dth	31 Jul-18 (h) Dth	31 Aug-18 (i) Dth	30 Sep-18 (j) Dth	Total (k) Dth
1	Transportation Receipts & FGRP Collected										
2	Nominated Transportation Receipts (Phase I & 12.9(f) No-Fuel Routes)	0	0	0	0	0	0	0	0	0	0
3	Nominated Transportation Receipts (Phase II)	2,420,283	4,669,373	6,295,527	5,629,091	5,110,211	3,732,447	2,865,686	4,708,243	6,421,333	41,852,194
4	Nominated Transportation Receipts (FGRP-N)	0	20,014	530,921	281,262	89,606	716,013	748,233	1,390,053	690,558	4,466,660
5	Total Nominated Transportation Receipts (Phase I, II, & 12.9(f) No-Fuel Routes)	<u>2,420,283</u>	<u>4,689,387</u>	<u>6,826,448</u>	<u>5,910,353</u>	<u>5,199,817</u>	<u>4,448,460</u>	<u>3,613,919</u>	<u>6,098,296</u>	<u>7,111,891</u>	<u>46,318,854</u>
6	Current Reimbursement (Excluding Variance Adjustment)										
7	FGRP Current Reimbursement (Phase I & 12.9(f) No-Fuel Routes)	-0.029%	-0.029%	-0.029%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
8	FGRP Current Reimbursement Phase II	1.506%	1.506%	1.506%	1.284%	1.284%	1.284%	1.284%	1.284%	1.284%	
9	FGRP Current Reimbursement FGRP-N	0.360%	0.360%	0.360%	1.062%	1.062%	1.062%	1.062%	1.062%	1.062%	
10	Phase I Collected Fuel, Lost and Unaccounted-for gas	0	0	0	0	0	0	0	0	0	0
11	Phase II Collected Fuel, Lost and Unaccounted-for gas	36,436	70,321	94,792	72,328	65,615	47,920	36,798	60,456	82,435	567,100
12	FGRP-N Collected Fuel, Lost and Unaccounted-for gas	0	72	1,911	2,989	952	7,600	7,947	14,762	7,334	43,567
13	Total Collected Fuel, Lost and Unaccounted-for gas	<u>36,436</u>	<u>70,393</u>	<u>96,703</u>	<u>75,317</u>	<u>66,567</u>	<u>55,519</u>	<u>44,746</u>	<u>75,218</u>	<u>89,769</u>	<u>610,667</u>
14											
15	Variance Adjustment										
16	FGRP Variance Adjustment (Phase I & 12.9(f) No-Fuel Routes)	0.029%	0.029%	0.029%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
17	FGRP Variance Adjustment Phase II	-0.006%	-0.006%	-0.006%	0.466%	0.466%	0.466%	0.466%	0.466%	0.466%	
18	FGRP Variance Adjustment FGRP-N	-0.360%	-0.360%	-0.360%	0.701%	0.701%	0.701%	0.701%	0.701%	0.701%	
19	Phase I Collected Variance Adjustment	0	0	0	0	0	0	0	0	0	0
20	Phase II Collected Variance Adjustment	(158)	(280)	(396)	26,250	23,814	17,388	13,356	21,941	29,923	131,838
21	FGRP-N Collected Variance Adjustment	0	(72)	(1,911)	1,973	628	5,015	5,246	9,744	4,841	25,463
22	Total Collected Variance Amount	<u>(158)</u>	<u>(352)</u>	<u>(2,307)</u>	<u>28,222</u>	<u>24,442</u>	<u>22,403</u>	<u>18,602</u>	<u>31,686</u>	<u>34,764</u>	<u>157,302</u>
23											
24	Monthly Lost and Unaccounted-for Quantities										
25	Physical Transmission Receipts	2,572,834	4,863,617	6,812,961	6,140,136	5,549,681	4,504,688	3,241,301	6,401,789	7,063,077	47,150,083
26	Less: Physical Transmission Deliveries	2,525,383	4,787,356	6,728,069	6,043,986	5,477,860	4,443,091	3,209,721	6,308,624	6,991,858	46,515,947
27	Less: Actual Fuel Gas Consumed Phase II	18,181	53,242	68,369	67,406	58,107	38,493	26,622	53,282	73,405	457,107
28	Less: Actual Fuel Gas Consumed FGRP-N	54	51	53	467	89	489	144	145	421	1,912
29	Monthly Lost and Unaccounted-for Quantities	<u>29,217</u>	<u>22,969</u>	<u>16,469</u>	<u>28,276</u>	<u>13,626</u>	<u>22,615</u>	<u>4,814</u>	<u>39,738</u>	<u>(2,607)</u>	<u>175,116</u>
30	Phase I & 12.9(f) No-Fuel Routes Gas Lost (Line 29 * Line 2 / Line 5)	0	0	0	0	0	0	0	0	0	0
31	Phase II Gas Lost (Line 29 * Line 3 / Line 5)	29,217	22,871	15,188	26,931	13,391	18,975	3,817	30,680	(2,354)	158,716
32	FGRP-N Gas Lost (Line 29 * Line 4 / Line 5)	0	98	1,281	1,346	235	3,640	997	9,058	(253)	16,401
33											
34	Monthly Variance Calculation										
35	Phase I & 12.9(f) No-Fuel Routes:										
36	Actual Lost and Unaccounted-for (Line 30)	0	0	0	0	0	0	0	0	0	0
37	Less: Total Collected Lost and Unaccounted-for Gas (Line 10)	0	0	0	0	0	0	0	0	0	0
38	Monthly Variance (Line 36 - Line 37)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
39	Phase II:										
40	Actual Fuel, Lost and Unaccounted-for (Line 27 + Line 31)	47,398	76,112	83,557	94,337	71,497	57,468	30,439	83,962	71,052	615,823
41	Less: Total Collected Fuel, Lost and Unaccounted-for Gas (Line 11)	36,436	70,321	94,792	72,328	65,615	47,920	36,798	60,456	82,435	567,100
42	Monthly Variance (Line 40 - Line 41)	<u>10,961</u>	<u>5,792</u>	<u>(11,234)</u>	<u>22,010</u>	<u>5,882</u>	<u>9,549</u>	<u>(6,359)</u>	<u>23,506</u>	<u>(11,383)</u>	<u>48,723</u>
43	FGRP-N:										
44	Actual Fuel, Lost and Unaccounted-for (Line 28 + Line 32)	54	149	1,334	1,813	324	4,129	1,141	9,203	168	18,313
45	Less: Total Collected Fuel, Lost and Unaccounted-for Gas (Line 12)	0	72	1,911	2,989	952	7,600	7,947	14,762	7,334	43,567
46	Monthly Variance (Line 44 - Line 45)	<u>54</u>	<u>77</u>	<u>(577)</u>	<u>(1,176)</u>	<u>(628)</u>	<u>(3,471)</u>	<u>(6,806)</u>	<u>(5,560)</u>	<u>(7,166)</u>	<u>(25,254)</u>
47											
48	Amortization										
49	Phase I & 12.9(f) No-Fuel Routes:										
50	Prior Month Balance	4,445	4,445	4,445	4,445	4,445	4,445	4,445	4,445	4,445	
51	Amortization (Line 19)	0	0	0	0	0	0	0	0	0	0
52	Unamortized Balance (Line 50 - Line 51)	<u>4,445</u>	<u>4,445</u>	<u>4,445</u>	<u>4,445</u>	<u>4,445</u>	<u>4,445</u>	<u>4,445</u>	<u>4,445</u>	<u>4,445</u>	
53	Phase II:										
54	Prior Month Balance	187,354	187,512	187,792	188,188	161,939	138,125	120,737	107,381	85,439	
55	Amortization (Line 20)	(158)	(280)	(396)	26,250	23,814	17,388	13,356	21,941	29,923	131,838
56	Unamortized Balance (Line 54 - Line 55)	<u>187,512</u>	<u>187,792</u>	<u>188,188</u>	<u>161,939</u>	<u>138,125</u>	<u>120,737</u>	<u>107,381</u>	<u>85,439</u>	<u>55,516</u>	
57	FGRP-N:										
58	Prior Month Balance	3,248	3,248	3,320	5,231	3,259	2,631	(2,384)	(7,630)	(17,375)	
59	Amortization (Line 21)	0	(72)	(1,911)	1,973	628	5,015	5,246	9,744	4,841	25,463
60	Unamortized Balance (Line 58- Line 59)	<u>3,248</u>	<u>3,320</u>	<u>5,231</u>	<u>3,259</u>	<u>2,631</u>	<u>(2,384)</u>	<u>(7,630)</u>	<u>(17,375)</u>	<u>(22,215)</u>	

TransColorado Gas Transmission Company LLC
January 2018 Through September 30, 2018

Line No.	Description (a)	Amount 1/ (b)
		Dth
1	Phase I & 12.9(f) No-Fuel Routes:	
2	Actual Lost and Unaccounted-for Gas for YTD 2018 2/	0
3	Minus: Collected Lost and Unaccounted-for Gas 3/	0
4	Plus: Unamortized Balance 4/	4,445
5	<u>Total Variance</u>	<u>4,445</u>
6	FGRP-N:	
7	Actual Fuel, Lost and Unaccounted-for Gas YTD 2018 5/	18,313
8	Minus: Collected Fuel, Lost and Unaccounted-for Gas 6/	43,567
9	Plus: Unamortized Balance 7/	(22,215)
10	<u>Total Variance</u>	<u>(47,469)</u>
11	Phase II:	
12	Actual Fuel, Lost and Unaccounted-for Gas for 2018 8/	615,823
13	Minus: Collected Fuel, Lost and Unaccounted-for Gas 9/	567,100
14	Plus: Unamortized Balance 10/	55,516
15	<u>Total Variance</u>	<u>104,239</u>

Notes:

1/ (Over-collection) / Under-collection

2/ Actual lost and unaccounted-for gas YTD 2018. See Attachment D, Page 1 of 2, line 36, column (k).

3/ Collected lost and unaccounted-for gas YTD 2018. See Attachment D, Page 1 of 2, line 37, column (k).

4/ Unamortized balance as of September 30, 2018. See Attachment D, Page 1 of 2, line 52, column (j).

5/ Actual lost and unaccounted-for gas YTD 2018. See Attachment D, Page 1 of 2, line 44, column (k).

6/ Collected lost and unaccounted-for gas YTD 2018. See Attachment D, Page 1 of 2, line 45, column (k).

7/ Unamortized balance as of September 30, 2018. See Attachment D, Page 1 of 2, line 60, column (j).

8/ Actual lost and unaccounted-for gas YTD 2018. See Attachment D, Page 1 of 2, line 40, column (k).

9/ Collected lost and unaccounted-for gas YTD 2018. See Attachment D, Page 1 of 2, line 41, column (k).

10/ Unamortized balance as of September 30, 2018. See Attachment D, Page 1 of 2, line 56, column (j).

Attachment E

TransColorado Gas Transmission Company LLC
Calculation of Fuel and L&U Adjustment Reimbursement Percentages

Calendar Year 2017

Line No.	Phase II: (a)	(b)
1	FGRP Collected 1/	451,162
2	FGRP Unamortized Balance 2/	(4,158)
3	Fuel Burned 3/	420,207
4	L&U Experienced 4/	222,466
5	Total Nominated Transportation Receipts 5/	40,192,689
6	Actual Fuel Consumed Percentage (line 3 / line 5)	1.05%
7	Actual L&U Experienced Percentage (line 4 / line 5)	0.55%
8	Allocation of Collected FGRP into Fuel and L&U	
9	Fuel Collected (line 6 / line 6 + line 7) * line 1)	294,989
10	L&U Collected (line 7 / line 6 + line 7) * line 1)	156,173
11		451,162
12	FGRP Unamortized Balance Split into Fuel and L&U	
13	Fuel Unamortized Balance (line 6 / line 6 + line 7) * line 2)	(2,719)
14	L&U Unamortized Balance (line 7 / line 6 + line 7) * line 2)	(1,439)
15		(4,158)
16	Fuel Under/(Over) Collected (line 3 - line 9 + line 13)	122,499
17	Fuel Adjustment Reimbursement Percentage (line 16 / line 5) 6/	0.305%
18	L&U Under/(Over) Collected (line 4 - line 10 + line 14)	64,854
19	L&U Adjustment Reimbursement Percentage (line 18 / line 5) 6/	0.161%
20	Phase II Variance Adjustment Filed 7/	0.466%

Notes:

1/ See Docket No. RP18-519-000 Appendix A, Page 3 of 4, line 2.

2/ See Docket No. RP18-519-000 Appendix A, Page 3 of 4, line 3.

3/ See Docket No. RP18-519-000 Appendix A, Page 4 of 4, line 27, column (n).

4/ See Docket No. RP18-519-000 Appendix A, Page 4 of 4, line 31, column (n).

5/ See Docket No. RP18-519-000 Appendix A, Page 4 of 4, line 3, column (n).

6/ Calculated adjustment reimbursement percentages for Fuel and L&U derived from the FGRP balances that set the variance adjustment for April 1, 2018 through March 31, 2019.

7/ See Docket No. RP18-519-000 Appendix A, Page 3 of 4, line 6.

TransColorado Gas Transmission Company LLC
Calculation of Fuel and L&U Adjustment Reimbursement Percentages

Calendar Year 2017

Line No.	(a)	(b)
1	FGRP-N Collected 1/	-
2	FGRP-N Unamortized Balance 2/	(1,677)
3	Fuel Burned 3/	4,257
4	L&U Experienced 4/	668
5	Total Nominated Transportation Receipts 5/	463,649
6	Actual Fuel Consumed Percentage (line 3 / line 5)	0.92%
7	Actual L&U Experienced Percentage (line 4 / line 5)	0.14%
8	Allocation of Collected FGRP-N into Fuel and L&U	
9	Fuel Collected (line 6 / line 6 + line 7) * line 1)	-
10	L&U Collected (line 7 / line 6 + line 7) * line 1)	-
11		-
12	FGRP-N Unamortized Balance Split into Fuel and L&U	
13	Fuel Unamortized Balance (line 6 / line 6 + line 7) * line 2)	(1,450)
14	L&U Unamortized Balance (line 7 / line 6 + line 7) * line 2)	(227)
15		(1,677)
16	Fuel Under/(Over) Collected (line 3 - line 9 + line 13)	2,807
17	Fuel Adjustment Reimbursement Percentage (line 16 / line 5) 6/	0.606%
18	L&U Under/(Over) Collected (line 4 - line 10 + line 14)	441
19	L&U Adjustment Reimbursement Percentage (line 18 / line 5) 6/	0.095%
20	FGRP-N Variance Adjustment Filed 7/	0.701%

Notes:

1/ See Docket No. RP18-519-000 Appendix A, Page 4 of 4, line 12, column (n) plus Appendix A, Page 4 of 4, line 21, column (n). During 2017 calendar year, the variance adjustment and the current percentage netted to a total collection percentage of 0.00%.

2/ See Docket No. RP18-519-000 Appendix A, Page 4 of 4, line 58, column (b). During 2017 calendar year, the variance adjustment and the current percentage netted to a total collection percentage of 0.00%. TransColorado collected 0.00% FGRP in calendar year 2017, thus not changing the starting variance adjustment balance of calendar year 2017.

3/ See Docket No. RP18-519-000 Appendix A, Page 4 of 4, line 28, column (n).

4/ See Docket No. RP18-519-000 Appendix A, Page 4 of 4, line 32, column (n).

5/ See Docket No. RP18-519-000 Appendix A, Page 4 of 4, line 4, column (n).

6/ Calculated adjustment reimbursement percentages for Fuel and L&U derived from the FGRP balances that set the variance adjustment for April 1, 2018 through March 31, 2019.

7/ See Docket No. RP18-519-000 Appendix A, Page 2 of 4, line 6.

TransColorado Gas Transmission Company LLC
Calculation of Fuel and L&U Adjustment Reimbursement Percentages

**YTD Ending
September 30, 2018**

Phase II:

Line No.	(a)	(b)
1	FGRP Collected 1/	567,100
2	FGRP Variance Collected 2/	131,838
3	Fuel Burned 3/	457,107
4	L&U Experienced 4/	158,716
5	Total Nominated Transportation Receipts 5/	41,852,194
6	Actual Fuel Consumed Percentage (line 3 / line 5)	1.09%
7	Actual L&U Experienced Percentage (line 4 / line 5)	0.38%
8	Allocation of Collected FGRP into Fuel and L&U	
9	Fuel Collected (line 6 / line 6 + line 7) * line 1)	420,941
10	L&U Collected (line 7 / line 6 + line 7) * line 1)	146,159
11		567,100
12	FL&U Balances from Prior Periods	
13	Fuel Under/(Over) collected from prior periods 6/	122,499
14	L&U Under/(Over) collected from prior periods 7/	64,854
15	Fuel Adjustment Reimbursement Collected (January 1, 2018 thru September 30, 2018)	
16	Fuel Adjustment Reimbursement Percentage Calculated from 2017 data 8/	0.305%
17	Fuel Adjustment Reimbursement Collected (line 16 / line 16 + line 19) * line 2)	86,201
18	L&U Adjustment Reimbursement Collected (January 1, 2018 thru September 30, 2018)	
19	L&U Adjustment Reimbursement Percentage Calculated from 2017 data 9/	0.161%
20	L&U Adjustment Reimbursement Collected (line 19 / line 16 + line 19) * line 2)	45,637
21	Fuel Under/(Over) Collected ((line 3 - line 9) + (line 13 - line 17))	72,464
22	L&U Under/(Over) Collected ((line 4 - line 10) + (line 14 - line 20))	31,774

Notes:

- 1/ See Attachment D, Page 1 of 2, line 11, column (k).
- 2/ See Attachment D, Page 1 of 2, line 20, column (k).
- 3/ See Attachment D, Page 1 of 2, line 27, column (k).
- 4/ See Attachment D, Page 1 of 2, line 31, column (k).
- 5/ See Attachment D, Page 1 of 2, line 3, column (k).
- 6/ See Attachment E, Schedule 1, Page 1, line 16.
- 7/ See Attachment E, Schedule 1, Page 1, line 18.
- 8/ See Attachment E, Schedule 1, Page 1, line 17, column (b).
- 9/ See Attachment E, Schedule 1, Page 1, line 19, column (b).

TransColorado Gas Transmission Company LLC
Calculation of Fuel and L&U Adjustment Reimbursement Percentages

YTD Ending
September 30, 2018

FGRP-N:

Line No.	(a)	(b)
1	FGRP-N Collected 1/	43,567
2	FGRP-N Variance Collected 2/	25,463
3	Fuel Burned 3/	1,912
4	L&U Experienced 4/	16,401
5	Total Nominated Transportation Receipts 5/	4,466,660
6	Actual Fuel Consumed Percentage (line 3 / line 5)	0.04%
7	Actual L&U Experienced Percentage (line 4 / line 5)	0.37%
8	Allocation of Collected FGRP-N into Fuel and L&U	
9	Fuel Collected (line 6 / line 6 + line 7) * line 1)	4,549
10	L&U Collected (line 7 / line 6 + line 7) * line 1)	39,018
11		43,567
12	FL&U Balances from Prior Periods	
13	Fuel Under/(Over) collected from prior periods 6/	2,807
14	L&U Under/(Over) collected from prior periods 7/	441
15	Fuel Adjustment Reimbursement Collected (January 1, 2018 thru September 30, 2018)	
16	Fuel Adjustment Reimbursement Percentage Calculated from 2017 data 8/	0.606%
17	Fuel Adjustment Reimbursement Collected (line 16 / line 16 + line 19) * line 2)	22,009
18	L&U Adjustment Reimbursement Collected (January 1, 2018 thru September 30, 2018)	
19	L&U Adjustment Reimbursement Percentage Calculated from 2017 data 9/	0.095%
20	L&U Adjustment Reimbursement Collected (line 19 / line 16 + line 19) * line 2)	3,454
21	Fuel Under/(Over) Collected ((line 3 - line 9) + (line 13 - line 17))	(21,839)
22	L&U Under/(Over) Collected ((line 4 - line 10) + (line 14 - line 20))	(25,630)

Notes

- 1/ See Attachment D, Page 1 of 2, line 12, column (k).
- 2/ See Attachment D, Page 1 of 2, line 21, column (k).
- 3/ See Attachment D, Page 1 of 2, line 28, column (k).
- 4/ See Attachment D, Page 1 of 2, line 32, column (k).
- 5/ See Attachment D, Page 1 of 2, line 4, column (k).
- 6/ See Attachment E, Schedule 1, Page 2, line 16.
- 7/ See Attachment E, Schedule 1, Page 2, line 18.
- 8/ See Attachment E, Schedule 1, Page 2, line 17.
- 9/ See Attachment E, Schedule 1, Page 2, line 19.

Attachment F

TransColorado Gas Transmission Company LLC
Quarterly FL&U Filing
RP19-___

Attachment F
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Appendix A	FL&U Reimbursement Percentages
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**TransColorado Gas Transmission Company LLC
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**Appendix A
FL&U Reimbursement Percentages**

TransColorado Gas Transmission Company LLC
Fuel Reimbursement Percentage Calculation
(Quantities in Dth unless otherwise noted)

Line No.	Description (a)	(b)
Fuel		
1	Fuel Burned during July 2018 - September 2018 1/	-
2	Fuel Retained during July 2018 - September 2018 2/	-
3	Fuel Deficiency/(Gain) [line 1 - line 2]	-
4	Quantity expected to be collected/(returned) through the Adjustment Reimbursement 3/	-
5	Fuel Adjustment Reimbursement retained during July 2018 - September 2018 4/	-
6	Adjustment Reimbursement Deficiency/(Gain) [line 4 - line 5]	-
7	Under-collection of Fuel from Previous Filings (Phase 2) 5/	72,464
8	Over-collection of Fuel from Previous Periods (from FGRP-N) 6/	(21,839)
9	Total to be Collected / (Returned) [line 3 + line 6 + line 7 + line 8]	50,625
10	Projected Fuel Requirement during January 2019 - March 2019 7/	215,400
11	Projected System Receipts during January 2019 - March 2019 8/	21,899,358
12	Fuel Current Reimbursement Component Percentage [line 10 / line 11]	0.98%
13	Fuel Adjustment Reimbursement Component Percentage [line 9 / line 11]	0.23%
14	Fuel Reimbursement Percentage [line 12 + line 13]	1.21%

Notes:

- 1/ Since this is the first quarterly filing for separate Fuel and L&U Reimbursement percentages, TransColorado has already captured the fuel used through September 30, 2018 in Attachment E.
- 2/ See Appendix C, Schedule 2, Page 1, Column (b), Line 14. See Attachment D for details on FGRP collected YTD 2018. Since this is the first quarterly filing for separate Fuel and L&U Reimbursement percentages, TransColorado has already included the FGRP collected in Attachment E.
- 3/ No under-/over-collected amounts have been sought through an adjustment reimbursement percentage, so this line is included for informational purposes only to show what the workpapers will look like in the future.
- 4/ No adjustment reimbursement percentages have been established, so this line is included for informational purposes only to show what the workpapers will look like in the future.
- 5/ See Attachment E, Schedule 2, Page 1, Column (b), Line 21.
- 6/ See Attachment E, Schedule 2, Page 2, Column (b), Line 21.
- 7/ The Projected Fuel Requirement percentage is based on TransColorado's forecasted fuel consumption during the 3-month period of January 2019 through March 2019.
- 8/ TransColorado's forecasted system fuel-related receipts during the 3-month period of January 2019 through March 2019.

TransColorado Gas Transmission Company LLC
L&U Reimbursement Percentage Calculation
(Quantities in Dth unless otherwise noted)

Line No.	Description (a)	(b)
L&U		
1	L&U Experienced during July 2018 - September 2018 1/	-
2	L&U Retained during July 2018 - September 2018 2/	-
3	L&U Deficiency/(Gain) [line 1 - line 2]	-
4	Quantity expected to be collected/(returned) through the Adjustment Reimbursement 3/	-
5	L&U Adjustment Reimbursement retained during July 2018 - September 2018 4/	-
6	Adjustment Reimbursement Deficiency/(Gain) [line 4 - line 5]	-
7	Under-collection of L&U from Previous Periods (from Phase II) 5/	31,774
8	Over-collection of L&U from Previous Periods (from FGRP-N) 6/	(25,630)
9	Under-collection of L&U from Previous Periods (from Phase I) 7/	4,445
10	Total to be Collected / (Returned) [line 3 + line 6 + line 7 + line 9 + line 8]	10,589
11	Projected L&U during January 2019 - March 2019 8/	72,341
12	Projected System Receipts during January 2019 - March 2019 9/	23,864,262
13	L&U Current Reimbursement Component Percentage [line 11 / line 12]	0.30%
14	L&U Adjustment Reimbursement Component Percentage [line 10 / line 12]	0.04%
15	L&U Reimbursement Percentage [line 13 + line 14]	0.34%

Notes:

- 1/ Since this is the first quarterly filing for separate Fuel and L&U Reimbursement percentages, TransColorado has already captured the L&U experienced in Attachment E.
- 2/ See Appendix D, Schedule 1, Page 1, Column (b), Line 28. See Attachment D for details on FGRP collected YTD 2018. Since this is the first quarterly filing for separate Fuel and L&U Reimbursement percentages, TransColorado has already captured the L&U experienced in Attachment E.
- 3/ No under-/over-collected amounts have been sought through an adjustment reimbursement percentage, so this line is included for informational purposes only to show what the workpapers will look like in the future.
- 4/ No adjustment reimbursement percentages have been established, so this line is included for informational purposes only to show what the workpapers will look like in the future.
- 5/ See Attachment E, Schedule 2, Page 1, Column (b), Line 22.
- 6/ See Attachment E, Schedule 2, Page 2, Column (b), Line 22.
- 7/ See Attachment D, Page 2, Column (b), Line 5. TransColorado is applying the Phase 1/No Fuel Route under-collection of FGRP to L&U quantities, as these routes have always only incurred the allocated L&U volumes when the receipt and delivery combinations have had activity and have received a portion of the L&U experience.
- 8/ The Projected L&U Requirement percentage is based on TransColorado's 12 month total annual L&U experienced divided by 4, to get an average L&U experience for a 3-month period. See Appendix B, Schedule 1, Page 1, line 37, column (n) / 4.
- 9/ TransColorado's forecasted system receipts during the 3-month period of January 2019 through March 2019.

**TransColorado Gas Transmission Company LLC
Quarterly FL&U Filing
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**Appendix B
Physical Gas Balance**

**TransColorado Gas Transmission Company LLC
Physical Gas Balance**

Line No.	Item	Receipts (Dth)												Total
		Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
1	QPC/TRANSCOL GREASEWOOD RIO BLANCO	-	-	-	-	-	-	-	-	-	-	-	-	-
2	RED CEDA/TRANSCOL COYOTE GULCH LA P	-	-	-	-	-	-	-	-	-	-	-	-	-
3	PARADOX/TRANSCOL QUINN DRAW SAN MIG	-	-	-	-	-	-	-	-	-	-	-	-	-
4	RMNG/TRANSCOL ROAN CLIFFS DEBEQUE G	-	-	-	-	-	-	-	-	-	-	-	-	-
5	REX/TRANSCOL LOVE RANCH (REC) RIO B	-	-	-	-	-	-	-	-	-	-	-	-	-
6	TRNSWEST/TRANSCOL BLANCO RECEIPT SA	-	-	-	-	-	57	8,372	44	20,666	-	283	77	29,499
7	EPNG/TRANSCOL BIG ORTEGA RECEIPT SA	3,291,913	6,132,377	2,883,518	867,025	3,717,576	5,374,748	5,106,025	4,533,983	3,097,677	1,746,081	4,248,098	5,449,543	46,448,564
8	WRH/TRANSCOL RYAN GULCH RIO BLANCO	3,534	53,501	302,040	953,583	584,695	813,703	249,551	336,152	737,728	826,496	1,459,278	1,040,252	7,360,512
9	TRANSCOL/TRANSCOL TCPL MANUAL NEG L	-	-	-	-	-	-	-	-	-	-	-	-	-
10	RRGC/TRANSCOL RACCOON HOLLOW MESA	499,370	522,192	551,079	539,401	400,810	473,195	569,924	531,546	525,024	528,269	505,777	465,500	6,112,086
11	CONOCOPH/TRANSCOL NATURAL ARCH RECE	-	0	-	-	-	-	-	2	47	-	-	-	50
12	Total Receipts	3,794,817	6,708,070	3,736,637	2,360,009	4,703,080	6,661,703	5,933,872	5,401,727	4,381,142	3,100,846	6,213,436	6,955,372	59,950,711
13	Net Line Pack Decrease	3,933	-	7,246	-	20,378	-	6,184	33,187	-	-	43,497	-	114,425
14	Total System Receipts	3,798,749	6,708,070	3,743,883	2,360,009	4,723,458	6,661,703	5,940,056	5,434,914	4,381,142	3,100,846	6,256,933	6,955,372	60,065,136

Line No.	Item	Deliveries (Dth)												Total
		Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	
15	TRNSWEST/TRANSCOL BLANCO SAN JUAN	-	-	-	-	-	-	-	-	-	-	-	-	-
16	RMNG/TRANSCOL OLATHE MONTROSE	47,816	123,921	434,410	466,723	420,479	234,334	67,035	-	-	10,865	13,268	35,793	1,854,644
17	BHGD/TRANSCOL SADDLE MNT RANCH MESA	127	107	159	151	129	120	80	39	37	38	28	30	1,045
18	PSCC/TRANSCOL WHITEWATER INTERCONNE	63	64,624	107,297	120,284	96,467	49,551	55	-	-	-	-	7	438,348
19	SO TRLS /TRANSCOL HARE CANYON	699	-	-	-	-	-	1	-	-	-	-	-	699
20	RMNG/TRANSCOL WHITEWATER TBS MESA	1,063	1,712	3,521	3,566	2,791	1,955	1,006	507	344	173	336	374	17,348
21	RMNG/TRANSCOL KANNAH CREEK TBS MESA	829	1,147	2,227	2,296	1,811	1,413	817	501	336	537	285	274	12,472
22	RMNG/TRANSCOL ROAN CLIFFS TO RMNG G	-	-	-	-	-	-	-	-	-	-	-	-	-
23	WIC/TRANSCOL GREASWOOD (DEL) RIO BL	203,255	313,060	450,969	543,996	1,084,333	2,192,509	2,681,736	4,025,288	2,294,178	1,575,479	1,894,935	2,376,872	19,636,609
24	REX/TRANSCOL LOVE RANCH (DEL) RIO B	3,477,719	6,030,797	2,595,640	960,412	2,994,484	3,970,792	2,576,881	871,585	1,678,041	944,196	3,769,865	3,773,195	33,643,609
25	CIG/TRANSCOL DEL DARK CANYON RIO BL	-	-	8,705	-	-	-	514,204	414,991	280,217	154,428	481,224	618,810	2,472,579
26	EPNG/TRANSCOL BIG ORTEGA DEL SAN JU	-	-	-	171,852	-	-	-	-	-	-	952	-	172,804
27	TRANSCOL/TRANSCOL TCPL MANUAL POS L	-	-	-	-	-	-	-	-	-	-	-	-	-
28	NMGASCO/TRANSCOL WILMOUTH SAN JUAN	1,731	5,670	13,636	13,710	10,038	6,964	2,063	195	0	0	0	0	54,006
29	TRNSWEST/TRANSCOL BLANCO UHM	-	-	50,984	11,695	36,666	94,641	29	49,988	44,890	363,438	2,877	51,158	706,366
30	Total Deliveries	3,733,302	6,541,039	3,667,549	2,294,684	4,647,197	6,552,277	5,843,906	5,363,093	4,298,043	3,049,155	6,163,769	6,856,514	59,010,528
31	System Fuel:													
32	FERC Account 810 - Compressor Station Fuel	44,594	84,641	41,408	16,981	51,852	67,306	64,513	56,894	36,496	24,005	48,693	66,697	604,079
33	FERC Account 812 - Other Utility Operations	1,237	2,605	3,489	1,253	1,441	1,116	3,360	1,302	2,486	2,761	4,734	7,129	32,913
34	Total Fuel	45,831	87,245	44,897	18,235	53,293	68,422	67,874	58,196	38,982	26,766	53,427	73,826	636,992
35	Net Linepack Increase	-	16,591	-	17,873	-	24,534	-	-	21,501	20,112	-	27,639	128,250
36	Total System Deliveries	3,779,132	6,644,875	3,712,446	2,330,792	4,700,490	6,645,234	5,911,780	5,421,289	4,358,527	3,096,032	6,217,196	6,957,979	59,775,771
37	L&U Loss/(Gain) [line 14 - line 36]	19,617	63,195	31,437	29,217	22,969	16,469	28,276	13,626	22,615	4,814	39,738	(2,607)	289,365

Notes:
1/ See the "Fuel Burned" on Attachment E, Schedule 2, Page 1, line 3, column (b) and Attachment E, Schedule 2, Page 2, line 3, column (b). The sum of those two numbers is equivalent to the "Total Fuel" represented above for the same time period (i.e., January through September 2018).
2/ See the "L&U Experienced" on Attachment E, Schedule 2, Page 1, line 4, column (b) and Attachment E, Schedule 2, Page 2, line 4, column (b). The sum of those two numbers is equivalent to the "L&U Loss" represented above for the same time period (i.e., January through September 2018).

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**Appendix C
Fuel Use and Fuel Retained Quantities**

TransColorado Gas Transmission Company LLC
Transportation Fuel Retained
(Quantities in Dth)

Current Period Fuel Retained

	Month	Fuel Retention
	(a)	(b)
1	October-17	
2	November-17	
3	December-17	
4	January-18	
5	February-18	
6	March-18	
7	April-18	
8	May-18	
9	June-18	
10	July-18	
11	August-18	
12	September-18	
13	Total	-
14	Jul-18 - Sep-18	-

Volumetric Adjustment Reimbursement Fuel Retained

	Month	Fuel Retention
	(a)	(b)
15	October-17	
16	November-17	
17	December-17	
18	January-18	
19	February-18	
20	March-18	
21	April-18	
22	May-18	
23	June-18	
24	July-18	
25	August-18	
26	September-18	
27	Total	-
28	Jul-18 - Sep-18	-

**TransColorado Gas Transmission Company LLC
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**Appendix D
L&U Experienced and L&U Retained Quantities**

TransColorado Gas Transmission Company LLC
L&U
(Quantities in Dth)

L&U Experienced

Line No.	Month (a)	L&U (b)
1	October-17	19,617
2	November-17	63,195
3	December-17	31,437
4	January-18	29,217
5	February-18	22,969
6	March-18	16,469
7	April-18	28,276
8	May-18	13,626
9	June-18	22,615
10	July-18	4,814
11	August-18	39,738
12	September-18	(2,607)
13	Total	289,365
14	Jul-18 - Sep-18	41,945

Current Period L&U Retained

	Month (a)	L&U Retention (b)
15	October-17	
16	November-17	
17	December-17	
18	January-18	
19	February-18	
20	March-18	
21	April-18	
22	May-18	
23	June-18	
24	July-18	
25	August-18	
26	September-18	
27	Total	-
28	Jul-18 - Sep-18	-

Volumetric Adjustment Reimbursement L&U Retained

	Month (a)	L&U Retention (b)
29	October-17	
30	November-17	
31	December-17	
32	January-18	
33	February-18	
34	March-18	
35	April-18	
36	May-18	
37	June-18	
38	July-18	
39	August-18	
40	September-18	
41	Total	-
42	Jul-18 - Sep-18	-

Clean Tariff Sections

RATE SCHEDULE FIRM TRANSPORTATION - FT

STATEMENT OF RATES (Rates per Dth per \$)		
Rate Schedule/ Type of Charge	Base Tariff Rate	
	Minimum	Maximum
Monthly Reservation Charge ^{1/}	\$0.0000	\$9.3194
Optional Volumetric Release	\$0.0000	\$0.3064
Usage Charge	\$0.0014	\$0.0014
Authorized Overrun Charge	\$0.0014	\$0.3239
Unauthorized Overrun Charge	\$15.0000	\$15.0000

OTHER CHARGES:

FL&U Reimbursement Charges: Charges for Fuel and/or L&U shall be assessed according to Section 3.1(c) of Rate Schedule FT.

Marketing Fee: As negotiated between TransColorado and Shipper when TransColorado actively markets Shipper's released capacity.

Balancing Charges: Refer to Section 12 of the General Terms and Conditions.

Annual Charge Adjustment Surcharge: Pursuant to Section 24 of the General Terms & Conditions, the applicable ACA surcharge may be found on the Commission website at <http://www.ferc.gov>.

^{1/} For rates applicable to capacity-release transactions, see Section 6.13 of the General Terms and Conditions of this Tariff.

FLEXIBLE FIRM TRANSPORTATION - FFT (\$/dth/day)

STATEMENT OF RATES (Rates per Dth per \$)		
Rate Schedule/ Type of Charge	Base Tariff Rate	
	Minimum	Maximum
Daily Reservation Rate ^{1/}	\$0.0000	\$0.3064
Usage Charge	\$0.0014	\$0.0014
Authorized Overrun Charge	\$0.0014	\$0.3078
Unauthorized Overrun Charge	\$15.0000	\$15.0000

OTHER CHARGES:

FL&U Reimbursement Charges: Charges for Fuel and/or L&U shall be assessed according to Section 3.1(c) of Rate Schedule FFT.

Marketing Fee: As negotiated between TransColorado and Shipper when TransColorado actively markets Shipper's released capacity.

Balancing Charges: Refer to Section 12 of the General Terms and Conditions.

Annual Charge Adjustment Surcharge: Pursuant to Section 24 of the General Terms & Conditions, the applicable ACA surcharge may be found on the Commission website at <http://www.ferc.gov>.

^{1/} For rates applicable to capacity-release transactions, see Section 6.13 of the General Terms and Conditions of this Tariff.

Interruptible Transportation - IT (Dth/\$)

STATEMENT OF RATES (Rates per Dth per \$)		
Rate Schedule/ Type of Charge	Base Tariff Rate	
	Minimum	Maximum
Usage Charge	\$0.0014	\$0.3239
Unauthorized Overrun Charge	\$15.0000	\$15.0000

OTHER CHARGES:

FL&U Charges: Charges for Fuel and/or L&U shall be assessed according to Section 3.1(b) of Rate Schedule IT.

Marketing Fee: As negotiated between TransColorado and Shipper when TransColorado actively markets Shipper's released capacity.

Balancing Charges: Refer to Section 12 of the General Terms and Conditions.

Annual Charge Adjustment Surcharge: Pursuant to Section 24 of the General Terms & Conditions, the applicable ACA surcharge may be found on the Commission website at <http://www.ferc.gov>.

STATEMENT OF RATES			
Type of Charge	Percentages	Current Reimbursement Component	Adjustment Reimbursement Component
Fuel Reimbursement Percentage	1.21%	0.98%	0.23%
L&U Reimbursement Percentage	0.34%	0.30%	0.04%

Fuel and L&U Reimbursement Percentages shall be adjusted pursuant to Section 12.9 of the General Terms and Conditions of this Tariff.

**RATE SCHEDULE FT
FIRM TRANSPORTATION SERVICE****1. AVAILABILITY**

This rate schedule is available for firm transportation service on behalf of any Shipper in accordance with 18 C.F.R. Part 284, Subparts B and provided that:

- (a) TransColorado has available pipeline system capacity to render the firm service requested;
- (b) TransColorado is not required to construct or acquire any additional facilities to provide the desired transportation service, except as provided by Section 3.1(e) below; and
- (c) Shipper and TransColorado have executed a Transportation Service Agreement for service under Rate Schedule FT.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Firm Service. The transportation service provided under this rate schedule:

- (a) Shall be firm service performed pursuant to 18 C.F.R. Part 284, Subparts B and G;
- (b) Shall apply to all gas transported by TransColorado for Shipper under this rate schedule up to the contract demand (CD) as defined in Section 1.8 of the General Terms and Conditions and specified in the Transportation Service Agreement;
- (c) Shall be subject to interruption as provided in Section 8 of the General Terms and Conditions;
- (d) Shall be provided in accordance with availability of capacity as determined by Section 8 of the General Terms and Conditions; and
- (e) May be released on a permanent or temporary basis according to the terms of Section 6 of the General Terms and Conditions.

2.2 Authorized Overrun Service. Upon request of Shipper, TransColorado may elect to receive, transport and deliver volumes of gas in excess of Shipper's CD. Such service shall be interruptible and available only to the extent it does not impair TransColorado's ability to render transportation service in accordance with Section 8 of the General Terms and Conditions.

2.3 Service Options. Shippers may contract for firm transportation service as set forth in this Section 2.3. Unless otherwise agreed, Shipper's MDQ as defined in Section 1 of the General Terms and Conditions shall remain the same throughout each season, each season within an annual contract or for the annual period. Shipper's MDRQ and MDDQ and any differing levels in such quantities, as well as the period of such differing levels, shall be specified in the executed Transportation Service Agreement.

- (a) Firm transportation service available for the five consecutive months during the November through March winter period ("Winter Contract"). A Winter Contract may be for a term of multiple years.

(b) Firm transportation service available for the seven consecutive months during the April through October summer period ("Summer Contract"). A Summer Contract may be for a term of multiple years.

(c) Firm transportation service available for twelve consecutive months or more ("Annual Contract").

(d) Shippers may contract for firm transportation service separately with a Summer or Winter Contract, or jointly to create an Annual Contract.

3. RATE PROVISIONS

3.1 Specified Charges. Unless otherwise mutually agreed to, Shipper shall pay the maximum rates for transportation service under this rate schedule as set forth in the currently effective Statement of Rates, as adjusted from time to time. The charges shall include the following:

(a) Reservation Charge. A monthly reservation charge shall be assessed for each Dth of Shipper's CD, subject to the following conditions:

(i) The reservation charge shall be set forth in the Transportation Service Agreement and shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.

(ii) Shipper shall be obligated to pay the reservation charge beginning on the date agreed to by Shipper and TransColorado.

(iii) If the effective date of any Rate Schedule FT Transportation Service Agreement occurs on any day other than the first day of a month, or the termination of any Rate Schedule FT Transportation Service Agreement occurs on any day other than the last day of a month, then the rate used in the calculation of the reservation charge for such partial month shall be based on the ratio of the number of days that transportation service was in effect to the total number of days in such month.

(b) Usage Charge. Shipper shall pay the appropriate usage charge for all gas nominated by Shipper and confirmed by TransColorado for delivery. The usage charge shall be set forth in the Transportation Service Agreement or any amendment and shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.

(c) Shipper shall reimburse TransColorado for FL&U in kind according to Section 12.9 of the General Terms and Conditions.

(d) Overrun Charges. Shipper shall pay all overrun charges that may be assessed in accordance with this rate schedule and TransColorado's Statement of Rates for all authorized or unauthorized transportation service provided by TransColorado. Authorized Overrun Charges will be subject to the maximum and minimum Rate Schedule IT usage charges.

(e) Additional Facility Charge. Unless otherwise provided in the Transportation Service Agreement or related documents, in the event TransColorado and Shipper agree in writing that additional facilities are necessary in order to implement the service contemplated under the Transportation Service Agreement, Shipper agrees to reimburse TransColorado for all costs, including the income tax costs, associated with the construction and installation of such facilities which shall be owned, operated and maintained by TransColorado.

(f) Balancing Charges. An additional charge may be assessed in accordance with Section 12 of the General Terms and Conditions.

(g) Marketing Fee. Shipper and TransColorado may agree upon a fee to be paid by Shipper to TransColorado when TransColorado actively markets any capacity that is released to an Acquiring Shipper.

(h) Other Charges. TransColorado shall charge Shipper and Shipper shall pay for any other FERC approved charges that may apply to service under this rate schedule.

3.2 Tariff Changes. TransColorado may from time to time file with the FERC to change the rates set forth on the Statement of Rates or the General Terms and Conditions applicable to service under this rate schedule. TransColorado shall be entitled to implement such changed rates for service rendered to Shipper under this rate schedule on their effective dates, subject to such refunds, surcharges or other conditions that are specified as terms of the Transportation Service Agreement or that are permitted or required by the FERC. Nothing in this section limits Shipper's rights to contest such changes, or limits the rights of Shipper and TransColorado to provide for changes in rates through the terms of the Transportation Service Agreement.

3.3 Negotiated Rates. Notwithstanding anything to the contrary contained in this Tariff, TransColorado and Shipper may negotiate a rate that exceeds the maximum reservation and usage rates for service under this rate schedule. TransColorado's maximum rate as shown on its Statement of Rates is available as a recourse rate for any Shipper that does not desire to negotiate a rate with TransColorado. The agreement by the Shipper to accept a negotiated rate does not, in any manner, restrict the Shipper's right to elect recourse rates for other services. This provision does not allow TransColorado and Shipper to negotiate terms and conditions.

4. RECEIPT AND DELIVERY

4.1 Primary and Alternate Points. The primary receipt and delivery points for gas tendered by Shipper to TransColorado will be the points designated in the Transportation Service Agreement. Firm Shippers shall have priority over interruptible Shippers at any receipt point or delivery point located within the path of the service for which the Shipper is paying. All other receipt and delivery points on TransColorado's System will be available as alternate points to Shippers under this rate schedule in accordance with Section 8 of the General Terms and Conditions.

4.2 Receipt. TransColorado shall receive on each day at each Receipt Point, such quantity of natural gas, if any, up to the CD specified for each Receipt Point listed on the Transportation Service Agreement, not to exceed the physical capacity of such point, as may be tendered to TransColorado by Shipper, and transport such quantity on a firm basis for Shipper.

4.3 Delivery. TransColorado shall deliver and Shipper shall accept or cause to be accepted at the Delivery Point(s), a quantity of natural gas equivalent to the quantities of natural gas received by TransColorado at the Receipt Points for transportation in accordance with Section 4.2.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are applicable to this rate schedule and are incorporated by reference.

**RATE SCHEDULE IT
INTERRUPTIBLE TRANSPORTATION SERVICE**

1. AVAILABILITY

This rate schedule is available for interruptible transportation service on behalf of any Shipper in accordance with 18 C.F.R. Part 284, Subparts B and G provided that:

- (a) TransColorado has the capability to provide such service without impairment to the service being provided to any shipper that has contracted for firm transportation services under this FERC Gas Tariff;
- (b) TransColorado is not required to construct or acquire any additional facilities to provide the desired transportation service, except as provided by Section 3.1(c) below; and
- (c) Shipper and TransColorado have executed a Transportation Service Agreement for service under Rate Schedule IT.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Interruptible Service. The transportation service provided under this rate schedule:

- (a) Shall be interruptible service performed pursuant to 18 C.F.R. Part 284, Subparts B and G;
- (b) Shall apply to all gas transported by TransColorado for Shipper under this rate schedule up to the daily quantity as defined in Section 1.11 of the General Terms and Conditions and specified in the Transportation Service Agreement;
- (c) Shall be subject to interruption as provided in Section 8 of the General Terms and Conditions; and
- (d) Shall be provided in accordance with availability of capacity as determined by Section 8 of the General Terms and Conditions.

2.2 Authorized Overrun Service. Upon request of Shipper, TransColorado may elect to receive, transport and deliver volumes of gas in excess of Shipper's Daily Quantity. Such service shall be rendered on an interruptible basis and provided in accordance with Section 8 of the General Terms and Conditions and is subject to the maximum and minimum rates for IT transportation service.

3. RATE PROVISIONS

3.1 Specified Charges. Unless otherwise mutually agreed to in writing or by Shipper's election to nominate service consistent with the terms of the applicable service discount rate offers posted by TransColorado on its Interactive Website from time-to-time, Shippers shall pay the maximum rate for transportation service under this rate schedule as set forth in the currently effective Statement of Rates, as adjusted from time to time. The charges shall include the following:

- (a) Usage Charge. Shipper shall pay the appropriate usage charge for all gas nominated and confirmed for delivery. The usage charge shall be set forth in the Transportation Service Agreement or any amendment, and shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.

(b) Shipper shall reimburse TransColorado for FL&U in kind according to Section 12.9 of the General Terms and Conditions.

(c) Additional Facility Charge. Unless otherwise provided in the Transportation Service Agreement or related documents, in the event TransColorado and Shipper agree in writing that additional facilities are necessary in order to implement the service contemplated under the Transportation Service Agreement, Shipper agrees to reimburse TransColorado for all costs, including the income tax costs, associated with the construction and installation of such facilities which shall be owned, operated and maintained by TransColorado.

(d) Balancing Charges. An additional charge may be assessed in accordance with Section 12 of the General Terms and Conditions.

(e) Other Charges. TransColorado shall charge Shipper for any other FERC-approved charges that may apply to service under this rate schedule.

(f) Overrun Charges. Shipper shall pay all overrun charges that may be assessed in accordance with this rate schedule and TransColorado's Statement of Rates for all authorized or unauthorized transportation service provided by TransColorado.

3.2 Tariff Changes. TransColorado may, from time to time, file with the FERC to change the rates set forth on the Statement of Rates or the General Terms and Conditions applicable to service under this rate schedule. TransColorado shall be entitled to implement such changed rates for service rendered to Shipper under this rate schedule on their effective dates, subject to such refunds, surcharges or other conditions that are specified as terms of the Transportation Service Agreement or that are permitted or required by the FERC. Nothing in this section limits Shipper's rights to contest such changes, or limits the rights of Shipper and TransColorado to provide for changes in rates through the terms of the Transportation Service Agreement.

3.3 Negotiated Rates. Notwithstanding anything to the contrary contained in this Tariff, TransColorado and Shipper may negotiate a rate that exceeds the maximum usage rates for service under this rate schedule. TransColorado's maximum rate as shown on its Statement of Rates is available as a recourse rate for any Shipper that does not desire to negotiate a rate with TransColorado. The agreement by the Shipper to accept a negotiated rate does not, in any manner, restrict the Shipper's right to elect recourse rates for other services. This provision does not allow TransColorado and Shipper to negotiate terms and conditions.

4. RECEIPT AND DELIVERY

4.1 Receipt and Delivery Points. All receipt and delivery points on TransColorado's transmission system shall be at the interconnections of the facilities of TransColorado and Shipper and are available for use on an interruptible basis by interruptible shippers upon TransColorado's acceptance of a confirmed nomination.

4.2 Receipt. TransColorado shall accept such volumes of natural gas on behalf of Shipper at the Receipt Point(s) listed on the Transportation Service Agreement, provided, however, that TransColorado shall only be obligated to accept that volume of natural gas which TransColorado determines, in its sole discretion, it has available capacity to receive, transport, and deliver and provided further that in no event shall

TransColorado be obligated to accept on any day in excess of the Daily Quantity for each Receipt Point.

4.3 Delivery. TransColorado shall deliver and Shipper shall accept or cause to be accepted at the Delivery Point(s), a quantity of natural gas equivalent to the quantities of natural gas received by TransColorado at the Receipt Points for transportation in accordance with Section 4.2. Provided, however, that in no event shall TransColorado be obligated to deliver on any day in excess of the Daily Quantity for each Delivery Point as designated in the Transportation Service Agreement.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are applicable to this rate schedule and are incorporated by reference.

**RATE SCHEDULE FFT
FLEXIBLE FIRM TRANSPORTATION SERVICE**

1. AVAILABILITY

This Rate Schedule FFT is available for firm transportation service on behalf of any Shipper in accordance with 18 C.F.R. Part 284, Subparts B and G, provided that:

- (a) TransColorado has available pipeline system capacity to render the firm service requested;
- (b) TransColorado is not required to construct or acquire any additional facilities to provide the desired transportation service, except as provided by Section 3.1(e) below; and
- (c) Shipper and TransColorado have executed a Transportation Service Agreement for service under Rate Schedule FFT.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Firm Service. The transportation service provided under this Rate Schedule:

- (a) Shall be flexible firm transportation service provided on days on which firm service is available under the Transportation Service Agreement (Available Days), and as provided in Sections 2(c) and 5(a) of this Rate Schedule. TransColorado shall not be required to accept or to deliver gas hereunder on any day which is not an Available Day or a partial Available Day, as defined in Section 5(a)(1) of this Rate Schedule, under the Transportation Service Agreement;
- (b) Shall apply to all gas transported by TransColorado for Shipper under this Rate Schedule up to Shipper's contract demand (CD) as defined in Section 1.8 of the General Terms and Conditions and specified in the Transportation Service Agreement, as such CD may be reduced for any partial Available Day;
- (c) Shall be provided on a firm basis on each Available Day (including partial Available Days up to the reduced CD) under the Transportation Service Agreement. The minimum and maximum number of Available Days over a month or other defined time period, if any, and whether the Shipper is willing to accept notification of a partial Available Day under Section 5 hereof (and any limitations on such agreement), shall be stated in the Transportation Service Agreement, based on mutual agreement between TransColorado and Shipper, as provided in Section 5 of this Rate Schedule. TransColorado and Shipper may also agree in the Transportation Service Agreement that certain days will not be Available Days or partial Available Days (e.g., the Transportation Service Agreement might specify that weekend days or certain holidays are not Available Days). Administration of Available Days is covered under Section 5(a) of this Rate Schedule;
- (d) Shall have the same priority on Available Days (including partial Available Days up to the reduced quantity) as service under Rate Schedule FT. No service shall be performed hereunder on a day which is not an

Available Day or a partial Available Day as determined under Section 5(a) of this Rate Schedule;

(e) Shall be subject to interruption as provided in Section 8 of the General Terms and Conditions;

(f) Shall be provided in accordance with availability of capacity as determined by Section 8 of the General Terms and Conditions; and

(g) May be released on a permanent or temporary basis according to the terms of Section 6 of the General Terms and Conditions, provided, however, that:

(i) If a Shipper releases its capacity, in whole or part, any and all Acquiring Shippers must accept the same provisions regarding any circumstances relating to Available Days or partial Available Days as apply under the original Transportation Service Agreement, including the number of Available Days remaining in any applicable defined time period;

(ii) Any required capacity release posting must specifically describe all contract provisions relating to Available Days. Capacity on an Available Day or partial Available Day shall be prorated among the Releasing and Acquiring Shippers based upon their respective CDs effective on such Available Day or partial Available day; and

(iii) Once capacity reverts to the Releasing Shipper, that Shipper is bound by the number of Available Days remaining in the relevant defined time period.

2.2 Available Flexible Firm Transportation Capacity: TransColorado posts the availability of unsubscribed firm capacity on the Informational Postings portion of its Interactive Website pursuant to Section 2.1 of the General Terms and Conditions of this Tariff. Such capacity will be available to provide service under either Rate Schedule FT or FFT; provided, however, that TransColorado may elect to make such firm capacity available only for service under Rate Schedule FT. TransColorado will only utilize for service under Rate Schedule FFT firm capacity that TransColorado determines (i) is in excess of TransColorado's existing firm commitments and (ii) would not be detrimental to system operations or TransColorado's ability to perform other firm transportation service.

2.3 Authorized Overrun Service: Upon request of Shipper, TransColorado may receive, transport, and deliver on any Available Day or partial Available Day quantities of gas in excess of Shipper's CD or, for a partial Available Day, Shipper's reduced CD. Such service shall be interruptible and available only to the extent it does not impair TransColorado's ability to render transportation service in accordance with Section 8 of the General Terms and Conditions. Authorized Overrun Service is not available on any day which is not an Available Day or partial Available Day.

3. RATE PROVISIONS

3.1 Specified Charges. Unless otherwise mutually agreed to in writing, Shipper shall pay the maximum rates for transportation service under this Rate

Schedule as set forth in the currently effective Statement of Rates, as adjusted from time to time. The charges shall include the following:

- (a) Reservation Charge. A monthly reservation charge equal to Shipper's Daily Reservation Rate multiplied by Shipper's CD (or reduced CD for any partial Available Day) and multiplied by the number of Available Days (including any partial Available Days) under the Transportation Service Agreement that month, subject to the following conditions:
 - (i) Subject to the provisions of Section 3.3 of this Rate Schedule regarding Negotiated Rates, the reservation rate shall be no more than the maximum nor less than the minimum unit Daily Reservation Rate(s) specified in the Statement of Rates;
 - (ii) Shipper shall be obligated to pay the reservation charge beginning on the date agreed to by Shipper and TransColorado;
 - (iii) If the effective date of the Transportation Service Agreement occurs on any day other than the first day of a month, or the termination of the Transportation Service Agreement occurs on any day other than the last day of a month, then the reservation charge for such partial month shall be based on the number of Available Days during such partial month.
- (b) Usage Charge. Shipper shall pay the appropriate usage rate for all gas quantities delivered. Subject to the provisions of Section 3.3 of this Rate Schedule regarding Negotiated Rates, the usage rate shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.
- (c) Shipper shall reimburse TransColorado for FL&U in kind according to Section 12.9 of the General Terms and Conditions.
- (d) Overrun Charges. Shipper shall pay all overrun charges that may be assessed in accordance with this Rate Schedule and TransColorado's Statement of Rates for all authorized or unauthorized overrun service provided by TransColorado. Authorized Overrun Charges will be subject to the maximum and minimum rates set forth in the Statement of Rates of this Tariff, as adjusted from time to time.
- (e) Additional Facility Charge. Unless otherwise provided in the Transportation Service Agreement or related documents, in the event TransColorado and Shipper agree in writing that additional facilities are necessary in order to implement the service contemplated under the Transportation Service Agreement, Shipper agrees to reimburse TransColorado for all costs, including the income tax costs, associated with the construction and installation of such facilities which shall be owned, operated and maintained by TransColorado.
- (f) Balancing Charges. An additional charge may be assessed in accordance with Section 12 of the General Terms and Conditions of this Tariff.

(g) Marketing Fee. Shipper and TransColorado may agree upon a fee to be paid by Shipper to TransColorado when TransColorado actively markets any capacity that is released to an Acquiring Shipper.

(h) Other Charges. TransColorado shall charge Shipper and Shipper shall pay for any other FERC approved charges that may apply to service under this rate schedule.

3.2 Tariff Changes. TransColorado may from time to time file with the FERC to change the rates set forth on the Statement of Rates or the General Terms and Conditions applicable to service under this Rate Schedule. TransColorado shall be entitled to implement such changed rates for service rendered to Shipper under this Rate Schedule on their effective dates, subject to such refunds, surcharges or other conditions that are specified as terms of the Transportation Service Agreement or that are permitted or required by the FERC. Nothing in this section limits Shipper's rights to contest such changes, or limits the rights of Shipper and TransColorado to provide for changes in rates through the terms of the Transportation Service Agreement.

3.3 Negotiated Rates. Notwithstanding anything to the contrary contained in this Tariff, TransColorado and Shipper may negotiate a rate that exceeds the maximum reservation and usage rates for service under this Rate Schedule (Negotiated Rate). TransColorado's maximum rate as shown on its Statement of Rates is available as a recourse rate for any Shipper that does not desire to agree to a Negotiated Rate with TransColorado. The agreement by the Shipper to accept a Negotiated Rate does not, in any manner, restrict the Shipper's right to elect recourse rates for other services. This provision does not allow TransColorado and Shipper to negotiate terms and conditions of service.

4. RECEIPT AND DELIVERY

4.1 Primary and Alternate Points. The primary receipt and delivery points for gas tendered by Shipper to TransColorado will be the points designated in the Transportation Service Agreement. All other receipt and delivery points on TransColorado's System will be available as alternate points to Shippers under this Rate Schedule in accordance with Section 8 of the General Terms and Conditions.

4.2 Receipt. TransColorado shall receive on each day at each Receipt Point, such quantity of natural gas if any, up to the point quantity specified for each Receipt Point set forth in the Transportation Service Agreement (as may be reduced pro rata for any partial Available Day) plus applicable Fuel Gas use and L&U quantities, not to exceed the physical capacity of such point, as may be tendered to TransColorado by Shipper, and transport such quantity on a firm basis for Shipper.

4.3 Delivery. TransColorado shall deliver and Shipper shall accept or cause to be accepted at the Delivery Point(s), a quantity of natural gas equivalent to the quantities of natural gas received by TransColorado at the Receipt Points, less applicable Fuel Gas use and L&U quantities.

5. AVAILABILITY AND NOTICE OF AVAILABLE OR PARTIAL AVAILABLE DAYS

- (a) (1) Shipper and TransColorado may agree that TransColorado will either provide notice of days that are Available Days or partial Available Days, or notice of days that are not Available Days or partial Available Days. Shipper and TransColorado may also agree on combinations or variations of the type of notice to be provided by TransColorado in the preceding sentence. TransColorado shall notify Shipper no later than two and one-half hours, or by another specific, mutually agreeable time, prior to the deadline for timely nominations for a day if that day is to be, or if applicable will not be, an Available Day or a partial Available Day, as such notification requirement has been agreed to by Shipper and TransColorado. Notification shall be made by e-mail or other mutually agreed method. To the extent consistent with the Transportation Service Agreement, the notification may specify that the day is a partial Available Day, which means that the firm service available to Shipper that day under the Transportation Service Agreement is less than Shipper's full CD, in which case the notice must specify the reduced CD which is available, or if applicable is not available, to Shipper that day. A partial Available Day shall not be accounted for as a full Available Day, but rather as a fraction of an Available Day in the ratio of the quantity of service made available for the Shipper under its Transportation Service Agreement that day to that Shipper's CD under the Transportation Service Agreement.
- (2) Available Days and Partial Available Days shall be determined by TransColorado separately for each Transportation Service Agreement, subject to the parameters defined in the Transportation Service Agreement, i.e., the minimum and maximum number of Available Days and the associated defined time period(s), any restrictions stated in the Transportation Service Agreement that certain days are not Available Days or partial Available Days, and whether partial Available Days are permitted under the Transportation Service Agreement. To the extent that TransColorado can identify the conditions under which it will be unable to consider a particular day an Available Day or partial Available Day, TransColorado shall specify such conditions in the Transportation Service Agreement; provided, however, that TransColorado will still be able to determine that a day is not an Available Day or partial Available Day based on other conditions. The determination of which days are, or if applicable are not, Available Days or partial Available Days under a Transportation Service Agreement is to be based on operational considerations and/or on TransColorado's commitments under other firm agreements, including the number of Available Days and partial Available Days under other Transportation Service Agreements under this Rate Schedule.
- (b) Shipper shall monitor and control its receipts and deliveries of gas and, if necessary, make appropriate adjustments in order to maintain a

thermal balance of receipts and deliveries, as provided in Section 12 of the General Terms and Conditions of this Tariff.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are applicable to this Rate Schedule and are incorporated by reference.

GENERAL TERMS AND CONDITIONS

These General Terms and Conditions apply to the transportation services provided under TransColorado's FERC Gas Tariff.

1. DEFINITIONS

1.1 The term "**Acquiring Shipper**" shall mean any Shipper that acquires firm released capacity from a releasing Shipper. For purposes of Section 6 of these General Terms and Conditions, the term "Replacement Shipper" is used rather than "Acquiring Shipper."

1.2 The term "**authorized overrun**" shall mean that quantity of gas authorized by TransColorado in excess of the CD or Daily Quantity specified in the applicable firm Transportation Service Agreement.

1.3 The term "**bidding period**" shall mean that period of time that released or uncommitted firm capacity is posted on the Interactive Website during which Shippers may bid for capacity.

1.4 The term "**Bidding Shipper**" shall mean any Shipper that is qualified to bid for capacity through the Interactive Website.

1.5 The term "**Btu**" shall mean one British thermal unit, which is the amount of heat required to raise the temperature of one pound of water one degree from fifty-nine degrees (59°F) to sixty degrees Fahrenheit (60°F) at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia). Total Btu's shall be determined by multiplying the total volume of natural gas delivered times the gas heating value expressed in Btu's per cubic foot of gas adjusted on a dry basis.

1.6 The term "**business day**" is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico. (NAESB WGQ Standard No. 3.2.1)

1.7 The term "**confirmed quantity**" shall mean a quantity that has been nominated by a Shipper and confirmed by an Operator.

1.8 The term "**contract demand**" ("CD") shall mean the quantity of gas set forth from time to time in the Transportation Service Agreement under any firm transportation service rate schedule under this Tariff.

1.9 The term "**cubic foot**" shall mean the volume of gas which would occupy a space of one cubic foot at a temperature of 60° Fahrenheit and at a pressure of 14.73 pounds per square inch absolute.

1.10 The term "**day**" shall mean a period of 24 consecutive hours, except for those days that are adjusted for Daylight Savings Time beginning at 9:00 a.m. Central Clock Time ("CCT"). "Clock Time" indicates that TransColorado will adjust its gas day to reflect changes for Daylight Savings Time.

1.11 The term "**daily quantity**" shall mean the quantity of gas set forth from time to time in the Transportation Service Agreement under Rate Schedule IT.

1.12 The term "**decatherm**" ("**Dth**") shall mean a unit of heating value equivalent to 10 therms or 1,000,000 Btus.

1.13 The term "**FERC**" or "**Commission**" shall mean the Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers that are exercisable by the Federal Energy Regulatory Commission.

1.14 The term "**FL&U**" shall mean gas used for compressor station fuel and other utility purposes, including, but not limited to, line losses and other unaccounted-for gas (including gas lost through explosion, fire or other calamity) in the operation of TransColorado's pipeline system.

1.15 TransColorado has adopted all of the Business Practices and Electronic Communications Standards which are required by the Commission in 18 CFR, Section 284.12 (a), as amended from time to time, in accordance with Order No. 587, et al., as described in Section 30 of the General Terms and Conditions.

(a) Transporter's HTML page(s) is accessible via the Internet's World Wide Web at the following address: <http://pipeline.kindermorgan.com>

1.16 The term "**gross heating value**" shall mean the quantity of heat, measured in Btu, produced by combustion in air of one (1) cubic foot of anhydrous gas at a temperature of sixty degrees Fahrenheit (60°F) and a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia), the air being at the same temperature and pressure as the gas, after the products of combustion are cooled to the initial temperature of the gas and air, and after condensation of the water formed by combustion.

1.17 The term "**Interactive Website**" shall mean the interactive internet web site maintained by TransColorado for communication regarding its transportation service in accordance with applicable Commission Regulations and NAESB standards, as more fully described in Section 2 of these General Terms and Conditions.

1.18 The term "**Mcf**" shall mean 1,000 cubic feet of gas. "**MMcf**" means 1,000,000 cubic feet of gas.

1.19 The term "**MDDQ**" shall mean the maximum specified daily quantity of each Primary Delivery Point listed in a Shipper's Agreement with TransColorado. The sum of the MDDQ's shall equal the MDQ of the Agreement.

1.20 The term "**MDRQ**" shall mean the maximum specified daily quantity of each Primary Receipt Point listed on a Shipper's agreement with TransColorado. The sum of the MDRQ's shall equal the MDQ of the Agreement.

1.21 The term "**MDQ**" shall mean the maximum daily quantity of Gas for which TransColorado will perform service under a contract at the sum of all Receipt Points (or Delivery Points) or in the aggregate, as specified in the Agreement. The MDQ shall not include FL&U.

1.22 The term "**Month**" shall mean the period beginning on the first day of any calendar month and ending at the first day of the succeeding calendar month.

1.22.1 The term "**Monthly Maintenance Schedule**" shall mean the notice TransColorado posts on its Interactive Website prior to bid-week for the subsequent month that contains a list of scheduled maintenance activities TransColorado anticipates conducting in the subsequent month which are likely to result in curtailment or outages on the pipeline.

1.23 The term "**Operator**" shall mean the person or entity that controls the flow of gas into or out of TransColorado's System.

1.24 The term "**overrun gas**" shall mean those quantities of gas tendered for transportation by Shipper on any day in excess of the currently effective contract demand or daily quantity.

1.25 The term "**Pre-Arranged Shipper**" shall mean any Shipper who is qualified and seeks to acquire capacity under a pre-arranged release.

1.26 The terms "**Primary Receipt and Delivery Point**" shall mean a receipt or delivery point on TransColorado's system located within the path of service for which the Shipper is paying and has contracted for firm capacity.

1.27 The term "**recallable capacity**" shall mean firm capacity that is released subject to the Releasing Shipper's right to recall capacity during the term of the release.

1.28 The term "**Releasing Shipper**" shall mean any Shipper holding firm capacity rights under a Transportation Service Agreement under any firm transportation service Rate Schedule of this Tariff that releases firm capacity.

1.29 The term "**Shipper**" shall mean any party who (a) is receiving service according to an effective rate schedule under this Tariff 1, (b) has executed a service agreement under any rate schedule, or (c) has completed a request for service.

1.30 The term "**System**" shall mean the pipeline, appurtenant facilities and any compression and related facilities owned by TransColorado.

1.31 The term "**unauthorized overrun**" shall mean that quantity of gas by which Shipper exceeds, without TransColorado's consent, Shipper's confirmed quantity.

1.32 The term "**year**" shall mean a period of 365 consecutive days beginning January 1 or 366 consecutive days if such period includes February 29, unless otherwise specified.

2. INTERACTIVE WEBSITE

2.1 Website Description

(a) TransColorado maintains the Interactive Website, a FERC-compliant interactive internet web site that is available for use by Shippers and other interested parties. The web site has both secure and non-secure regions. Information of a general nature is included in the non-secure region while confidential Shipper-specific data is accessible only through the secure region, which requires a logon and password. Daily back-up records of information displayed or entered through this web site are archived and non-secure information is accessible to customers on a non-discriminatory basis. The data is kept for a three-year period, inclusive of both current and archived data.

(b) The non-secure information is primarily comprised of FERC-mandated informational postings. TransColorado, at its sole option, may add informational sections to this web site in order to facilitate timely and complete communications with customers. The secure region provides access to Nominations, Flowing Gas/Volume Inquiry data, Invoicing, Contracting and Capacity Release processing. Logons and passwords required to enter the secure region of the web site may be obtained per the procedures outlined in Section 2.2.

(i) Informational Postings. The types of information available through the Informational Postings include: (1) reports on operationally available capacity, unsubscribed capacity, and released capacity at receipt/delivery points and on the main line; (2) information on construction and maintenance projects impacting capacity; (3) imbalance volumes available for trading among Shippers; (4) firm and interruptible rates and FL&U reimbursement, including general discount offers; (5) catalog of currently active receipt and delivery points; (6) general announcements, critical notices and procedures, including Operational Flow Orders (OFO)^{1/}; and (7) the Tariff with search, download and print capabilities.

(ii) Nominations. This feature allows for submittal of all transportation nominations, transfer nominations, predetermined allocations and nomination priorities as required in Section 8. Additionally, operators can confirm volumes online. Shippers and point operators can review, print or download scheduled quantity reports.

(iii) Flowing Gas/Volume Inquiry. This feature provides volumetric information on total gas flow and allocated flows, at a point and contract level. The timing for reporting daily operational allocations after the gas has flowed is within one (1) business day after the end of the gas day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation. Each Shipper and each other entity involved in a transaction at a point will be able to see the total flows at the point and the volumes allocated to or by such Shipper or other entity.

(iv) Invoicing. This system component allows Shippers to view and download invoices and a statement of account. Additionally, using this component, Shippers can create and submit a Payment Remittance.

(v) Contract Request Processing. Using this feature, Shippers can review their existing Agreement information, submit new requests for Agreements and submit requests to amend Agreements and execute Service Agreements online.

(vi) Capacity Release Request and Bid Processing. This interactive feature allows Shippers to submit capacity-release requests and bids, which, in turn, are automatically posted to this web site as provided in Section 6. Additionally, Shipper with recall provisions in a release of capacity can initiate the recall process using this feature.

2.2 Access to Web Site. Shippers and other interested parties may obtain access to the interactive transactional web pages by contacting the Security Coordinator whose phone number can be found in the "Summary/Contacts" section at <http://pipeline.kindermorgan.com>. Logons, passwords and access instructions will be supplied upon request under the following terms and conditions set forth in Sections 2.3 through 2.13. The internet address for this web site is: <http://pipeline.kindermorgan.com>. This web site replaces DART and Subscribers to DART can continue to use their DART logon and password to access these web pages. By continuing to use such DART logons, Subscribers agree to the terms and conditions set forth in Sections 2.2 through 2.12.

2.3 Authority of employee. Users of this web site shall be deemed to have agreed and admitted that any employee permitted by Subscriber to access this web site shall have the legal authority to act on behalf of Subscriber in performing any functions, including those functions which are available presently and those functions which become available at a later date.

2.4 Installation of software. Each Subscriber shall purchase and ensure that lawful installation of the internet browser software occurs for each personal computer (PC) from which this web site is accessed.

2.5 Confidentiality. Certain information contained in this web site is confidential. A Subscriber shall not reproduce, disclose or otherwise make available confidential information contained therein to any other company, corporation, individual or partnership.

2.6 Reliance by TransColorado. TransColorado may act, and shall be fully protected by a Subscriber in acting, in reliance upon any acts or things done or performed by Subscriber's employees or designated agents on behalf of Subscriber and in respect to all matters conducted through this web site. TransColorado may correct errors in information entered into this web site by a Subscriber promptly after receiving notice of the corrections or may require Subscribers to enter the corrections directly into this web site.

2.7 Access. Should a Subscriber require access to confidential information (such as Agreement, points, nomination, volume, or other customer-specific information deemed to be of a confidential nature requiring controlled access), TransColorado will require the Subscriber to provide a written request and officer-level approval for issuance of a company-level computer access (logon) identification code and password. Upon receipt of such request, TransColorado will ensure return of a

confidential logon code and password within one business day.

2.8 Logon. A Subscriber's logon and password are confidential and are used to identify that Subscriber. A Subscriber shall keep its web site logon and password confidential. A Subscriber will ensure that only authorized employees and agents of Subscriber will be given Subscriber's logon and password and only these authorized persons will be permitted to access this web site on Subscriber's behalf. A Subscriber and its employees and agents will not disclose the Subscriber's logon and password to anyone without authority to access this web site on behalf of the Subscriber. To ensure such confidentiality is not breached, requests from Subscriber employees or agents for information regarding Subscriber logon and password made subsequent to issuance of the original logon and password may not be honored without receipt by TransColorado of additional authorization from Subscriber. Subscriber shall be responsible for an accepts liability for any security breach that is traced to Subscriber's logon and password.

2.9 Breach of Security. A Subscriber shall promptly notify TransColorado if there is any indication that a security breach has occurred with regard to Subscriber's logon and password. This includes, but is not limited to: (a) loss of confidentiality of logon and password; (b) termination of employment of any authorized employee; or (c) loss of authority to access this web site by any authorized employee. Such notification shall be made to TransColorado's Security Coordinator whose phone number can be found in the "Summary/Contacts" section on the interactive website <http://pipeline.kindermorgan.com>.

2.10 Limitation to Access. A Subscriber may attempt to access only that data for which Subscriber has authorization. A Subscriber shall provide supporting legal documentation prior to being given access to data of other subsidiaries, affiliates, or companies for whom it has an agency relationship. See Section 8 of these General Terms and Conditions for information on delegation.

2.11 Limits of Responsibility. TransColorado shall not be responsible for an omission or failure by TransColorado to act or perform any duty requested by a function accessed via this web site if such omission or failure to act is caused by or related to data lost in the transmission of such data from Subscriber's to TransColorado's computer system, power failures, failure of backup systems, or any other event beyond the reasonable control of TransColorado.

2.12 Reservation. TransColorado reserves the right to add, modify or terminate web site functions at any time subject to compliance with Commission Regulations.

2.13 Agreement. Any Subscriber who is not a Shipper will be required to sign an agreement with TransColorado pursuant to which the Subscriber agrees to be bound by the provisions of this Section.

^{1/} TransColorado will also support further notification of critical notices and OFOs through the following channels, to be designated by shipper: (1) up to two internet e-mail addresses provided by shipper or (2) standard NAESB EDI/EDM.

6. CAPACITY RELEASE BY FIRM SHIPPERS

6.1 GENERAL

(a) Subject to the terms, conditions and limitations set forth in this Section 6, a Shipper holding capacity rights under an Eligible Firm Transportation Agreement shall have the right to release all or a portion of such capacity rights and, if a capacity release is effectuated under this Section 6, to receive a credit for reservation charge revenues received by TransColorado from that other Shipper for such released capacity.

(b) The capacity release timeline set forth in this Section 6 applies to all parties involved in the capacity release process provided that; 1) all information provided by the parties to the transaction is valid and the Replacement Shipper (or Subreplacement Shipper, if applicable) has been determined to be creditworthy before the Qualified Bid is tendered, 2) for index-based capacity release transactions, the Releasing Shipper has provided TransColorado with sufficient instructions to evaluate the corresponding bids according to the timeline, and 3) there are no special terms or conditions of the release. Further, TransColorado may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by TransColorado). (NAESB WGQ Standard No. 5.3.1)

(c) Following is a summary of the capacity release process and deadlines set forth in greater detail in the remainder of this Section 6. All times are Central Clock Time (CCT) pursuant to NAESB WGQ Standard No. 0.3.17.

NAESB WGQ Standard No. 5.3.2

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

(1) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.

(2) Open season ends at 10:00 a.m. on the same or a subsequent Business Day (evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken);

(3) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.

(4) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 Noon.

(5) The contract is issued within one hour of the award posting (with a new contract number, when applicable).

(6) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

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

(1) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.

(2) Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.

(3) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.

(4) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.

(5) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 Noon.

(6) The contract is issued within one hour of the award posting (with a new contract number, when applicable).

(7) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(iii) For non-biddable releases:

The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No.

1.3.2. The posting deadlines are:

- Timely Cycle 12:00 Noon
- Evening Cycle 5:00 p.m.
- Intraday Cycle 1 9:00 a.m.
- Intraday Cycle 2 1:30 p.m.
- Intraday Cycle 3 6:00 p.m.

The contract is issued within one hour of the award posting (with a new contract number, when applicable).

Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(iv) For Sections 6.1(c)(i) and 6.1(c)(ii), Nomination is not contingent on a contract being issued or executed so long as the Replacement Shipper has preapproved credit.

6.2 DEFINITIONS

(a) **Bid Value.** The value assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 6.10 or, if applicable, the bid evaluation procedures set forth in the Capacity Release Request.

(b) **Capacity Release Request.** The request that a Releasing Shipper submits to initiate the capacity release procedure under this Section 6.

(c) **Eligible Firm Transportation Agreement.** A Transportation Service Agreement under any firm transportation service Rate Schedule under this Tariff.

(d) **Maximum Bid Volume.** The maximum amount of capacity the Qualified Bidder agreed to accept in its Qualified Bid.

(e) **Minimum Bid Volume.** The minimum amount of capacity the Qualified Bidder agreed to accept in its Qualified Bid.

(f) **Original Shipper.** The entity who is the Shipper under an Eligible Firm Transportation Agreement (other than through a capacity release).

(g) **Prearranged Release.** The binding written release agreement between a Releasing Shipper and a Prearranged Shipper covering Eligible Firm Transportation Agreement capacity rights, the effectiveness of which is subject only to: (1) the prequalification of the Prearranged Shipper under Section 6.15; and (2) the release of such capacity rights to the Prearranged Shipper as provided by this Section 6.

(i) A Prearranged Release between a Releasing Shipper and an Asset Manager as that term is defined in 18 C.F.R. Section 284.8(h)(3), shall be defined for purposes of this Section 6, as a "Prearranged Asset Manager Release".

(ii) A Prearranged Release between a Releasing Shipper and a Marketer Participating in a State-Regulated Retail Access Program, as that term is defined in 18 C.F.R. Section 284.8(h)(4), shall be defined for purposes of this Section 6, as a "Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program".

(iii) A Prearranged Asset Manager Release and a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program are exempt from the Open Season Requirements set forth in this Section 6.

(h) **Prearranged Shipper.** A person or entity prequalified under Section 6.15 who has entered into a Prearranged Release with a Releasing Shipper for Eligible Firm Transportation Agreement capacity rights, including a Replacement Shipper under either a Prearranged Asset Manager Release, or a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program.

(i) **Qualified Bid.** A binding bid prequalified under Section 6.15 by a Qualified Bidder for capacity rights subject to a Capacity Release Request under this Section 6.

(j) **Qualified Bidder.** Any person or entity prequalified under Section 6.15 who bids for capacity rights being released under this Section 6, including a Replacement Shipper under a Prearranged Asset Manager Release or a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program.

(k) **Released Firm Transportation Agreement.** The agreement between TransColorado and a Replacement Shipper or a Subreplacement Shipper by which the Replacement Shipper or Subreplacement Shipper confirms the receipt of capacity rights under an Eligible Firm Transportation Agreement released by a Releasing Shipper under this Section 6.

(l) **Releasing Shipper.** Any Shipper holding capacity rights under an Eligible Firm Transportation Agreement or Released Firm Transportation Agreement who has released or seeks to release such capacity rights pursuant to this Section 6.

(m) **Replacement Shipper.** A Shipper receiving capacity rights under an Eligible Firm Transportation Agreement pursuant to a direct release from an Original Shipper under this Section 6.

(n) **Short-Term Prearranged Release.** Prearranged Release with a term of thirty-one (31) days or less.

(o) **Subreplacement Shipper.** A Shipper receiving capacity rights released from an Eligible Firm Transportation Agreement by a Replacement Shipper or a Subreplacement Shipper under this Section 6.

(p) **Unit Bid Value.** The unit value per Dth assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 6.10.

(q) **Winning Bid Value.** The highest possible total Bid Value achievable under Section 6.10 for the Capacity Release Request from the Qualified Bids consistent with the Capacity Release Request and this Section 6.

6.3 Release Without a Prearranged Shipper. A Shipper seeking to release its Eligible Firm Transportation Agreement capacity rights without a Prearranged Shipper shall deliver a Capacity Release Request to TransColorado's Interactive Website (or in writing for posting on TransColorado's Interactive Website if TransColorado's Interactive Website is unavailable for receiving Capacity Release Requests) which sets forth:

(a) The Releasing Shipper's legal name, address and phone number, the Eligible Firm Transportation Agreement number, the date of the Eligible Firm Transportation Agreement and the name and title of the individual responsible for authorizing the capacity release;

(b) The quantity of the capacity (in Dth per day) and the transportation path(s) (or segment(s) thereof) being released, including identification by TransColorado's Point Identification Number (PIN) Number (or Common Code) of the Receipt Points, Delivery Points, pooling point defining the release path/segment and the firm capacity to be released at each such point;

(c) Whether the capacity being released is subject to recall and/or reput, and if so, the exact conditions for such recall and/or reput (which conditions must conform to Sections 6.5 and 6.14);

(d) The proposed effective date and proposed term of the release;

(e) Whether the Releasing Shipper wants TransColorado to actively market the Releasing Shipper's capacity rights;

(f) Whether the Releasing Shipper will accept Qualified Bids which are contingent on subsequent events (such as the subsequent purchase of upstream or downstream capacity), and if so, what events and the last date by which such contingency must be fulfilled;

(g) The starting date for the open season and the length of time for the open season (which must conform to Section 6.7);

(h) Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the volume transported, and if so, any minimum amount to be billed as a reservation charge even if there is no flow (or insufficient flow);

(i) Which of the bid evaluation procedures set forth in Section 6.10 the Shipper wishes to use, if any;

(j) The Releasing Shipper should specify which one of the following methods is acceptable for bidding on a given capacity release offer:

(i) Non-index-based release - dollars and cents,

(ii) Non-index-based release - percentage of maximum rate, or

(iii) Index-based formula as detailed in the capacity release offer.

The bids for the given capacity release offer should adhere to the method specified by the Releasing Shipper. (NAESB WGQ Standard No. 5.3.26)

(k) Any other applicable conditions (which must conform to Section 6.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 6.10 for evaluating Qualified Bids for its capacity rights, and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be awarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 6.5(a).

6.4 Prearranged Release. Subject to Section 6.6, a Shipper seeking to release its Eligible Firm Transportation Agreement capacity rights to a Prearranged Shipper shall deliver a Capacity Release Request to TransColorado's Interactive Website at TransColorado's designated site for an open season. The Capacity Release Request shall set forth:

(a) The Releasing Shipper's legal name, address and phone number, the Prearranged Shipper's legal name, and where applicable, identification of the Prearranged Replacement Shipper as an "Asset Manager" as that term is defined in 18 C.F.R. 284.8(h)(3) or a "Marketer Participating in a State-Regulated Retail Access Program" (as that term is defined in 18 C.F.R. 284.8(h)(4)), address, phone number, and telefax number, the Eligible Firm Transportation Agreement number, the date of the Eligible Firm Transportation Agreement and the name and title of the individuals at the Releasing Shipper and the Prearranged Shipper responsible for authorizing the capacity release;

(b) A statement that the Prearranged Shipper has agreed to be bound by a capacity award to the Prearranged Shipper under this Section 6 by TransColorado and to execute a Released Firm Transportation Agreement, which consists of TransColorado's standard form of Transportation Service Agreement under the applicable firm transportation service rate schedule and

the terms and conditions of the Prearranged Release, in accordance with TransColorado's Tariff. Such statement shall also set forth:

- (i) The quantity of the capacity (in Dth per day) and the transportation path(s) [or segment(s) thereof] being released, including identification by TransColorado's PIN Number (or Common Code) of the Receipt Points, Delivery Points, pooling point defining the released path/segment and the firm capacity to be released at each such point;
 - (ii) The fixed reservation charge and/or volumetric charge the Prearranged Shipper has agreed to pay for the released capacity;
 - (iii) Whether the capacity being released is subject to recall and/or reput in the Prearranged Release and, if so, the exact conditions of such recall and/or reput (which conditions must conform with Sections 6.5 and 6.14); and
 - (iv) The proposed effective date of the Prearranged Release and the proposed term of the Prearranged Release.
- (c) Whether the Releasing Shipper will accept Qualified Bids which are contingent on subsequent events (such as the purchase of upstream or downstream capacity), and if so, what events and the last date by which such contingency must be fulfilled;
- (d) Whether the Releasing Shipper will accept Qualified Bids with longer terms or larger volumes, and if so, what is the maximum volume and the longest term the Releasing Shipper will accept;
- (e) Whether the Releasing Shipper wants TransColorado to actively market its capacity rights subject to the Prearranged Release;
- (f) The starting date for and the length of time for the open season (which must conform to Section 6.7) and the length of time (consistent with Section 6.9(b)) for the Prearranged Shipper to be able to match a winning Qualified Bid;
- (g) Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the volume transported, and if so, any minimum amount to be billed as a reservation charge even if there is no flow (or insufficient flow);
- (h) Which of the bid evaluation procedures set forth in Section 6.10 the Shipper wishes to use, if any;
- (i) Whether the Qualified Bids are to specify dollars and cents and/or percentage of the maximum tariff rate; or an index based formula as detailed in the capacity release offer;
- (j) Whether the release is a Prearranged Asset Manager Release as defined in Section 6.2(g)(i) hereof and the Asset Manager's obligation to deliver gas to, or purchase gas from, the Releasing Shipper;
- (k) Whether the release is a Prearranged Release to a Marketer Participating in a State Regulated Retail Access Program, as defined in Section 6.2(g)(ii) hereof; and

(l) Any other applicable conditions (which must conform with Section 6.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 6.10 for evaluating Qualified Bids for its capacity rights, and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be awarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 6.5(a).

6.5 Capacity Release Requirements.

(a) All terms and conditions relating to a release which is the subject of a Capacity Release Request: (i) must be nondiscriminatory and applicable to all potential bidders; (ii) must be made available to TransColorado for posting; (iii) must relate solely to the details of acquiring or maintaining the transportation capacity rights on TransColorado, which are the subject of the release; and (iv) must not place any obligations or burdens on TransColorado in addition to the terms and conditions applicable to a capacity release under this Section 6 which are specified in TransColorado's Tariff. Any bid evaluation procedure elected by a Releasing Shipper different from TransColorado's bid evaluation procedure set forth in Sections 6.10(b) through 6.10(d) must be objective, nondiscriminatory in all circumstances and contain a complete description of the bid evaluation procedure for posting on TransColorado's Interactive Website. TransColorado may require the Releasing Shipper to submit a working computer program to TransColorado in diskette form which is compatible with TransColorado's Interactive Website which will enable TransColorado to make such alternative bid evaluation entirely through TransColorado's Interactive Website, The Releasing Shipper shall warrant that the computer diskette conforms to the bid evaluation procedure in the Capacity Release Request.

For the capacity release business process timing model, only the following methodologies are supported by TransColorado and provided to Releasing Shippers as choices from which they may select and, once chosen, will be used in determining the awards from the bid(s) submitted. They are: (i) highest rate, (ii) net revenue and (iii) present value. For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of TransColorado. However, TransColorado is not required to offer other choices or similar timeline treatment for other choices, nor, is TransColorado held to the timeline should the Releasing Shipper elect another method of evaluation. (NAESB WGQ Standard No. 5.3.3)

(b) The term of any release of capacity sought under this Section 6 shall be at least one full day and shall not exceed the remaining term of the Eligible Firm Transportation Agreement.

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

(d) No capacity release under this Section 6 shall result in an increase in the total capacity set forth in the Eligible Firm Transportation Agreement with the Original Shipper for any segment of a path covered by such Eligible Firm Transportation Agreement.

(e) A Capacity Release Request may include the right by a Releasing Shipper to recall all or part of the capacity, and/or to reput all or part of the recalled capacity, at any time and from time to time. All recalls or reputs must be made in accordance with the other provisions of TransColorado's Tariff, including Section 6.14 of these General Terms and Conditions.

(f) The Releasing Shipper may withdraw its posted Capacity Release Request during an open season under this Section 6 where unanticipated circumstances justify and no minimum bid has been received; following the close of the open season, a Releasing Shipper may not reject a winning Qualified Bid. Offer should be binding until written or electronic notice of withdrawal is received by TransColorado. Notice of a withdrawal of a Capacity Release Request must be delivered to TransColorado's Interactive Website no later than the end of the open season for the Capacity Release Request.

(g) A Replacement Shipper or Subreplacement Shipper may release the capacity under the provisions of this Section 6 (except as prohibited by Federal Energy Regulatory Commission Regulations).

(h) Any Capacity Release Request not in compliance with this Section 6.5 and the other provisions of TransColorado's Tariff shall be null and void and, even if posted, may be removed from TransColorado's Interactive Website by TransColorado at any time.

6.6 Open Season Exceptions. An open season is not required for: (a) a Prearranged Release for more than one (1) year at the maximum reservation charge applicable to the capacity being released, (b) a Short-term Prearranged Release, (c) a Prearranged Asset Manager Release, as defined in Section 6.2(g)(i) hereof or (d) a Prearranged Release to a Marketer Participating in a State Regulated Retail Access Program, as defined in Section 6.2(g)(ii) hereof. A Capacity Release Request which is not subject to an open season need only contain the information required in Sections 6.4(a) and (b). Such Capacity Release Request must be delivered to TransColorado's Interactive Website (or in writing for posting on TransColorado's Interactive Website if the Interactive Website is unavailable for receiving Capacity Release Requests) sufficiently in advance so that the release may become effective under Section 6.9 before the release transaction is to commence. A Releasing Shipper may not rollover, extend or in any way continue a Short-term Prearranged Release exempt from bidding under subsection (b) hereof with the same Replacement or Sub-replacement Shipper until twenty-eight(28) days after the Short-term Prearranged Release has ended unless the Releasing Shipper complies with the Capacity Release Request provisions in Sections 6 or the re-release qualifies for any of the other exemptions from bidding, referenced in subsections (a), (c) or (d) hereof.

6.7 Postings; Open Season. Except for the provisions in Section 6.6 above, the following constitute the procedures for postings of open seasons:

(a) A Capacity Release Request received by TransColorado through the Interactive Website prior to the starting time of the open season requested by the Releasing Shipper in its Capacity Release Request in conformance with

this Section 6 shall be posted on TransColorado's Interactive Website as requested. The posting shall contain the information contained in the Capacity Release Request, except that all identifying information, and the minimum price in any minimum price condition requested to be held confidential by the Releasing Shipper (but not the existence of the minimum bid condition), shall be kept confidential and shall not be posted. The posting shall also include the maximum reservation charge, if applicable, (including all reservation surcharges) applicable to the capacity subject to the Capacity Release Request, the beginning and ending time for the open season and the time the notice was posted. TransColorado shall post the Capacity Release Request upon receipt. If the Releasing Shipper requests a posting time, TransColorado will comply with that request as long as it comports with the deadlines set forth in this Section 6.

(b) An open season shall consist of: (i) a one (1) hour period on a Business Day between 12:00 p.m. and 1:00 p.m. CCT or (ii) any number (no fractions) of Business Days running from 12:00 p.m. CCT on a Business Day to 1:00 p.m. CCT on the following Business Day, as requested by the Releasing Shipper in its Capacity Release Request; provided, however, that any capacity release for a period of one (1) year or longer must have an open season of at least three Business Days, for a period at least running from 12:00 p.m. CCT on a Business Day to 1:00 p.m. CCT two (2) Business Days later.

(c) A Releasing Shipper may not specify an extension of an open season or the match period for a Prearranged Release. Rather, the Releasing Shipper must submit a new Capacity Release Request.

6.8 Qualified Bids for Released Capacity Rights.

(a) At any time during an open season, a Qualified Bidder may submit a Qualified Bid to TransColorado's Interactive Website (or in writing for posting on TransColorado's Interactive Website if the Interactive Website is unavailable for receiving Qualified Bids) seeking released capacity rights under a Capacity Release Request. In addition to being prequalified for credit pursuant to Section 6.15, each Qualified Bid must include the following:

(i) The Qualified Bidder's legal name, address, phone number, telefax number, the name and title of the individual responsible for authorizing the Qualified Bid and identification of the capacity rights for which the Qualified Bid is made;

(ii) The term for the purchase;

(iii) A Minimum Bid Volume and a Maximum Bid Volume (in Dth per day);

(iv) The fixed reservation charge and/or volumetric charge that the Qualified Bidder agrees to pay for the capacity (and if a volumetric charge, any minimum amount to be billed as a reservation charge, which must be equal to or greater than any such amount designated by the Releasing Shipper);

(v) A statement that the Qualified Bidder agrees to all the terms and conditions of the Capacity Release Request, with only the

modifications as expressly provided in its Qualified Bid, which modifications must be permitted by the Capacity Release Request and must conform with the requirements in this Section 6. In the event that the Releasing Shipper has stated that Qualified Bid(s) may be contingent upon subsequent events and the Qualified Bidder submits such a contingent Qualified Bid, then the Qualified Bidder must state in full the nature of the condition and the last date by which the Qualified Bid is null and void if the contingency does not occur; and

(vi) Agreement that the Qualified Bidder is bound by the terms and conditions of the capacity award by TransColorado pursuant to this Section 6 to the Qualified Bidder, including TransColorado's standard Form of Service Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with TransColorado's Tariff.

(b) The volume in a Qualified Bid may not be less than the minimum volume required for an Eligible Firm Transportation Agreement under TransColorado's Tariff. Neither the volume nor the release term specified in a Qualified Bid may exceed the maximum volume or term specified in a Capacity Release Request, unless the Capacity Release Request specifically allows otherwise. A Qualified Bidder must accept all the terms and conditions of a Capacity Release Request submitted under Section 6.4 (involving a Prearranged Release) except for the level of the reservation charge and the CD, unless the Capacity Release Request specifically allows otherwise.

(c) Except as provided herein, and for releases for a term of more than one (1) year, a Qualified Bidder may not bid rates which would exceed TransColorado's maximum reservation charge applicable to the Eligible Firm Transportation Agreement capacity. If the Original Shipper is paying a Negotiated Rate or a rate under a Negotiated Rate Formula pursuant to Section 23 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the applicable recourse rate. The maximum Qualified Bid reservation charge includes all demand surcharges, including all direct-billed charges which are or may become applicable to the Eligible Firm Transportation Agreement capacity. There is no maximum rate limitation applicable to bids for capacity release for a term of one (1) year or less, if the release is to take effect on or before one (1) year from the date on which TransColorado is notified of the release.

(d) All Qualified Bids shall provide for payment of maximum usage charges under TransColorado's Tariff for the capacity bid, as well as all other applicable add-on charges and surcharges under TransColorado's Tariff, such as, but not limited to, ACA and FL&U reimbursement.

(e) A Qualified Bid received by TransColorado during an open season shall be posted by TransColorado on its Interactive Website, without the name of the Qualified Bidder. A Qualified Bid may be withdrawn by the Qualified Bidder prior to the close of the open season, but may not be withdrawn thereafter. Following such withdrawal, the Qualified Bidder cannot bid for the same capacity during the open season at a lower rate.

(f) All Qualified Bids must be consistent with all provisions of

TransColorado's Tariff. Any Qualified Bid inconsistent with TransColorado's Tariff or the applicable Capacity Release Request shall be null and void.

6.9 Awarding of Released Capacity.

(a) For a Prearranged Release for which no open season is required under Section 6.6 and which is received at least one (1) hour prior to a nomination deadline on a Day, TransColorado shall tender the contract to the Prearranged Shipper within one (1) hour after release notification, provided that all applicable provisions of this Section 6 have been complied with.

(b) As to any other Prearranged Release, in the event there was no winning Qualified Bid(s) with a higher total Bid Value than the Prearranged Shipper's Bid Value, TransColorado shall notify the Prearranged Shipper. If, during an open season, the winning Qualified Bid(s) have a higher total Bid Value than the Bid Value of the Prearranged Release under the bid evaluation procedure selected by the Releasing Shipper, TransColorado shall notify the Prearranged Shipper of the terms and conditions of the winning Qualified Bid(s), except for any identification of the Qualified Bidder(s). The Prearranged Shipper may elect to match any or all of such winning Qualified Bid(s), but may not elect to match only a portion of a winning Qualified Bid. Such election shall consist of the Prearranged Shipper submitting notice to TransColorado of its unconditional agreement to the terms and conditions of one or more of such winning Qualified Bid(s) in winning Qualified Bid(s) (or such later time as requested by the Releasing Shipper in its Capacity Release Request). In the event of a timely match, then the Prearranged Shipper shall be awarded the released capacity by 5:00 p.m. CCT on that business day. To the extent that the Prearranged Shipper fails to timely match (within the above time frame) the winning Qualified Bid(s) with a higher Bid Value, then the Qualified Bidder(s) who made the winning Qualified Bid shall be awarded the capacity by 5:00 p.m. CCT on the business day of TransColorado's notice to the Prearranged Shipper.

(c) For any other Capacity Release Request, the capacity rights shall be automatically awarded to the winning Qualified Bidder(s) when TransColorado has identified the entity(s) to receive the released capacity under this Section 6.

(d) A capacity release shall become effective, and nominations for gas service utilizing the release capacity shall be accepted, at the latest of the following times:

(i) The applicable nomination deadline set forth in Section 8.2 of these General Terms and Conditions for the start of service requested for such release in the Capacity Release Request; or

(ii) The applicable nomination deadline set forth in section 8.2 of these General Terms and Conditions on the day following the capacity award.

(e) Gas nominations for transportation pursuant to released capacity are subject to the provisions of Section 8 of these General Terms and Conditions. Gas nominations by a Shipper utilizing released capacity awarded by TransColorado shall constitute Shipper's binding acceptance of the terms and conditions of the capacity award by TransColorado pursuant to this Section 6,

including TransColorado's standard Form of Service Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with TransColorado's Tariff.

(f) Subject to the other provisions in this Section 6, in the event that there is no Qualified Bidder or Prearranged Shipper for posted Eligible Firm Transportation Agreement capacity during an open season, no capacity release will be awarded and the Releasing Shipper shall retain the capacity sought to be released.

6.10 Bid Evaluation Procedure.

(a) Unless specifically requested otherwise by a Releasing Shipper in its Capacity Release Request, Qualified Bids for released capacity shall be evaluated pursuant to Sections 6.10(b) through 6.10(g) below. Any Qualified Bid which does not meet a minimum price condition stated in the Capacity Release Request shall be rejected outright. Any Qualified Bid with a contingency must have such contingency eliminated before 3:00 p.m. CCT following the close of the open season, unless the Releasing Shipper's offer has specified a later time; otherwise, such Qualified Bid will be rejected.

(b) TransColorado shall calculate a Bid Value and Unit Bid Value for each Qualified Bid and Prearranged Release (if any), and shall calculate the Winning Bid Value, as follows:

(i) For each month, the volume and reservation charge per Dth stated in the Qualified Bid shall be multiplied together to derive a gross monthly revenue figure. If the Qualified Bids contain volumetric-based charges permitted by the Capacity Release Request, then the gross monthly revenue figure shall be equal to any minimum amount designated by the bidder to be billed as a reservation charge even if there is no (or insufficient) flow.

(ii) Each gross monthly revenue figure shall be discounted to a net present value figure as of the first day of the capacity release as sought in the Capacity Release Request, using the current Federal Energy Regulatory Commission interest rate as defined in 18 C.F.R. Section 154.501(d).

(iii) The net present value figures for the proposed release shall be summed, and such sum shall be the Bid Value.

(iv) The Unit Bid Value is defined to equal the Bid Value divided by the product of: (1) the highest volume of capacity (in Dth) sought in the Qualified Bid for any day; multiplied by (2) the release term (in months) in the Capacity Release Request; and multiplied further by (3) thirty and four-tenths (30.4).

(c) The combination of Qualified Bid(s) with the highest possible total Bid Value (Winning Bid Value) for the capacity in the Capacity Release Request shall be the winning Qualified Bid(s). A Qualified Bid may be allocated less than its Maximum Bid Volume, but in no event shall the Qualified Bid be allocated less than its Minimum Bid Volume. It is recognized that this procedure is intended to result in the highest possible total Bid Value for the

Releasing Shipper consistent with the Qualified Bids, and it is possible that a Qualified Bid with the highest individual Unit Bid Value may be rejected partially or in its entirety.

(d) If there is more than one combination of Qualified Bids with a total Bid Value equal to the Winning Bid Value this Section 6.10(d) provides the procedure for selecting just one such combination, and thereby the winning Qualified Bid(s).

Subject to the provisions in Sections 6.10(d)(i), (ii) and (iii) below, the selection of winning Qualified Bid(s) among Qualified Bids (or combinations thereof) of equal Winning Bid Value is based on the following order of preference: (i) pro rata, if possible; (ii) preference for a Qualified Bid with the highest Maximum Bid Volume; (iii) preference for a Qualified Bid with the lowest Minimum Bid Volume; and (iv) first come, first served.

The specific Qualified Bid selection procedure is as follows:

(i) Identify the Winning Bid Value. If there is only one Qualified Bid, or combination of Qualified Bids, which create the Winning Bid Value, such Qualified Bid(s) shall be awarded the released capacity.

(ii) In order to break ties, identify all Qualified Bids which, alone or in combination with other Qualified Bids, can create the Winning Bid Value. Rank order these Qualified Bids in order of their Unit Bid Value from highest to lowest. Allocate the Capacity Release Request capacity first to the Maximum Bid Volume of each Qualified Bid with the highest Unit Bid Value; allocate any remainder to the Maximum Bid Volume of each Qualified Bid with the next highest Unit Bid Value; and so forth. If, at any step, the available Capacity Release Request capacity is less than the combined Maximum Bid Volumes of Qualified Bids with equal Unit Bid Values, then the Capacity Release Request capacity shall be allocated on a pro rata basis to each Qualified Bid based on its Maximum Bid Volume.

To the extent such a pro rata allocation would result in a capacity allocation to one or more Qualified Bid(s) below its Minimum Bid Volume, then such below-minimum Qualified Bids shall be discarded in their entirety and the Capacity Release Request capacity shall instead be allocated on a pro rata basis (based on the Maximum Bid Volume of each Qualified Bid) among the remaining Qualified Bid(s).

(iii) In the event that the previous Section 6.10(d)(ii) pro rata allocation procedure does not result in a single winning combination of Qualified Bid(s) with the Winning Bid Value, then Section 6.10(d)(ii) shall be disregarded and the winning Qualified Bid(s) shall be determined in the following manner:

(1) Identify the highest individual Maximum Bid Volume for a Qualified Bid which, alone or in combination with other Qualified Bid(s), can create the Winning Bid Value. Discard all Qualified Bid combinations which do not contain a Qualified Bid with such highest Maximum Bid Volume. Identify the highest volume which can be allocated to such Qualified Bid with such highest Maximum Bid Volume in the remaining combinations

and still have the Winning Bid Value. Discard all combinations of Qualified Bid(s) which do not contain the highest such volume allocation. If this does not break the tie, then repeat the above procedure looking to the next highest Maximum Bid Volume, with the highest volume allocated thereto, within each remaining combination of Qualified Bid(s) with a Winning Bid Value; and so forth, until the tie is broken or all Qualified Bids in the remaining combinations are reviewed.

(2) If the above does not break the tie, identify again the Qualified Bid within each remaining combination with the highest Maximum Bid Volume and the highest volume allocated to such Qualified Bid, and identify which such Qualified Bid has the lowest Minimum Bid Volume. Discard all combinations which do not contain such Qualified Bid. If this does not break the tie, repeat the above procedure looking to the next highest Maximum Bid Volume, with the lowest Minimum Bid Volume, within each remaining combination of Qualified Bid(s) with the Winning Bid Value; and so forth, until the tie is broken or all Qualified Bid(s) in the remaining combination are reviewed.

(3) If the above does not break the tie, identify again the Qualified Bid within each remaining combination with the highest Maximum Bid Volume. The combination containing such Qualified Bid that TransColorado's Interactive Website shows was submitted and received earliest by the Interactive Website (or if the Interactive Website is not available and the Qualified Bid was submitted in writing, the time TransColorado received the Qualified Bid) shall be the winning combination. The next highest Maximum Bid Volume within each remaining combination shall be used as necessary pursuant to the above first come, first served rule to break any remaining ties; and so forth as necessary to break any remaining ties.

(4) In no event shall the combination of winning Qualified Bid(s) result in a total Bid Value less than the highest possible total Bid Value achievable from a combination of Qualified Bid(s) consistent with the Qualified Bids, the Capacity Release Request and this Section 6.

(5) The Qualified Bid(s) allocated capacity under Sections 6.10(c) or 6.10(d) shall be winning Qualified Bid(s) to the extent of such capacity allocations.

(6) Here are examples of the application of Section 6.10(d):

EXAMPLE (1)

Assume: Capacity Release Request = 100,000/day for 5 years Qualified Bids:

Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume

Bid (a)	20,000/day	5 years	\$.18	0
Bid (b)	10,000/day	5 years	\$.17	0
Bid (c)	85,000/DAY	5 YEARS	\$.15	0

Winning Qualified Bids: There is only one combination of bids with the highest possible total Bid Value (Winning Bid Value). Therefore, Bid (a) receives its Maximum Bid Volume (20,000); Bid (b) receives its Maximum Bid Volume (10,000); Bid (c) receives 70,000.

EXAMPLE (2)

The assumptions remain the same as in Example (1), except that we assume that Bid (c) has a Minimum Bid Volume of 85,000.

Winning Qualified Bids: Again, there is only one combination of bids with the Winning Bid Value. Therefore, Bid (c) receives its Maximum Bid Volume (85,000) plus Bid (a) receives 15,000.

EXAMPLE (3)

The assumptions remain the same as in Example (1), except that we assume that Bid (a) has a Minimum Bid Volume of 20,000 and Bid (c) has a Minimum Bid Volume of 85,000.

Winning Qualified Bids: Again, there is only one combination of bids with the Winning Bid Value. Therefore, Bids (b) and (c) each receive their Maximum Bid Volumes. This combination leaves 5,000 unallocated, which stays with the Releasing Shipper.

EXAMPLE (4)

Assume: Capacity Release Request = 100,000/day for 5 years Qualified Bids:

	Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume
Bid (a)	60,000/day	5 years	\$.18	0
Bid (b)	60,000/day	5 years	\$.18	0
Bid (c)	70,000/day	5 Years	\$.18	45,000
Bid (d)	50,000/day	5 years	\$.18	15,000
Bid (e)	30,000/day	5 years	\$.18	10,000
Bid (f)	40,000/day	5 Years	\$.17	0

Winning Qualified Bids: Bid (a) receives 30,000; Bid (b) receives 30,000; Bid (d) receives 25,000; and Bid (e) receives 15,000.

Explanation: There are many combinations of Bids (a), (b), (c), (d) and (e) with the same Winning Bid Value. Each Bid has the same Unit Bid Value. There is

insufficient capacity being released to provide all the Maximum Bid Volumes for Bids (a), (b), (c), (d) and (e). Pursuant to Section 6.10(d)(2), a pro rata allocation is attempted. This would result in each bidder receiving 100/270 of its Maximum Bid Volume. In the case of Bid (c), Bid (c) would receive 70,000 (100/270) = 25,925 Dth. Since this figure is below Bid (c)'s Minimum Bid Volume of 45,000, Bid (c) must be discarded. Bids (a), (b), (d) and (e) are able to be allocated capacity based on a 100/270 pro rata factor. With Bid (c) discarded, the pro rata allocation factor is now 100/200 (i.e., one-half) so that Bids (a), (b), (d), and (e) each receive half of their Maximum Bid Volumes. Bid (c) receives zero (0) because its Minimum Bid Volume was too high for the initial pro rata allocation.

EXAMPLE (5)

Assume:

Capacity Release Request = 100,000/day for 5 years.

	Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume
Bid (a)	60,000/day	5 years	\$.18	60,000
Bid (b)	60,000/day	5 years	\$.18	50,000
Bid (c)	70,000/day	5 Years	\$.18	65,000
Bid (d)	50,000/day	5 years	\$.18	15,000
Bid (e)	30,000/day	5 years	\$.18	10,000
Bid (f)	40,000/day	5 Years	\$.17	0

Winning Qualified Bids: Bid (c) receives 70,000. Bid (d) receives 30,000.

Explanation: Again, there are many combinations of Bids (a), (b), (c), (d) and (e) with the same Winning Bid Value. Pro rata allocation won't work, because each Bid would receive 100/270 of the capacity; only Bids (d) and (e) have low enough Minimum Bid Volumes for a pro rata allocation, and the sum of Bid (d)'s and Bid (e)'s Maximum Bid Volumes is less than 100,000. Under Section 6.10(d)(iii)(1)), we then look to the combinations of Bid(s) (a), (b), (c), (d) and (e) to identify the Bid with the highest Maximum Bid Volume. This is Bid (c). We allocate the highest volume to Bid (c) consistent with creating the Winning Bid Value, so 70,000 is allocated to (c). This leaves 30,000 to be allocated. Bids(a) and (b) have the next highest Maximum Bid Volume (60,000), but the Minimum Bid Volumes of Bids (a) and (b) are each too high to receive the remaining capacity. The next highest available Maximum Bid Volume is in Bid (d), which is allocated the remaining capacity of 30,000.

EXAMPLE (6)

The assumptions remain the same as in Example (5), except that we assume that Bids (c) and (d) were never made.

Winning Qualified Bids: Bid (b) receives 60,000. Bid (e) receives 30,000. Bid (f)

receives 10,000.

Explanation: There are two combinations of Qualified Bids with the Winning Bid Value:

Combination 1	Combination 2
Bid (a): 60,000	Bid (b): 60,000
Bid (e): 30,000	Bid (e): 30,000
Bid (f): 10,000	Bid (f): 10,000

(Pro rata allocation pursuant to Section 6.10(d)(2) between Bids (a), (b) and (e) doesn't work, because only Bid (e) has a low enough Minimum Bid Volume to accept 100/150 capacity allocation and Bid (e) alone cannot create the Winning Bid Value). Under Section 6.10(d)(iii)(1), we compare Combinations 1 and 2 for the highest individual Maximum Bid Volumes, and find them all equal. Under Section 6.10(d)(iii)(2), the tie breaker goes to the Winning Bid Value combination containing the Qualified Bid having the highest Maximum Bid Volume and the lowest Minimum Bid Volume. In this case, Bid (b) has the same (highest) Maximum Bid Volume as Bid (a) but a lower Minimum Bid Volume. Therefore, Combination 2 wins.

EXAMPLE (7)

Assume:

Capacity Release Request = 100,000/day for 5 years Qualified Bids (which were all received through the Interactive Web Site):

	Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume
Bid (a)	50,000/day	5 years	\$.18	50,000
Bid (b)	50,000/day	5 years	\$.18	50,000
Bid (c)	50,000/day	5 Years	\$.18	50,000

Winning Qualified Bids: The two Qualified Bids shown as received earliest by TransColorado's Interactive Web Site shall each receive their Maximum Bid Volume.

Explanation: Clearly, any two Bids in combination have the same Winning Bid Value. Since the Bids are completely inflexible and have equivalent Maximum Bid Volumes and equivalent Minimum Bid Volumes, only Section 6.10(d)(iii)(3) can be used to break the tie. The tie breaker looks to the Qualified Bid(s) shown as received earliest on TransColorado's Interactive Web Site.

(e) In no event shall this Section 6.10 result in winning Qualified Bids with a total volume in excess of the capacity specified in the Capacity Release

Request.

(f) The bid evaluation procedure set forth in this Section 6.10 shall only consider Qualified Bids to the extent they provide for an objectively quantifiable payment by the Qualified Bidder. A Qualified Bid based on a percentage of TransColorado's reservation charge shall be evaluated by TransColorado based solely on the maximum reservation charge being charged by TransColorado for such service as of the end of the open season.

(g) If the Releasing Shipper selected a bid evaluation procedure which is different from the procedure set forth in this Section 6.10, which procedure must comply with Section 6.5, TransColorado shall determine the winning Qualified Bid(s) pursuant to the Releasing Shipper's bid evaluation procedure in its Capacity Release Request and computer diskette (if any) submitted by the Releasing Shipper pursuant to Section 6.5(a).

6.11 Confirmations; Released Firm Transportation Agreement. At the time the award of capacity under this Section 6 is posted, TransColorado shall send the winning Qualified Bidder or the Prearranged Shipper confirmation of the capacity release awarded to such Qualified Bidder or Prearranged Shipper. Prior to TransColorado awarding capacity on a Prearranged Release, the Prearranged Shipper shall confirm electronically the terms of the Prearranged Release.

6.12 Completed Transactions. By 5:00 p.m. CCT after capacity has been awarded, TransColorado shall post on its Interactive Website the name(s) of the winning Qualified Bidder(s), identification of the winning Qualified Bid(s) and any minimum bid conditions held confidential during the open season. The Releasing Shipper is responsible for reviewing the Qualified Bids to ensure that the released capacity was correctly awarded. The Releasing Shipper shall notify TransColorado of any error in the award of capacity within one business day after such posting on the Interactive Website. In the event of an error, the capacity shall be reawarded by TransColorado. As between TransColorado and the Releasing Shipper, the Releasing Shipper shall indemnify and hold TransColorado harmless as to any costs, damages or expenses relating to the bid evaluation procedure for which timely notice of an error was not provided to TransColorado by the Releasing Shipper hereunder. TransColorado shall correct an error in a timely fashion after receiving notice of such error from the Releasing Shipper or another person.

6.13 Billing

(a) TransColorado shall bill the Replacement Shippers and the Subreplacement Shippers the rate(s) specified in the Released Firm Transportation Agreements and any other applicable charges and each such Replacement Shipper and Subreplacement Shipper shall pay the billed amounts directly to TransColorado. TransColorado shall not be responsible for billing the Replacement Shipper for any amounts attributable to gas purchase volumes tied to a transportation capacity release. Such charges shall be between the Releasing Shipper and Replacement Shipper. TransColorado will support volumetric releases with volumetric commitments by fully accounting for volumetric and reservation components, consistent with the rules and regulations enunciated by the Federal Energy Regulatory Commission. (NAESB WGQ Standard No. 5.3.5)

(b) A Releasing Shipper shall be billed the reservation charge associated

with the entire amount of released capacity pursuant to its contract rate, which includes all non-usage based charges under TransColorado's Tariff for such released capacity including but not limited to additional direct-bill charges, with a concurrent conditional credit for payment of the reservation charge due from the Replacement or Subreplacement Shipper(s), as applicable, which received the released capacity. Releasing Shipper shall also be billed a marketing fee, if applicable. As to any capacity released by a Releasing Shipper, the Releasing Shipper shall not be billed or be responsible for: (i) usage charges; and (ii) add-on charges and surcharges applicable to TransColorado's usage rates under TransColorado's Tariff such as ACA and FL&U reimbursement, which are incurred by a Replacement Shipper or Subreplacement Shipper which received the released capacity.

(c) If a Replacement Shipper or Subreplacement Shipper does not make payment to TransColorado of the reservation portion of the charges due as set forth in its Released Firm Transportation Agreement, TransColorado shall bill the Releasing Shipper(s) from whom such Replacement or Subreplacement Shipper received the capacity for the amount(s) due, including all applicable late charges authorized by TransColorado's Tariff, and such amount shall be paid by such Releasing Shipper within ten (10) days of the receipt of such billing, or interest shall continue to accrue. In the event that the Replacement or Subreplacement Shipper has not paid such amount(s) due by the end of such ten (10) day period, then: (i) the Releasing Shipper has the right to recall the capacity; and (ii) TransColorado's rights against the delinquent Replacement/Subreplacement Shipper shall be subrogated to the related rights of the Releasing Shipper. TransColorado shall make a reasonable effort to collect from the Replacement/Subreplacement Shipper the amount(s) due. Such reasonable effort shall not include incurring costs from outside attorneys, collection agents or other third parties.

(d) All payments received from a Replacement or Subreplacement Shipper shall first be applied to reservation charges, then to late charges on reservation charges, then to late charges not on the reservation charges, and then last to usage-based charges. Payments by Replacement or Subreplacement Shippers in excess of the total amount(s) due for the Released Firm Transportation Agreement capacity shall be a credit applied to any outstanding balance owed under any contract with TransColorado, or a refund if requested in writing and no such outstanding balance exists.

6.14 Nominations/Scheduling; Recalls and Reputs.

(a) Recalling Capacity - General

Transporter supports the ability of a Releasing Shipper to specify as a condition of a Capacity Release offer which recall notification periods as set out below will be available for use by the parties to the release and whether recall notices must be provided on a Business Day. All Replacement and Subreplacement Shippers shall nominate and schedule natural gas for service hereunder directly with TransColorado in accordance with the applicable procedures set forth in Section 8 of these General Terms and Conditions. In order for any capacity recall or capacity reput to be effective for a day, a Releasing Shipper must give prior notice of such recall or reput and any allocation of the capacity for a partial recall or reput to TransColorado.

(b) Recall Nomination Timeline

Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at any of the daily nomination cycles consistent with the following (notice of allocation of capacity between the Releasing Shipper and the Replacement Shipper hereunder is intended to be provided in a manner that will permit affected parties sufficient time to place nominations or take other corrective actions and thereby avoid penalties):

i. Timely Recall Notification:

(a) A Releasing Shipper recalling capacity must provide notice of such recall to TransColorado and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;

(b) TransColorado shall provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due;

ii. Early Evening Recall Notification:

(a) A Releasing Shipper recalling capacity must provide notice of such recall to TransColorado and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;

(b) TransColorado shall provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due;

iii. Evening Recall Notification:

(a) A Releasing Shipper recalling capacity must provide notice of such recall to TransColorado and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;

(b) TransColorado shall provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due;

iv. Intraday 1 Recall Notification:

(a) A Releasing Shipper recalling capacity must provide notice of such recall to TransColorado and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;

(b) TransColorado shall provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due;

v. Intraday 2 Recall Notification:

- (a) A Releasing Shipper recalling capacity must provide notice of such recall to TransColorado and the first Replacement Shipper no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;
 - (b) TransColorado shall provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due;
- vi. Intraday 3 Recall Notification:
 - (a) A Releasing Shipper recalling capacity should provide notice of such recall to TransColorado and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
 - (b) TransColorado should provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due. (NAESB WGQ Standard No. 5.3.44)

vii. Other: For recall notifications provided to TransColorado prior to the recall notification deadlines specified in NAESB WGQ Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., TransColorado shall provide notification to all affected Replacement Shippers no later than one (1) hour after receipt of such recall notification. For recall notifications provided to TransColorado after 5:00 p.m. and prior to 7:00 a.m., TransColorado shall provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (NAESB WGQ Standard No. 5.3.45)

(c) Methods of Notification

- i. The Replacement Shipper is to provide TransColorado with no more than two (2) Internet e-mail addresses to be used for recall notification. The obligation of TransColorado to provide notification is waived until at least one (1) of the addresses has been provided. (NAESB WGQ Standard No. 5.3.47)

When TransColorado sends internet e-mail notification for recalling of capacity to each affected Replacement Shipper, the subject line of the e-mail shall include the following information separated by commas in the following order: (1) "Recall"; (2) the recall notification period; (3) the effected date in YYYYMMDD format; (4) the name or abbreviation of TransColorado (excluding commas); and (5) TransColorado's D-U-N-S number. The body of such e-mail notification shall contain at least the affected Replacement Shipper's contract number, the quantity of Capacity being recalled, and the offer number or award number, if necessary to uniquely identify the Capacity being recalled. Where supported by TransColorado, for recalls that are effective at non-standard times, the appropriate recall notification period shall be included in the subject line and the effective time of the recall shall be

in the body of the e-mail. Where TransColorado offers Capacity recall notification mechanisms in addition to internet e-mail, the notification shall include at least the same level of information. (NAESB WGQ Standard No. 5.3.46)

Affected Replacement Shippers must manage internal distribution of notifications of recall received from TransColorado. (NAESB WGQ Standard No. 5.3.52)

ii. In accordance with NAESB WGQ Principle 5.1.2 (Recommendation R02002), the Releasing Shipper shall provide Capacity recall notification to Transporter through Transporter's Interactive Website. The Releasing Shipper shall provide notice to its affected Replacement Shipper at the same time it provides notification to Transporter. The recall notification must specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the capacity being recalled. The mode of notification must be mutually agreed upon between the Releasing and the Replacement Shipper.

iii. All recalled Capacity notices must indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a Capacity recall. (NAESB WGQ Standard No. 5.3.49)

(d) Quantity Allocation

In the event of an Intraday Capacity recall, TransColorado should determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). Variations to the use of EPC may be necessary to reflect the nature of TransColorado's Tariff, services, and/or operational characteristics. (NAESB WGQ Standard No. 5.3.56)

In any recall notification provided to Transporter, the quantity must be expressed in terms of the adjusted total released Capacity entitlements based upon EPC. EPC means that portion of the Capacity that would have theoretically been available for use prior to the effective time of the Intra-Day recall based upon a cumulative uniform hourly use of the Capacity.

The amount of the capacity allocated to the Replacement Shipper(s) must equal the original released Capacity less the recalled Capacity that is adjusted based upon the EPC or other TransColorado Tariff specific variations of the EPC in accordance with NAESB WGQ Standard No. 5.3.56. (NAESB WGQ Standard No. 5.3.58)

TransColorado shall not be obligated to deliver in excess of the total daily contract quantity of the release as a result of any recall. (NAESB WGQ Standard No. 5.3.57) The service flexibility available to either the Releasing Shipper or the Replacement Shipper for the subject Capacity shall not be less as a result of the recall.

(e) Disputes

In the event of a dispute between the Releasing Shipper and any other person as to the validity of any recall or reput, or the status of the holder of the capacity rights, TransColorado shall be entitled to conclusively rely on any

notice provided by the Releasing Shipper. The Original Shipper, Replacement Shipper and/or Subreplacement Shipper involved in any such dispute shall indemnify and hold TransColorado harmless from any costs, damages or expenses relating to TransColorado's reliance on such notice.

6.15 Qualification for Participation in the Capacity Release Program.

(a) Any person wishing to become a Qualified Bidder and make a Qualified Bid must satisfy the creditworthiness requirements in Section 18 of these General Terms and Conditions prior to submitting a Qualified Bid under this Section 6. A person cannot bid for services which exceed its pre-qualified level of credit-worthiness. TransColorado shall process -- and encourages -- applications from potential Qualified Bidders seeking prequalification for bids they may make in the future.

(b) Credit applications shall be completed in full with all information required to establish creditworthiness under the credit criteria included in Section 18 of these General Terms and Conditions. Should a potential bidder fail to satisfy such credit criteria, the potential bidder may still become a Qualified Bidder by providing a prepayment, letter of credit, or other good and sufficient security satisfactory to TransColorado as further set forth in Section 18 of these General Terms and Conditions.

(c) Based on TransColorado's continuing review of a Shipper's financial records, TransColorado shall have the right to amend a Shipper's line of credit and lower or increase the quantity and term.

(d) TransColorado's determination of a Shipper's creditworthiness is solely for TransColorado's purposes under TransColorado's Tariff and such determination is neither a representation nor a guarantee to a Releasing Shipper or any other entity as to the ability of a Replacement or Subreplacement Shipper to pay any outstanding amount under a Released Firm Transportation Agreement.

6.16 Compliance by Shipper. By acquiring released capacity, a Shipper agrees that it will comply with all provisions of TransColorado's Tariff and all applicable Commission orders, rules and regulations. Such Shipper also agrees to be responsible to TransColorado for compliance with all applicable terms and conditions of TransColorado's Tariff, as well as the terms and conditions of the Released Firm Transportation Agreement.

6.17 Obligations of Releasing Shipper.

(a) The Releasing Shipper shall continue to be liable and responsible for all reservation charges associated with the released capacity up to the reservation charge specified in such Releasing Shipper's Agreement with TransColorado. The Releasing Shipper agrees that the award of capacity to a Replacement Shipper or Subreplacement Shipper shall automatically reduce the Releasing Shipper's firm capacity rights under the Agreement with TransColorado effective on the effective date of the release for the period of the release, except for any period that the firm capacity is recalled by the Releasing Shipper (if the successful bid so permits) until such capacity is reput to the Replacement or Subreplacement Shipper, in accordance with this Section 6.

(b) A release by a Replacement Shipper shall not relieve the Original Shipper or the Replacement Shipper of their obligations under this Section 6.

6.18 Conversions Between Monthly and Daily Reservation Rates. For less than maximum rate transactions only, converting daily rate to monthly rate is accomplished by multiplying the daily rate times number of days in rate period, dividing the result by number of months in rate period and taking the remainder out to five (5) decimal places and rounding up or down to TransColorado's specified decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by number of months in rate period, dividing the result by number of days in rate period and taking the remainder out to five (5) decimal places and rounding up or down to TransColorado's specified decimal place.

8. NOMINATIONS/SCHEDULING OF RECEIPTS AND DELIVERIES

Nominations must be submitted to TransColorado through TransColorado's Interactive Website, or such other electronic means as are mutually agreed upon by TransColorado and Shipper. The sending party should adhere to nomination, confirmation and scheduling deadlines. The receiving party may waive any submittal deadline in this Section 8 or as outlined in the applicable NAESB standards.

8.1 Priority of Service. Shippers shall be entitled to transportation service subject to the availability of pipeline capacity on TransColorado's system in the following order of declining priority:

(a) The order for scheduling transportation services is as follows:

(i) Firm service at Primary Points and primary paths (scheduled pro rata based on maximum daily quantity);

(ii) Firm service at secondary points (scheduled pro rata based on nominations);

(1) Secondary firm service within the primary path;

(2) Secondary firm service outside the primary path;

Scheduling of receipt and delivery points will be prorated based on nominations with points within the primary path scheduled before points outside the primary path;

(iii) Interruptible service, authorized overrun service and parking and loaning service, prorated on the basis rate paid from highest to lowest (scheduled by rate, then prorated on the basis on nominations);

Where two or more Shippers are paying the same rate, available capacity will be awarded to those Shippers paying the same rate in equal amounts up to the level requested. This procedure will continue until (1) all requests are filled or (2) all available capacity is utilized;

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

(c) Firm intraday nominations are entitled to bump scheduled interruptible volumes only during the Evening, Intraday 1 and Intraday 2 Nomination Cycles, as defined in this Section 8. Firm intraday nominations are not entitled to bump already scheduled firm volumes. Interruptible service intraday nominations are not entitled to bump already scheduled interruptible service volumes.

8.2 Scheduling of Gas Receipts and Deliveries. This Section 8.2 applies to the operation of TransColorado's System and sets forth the procedures for scheduling of receipts and deliveries under Transportation Service Agreements pursuant to this Tariff. If on any day TransColorado should determine that the transportation capacity of its facilities is insufficient to transport all volumes of natural gas tendered for transportation by Shippers, TransColorado shall allocate the available transportation capacity on the basis set forth below.

(a) The quantities of gas to be transported shall be scheduled no later than the day before gas flows ("scheduling day"). The following procedure shall be utilized to schedule transportation on TransColorado's System:

Scheduling Day. Each scheduling day, Shippers shall request transportation and cause the Operators to make confirmations of supply or downstream capacity. When necessary, the capacity allocation procedure set forth in Section 8.1 of these General Terms and Conditions shall be followed. TransColorado shall communicate electronically or via facsimile to the Shippers and Operators the scheduled quantities and any additional capacity availability.

For purposes of NAESB WGQ Standard No. 1.3.2 (ii), (iii), (iv) and (v), the word "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post (NAESB Standard 1.3.2(vi)).

Unless otherwise agreed, the following timeline shall apply for scheduling of receipts and deliveries on scheduling day (All times are Central Clock Time (CCT) pursuant to NAESB WGQ Standard No. 0.3.17.

The Timely Nomination Cycle

On the day prior to gas flow:

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

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day. (NAESB Standard 1.3.2(i))

The Evening Nomination Cycle

On the day prior to gas flow:

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

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day. (NAESB Standard 1.3.2(ii))

(b) Flow Day. Shippers shall cause the Operators to tender the scheduled quantities of natural gas to TransColorado at Receipt Points, plus volumes to be retained by TransColorado for FL&U as provided for in the applicable transportation rate schedule, and TransColorado shall deliver the scheduled quantities of natural gas, for Shippers' accounts, at Delivery Points.

(c) Intraday Procedures

(i) Intraday Scheduling: Shippers may each day submit intraday scheduling requests in accordance with the applicable NAESB standards. Intraday nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas. (NAESB WGQ Standard No. 1.3.11) TransColorado will schedule such requests using the allocation priorities established in Section 8.1.

Shippers may submit an intraday request for transportation of additional quantities of gas. Shippers shall cause the Operator to make corresponding confirmations of supply and downstream capacity. Such scheduling may change the prior sequencing of deliveries. TransColorado shall communicate electronically or via facsimile the final scheduling of additional quantities of gas to Shippers and Operators in compliance with the applicable NAESB standards.

In addition, Shippers may reduce previously scheduled quantities of gas. Shippers shall cause the Operator to make corresponding confirmations of reduced supply and downstream capacity. TransColorado shall communicate electronically or via facsimile the reduction of scheduled quantities to Shippers and Operators in compliance with the applicable NAESB standards.

Requests for additional capacity and requests for reductions in previously scheduled volumes must be made electronically. In the event an unexpected capacity constraint occurs, TransColorado shall interrupt or curtail capacity in accordance with the applicable provisions of Section 8.3.

Unless otherwise agreed, TransColorado shall support NAESB Standard 1.3.2 nomination cycles for scheduling of receipts and deliveries on scheduling day:

The Intraday 1 Nomination Cycle

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the SR;
- 10:15 a.m. Nominations are received by TransColorado (including from TTTSPs);
- 10:30 a.m. TransColorado sends the quick response to the SR;
- 12:30 p.m. TransColorado receives completed confirmations from confirming parties;
- 1:00 p.m. TransColorado provides scheduled quantities to the affected SR and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on the current Gas Day. (NAESB WGQ Standard No. 1.3.2(iii))

The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the SR;
- 2:45 p.m. Nominations are received by TransColorado (including from TTTSPs);
- 3:00 p.m. TransColorado sends the quick response to the SR;
- 5:00 p.m. TransColorado receives completed confirmations from confirming parties;
- 5:30 p.m. TransColorado provides scheduled quantities to the affected SR and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on the current Gas Day. (NAESB WGQ Standard No. 1.3.2(iv))

The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the SR;
- 7:15 p.m. Nominations are received by TransColorado (including from TTTSPs);
- 7:30 p.m. TransColorado sends the quick response to the SR;
- 9:30 p.m. TransColorado receives completed confirmations from confirming parties;
- 10:00 p.m. TransColorado provides scheduled quantities to the affected SR and point operator.

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle. (NAESB WGQ Standard No. 1.3.2(v))

(ii) Section 284.10(c)(1)(i)(A): In compliance with the Commission's Regulations, TransColorado will (1) give scheduling priority to an intraday nomination submitted by a firm shipper over nominated and scheduled volumes for interruptible shippers, (2) provide the interruptible shipper with advance notice of any reduction resulting from an intraday nomination, and (3) notify the bumped shipper whether penalties will apply on the day its volumes are reduced.

(iii) Bumping Notice Procedures: TransColorado will notify shippers that have been bumped during the intraday scheduling process through Scheduled Quantity documents as posted on TransColorado's Interactive Web Site, telephone or telefax.

Additionally, TransColorado will provide notification, at the shipper's option, through the following channels: via e-mail to up to two e-mail addresses provided by the shipper or via standard NAESB EDI/EDM.

(d) Operating conditions may, from time to time, cause a temporary and unintentional imbalance between the quantities of natural gas that TransColorado receives and the quantities of natural gas that Shipper takes under the executed Transportation Service Agreement. Shipper shall schedule gas attributable to imbalances when TransColorado, in its reasonable discretion and in a nondiscriminatory manner, determines that it can practicably receive or deliver such imbalance.

(e) So as to avoid measurement problems relative to small volumes and disproportionate administrative burdens, TransColorado shall not be obligated to accept for the account of Shipper from any receipt point a quantity of gas that is less than fifteen (15) dth per day.

(f) In the event of any occurrence (e.g., computer failure), which prevents TransColorado from utilizing the process set forth above for the duration of such occurrence, TransColorado shall schedule the lesser of the last new request received and confirmed or the previously scheduled quantities. Notice of the commencement and termination of any such occurrence shall be posted on DART.

(g) Shipper shall use reasonable efforts to deliver and receive gas at reasonable hourly and daily rates of flow.

(h) The rights of a releasing shipper to recall capacity within any nomination cycle shall be governed by Section 6.14 of these General Terms and Conditions.

(i) A Shipper that has been awarded firm capacity in a capacity release may submit a nomination using such capacity at the next available opportunity for nominations under this Section 8.2, which occurs on or after the time capacity is awarded, including an intraday nomination in either the Intraday 1, Intraday 2 or the Intraday 3 Nomination Cycle, and which is consistent with Section 6.9 of these General Terms and Conditions.

8.3 Interruption and Curtailment of Service. If, on flow day, an interruption of service occurs which requires a reallocation of previously scheduled capacity, interruption or curtailment of service shall be instituted in the following sequence:

- (a) all authorized overrun transportation service.
- (b) all park and loan service.
- (c) all interruptible transportation service.
- (d) all firm transportation service at primary and alternate points.

8.4 Reservation Charge Credits.

(a) TransColorado shall have the right, without liability to Shipper, to interrupt or curtail the transportation of gas for Shipper for reasons of force majeure; or when necessary, to test, alter, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, TransColorado's pipeline system, or otherwise related to the operation thereof. TransColorado shall endeavor to cause a minimum of inconvenience to Shipper because of such interruptions.

(b) As used in this Section 8.4, MDQ shall mean the quantity of gas for which reservation charges are assessed under a firm agreement on any day. Where TransColorado does not schedule its system in the Timely and Evening Nomination Cycles to meet the nominations of a firm Shipper from Primary Receipt to Primary Delivery Point(s) on a day, reservation charge credits shall be granted as set forth herein.

(c) To be eligible to receive reservation charge credits, Shippers are required to nominate at Primary Point(s) and designate, as necessary, nomination priorities as set forth in Section 8.8 to those quantities which may not be fully scheduled but could be eligible for reservation charge credits herein. When a Shipper whose nominated amount is not fully scheduled by TransColorado in the Timely Nomination Cycle and that Shipper, subject to the nominated quantity not being fully scheduled by TransColorado, nominates on another pipeline in the Timely or Evening Nomination Cycle to re-direct transportation of the supplies, it need not re-submit its nomination in the Evening Nomination Cycle to TransColorado in order to receive reservation charge credits conditioned on Shipper providing, no later than the end of the gas day on the day curtailments are effective, documentation that it has scheduled and confirmed the curtailed quantities on an alternate pipeline. Such documentation shall be in writing and consist of a representation to TransColorado of the quantities nominated, confirmed and scheduled on a third-party pipeline as a result of TransColorado's inability to provide primary firm service. However, if Shipper does not nominate such supplies on another pipeline after it is curtailed in the Timely Nomination Cycle, Shipper is required to re-submit its nomination in the Evening Nomination Cycle in order to receive reservation charge credits. If the Shipper subsequently uses more capacity on TransColorado's pipeline in the Intraday 1, Intraday 2 or Intraday 3 Nomination Cycle its reservation charge credits may be appropriately reduced.

- (d) Reservation Charge Credit Quantities – Except as provided in Section 8.4(e) below, in the event TransColorado fails to schedule nominations on any day under any firm contract, then the applicable reservation charges shall be eliminated for the lesser of:
- i. the applicable MDQ; or
 - ii. the quantity of gas nominated at Shipper's Primary Point(s) but not scheduled for delivery; or
 - iii. the average of the daily usage by Shipper at Primary Point(s) in a 7 day period as set forth below:
 - a. Where a non-force majeure firm service curtailment is announced with TransColorado's Monthly Maintenance Schedule posting, then the 7 days immediately preceding such posting; or
 - b. Where a non-force majeure firm service curtailment is announced after the Monthly Maintenance Schedule posting but prior to the Timely Cycle deadline for the day of the firm service curtailment, then the 7 days immediately preceding the firm service curtailment; or
 - c. In the 7 days immediately preceding the announcement of the force majeure event consistent with the availability of reservation charge credits pursuant to Section 8.4(e)(iii); except that
 - d. Section 8.4(d)(iii) above shall not apply where a non-force majeure firm service curtailment is not announced before the Timely Cycle deadline for the day or where the 7 day period for measurement of Shipper usage is limited by pre-existing firm service curtailments.
- (e) TransColorado shall not be obligated to adjust the reservation charge under any contract pursuant to this Section 8.4:
- i. to the extent that the Shipper uses alternate receipt or delivery point(s) instead of its Primary Receipt and Delivery Point(s); or
 - ii. when TransColorado's failure to schedule nominated and confirmed quantities is solely the result of the conduct of Shipper or the upstream or downstream operator of the facilities at the Receipt or Delivery Point, respectively that is not operated or controlled by TransColorado (i.e. where TransColorado is otherwise ready and able to perform); or
 - iii. when TransColorado's failure to schedule nominated quantities occurs, whichever of these dates occurs first either (a) within (but not to exceed) ten (10) days following a force majeure event as contemplated by Section 14 of these General Terms and Conditions, or (b) prior to the date TransColorado has or should have, in the exercise of due diligence, overcome the force majeure event.

(f) For outages resulting from orders issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to section 60139(c) of the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011, TransColorado may, for a two year transitional period commencing January 1, 2013, treat such outages as an event of force majeure and provide partial reservation charge crediting pursuant to the terms of Section 8.4(e)(iii). Any notice of a PHMSA required outage posted by TransColorado on its interactive website must identify the specific PHMSA order with which TransColorado is complying.

(g) Any adjustment shall be credited against transportation charges for a future Month or refunded if the Transportation Service Agreement has terminated.

8.5 Pooling. TransColorado shall provide at least one pool for purposes of facilitating the aggregation and disaggregation of gas received into its system. The process of aggregating and disaggregating gas receipts shall be deemed pooling.

8.6 Delegation. A Shipper may delegate to any third party responsibility for submitting and receiving notices or nominations or performing other administrative duties under any agreement, subject to the following conditions:

(a) Any designation of such a representative, and any change in such designation, must be in writing and must be submitted at least two (2) business days prior to the requested effective date.

(b) The written designation shall specify any limits on the authority of the representative, including any time limit on the designation; provided, however, that TransColorado may reject any such limited designation if the limitations specified in the designation would result in an undue administrative burden.

(c) TransColorado may rely on communications from Shipper's designated representative for all purposes except to the extent the designation is explicitly limited as specified in the preceding Section 8.6(b). Communications by TransColorado to such designated representative shall be deemed notice to Shipper except to the extent the representative's authority is explicitly limited with respect to the receipt of notice under the procedure set out in said Section 8.6(b).

(d) Any third party may administer multiple transportation agreements as the designated representative for one or more Shippers. However, such representative shall separately administer and account for each such Agreement.

8.7 Transfer Nominations.

(a) Whenever gas is purchased at a Receipt Point (including a pooling point) on TransColorado's system by an entity that is not going to nominate that gas for receipt by TransColorado under a Transportation Agreement, that entity must submit a transfer nomination to TransColorado through its Interactive Website or EDI, identifying the quantities (in Dth) and the entities from whom the gas is being bought and the entities to whom the gas is being sold. Such transfer nominations are needed in order to be able to confirm the nominated receipts at that point and thus such transfer nominations are due by the deadlines applicable to Shipper nominations.

(b) A third party may provide title tracking services on TransColorado's system as follows:

- (1) The entity seeking to provide such a service (Third Party Account Administrator) shall so notify TransColorado in writing, in which event TransColorado shall establish an identification number for nominations involving the Third Party Account Administrator;
- (2) Transfer nominations consistent with this section must be made by the Shipper tendering gas for delivery to the Third Party Account Administrator, where subsequent title to such gas is to be tracked by the Third Party Account Administrator; and
- (3) The Third Party Account Administrator shall maintain records of any title transfers after delivery of gas to it and shall submit a nomination consistent with this section for delivery of gas to the last party in the chain of title, which party shall also submit a nomination for receipt of the gas, consistent with this section.

8.8 Nomination Priorities. As part of the nomination and transfer nomination process, if there is more than one supply source nominated to be delivered to a single delivery point or buyer, the nomination or transfer nomination should identify how and which supply sources should be cut in the event all nominated deliveries are not or cannot be made. Similarly, the nomination or transfer nomination should identify which delivery should be cut in the event gas is not or cannot be received as nominated (i.e., ranking). Ranking should be included in the list of data elements. Transportation service providers should use service requester provided rankings when making reductions during the scheduling process when this does not conflict with tariff-based rules.

9. USE OF RECEIPT AND DELIVERY POINTS

9.1 Designation of primary receipt and delivery points. Shipper's primary receipt points must be assigned by the Shipper to corresponding delivery points, subject to available capacity. The total capacity assigned to Shipper's receipt points must equal the total capacity assigned to the corresponding delivery point(s). The capacity must equal the CD shown in Shipper's firm Transportation Service Agreement. FL&U reimbursement is required in addition to these volumes in accordance with the provisions of the applicable rate schedule.

9.2 Adding and deleting points or changing capacity at primary receipt and delivery points. A firm Shipper may add and delete primary receipt and delivery points and increase or decrease its total capacity at primary receipt and delivery points subject to available capacity by amending its Transportation Service Agreement. If TransColorado and Shipper mutually agree, a firm Shipper may change primary receipt or delivery points by returning to TransColorado an equivalent amount of capacity at one or more existing receipt or delivery points.

9.3 Flexible use of alternate receipt and delivery points. A firm Shipper, or any Acquiring Shipper, may flex to or use any receipt or delivery point at which capacity is available on an alternate basis. However, an Acquiring Shipper may not add or delete primary receipt and delivery points or change Shipper's total capacity at primary receipt and delivery points unless the terms of Shipper's release allow for such.

9.4 Priority at alternate receipt and delivery points. A Shipper's priority at alternate points shall be determined according to Section 8 of these General Terms and Conditions.

9.5 Nominations to and rights of firm and Acquiring Shippers at alternate points. A firm or Acquiring Shipper must follow TransColorado's nomination procedures to flex to alternate receipt and delivery points. A firm or Acquiring Shipper's right to service at alternate receipt and delivery points shall be subordinate to the primary rights of other firm Shippers at those points, but as provided by Section 8, will have priority over interruptible transportation and authorized overrun service.

9.6 Availability of receipt and delivery point information. Shippers may obtain information through the Informational Postings portion of TransColorado's Interactive Website regarding its ability to provide transportation service at the receipt and delivery points desired by the Shipper.

9.7 Discounted Transportation Rates. Previously discounted firm transportation rates for primary receipt and delivery points will not apply to service at alternate points. Unless otherwise agreed to in writing by TransColorado, Shipper shall pay the maximum applicable reservation and usage charges for service nominated at the alternate points. In addition, if primary receipt and delivery points are changed, the maximum applicable reservation and usage charges shall apply at the new receipt or delivery point, unless TransColorado otherwise agrees in writing.

12. BALANCING OF GAS

12.1 General Provision. Shipper shall monitor and control its receipts and deliveries of gas and, if necessary, make appropriate adjustments in order to maintain a thermal balance of receipts and deliveries. TransColorado shall not be obligated to receive or deliver gas that differs from the confirmed nomination between Shipper and TransColorado.

TransColorado shall monitor, to the extent of its ability, receipts and deliveries of gas as compared to quantities nominated by Shipper, and, based upon available information, advise Shipper of any imbalances. Upon notification, Shipper shall be obligated to adjust its receipts and deliveries to correct or avoid any imbalance between nominations and actual receipt or delivery. Any adjustment to receipts and deliveries by Shipper, whether or not pursuant to notification from TransColorado, shall be coordinated with TransColorado's gas representatives and in accordance with the TransColorado's scheduling procedures.

12.2 Balancing Upon Termination. In the event the quantities of gas received and delivered are not in balance at the end of the term of the service agreement, then such balance shall be achieved at the earliest practicable date, not to exceed 45 days after the imbalance is determined by extending receipts or deliveries, as applicable, at the appropriate point(s) of receipt or point(s) of delivery, until such balance is achieved, or by such other method as is then mutually agreed upon by TransColorado and Shipper.

12.3 Maintenance of System Integrity. Nothing in this section limits TransColorado's right to take action that may be required to adjust receipts and deliveries of gas in order to alleviate conditions that threaten the integrity of its system, including maintenance of service to higher-priority customers.

12.4 Imbalances with the Other Parties. TransColorado shall not be responsible for eliminating any imbalances between Shipper and any third party. Furthermore, TransColorado shall not be obligated to adjust or deviate from its standard operating and accounting procedures in order to alleviate any such imbalances.

12.5 Netting and Trading

(a) Imbalances under a Shipper's different Agreements will be netted together to obtain the Shipper's Total Monthly Imbalance. The Total Monthly Imbalance will be shown with the monthly billings sent to Shippers.

(b) To assist Shippers in arranging offsets, TransColorado will post on its Interactive Website the total Monthly Imbalance of any Shipper which has notified TransColorado that it has elected to have such information posted. Notification by the Shipper may be in writing or on TransColorado's Interactive Website and shall be effective by 8:00 a.m. on the next Business Day if the notification is received by 11:45 a.m. on a Business Day. Imbalance information authorized for posting through such notification shall be posted no later than the ninth Business Day of the month after the imbalance occurred. Shippers shall have the ability to post and trade imbalances, and imbalance information shall remain posted, until the seventeenth Business Day of the month after the imbalance occurred.

(c) TransColorado shall enable the imbalance trading process by:

- (1) Receiving the Request for Imbalance Trade.
- (2) Receiving the Imbalance Trade Confirmation.
- (3) Sending the Imbalance Trade Notification and
- (4) Reflecting the trade prior to or on the next monthly Shipper Imbalance or cashout.

(d) Imbalance trades can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. Imbalance trades are considered final when confirmed by the confirming trader and effectuated by TransColorado.

(e) After receipt of an Imbalance Trade Confirmation, TransColorado shall send the Imbalance Trade Notification to the initiating trader and the confirming trader no later than noon the next Business Day.

(f) Shipper imbalances remaining after the imbalance netting and trading procedures set out in subsections (a)-(e) shall be cashed out as described in Section 12.6 of these General Terms and Conditions.

12.6 Cashout Procedures

(a) Any imbalance remaining will be cashed out on a tiered basis, pursuant to the following schedule. In determining the cashout tier applicable, TransColorado will utilize the operational data posted on its Interactive Website as of the end of the month or the actual flow volumes, whichever results in a lower cashout tier.

Imbalance Level	Overage (TransColorado pays Shipper)	Underage (Shipper pays TransColorado)
0% to 5%	100% X MIP*	100% X MIP
Greater than 5% to 10%	90% X MIP	110% X MIP
Greater than 10% to 15%	80% X MIP	120% X MIP
Greater than 15% to 20%	70% X MIP	130% X MIP
Greater than 20%	60% X MIP	140% X MIP

*Monthly Index Price

(b) Following any offsetting with other Shippers, a Shipper's remaining imbalance will be cashed out based on the percentage of that imbalance compared to the total receipts for that Shipper during the month. For example, if the total receipts were 1,000 Dth and the remaining underage imbalance after offsetting with other Shippers was 100 Dth, the total imbalance level would be 10%. The first 5% (50 Dth) would be cashed out at 100% of the MIP and the remaining 50 Dth would be cashed out at 110% of

the MIP.

(c) The Monthly Index Price (MIP) is based on prices as reported by Intelligence Press, Inc. in the publication "Natural Gas Intelligence." TransColorado shall use either the highest weekly average price or the lowest weekly average price determined for each month as the MIP for all monthly imbalances subject to cashout hereunder as described below.

(i) For gas owed TransColorado, the MIP shall be the highest weekly average price for the El Paso non-Bondad index and will be applicable to the negative imbalance for the month in which the imbalance occurred.

(ii) For gas owed the Shipper, the MIP shall be the lowest weekly average price for the White River Hub index and will apply to the positive imbalance for the month in which the imbalance occurred.

(d) Following the ten-day period for offsetting imbalances, Shippers with remaining imbalances shall pay TransColorado or will be credited with the appropriate cashout amounts, unless otherwise agreed to in writing by TransColorado.

(e) In the event "Natural Gas Intelligence" becomes unavailable, TransColorado shall request authorization from the Commission to substitute another publication and, upon approval, shall substitute information posted in the approved publication for similar indices. The Monthly Index Price shall be reported on TransColorado's Interactive Website no later than 5:00 p.m. CCT on the tenth business Day of the Month following the production Month.

12.7 Assessment of Imbalances. TransColorado will not assess imbalances if (a) Shipper's action is excused by force majeure, (b) TransColorado has invoked force majeure, (c) imbalances are caused by TransColorado or result from TransColorado's error or (d) TransColorado has previously imposed and Shipper has previously paid imbalance charges on the quantities of gas comprising the imbalance amount.

In determining imbalances, TransColorado shall take into consideration (a) quantities retained for FL&U and (b) additional quantities transported pursuant to any agreed-upon action. TransColorado and Shipper may mutually agree to offset excess or deficient quantities delivered under other Transportation Service Agreements between TransColorado and Shipper.

All cashout charges shall be invoiced according to Section 13 to these General Terms and Conditions.

12.8 Unauthorized Overrun

(a) TransColorado shall levy a charge to any Operator that exceeds the limits specified below. Such charge is applicable in times of capacity constraints, or when Operators act in a manner that materially threatens the integrity of TransColorado's System (e.g. under-performance or over-performance that causes significant pressure declines or buildups).

(b) On any day TransColorado determines that it is unable to receive or deliver the total volume of gas scheduled on its System or a portion of its

System, it shall have the right to notify all Operators of a Critical System Alert. Contemporaneously with, or shortly following such notice, TransColorado shall give notice to any Operator that would be subject to an Unauthorized Overrun Charge as provided below.

(c) The quantity of gas subject to such charge is the quantity of gas that varies from the amount scheduled at that receipt or delivery point on such days.

(d) Upon receipt of a notification from TransColorado, the Operator shall, within four hours, reduce takes to a level no more than 5% above the scheduled volume for such day or 50 Dth, whichever is larger. If after the four hour notice period:

(i) the Operator continues to over-perform by amounts that exceed the foregoing threshold, TransColorado is permitted to reduce the flow into or out of its System by partially or fully closing the valves at the applicable receipt or delivery points.

(ii) the Operator continues to under-perform by failing to deliver or take the quantities it confirmed for that flow day, an Unauthorized Overrun Charge shall be levied by TransColorado to the Operator in the amount shown on the Statement of Rates for those volumes exceeding 5%.

(e) TransColorado shall notify Operators each day during a Critical System Alert via the Informational Postings portion of its Interactive Website that the situation continues to exist.

12.9 Fuel and L&U

(a) The Fuel and L&U Reimbursement Percentages shall be stated separately on the Statement of Rates as a Fuel Reimbursement Percentage and an L&U Reimbursement Percentage, but may be referred to collectively as FL&U Reimbursement Percentages. Such percentages shall be furnished in-kind by Shippers at each receipt point on a pro rata basis based on the quantity received.

(b) The FL&U Reimbursement Percentages shall be recomputed quarterly and shall apply to those rate schedules requiring the assessment of Fuel and/or L&U.

(i) The initial FL&U filing to set forth separate Fuel and L&U Reimbursement Percentages shall be proposed with an effective date of January 1, 2018 ("Initial FL&U Filing"). The data collection period for this initial filing is January 1, 2018 through September 30, 2018. The Initial FL&U Filing shall include in the calculation of the FL&U Reimbursement Percentages any over or under collected amounts of Fuel as defined by TransColorado's Tariff prior to the Initial FL&U Filing from the previous fuel and lost and unaccounted for gas reimbursement mechanism.

(ii) After the initial FL&U Filing, TransColorado shall file FL&U Reimbursement Percentages to be effective no later than three Months

following the effective date of the immediately prior FL&U filing. The data collection period for such filing shall be the three-Month period ending two calendar months before the filing date of such FL&U Filing. The filed FL&U Reimbursement Percentages shall become effective on the date proposed subject to the review and notice deemed appropriate by FERC.

(c) Derivation of Fuel and L&U Reimbursement Percentages. The Fuel Reimbursement Percentage and the L&U Reimbursement Percentage shall be derived separately. The Fuel Reimbursement Percentage shall equal the sum of the Fuel Current Reimbursement Component and the Fuel Adjustment Reimbursement Component subject to the adjustment described in this Section 12.9(c). The L&U Reimbursement Percentage shall equal the sum of the L&U Current Reimbursement Component and the L&U Adjustment Reimbursement Component subject to the adjustment described in this Section 12.9(c). Neither the Fuel Reimbursement Percentage nor the L&U Reimbursement Percentage shall be less than zero. If after the calculations described in Sections 12.9(c)(i) through (iv), the calculation of the Fuel Reimbursement Percentage or the L&U Reimbursement Percentage results in either percentage being less than zero, such percentage shall be adjusted to zero and the quantities that would have reduced the calculation of the Fuel Reimbursement Percentage and/or the L&U Reimbursement Percentage below zero shall be deferred and applied to the calculation of the Fuel Adjustment Reimbursement Component or the L&U Adjustment Reimbursement Component, as applicable and described below, in a future period. These individual components shall be calculated as follows:

(i) The Fuel Current Reimbursement Component shall be the projected Fuel Requirement divided by the projected receipt quantities related to the anticipated transportation service for all transactions subject to Fuel for the period the percentage will be in effect.

(ii) The Fuel Adjustment Reimbursement Component shall be calculated by first determining the quantity of gas which is the difference between: (1) the actual quantities of Fuel experienced by TransColorado during the data collection period, including any prior period adjustments not already considered in a previous filing before or after the Initial FL&U Filing; and (2) the quantities of Fuel retained by Transporter during the data collection period, including any prior period adjustments not already considered in a previous filing before or after the Initial FL&U Filing, and any previously deferred Fuel quantities. The difference of these quantities shall then be divided by the projected receipt quantities related to the anticipated transportation service for all transactions subject to Fuel for the period the percentage will be in effect.

(iii) The L&U Current Reimbursement Component shall be the projected L&U Requirement divided by the total receipt quantities for the period the percentages will be in effect.

(iv) The L&U Adjustment Reimbursement Component shall be calculated by first determining the quantity of gas which is the difference between: (1) the actual quantities of L&U experienced by TransColorado during the data collection period, including any prior period adjustments not already considered in a previous filing before or after the Initial FL&U Filing; and (2) the quantities of L&U retained by Transporter during the data collection period, including any prior period adjustments not already considered in a previous filing before or after the Initial FL&U Filing, and any previously deferred L&U quantities. Determination of the actual quantities of L&U experienced during this period shall include an adjustment to recognize the effect of changes in system linepack, if any. The difference of these quantities shall then be divided by the projected total receipt quantities for the period the percentage will be in effect.

(d) Fuel will not be assessed when the entire transportation service is provided using one of the no-fuel routes identified below. However, Shippers using these routes will be subject to TransColorado's applicable L&U Reimbursement Percentage.

- (i) Greasewood Hub
 - a. A point located at Greasewood ("Greasewood Point") to another Greasewood Point. Greasewood Points include Point Identification Numbers ("PIN") 36100, 36101, and 40237.
 - b. Greasewood Point to Dark Canyon (PIN 41781)
 - c. Dark Canyon to Greasewood Point
 - d. Yellow Jacket Pass (PIN 42223) to Greasewood Point
 - e. Yellow Jacket Pass to Dark Canyon
- (ii) Meeker Hub
 - a. Ryan Gulch (PIN 43886) to Love Ranch (PIN 42235)
 - b. Ryan Gulch to Horse Draw (PIN 45314)
 - c. Love Ranch to Ryan Gulch
 - d. Love Ranch to Horse Draw
 - e. Horse Draw to Love Ranch
 - f. Horse Draw to Ryan Gulch
- (iii) Greasewood Hub to Meeker Hub
 - a. Greasewood to Love Ranch
 - b. Greasewood to Horse Draw
 - c. Greasewood to Ryan Gulch
 - d. Dark Canyon to Love Ranch
 - e. Dark Canyon to Horse Draw
 - f. Dark Canyon to Ryan Gulch
 - g. Yellow Jacket Pass to Love Ranch
 - h. Yellow Jacket Pass to Horse Draw
 - i. Yellow Jacket Pass to Ryan Gulch
- (iv) Blanco Hub
 - a. Transwestern Pipeline Company ("TW") Blanco (PIN 36106) to El Paso Natural Gas Company ("El Paso") Blanco (PIN 36105)
 - b. TW Blanco to Hare Canyon (PIN 40379)

- c. Hare Canyon to El Paso Blanco
- d. Hare Canyon to TW Blanco
- (v) Coyote Gulch (PIN 36103) to a point located at Blanco (i.e., TW Blanco, El Paso Blanco, or Hare Canyon)
- (e) FL&U calculations shall be accomplished pursuant to NASEB WGQ standards, as follows:
 - (i) When the fuel reimbursement method is fuel in-kind, the results of the fuel reimbursement calculations for the nomination process should be rounded to the nearest dekatherm, Gigajoule (Canada), or Gigacalorie (Mexico). The mathematical effect of rounding can yield a result of zero. (NAESB WGQ Standard 1.3.15)
 - (ii) Where fuel reimbursement is in kind, the standard fuel calculation mechanism, as this is related to the nomination process, should be $(1 - \text{fuel \%}/100)$ multiplied by receipt quantity = delivery quantity. (NAESB WGQ Standard 1.3.16)
 - (iii) For in-kind fuel reimbursement methods, Service Providers should not reject a nomination for reasons of rounding differences due to fuel calculation of less than 5 Dth. (NAESB WGQ Standard 1.3.29)
 - (iv) The transportation priority for fuel should be the same as the level of service as the transaction to which it applies. (NAESB WGQ Standard 1.3.31)
 - (v) For current in-kind fuel reimbursement procedures, fuel rates should be made effective only at the beginning of the month. (NAESB WGQ Standard 1.3.28)
- (f) If, pursuant to Section 23.11 of the General Terms and Conditions, TransColorado negotiates FL&U Reimbursement Percentages different than the maximum level, TransColorado will credit the full recourse rate FL&U Reimbursement amounts to the appropriate FL&U Reimbursement accounts.

12.10 Credit of Cashout Revenues. Any cashout revenues that exceed gas purchase and applicable costs will be credited to firm, interruptible and negotiated-rate Shippers. The credits shall be calculated by dividing the actual reservation and commodity revenues for each Shipper by the total reservation and commodity revenues during the reporting period and multiplying the result by the excess cashout revenues. The reservation and commodity revenues used to calculate the refund allocation factor shall be net of all applicable surcharges, including, but not limited to, ACA and GRI surcharges. The reporting period shall be the annual period of January through December. If gas purchase and applicable costs exceed revenues, the costs exceeding revenues will be rolled into subsequent annual costs, as an offset to revenues, until eliminated.

12.11 Third Party Imbalance Management. TransColorado will allow Shippers to obtain imbalance-management service from a third-party provider (TPP) subject to the following:

- A. All transactions involving the physical payback of gas or trading of imbalances on TransColorado's system must comply with the terms and conditions of TransColorado's tariff.
- B. The trading or curing of imbalances may only involve procedures that are provided for in TransColorado's tariff.
- C. Shippers will not be permitted to trade imbalances in any manner that will increase a Shipper's imbalance on TransColorado's system.
- D. Trading of imbalances may only be between imbalances on TransColorado's system.
- E. When a Shipper desires to physically repay or take deliveries of gas, either the Shipper or the TPP must have the necessary transportation receipt and delivery point capacity to allow for the delivery of the gas.
- F. Neither the Shipper nor the TPP may transport or trade gas to which they do not hold title.
- G. Shipper shall remain primarily liable for its imbalances under the provisions of this Section 12.
- H. The TPP will not be permitted to act as a Shipper's agent until TransColorado has received written notice from Shipper. The Shipper agrees to be bound by all transactions conducted by the TPP in the Shipper's name.

12.12 Refund of Penalty Revenues

All Operational Flow Order penalties, unauthorized overrun penalties, cash-out penalties, parking and loaning penalties and imbalance penalty revenues that exceed gas purchase and incremental administrative costs, will be credited to all non-offending firm, interruptible and negotiated-rate Shippers as set out in Section 12.10 above.

13. BILLING AND PAYMENT

13.1 On or before the ninth business day of each month, TransColorado shall furnish to Shipper a monthly statement of the transportation charge in effect and of the total payment due for the transportation of gas during the preceding month (including any other applicable charges). TransColorado shall provide a schedule showing quantities of gas and heat content received and delivered, including equivalent quantities, Fuel, L&U and any imbalance under Section 12. TransColorado may furnish an estimated statement and make appropriate adjustments in the statement rendered for the next succeeding month.

13.2 When information necessary for billing purposes is in the control of Shipper or the Operator, it shall be furnished to TransColorado on or before the fifth business day of the month with respect to deliveries of gas during the previous month.

13.3 Shipper and TransColorado shall have the right to examine, at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of the statement, charge, or computation made under or pursuant to any of the provisions.

13.4 Payment to TransColorado shall be due at its general office, or at such other address as TransColorado shall designate, within ten days from the date the bill was issued by TransColorado. If the 10th day falls on a weekend or holiday, then the due date shall be extended to the first business day thereafter. Shipper shall submit supporting documentation and TransColorado will apply payment per supporting documentation provided by Shipper. If payment differs from invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two business days of the payment due date.

13.5 Should Shipper fail to pay all of the amount of any bill when such amount is due, TransColorado shall collect interest on the unpaid portion of the bill in the manner and at the rate prescribed by 18 C.F.R. Section 154.501(d). If such failure to pay continues for 30 days after payment is due, TransColorado, in addition to any other remedy it may have, after giving Shipper 15 days written notice, may suspend further receipt and/or delivery of gas for Shipper until such amount is paid. If Shipper in good faith shall dispute the amount of any such bill, Shipper shall nevertheless pay to TransColorado the amount of such bill and, at any time thereafter within 30 days of a demand made by Shipper, TransColorado shall furnish a good and sufficient surety bond guaranteeing refund to Shipper upon such bills after a final determination by agreement, by determination of regulatory agencies having jurisdiction, or by judgment of the courts, as may be the case. Payment of the disputed portion shall not be deemed a waiver of the right to contest such disputed portion in any forum having jurisdiction. Alternatively, shipper may, if invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for dispute. (NAESB WGQ Standard No. 3.3.19)

13.6 If it is determined that Shipper has been overcharged, and Shipper has paid the statement containing the overcharge then, within 30 days after the final determination, TransColorado shall refund the amount overcharged. If it is determined that Shipper has been undercharged, Shipper shall pay the amount undercharged with appropriate interest within 30 days of notice by TransColorado of the amount. Prior period adjustment time limits should be six months from the date of the initial transportation invoice with a three month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ Standard No. 3.3.15)

23. NEGOTIATED RATES

23.1 Applicability. Notwithstanding anything to the contrary contained in this Tariff, TransColorado may charge a negotiated rate for service under any rate schedule contained in this Tariff to any Shipper that has access to service at the rates set forth in the applicable rate schedule as shown on the effective Statement of Rates (recourse rates), and agrees to pay the negotiated rate.

23.2 Definition. A negotiated rate shall mean a rate for service, where one or more of the individual rate components exceed the maximum charge, or are less than the minimum charge, for such components. This definition shall include a rate derived by a formula where one or more of the individual rate components may exceed the maximum charge, or may be less than the minimum charge.

23.3 Conditions. Implementation of a negotiated rate shall be subject to the following conditions:

(a) TransColorado and Shipper have executed a valid Transportation Service Agreement to implement negotiated rate(s).

(b) Shipper had access to service pursuant to this FERC Gas Tariff at the rates set forth on the Statement of Rates at the time of the execution of the Transportation Service Agreement implementing negotiated rate(s).

(c) TransColorado has filed a tariff section called "Negotiated Rates" advising the Commission of such agreement. The tariff section will state the exact legal name of the Shipper, the negotiated rate, other applicable charges, the receipt and delivery points, the volume of gas to be transported and the applicable rate schedule for service provided at a negotiated rate. The tariff section will include a statement affirming that the negotiated rate agreement does not deviate in any material aspect from the applicable form of service agreement or TransColorado will file the agreement pursuant to Section 154.112(b) of the Commission's Regulations.

23.4 Reserved

23.5 Transportation Service Agreements Subject to the Right of First Refusal. The right of first refusal provided with respect to certain Shipper's firm service agreements, as described in Section 7 of the General Terms and Conditions, shall not apply to firm service agreements with negotiated rates, unless otherwise agreed to in writing by TransColorado.

23.6 Capacity Release. TransColorado and Shipper may, in connection with their agreement to a Negotiated Rate under a firm transportation rate schedule, agree upon payment obligations and crediting mechanisms in the event of a capacity release that vary from or are in addition to those set forth in Section 6 of this Tariff. This provision does not allow TransColorado and Shipper to negotiate the terms and conditions of service.

23.7 Capacity Scheduling. For purposes of allocating capacity under Section 8 of these General Terms and Conditions, a Shipper paying a negotiated rate that exceeds the maximum rate for that service will be considered to have paid the maximum rate for such service.

23.8 Accounting for Costs and Revenues. Allocation of costs to, and recording of revenues from service at negotiated rates(s) or rate formula(s) will follow

TransColorado's normal practices associated with transportation services provided under this tariff. If TransColorado institutes any revenue tracker or other device to flow through to its shippers the impact of interruptible or other transportation transactions, the treatment of such tracker of revenues from nonconforming negotiated rate(s) or rate formula(s) shall be specified in the applicable tariff provision.

23.9 Section 4(e) Rate Case Tracking. TransColorado will separately record the volume transported, billing determinants, rate components, surcharges and the revenue associated with its negotiated-rate transactions so that this information can be separately identified, and separately totaled as part of Statements G, I, and J in any applicable rate case filing under Section 4(e) of the Natural Gas Act, 15 U.S.C. & Section 717(c). TransColorado's recovery of surcharges, such as ACA and GRI, will comport with existing practices.

23.10 Rate Treatment. TransColorado shall have the right to seek in future general rate proceedings discount-type adjustments in the design of its rates related to negotiated-rate agreements that were converted from pre-existing discount adjustments to negotiated-rate agreements, provided that the type of pre-existing service is not altered as a result of the conversion to a negotiated rate. In those situations, TransColorado may seek a discount-type adjustment based upon the greater of: (a) the negotiated-rate revenues received or (b) the discounted-rate revenues that otherwise would have been received.

23.11 Negotiated-Rate Surcharge and FL&U Reimbursement Components. If TransColorado negotiates surcharge or FL&U reimbursement percentage rate components at lower than the maximum rate level for those components as part of a negotiated-rate agreement, it will assume any risk of under-recovery of costs or FL&U reimbursement from negotiated-rate Shippers in order to ensure that its recourse Shippers are not adversely affected due to negotiated-rate agreements with individual Shippers. If TransColorado negotiates specific surcharge components of its rates, rather than total rates, as part of a negotiated rate agreement, TransColorado's discount order policy shall not apply.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE FT

Agreement No: _____

FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FT

Between

TRANSCOLORADO GAS TRANSMISSION COMPANY LLC
And

(Shipper)

DATED: _____

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

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE FT
(Continued)

Agreement No. _____

Transportation Service Agreement
Rate Schedule FT
Dated: _____

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

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

(Insert the applicable portion(s) of the following provision when service involves the construction of facilities:

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

- (i) The receipt and acceptance by TransColorado of a FERC certificate for the additional facilities, as well as the receipt by TransColorado of all other necessary regulatory approvals, permits and other authorizations for the additional facilities in form and substance satisfactory to TransColorado in its sole discretion.
- (ii) The approval of the appropriate management, management committee, and/or board of directors of TransColorado and/or its parent companies to approve the level of expenditures for the additional facilities.
- (iii) _____.)

6. Receipt and Delivery Points: Shipper agrees to tender gas for transportation service and TransColorado agrees to accept receipt quantities at the primary receipt point(s) identified in Exhibit A. TransColorado agrees to provide transportation service and deliver gas to Shipper (or for Shipper's account) at the primary delivery point(s) identified in Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.

7. Rates and Surcharges: As set forth in Exhibit B. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. TransColorado and Shipper may mutually agree to a discounted rate pursuant to Section 29 of the General Terms and Conditions. Upon mutual agreement, the parties may also enter into a separate letter agreement or an electronic contract specifying any discount applicable to the Agreement.

8. Negotiated Rate: Yes _____ No _____

9. Contract Demand:
(Dth/d) Effective Date
_____ _____

10. Term of Firm Transportation Service: _____
[Insert term of service including any (i) construction contingencies, (ii) extension rights such as an evergreen or rollover provision, (iii) contractual rights of first refusal, (iv) interim capacity limitations and/or (v) related termination provisions, as applicable.]

11. Notices, Statements, and Bills:
To Shipper:
 Invoices: _____
 Attn: _____

 All Notices: _____
 Attn: _____

To Transporter:
 TransColorado Gas Transmission Company LLC
 Attn: Marketing Department
 P.O. Box 1087
 Colorado Springs, Colorado 80944
 E-mail: #KMWestMarketing@KinderMorgan.com

12. Effect on Prior Agreement(s): _____

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

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

TRANSPORTER:
TRANSCOLORADO GAS TRANSMISSION
COMPANY LLC

Accepted and agreed to this
_____ day of _____, _____

SHIPPER:

Accepted and agreed to this
_____ day of _____, _____

Agreement No. _____

EXHIBIT A

to

FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FT

Between

TransColorado Gas Transmission Company LLC
(Transporter)

and

(Shipper)

Dated: _____

- The following data elements shall be described on this Exhibit A, as applicable:
- Primary Receipt Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name) (1)
 - Primary Delivery Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name) (1)
 - Effective Dates (See ¶____)
 - Maximum Daily Receipt Quantity (MDRQ) (Dth per Day) (2)
 - Maximum Daily Delivery Quantity (MDDQ) (Dth per Day) (2)
 - Minimum Pressure (p.s.i.g.) (4)
 - Maximum Pressure (p.s.i.g.) (4)

Shipper's Contract Demand: See Paragraph: ____
Notes [Insert as applicable]:

- (1) Information regarding receipt and delivery point(s), including legal descriptions, measuring parties, and interconnecting parties, shall be posted on TransColorado's Interactive Website. TransColorado shall update such information from time to time to include additions, deletions, or any other revisions deemed appropriate by TransColorado.
- (2) Each receipt point quantity may be increased by an amount equal to TransColorado's FL&U reimbursement. Shipper shall be responsible for providing such FL&U reimbursement at each receipt point on a pro rata basis based on the quantities received on any Day at a receipt point divided by the total quantity delivered at all delivery points under this Agreement.
- (3) The sum of the delivery quantities at all delivery point(s) shall be equal to Shipper's Contract Demand.
- (4) Pressure conditions shall be in accordance with Section 10.16 of the General Terms and Conditions of the Tariff.

Agreement No.____

EXHIBIT B

to

FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FT

Between

TransColorado Gas Transmission Company LLC
(Transporter)

and

(Shipper)

Dated:_____

- The following data elements shall be described on this Exhibit B, as applicable:
- Primary Receipt Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name)
 - Primary Delivery Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name)
 - Reservation Rate (1)(4)
 - Usage Rate (1)(4)
 - Effective Dates
 - Fuel (2)
 - Surcharges (3)
 - Alternate Receipt Point(s)
 - Alternate Delivery Point(s)
 - Authorized Overrun (1) (5)

Notes [Insert as applicable]:

(1) Unless otherwise agreed by the parties in writing, the rates for service shall be TransColorado’s maximum rates for service under Rate Schedule FT or other superseding Rate Schedules; as such rates may be changed from time to time. Reservation rate(s) shall be payable regardless of quantities transported.

-and/or-

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

As provided in Section 29 of the General Terms and Conditions of TransColorado’s Tariff, the parties agree to the following discount rate(s)_____ (insert if applicable) which shall be payable regardless of quantities transported. The rate(s) charged under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in TransColorado’s Tariff.

EXHIBIT B
(Continued)

- and/or -

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

As provide in Section 23 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following negotiated rate(s)_____ (insert if applicable) which shall be payable regardless of quantities transported.

(2) FL&U reimbursement shall be assessed pursuant to Rate Schedule FT of TransColorado's Tariff, as they may be changed from time to time, unless otherwise agreed between the parties.

(3) Surcharges if applicable:

All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed to by the parties

ACA:

The ACA Surcharge shall be assessed pursuant to Section 24 of the General Terms and Conditions of the Tariff.

(4) Quantities scheduled by Transporter from/to primary and/or alternate, and/or segmented point(s) on any acquired capacity held by TransColorado shall be subject to the Acquired Capacity charges as described on TransColorado's Interactive Website and/or pursuant to Section 27 of the General Terms and Conditions of TransColorado's Tariff.

(5) Subject to Transporter's authorized maximum and minimum rates in effect from time to time, a rate of \$___ per Dth shall apply to Authorized Overrun of up to __Dth per Day.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE IT

Agreement No: _____

INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE IT

Between

TRANSCOLORADO GAS TRANSMISSION COMPANY LLC

And

(Shipper)

DATED: _____

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

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE IT

Agreement No. _____

Transportation Service Agreement
Rate Schedule IT
Dated: _____

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

1. Transporter: TransColorado Gas Transmission Company LLC
2. Shipper: _____
3. Applicable Tariff and Incorporation by Reference: TransColorado’s FERC Gas Tariff Third Revised Volume No. 1, as the same may be amended or superseded from time to time (“Tariff”). Capitalized terms used and not otherwise defined in this Agreement have the meanings given to them in the Tariff.
4. Changes in Rates and Terms. Transporter shall have the right to propose to the FERC changes in its rates and terms of TransColorado, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper’s right to protest the same.
5. Transportation Service: Transportation service at and between receipt point(s) and delivery point(s) shall be on an interruptible basis.

Receipt and Delivery Points: System-wide
All receipt and delivery point(s) as posted on TransColorado’s Interactive Website.

TransColorado’s receipt and delivery point(s) shall be updated from time to time to add or delete receipt or delivery point(s) and to modify data pertinent to receipt and delivery point(s), all as deemed appropriate by TransColorado.

6. Rates and Surcharges: As set forth in Exhibit A. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. TransColorado and Shipper may mutually agree to a discounted rate pursuant to Section 29 of the General Terms and Conditions. Upon mutual agreement, the parties may also enter into a separate letter agreement or an electronic contract specifying any discount applicable to the Agreement.
7. Daily Quantity:
Dth/day: _____ Effective Dates: _____
8. Negotiated Rate: Yes _____ No _____
9. Term of Interruptible Transportation Service: _____
[Insert term of service including any (i) extension rights such as an evergreen or rollover provision; and (ii) related termination provisions, as applicable.]

10. Notices, Statements, and Bills:

To Shipper:

Invoices:

Attn: _____

All Notices: _____

Attn: _____

To Transporter:

TransColorado Gas Transmission Company LLC

Attn: Marketing Department

P.O. Box 1087

Colorado Springs, Colorado 80944

E-mail: #KMWestMarketing@KinderMorgan.com

11. Effect on Prior Agreement(s): _____

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

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

TRANSPORTER:
TRANSCOLORADO GAS TRANSMISSION
COMPANY LLC

SHIPPER:

Accepted and agreed to this
_____ day of _____, _____

Accepted and agreed to this
_____ day of _____, _____

Agreement No.____

EXHIBIT A

To

INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE IT

Between

TransColorado Gas Transmission Company LLC
(Transporter)

and

(Shipper)
Dated:_____

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

- Usage Rate (1)
- Effective Dates (See ¶____)
- Fuel (2)
- Surcharges (3)

Notes [Insert as applicable]:

(1) Unless otherwise agreed by the parties in writing, the rates for service shall be Transporter's maximum rates for service under Rate Schedule IT or other superseding Rate Schedule; as such rates may be changed from time to time.

-and/or-

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

As provided in Section 29 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following discount rate(s)_____. The rate(s) charged under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in TransColorado's Tariff.

-and/or-

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

As provide in Section 23 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following negotiated rate(s)_____.

(2) FL&U reimbursement shall be assessed pursuant to Rate Schedule IT of TransColorado's Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

(3) Surcharges, if applicable:

All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed to by the parties

ACA:

The ACA Surcharge shall be assessed pursuant to Section 24 of the General Terms and Conditions of the Tariff.

FORM OF TRANSPORTATION SERVICE AGREEMENT

APPLICABLE TO RATE SCHEDULE FFT

Agreement No: _____

FLEXIBLE FIRM TRANSPORTATION SERVICE AGREEMENT

RATE SCHEDULE FFT

Between

TRANSCOLORADO GAS TRANSMISSION COMPANY LLC

And

(Shipper)

DATED: _____

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

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE FFT

Agreement No. _____

Transportation Service Agreement

Rate Schedule FFT

Dated: _____

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

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

(Insert the applicable portion(s) of the following provision when service involves the construction of facilities:

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

- (i) The receipt and acceptance by TransColorado of a FERC certificate for the additional facilities, as well as the receipt by TransColorado of all other necessary regulatory approvals, permits and other authorizations for the additional facilities in form and substance satisfactory to TransColorado in its sole discretion.
- (ii) The approval of the appropriate management, management committee, and/or board of directors of Transporter and/or its parent companies to approve the level of expenditures for the additional facilities.
- (iii) _____.)

6. Receipt and Delivery Points: Shipper agrees to tender gas for transportation service and TransColorado agrees to accept receipt quantities at the primary receipt point(s) identified in Exhibit A. TransColorado agrees to provide transportation service and deliver gas to Shipper (or for Shipper's account) at the primary delivery point(s) identified in Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.

7. Rates and Surcharges: As set forth in Exhibit B. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. TransColorado and Shipper may mutually agree to a discounted rate pursuant to Section 29 of the General Terms and Conditions. Upon mutual agreement, the parties may also enter into a separate letter agreement or an electronic contract specifying any discount applicable to the Agreement.

8. Negotiated Rate: Yes _____ No _____

9. Contract Demand:
 (Dth/day) Effective Date
 _____ _____

10. Term of Flexible Firm Transportation Service: _____
 [Insert term of service including any (i) construction contingencies, (ii) extension rights such as an evergreen or rollover provision, (iii) contractual rights of first refusal, (iv) interim capacity limitations, and/or (v) related termination provisions, as applicable.]

11. Available Days:
 An Available Day, as described in TransColorado’s Tariff, shall be _____
 _____ Minimum Available Days
 _____ Maximum Available Days
 _____ Applicable Time Periods
 _____ Any Days Precluded from Being Available Days?
 _____ No
 _____ Yes, Specify Days So Precluded _____

12. Type and Timing of Notice:
 _____ Notice of Available Days and partial Available Days
 _____ Notice of Not Available Days or partial Available Days
 Specify when Notice Requested:
 ___ No later than 2.5 hours prior to deadline for timely nominations
 ___ No later than other specific time prior to deadline for timely nominations: _____

13. Notices, Statements, and Bills:

To Shipper:

Invoices:

Attn: _____

All Notices: _____

Attn: _____

To Transporter:

TransColorado Gas Transmission Company LLC

Attn: Marketing Department

P.O. Box 1087

Colorado Springs, Colorado 80944

E-mail: #KMWestMarketing@KinderMorgan.com

14. Effect on Prior Agreement(s): _____

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

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

TRANSPORTER:
TRANSCOLORADO GAS TRANSMISSION
COMPANY LLC

SHIPPER:

Accepted and agreed to this
_____ day of _____, _____

Accepted and agreed to this
_____ day of _____, _____

Agreement No.____

EXHIBIT A

To

Transportation Service Agreement

Rate Schedule FFT

Between

TransColorado Gas Transmission Company LLC

and

(Shipper)

Dated:_____

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

- Primary Receipt Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name) (1)
- Primary Delivery Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name) (1)
- Effective Dates (See ¶____)
- Maximum Daily Receipt Quantity ("MDRQ") (Dth per Day) (2)
- Maximum Daily Delivery Quantity ("MDDQ") (Dth per Day) (2)
- Minimum Pressure (p.s.i.g.) (4)
- Maximum Pressure (p.s.i.g.) (4)
- Available Days (See ¶____)

Shipper's Contact Demand: See Paragraph:____

Notes [Insert as applicable]:

- (1) TransColorado's receipt and delivery point(s) shall be updated on the Interactive Website from time to time to add or delete receipt or delivery point(s) and to modify data pertinent to receipt and delivery point(s), all as deemed appropriate by TransColorado.
- (2) Each receipt point quantity may be increased by an amount equal to TransColorado's FL&U reimbursement percentages. Shipper shall be responsible for providing such FL&U reimbursement at each receipt point on a pro rata basis based on the quantities received on any Day at a receipt point divided by the total quantity delivered at all delivery points under this Agreement.
- (3) The sum of the delivery quantities at all delivery point(s) shall be equal to Shipper's MDQ.
- (4) Pressure conditions shall be in accordance with Section 10.16 of the General Terms and Conditions of the Tariff.

Agreement No. _____

EXHIBIT B

To

Transportation Service Agreement
Rate Schedule FFT
Between
TransColorado Gas Transmission Company LLC
and

(Shipper)

Dated: _____

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

- Primary Receipt Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name)
- Primary Delivery Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name)
- Reservation Rate (1)(4)
- Usage Rate (1)(4)
- Effective Dates
- Fuel (2)
- Surcharges (3)
- Alternate Receipt Point(s)
- Alternate Delivery Point(s)
- Authorized Overrun (1) (5)
- Available Days (See ¶____)

Notes [Insert as applicable]:

(1) Unless otherwise agreed by the Parties in writing, the rates for service shall be TransColorado's maximum rates for service under Rate Schedule FFT; as such rates may be changed from time to time. Reservation rate(s) shall be payable regardless of quantities transported.

-and/or-

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

As provided in Section 29 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following discount rate(s) _____ (insert if applicable) which shall be payable regardless of quantities transported. The rates charged under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in TransColorado's Tariff.

-and/or-

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

As provide in Section 23 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following negotiated rate(s)_____ (insert if applicable) which shall be payable regardless of quantities transported.

(2) FL&U reimbursement shall be assessed pursuant to Rate Schedule FFT of TransColorado's Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

(3) Surcharges, if applicable:

All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates sheet, as they may be changed from time to time, unless otherwise agreed to by the Parties

ACA:

The ACA Surcharge shall be assessed pursuant to Section 24 of the General Terms and Conditions of the Tariff.

(4) Quantities scheduled by TransColorado from/to primary and/or alternate, and/or segmented point(s) on any acquired capacity held by TransColorado shall be subject to the acquired capacity charges as described on TransColorado's Interactive Website and/or pursuant to Section 27 of the General Terms and Conditions of TransColorado's Tariff.

(5) Subject to TransColorado's authorized maximum and minimum rates in effect from time to time, a rate of \$___ per Dth shall apply to Authorized Overrun of up to ___Dth per Day.

Marked Tariff Sections

RATE SCHEDULE FIRM TRANSPORTATION - FT

STATEMENT OF RATES (Rates per Dth per \$)		
Rate Schedule/ Type of Charge	Base Tariff Rate	
	Minimum	Maximum
Monthly Reservation Charge ^{1/}	\$0.0000	\$9.3194
Optional Volumetric Release	\$0.0000	\$0.3064
Usage Charge	\$0.0014	\$0.0014
Authorized Overrun Charge	\$0.0014	\$0.3239
Unauthorized Overrun Charge	\$15.0000	\$15.0000
North End Fuel Gas Reimbursement Percentage (FGRP-N)^{2/}		
	1.763%	1.763%

OTHER CHARGES:

~~Fuel FL&U Reimbursement Charges: A-e Charges for Fuel and/or L&U shall be assessed according to Section 3.1(c) of Rate Schedule FT.~~

~~Marketing Fee: As negotiated between TransColorado and Shipper when TransColorado actively markets Shipper's released capacity.~~

~~Balancing Charges: Refer to Section 12 of the General Terms and Conditions.~~

~~Annual Charge Adjustment Surcharge: Pursuant to Section 24 of the General Terms & Conditions, the applicable ACA surcharge may be found on the Commission website at <http://www.ferc.gov>.~~

^{1/} For rates applicable to capacity-release transactions, see Section 6.13 of the General Terms and Conditions of this Tariff.

~~^{2/} North Expansion Fuel Gas Reimbursement Percentage shall be assessed pursuant to Section 12.9 of the General Terms and Conditions of this Tariff.~~

FLEXIBLE FIRM TRANSPORTATION - FFT (\$/dth/day)

STATEMENT OF RATES (Rates per Dth per \$)		
Rate Schedule/ Type of Charge	Base Tariff Rate	
	Minimum	Maximum
Daily Reservation Rate ^{1/}	\$0.0000	\$0.3064
Usage Charge	\$0.0014	\$0.0014
Authorized Overrun Charge	\$0.0014	\$0.3078
Unauthorized Overrun Charge	\$15.0000	\$15.0000
North End Fuel Gas Reimbursement Percentage (FGRP-N) ^{2/}		
	1.763%	1.763%

OTHER CHARGES:

~~Fuel FL&U Reimbursement Charges: A-e~~ Charges for fFuel and/or L&U shall be assessed according to Section 3.1(c) of Rate Schedule FFT.

Marketing Fee: As negotiated between TransColorado and Shipper when TransColorado actively markets Shipper's released capacity.

Balancing Charges: Refer to Section 12 of the General Terms and Conditions.

Annual Charge Adjustment Surcharge: Pursuant to Section 24 of the General Terms & Conditions, the applicable ACA surcharge may be found on the Commission website at <http://www.ferc.gov>.

^{1/} For rates applicable to capacity-release transactions, see Section 6.13 of the General Terms and Conditions of this Tariff.

~~^{2/} North Expansion Fuel Gas Reimbursement Percentage shall be assessed pursuant to Section 12.9 of the General Terms and Conditions of this Tariff.~~

Interruptible Transportation - IT (Dth/\$)

STATEMENT OF RATES (Rates per Dth per \$)		
Rate Schedule/ Type of Charge	Base Tariff Rate	
	Minimum	Maximum
Usage Charge	\$0.0014	\$0.3239
Unauthorized Overrun Charge	\$15.0000	\$15.0000
North End Fuel Gas Reimbursement Percentage (FGRP-N) ^{1/}		
	1.763%	1.763%

OTHER CHARGES:

~~FL&Uuel Reimbursement Charges: A-eCharges for fFuel and/or L&U shall be assessed according to Section 3.1(b) of Rate Schedule IT.~~

Marketing Fee: As negotiated between TransColorado and Shipper when TransColorado actively markets Shipper's released capacity.

Balancing Charges: Refer to Section 12 of the General Terms and Conditions.

Annual Charge Adjustment Surcharge: Pursuant to Section 24 of the General Terms & Conditions, the applicable ACA surcharge may be found on the Commission website at <http://www.ferc.gov>.

~~^{1/} North Expansion Fuel Gas Reimbursement Percentage shall be assessed pursuant to Section 12.9 of the General Terms and Conditions of this Tariff.~~

STATEMENT OF RATES			
<u>Type of Charge</u>	<u>Percentages</u>	<u>Current Reimbursement Component</u>	<u>Adjustment Reimbursement Component</u>
<u>Fuel Reimbursement Percentage</u>	<u>1.21%</u>	<u>0.98%</u>	<u>0.23%</u>
<u>L&U Reimbursement Percentage</u>	<u>0.34%</u>	<u>0.30%</u>	<u>0.04%</u>

Fuel and L&U Reimbursement Percentages shall be adjusted pursuant to Section 12.9 of the General Terms and Conditions of this Tariff.

**RATE SCHEDULE FT
FIRM TRANSPORTATION SERVICE****1. AVAILABILITY**

This rate schedule is available for firm transportation service on behalf of any Shipper in accordance with 18 C.F.R. Part 284, Subparts B and provided that:

- (a) TransColorado has available pipeline system capacity to render the firm service requested;
- (b) TransColorado is not required to construct or acquire any additional facilities to provide the desired transportation service, except as provided by Section 3.1(e) below; and
- (c) Shipper and TransColorado have executed a Transportation Service Agreement for service under Rate Schedule FT.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Firm Service. The transportation service provided under this rate schedule:

- (a) Shall be firm service performed pursuant to 18 C.F.R. Part 284, Subparts B and G;
- (b) Shall apply to all gas transported by TransColorado for Shipper under this rate schedule up to the contract demand (CD) as defined in Section 1.8 of the General Terms and Conditions and specified in the Transportation Service Agreement;
- (c) Shall be subject to interruption as provided in Section 8 of the General Terms and Conditions;
- (d) Shall be provided in accordance with availability of capacity as determined by Section 8 of the General Terms and Conditions; and
- (e) May be released on a permanent or temporary basis according to the terms of Section 6 of the General Terms and Conditions.

2.2 Authorized Overrun Service. Upon request of Shipper, TransColorado may elect to receive, transport and deliver volumes of gas in excess of Shipper's CD. Such service shall be interruptible and available only to the extent it does not impair TransColorado's ability to render transportation service in accordance with Section 8 of the General Terms and Conditions.

2.3 Service Options. Shippers may contract for firm transportation service as set forth in this Section 2.3. Unless otherwise agreed, Shipper's MDQ as defined in Section 1 of the General Terms and Conditions shall remain the same throughout each season, each season within an annual contract or for the annual period. Shipper's MDRQ and MDDQ and any differing levels in such quantities, as well as the period of such differing levels, shall be specified in the executed Transportation Service Agreement.

- (a) Firm transportation service available for the five consecutive months during the November through March winter period ("Winter Contract"). A Winter Contract may be for a term of multiple years.

- (b) Firm transportation service available for the seven consecutive months during the April through October summer period ("Summer Contract"). A Summer Contract may be for a term of multiple years.
- (c) Firm transportation service available for twelve consecutive months or more ("Annual Contract").
- (d) Shippers may contract for firm transportation service separately with a Summer or Winter Contract, or jointly to create an Annual Contract.

3. RATE PROVISIONS

3.1 Specified Charges. Unless otherwise mutually agreed to, Shipper shall pay the maximum rates for transportation service under this rate schedule as set forth in the currently effective Statement of Rates, as adjusted from time to time. The charges shall include the following:

- (a) Reservation Charge. A monthly reservation charge shall be assessed for each Dth of Shipper's CD, subject to the following conditions:
 - (i) The reservation charge shall be set forth in the Transportation Service Agreement and shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.
 - (ii) Shipper shall be obligated to pay the reservation charge beginning on the date agreed to by Shipper and TransColorado.
 - (iii) If the effective date of any Rate Schedule FT Transportation Service Agreement occurs on any day other than the first day of a month, or the termination of any Rate Schedule FT Transportation Service Agreement occurs on any day other than the last day of a month, then the rate used in the calculation of the reservation charge for such partial month shall be based on the ratio of the number of days that transportation service was in effect to the total number of days in such month.
- (b) Usage Charge. Shipper shall pay the appropriate usage charge for all gas nominated by Shipper and confirmed by TransColorado for delivery. The usage charge shall be set forth in the Transportation Service Agreement or any amendment and shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.
- (c) Shipper shall reimburse TransColorado for ~~FL&U fuel use and lost and unaccounted for gas~~ in kind according to [§Section 12.9](#) of the General Terms and Conditions.
- (d) Overrun Charges. Shipper shall pay all overrun charges that may be assessed in accordance with this rate schedule and TransColorado's Statement of Rates for all authorized or unauthorized transportation service provided by TransColorado. Authorized Overrun Charges will be subject to the maximum and minimum Rate Schedule IT usage charges.

(e) Additional Facility Charge. Unless otherwise provided in the Transportation Service Agreement or related documents, in the event TransColorado and Shipper agree in writing that additional facilities are necessary in order to implement the service contemplated under the Transportation Service Agreement, Shipper agrees to reimburse TransColorado for all costs, including the income tax costs, associated with the construction and installation of such facilities which shall be owned, operated and maintained by TransColorado.

(f) Balancing Charges. An additional charge may be assessed in accordance with Section 12 of the General Terms and Conditions.

(g) Marketing Fee. Shipper and TransColorado may agree upon a fee to be paid by Shipper to TransColorado when TransColorado actively markets any capacity that is released to an Acquiring Shipper.

(h) Other Charges. TransColorado shall charge Shipper and Shipper shall pay for any other FERC approved charges that may apply to service under this rate schedule.

3.2 Tariff Changes. TransColorado may from time to time file with the FERC to change the rates set forth on the Statement of Rates or the General Terms and Conditions applicable to service under this rate schedule. TransColorado shall be entitled to implement such changed rates for service rendered to Shipper under this rate schedule on their effective dates, subject to such refunds, surcharges or other conditions that are specified as terms of the Transportation Service Agreement or that are permitted or required by the FERC. Nothing in this section limits Shipper's rights to contest such changes, or limits the rights of Shipper and TransColorado to provide for changes in rates through the terms of the Transportation Service Agreement.

3.3 Negotiated Rates. Notwithstanding anything to the contrary contained in this Tariff, TransColorado and Shipper may negotiate a rate that exceeds the maximum reservation and usage rates for service under this rate schedule. TransColorado's maximum rate as shown on its Statement of Rates is available as a recourse rate for any Shipper that does not desire to negotiate a rate with TransColorado. The agreement by the Shipper to accept a negotiated rate does not, in any manner, restrict the Shipper's right to elect recourse rates for other services. This provision does not allow TransColorado and Shipper to negotiate terms and conditions.

4. RECEIPT AND DELIVERY

4.1 Primary and Alternate Points. The primary receipt and delivery points for gas tendered by Shipper to TransColorado will be the points designated in the Transportation Service Agreement. Firm Shippers shall have priority over interruptible Shippers at any receipt point or delivery point located within the path of the service for which the Shipper is paying. All other receipt and delivery points on TransColorado's System will be available as alternate points to Shippers under this rate schedule in accordance with Section 8 of the General Terms and Conditions.

4.2 Receipt. TransColorado shall receive on each day at each Receipt Point, such quantity of natural gas, if any, up to the CD specified for each Receipt Point listed on the Transportation Service Agreement, not to exceed the physical capacity of such point, as may be tendered to TransColorado by Shipper, and transport such quantity on a firm basis for Shipper.

4.3 Delivery. TransColorado shall deliver and Shipper shall accept or cause to be accepted at the Delivery Point(s), a quantity of natural gas equivalent to the quantities of natural gas received by TransColorado at the Receipt Points for transportation in accordance with Section 4.2.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are applicable to this rate schedule and are incorporated by reference.

**RATE SCHEDULE IT
INTERRUPTIBLE TRANSPORTATION SERVICE**

1. AVAILABILITY

This rate schedule is available for interruptible transportation service on behalf of any Shipper in accordance with 18 C.F.R. Part 284, Subparts B and G provided that:

- (a) TransColorado has the capability to provide such service without impairment to the service being provided to any shipper that has contracted for firm transportation services under this FERC Gas Tariff;
- (b) TransColorado is not required to construct or acquire any additional facilities to provide the desired transportation service, except as provided by Section 3.1(c) below; and
- (c) Shipper and TransColorado have executed a Transportation Service Agreement for service under Rate Schedule IT.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Interruptible Service. The transportation service provided under this rate schedule:

- (a) Shall be interruptible service performed pursuant to 18 C.F.R. Part 284, Subparts B and G;
- (b) Shall apply to all gas transported by TransColorado for Shipper under this rate schedule up to the daily quantity as defined in Section 1.11 of the General Terms and Conditions and specified in the Transportation Service Agreement;
- (c) Shall be subject to interruption as provided in Section 8 of the General Terms and Conditions; and
- (d) Shall be provided in accordance with availability of capacity as determined by Section 8 of the General Terms and Conditions.

2.2 Authorized Overrun Service. Upon request of Shipper, TransColorado may elect to receive, transport and deliver volumes of gas in excess of Shipper's Daily Quantity. Such service shall be rendered on an interruptible basis and provided in accordance with Section 8 of the General Terms and Conditions and is subject to the maximum and minimum rates for IT transportation service.

3. RATE PROVISIONS

3.1 Specified Charges. Unless otherwise mutually agreed to in writing or by Shipper's election to nominate service consistent with the terms of the applicable service discount rate offers posted by TransColorado on its Interactive Website from time-to-time, Shippers shall pay the maximum rate for transportation service under this rate schedule as set forth in the currently effective Statement of Rates, as adjusted from time to time. The charges shall include the following:

- (a) Usage Charge. Shipper shall pay the appropriate usage charge for all gas nominated and confirmed for delivery. The usage charge shall be set forth in the Transportation Service Agreement or any amendment, and shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.

(b) Shipper shall reimburse TransColorado for ~~FL&U fuel use and lost and unaccounted for gas~~ in kind according to ~~§ Section~~ 12.9 of the General Terms and Conditions.

(c) Additional Facility Charge. Unless otherwise provided in the Transportation Service Agreement or related documents, in the event TransColorado and Shipper agree in writing that additional facilities are necessary in order to implement the service contemplated under the Transportation Service Agreement, Shipper agrees to reimburse TransColorado for all costs, including the income tax costs, associated with the construction and installation of such facilities which shall be owned, operated and maintained by TransColorado.

(d) Balancing Charges. An additional charge may be assessed in accordance with Section 12 of the General Terms and Conditions.

(e) Other Charges. TransColorado shall charge Shipper for any other FERC-approved charges that may apply to service under this rate schedule.

(f) Overrun Charges. Shipper shall pay all overrun charges that may be assessed in accordance with this rate schedule and TransColorado's Statement of Rates for all authorized or unauthorized transportation service provided by TransColorado.

3.2 Tariff Changes. TransColorado may, from time to time, file with the FERC to change the rates set forth on the Statement of Rates or the General Terms and Conditions applicable to service under this rate schedule. TransColorado shall be entitled to implement such changed rates for service rendered to Shipper under this rate schedule on their effective dates, subject to such refunds, surcharges or other conditions that are specified as terms of the Transportation Service Agreement or that are permitted or required by the FERC. Nothing in this section limits Shipper's rights to contest such changes, or limits the rights of Shipper and TransColorado to provide for changes in rates through the terms of the Transportation Service Agreement.

3.3 Negotiated Rates. Notwithstanding anything to the contrary contained in this Tariff, TransColorado and Shipper may negotiate a rate that exceeds the maximum usage rates for service under this rate schedule. TransColorado's maximum rate as shown on its Statement of Rates is available as a recourse rate for any Shipper that does not desire to negotiate a rate with TransColorado. The agreement by the Shipper to accept a negotiated rate does not, in any manner, restrict the Shipper's right to elect recourse rates for other services. This provision does not allow TransColorado and Shipper to negotiate terms and conditions.

4. RECEIPT AND DELIVERY

4.1 Receipt and Delivery Points. All receipt and delivery points on TransColorado's transmission system shall be at the interconnections of the facilities of TransColorado and Shipper and are available for use on an interruptible basis by interruptible shippers upon TransColorado's acceptance of a confirmed nomination.

4.2 Receipt. TransColorado shall accept such volumes of natural gas on behalf of Shipper at the Receipt Point(s) listed on the Transportation Service Agreement, provided, however, that TransColorado shall only be obligated to accept that volume of natural gas which TransColorado determines, in its sole discretion, it has available

capacity to receive, transport, and deliver and provided further that in no event shall TransColorado be obligated to accept on any day in excess of the Daily Quantity for each Receipt Point.

4.3 Delivery. TransColorado shall deliver and Shipper shall accept or cause to be accepted at the Delivery Point(s), a quantity of natural gas equivalent to the quantities of natural gas received by TransColorado at the Receipt Points for transportation in accordance with Section 4.2. Provided, however, that in no event shall TransColorado be obligated to deliver on any day in excess of the Daily Quantity for each Delivery Point as designated in the Transportation Service Agreement.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are applicable to this rate schedule and are incorporated by reference.

**RATE SCHEDULE FFT
FLEXIBLE FIRM TRANSPORTATION SERVICE**

1. AVAILABILITY

This Rate Schedule FFT is available for firm transportation service on behalf of any Shipper in accordance with 18 C.F.R. Part 284, Subparts B and G, provided that:

- (a) TransColorado has available pipeline system capacity to render the firm service requested;
- (b) TransColorado is not required to construct or acquire any additional facilities to provide the desired transportation service, except as provided by Section 3.1(e) below; and
- (c) Shipper and TransColorado have executed a Transportation Service Agreement for service under Rate Schedule FFT.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Firm Service. The transportation service provided under this Rate Schedule:

- (a) Shall be flexible firm transportation service provided on days on which firm service is available under the Transportation Service Agreement (Available Days), and as provided in Sections 2(c) and 5(a) of this Rate Schedule. TransColorado shall not be required to accept or to deliver gas hereunder on any day which is not an Available Day or a partial Available Day, as defined in Section 5(a)(1) of this Rate Schedule, under the Transportation Service Agreement;
- (b) Shall apply to all gas transported by TransColorado for Shipper under this Rate Schedule up to Shipper's contract demand (CD) as defined in Section 1.8 of the General Terms and Conditions and specified in the Transportation Service Agreement, as such CD may be reduced for any partial Available Day;
- (c) Shall be provided on a firm basis on each Available Day (including partial Available Days up to the reduced CD) under the Transportation Service Agreement. The minimum and maximum number of Available Days over a month or other defined time period, if any, and whether the Shipper is willing to accept notification of a partial Available Day under Section 5 hereof (and any limitations on such agreement), shall be stated in the Transportation Service Agreement, based on mutual agreement between TransColorado and Shipper, as provided in Section 5 of this Rate Schedule. TransColorado and Shipper may also agree in the Transportation Service Agreement that certain days will not be Available Days or partial Available Days (e.g., the Transportation Service Agreement might specify that weekend days or certain holidays are not Available Days). Administration of Available Days is covered under Section 5(a) of this Rate Schedule;
- (d) Shall have the same priority on Available Days (including partial Available Days up to the reduced quantity) as service under Rate Schedule FT. No service shall be performed hereunder on a day which is not an

Available Day or a partial Available Day as determined under Section 5(a) of this Rate Schedule;

(e) Shall be subject to interruption as provided in Section 8 of the General Terms and Conditions;

(f) Shall be provided in accordance with availability of capacity as determined by Section 8 of the General Terms and Conditions; and

(g) May be released on a permanent or temporary basis according to the terms of Section 6 of the General Terms and Conditions, provided, however, that:

(i) If a Shipper releases its capacity, in whole or part, any and all Acquiring Shippers must accept the same provisions regarding any circumstances relating to Available Days or partial Available Days as apply under the original Transportation Service Agreement, including the number of Available Days remaining in any applicable defined time period;

(ii) Any required capacity release posting must specifically describe all contract provisions relating to Available Days. Capacity on an Available Day or partial Available Day shall be prorated among the Releasing and Acquiring Shippers based upon their respective CDs effective on such Available Day or partial Available day; and

(iii) Once capacity reverts to the Releasing Shipper, that Shipper is bound by the number of Available Days remaining in the relevant defined time period.

2.2 Available Flexible Firm Transportation Capacity: TransColorado posts the availability of unsubscribed firm capacity on the Informational Postings portion of its Interactive Website pursuant to Section 2.1 of the General Terms and Conditions of this Tariff. Such capacity will be available to provide service under either Rate Schedule FT or FFT; provided, however, that TransColorado may elect to make such firm capacity available only for service under Rate Schedule FT. TransColorado will only utilize for service under Rate Schedule FFT firm capacity that TransColorado determines (i) is in excess of TransColorado's existing firm commitments and (ii) would not be detrimental to system operations or TransColorado's ability to perform other firm transportation service.

2.3 Authorized Overrun Service: Upon request of Shipper, TransColorado may receive, transport, and deliver on any Available Day or partial Available Day quantities of gas in excess of Shipper's CD or, for a partial Available Day, Shipper's reduced CD. Such service shall be interruptible and available only to the extent it does not impair TransColorado's ability to render transportation service in accordance with Section 8 of the General Terms and Conditions. Authorized Overrun Service is not available on any day which is not an Available Day or partial Available Day.

3. RATE PROVISIONS

3.1 Specified Charges. Unless otherwise mutually agreed to in writing, Shipper shall pay the maximum rates for transportation service under this Rate

Schedule as set forth in the currently effective Statement of Rates, as adjusted from time to time. The charges shall include the following:

- (a) Reservation Charge. A monthly reservation charge equal to Shipper's Daily Reservation Rate multiplied by Shipper's CD (or reduced CD for any partial Available Day) and multiplied by the number of Available Days (including any partial Available Days) under the Transportation Service Agreement that month, subject to the following conditions:
- (i) Subject to the provisions of Section 3.3 of this Rate Schedule regarding Negotiated Rates, the reservation rate shall be no more than the maximum nor less than the minimum unit Daily Reservation Rate(s) specified in the Statement of Rates;
 - (ii) Shipper shall be obligated to pay the reservation charge beginning on the date agreed to by Shipper and TransColorado;
 - (iii) If the effective date of the Transportation Service Agreement occurs on any day other than the first day of a month, or the termination of the Transportation Service Agreement occurs on any day other than the last day of a month, then the reservation charge for such partial month shall be based on the number of Available Days during such partial month.
- (b) Usage Charge. Shipper shall pay the appropriate usage rate for all gas quantities delivered. Subject to the provisions of Section 3.3 of this Rate Schedule regarding Negotiated Rates, the usage rate shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.
- (c) Shipper shall reimburse TransColorado for ~~fFL&Uuel use and lost-and-unaccounted-for gas~~ in kind according to Section 12.9 of the General Terms and Conditions ~~of this Tariff~~.
- (d) Overrun Charges. Shipper shall pay all overrun charges that may be assessed in accordance with this Rate Schedule and TransColorado's Statement of Rates for all authorized or unauthorized overrun service provided by TransColorado. Authorized Overrun Charges will be subject to the maximum and minimum rates set forth in the Statement of Rates of this Tariff, as adjusted from time to time.
- (e) Additional Facility Charge. Unless otherwise provided in the Transportation Service Agreement or related documents, in the event TransColorado and Shipper agree in writing that additional facilities are necessary in order to implement the service contemplated under the Transportation Service Agreement, Shipper agrees to reimburse TransColorado for all costs, including the income tax costs, associated with the construction and installation of such facilities which shall be owned, operated and maintained by TransColorado.
- (f) Balancing Charges. An additional charge may be assessed in accordance with Section 12 of the General Terms and Conditions of this Tariff.

(g) Marketing Fee. Shipper and TransColorado may agree upon a fee to be paid by Shipper to TransColorado when TransColorado actively markets any capacity that is released to an Acquiring Shipper.

(h) Other Charges. TransColorado shall charge Shipper and Shipper shall pay for any other FERC approved charges that may apply to service under this rate schedule.

3.2 Tariff Changes. TransColorado may from time to time file with the FERC to change the rates set forth on the Statement of Rates or the General Terms and Conditions applicable to service under this Rate Schedule. TransColorado shall be entitled to implement such changed rates for service rendered to Shipper under this Rate Schedule on their effective dates, subject to such refunds, surcharges or other conditions that are specified as terms of the Transportation Service Agreement or that are permitted or required by the FERC. Nothing in this section limits Shipper's rights to contest such changes, or limits the rights of Shipper and TransColorado to provide for changes in rates through the terms of the Transportation Service Agreement.

3.3 Negotiated Rates. Notwithstanding anything to the contrary contained in this Tariff, TransColorado and Shipper may negotiate a rate that exceeds the maximum reservation and usage rates for service under this Rate Schedule (Negotiated Rate). TransColorado's maximum rate as shown on its Statement of Rates is available as a recourse rate for any Shipper that does not desire to agree to a Negotiated Rate with TransColorado. The agreement by the Shipper to accept a Negotiated Rate does not, in any manner, restrict the Shipper's right to elect recourse rates for other services. This provision does not allow TransColorado and Shipper to negotiate terms and conditions of service.

4. RECEIPT AND DELIVERY

4.1 Primary and Alternate Points. The primary receipt and delivery points for gas tendered by Shipper to TransColorado will be the points designated in the Transportation Service Agreement. All other receipt and delivery points on TransColorado's System will be available as alternate points to Shippers under this Rate Schedule in accordance with Section 8 of the General Terms and Conditions.

4.2 Receipt. TransColorado shall receive on each day at each Receipt Point, such quantity of natural gas if any, up to the point quantity specified for each Receipt Point set forth in the Transportation Service Agreement (as may be reduced pro rata for any partial Available Day) plus applicable ~~f~~Fuel Gas use and ~~lost and unaccounted for~~L&U quantities, not to exceed the physical capacity of such point, as may be tendered to TransColorado by Shipper, and transport such quantity on a firm basis for Shipper.

4.3 Delivery. TransColorado shall deliver and Shipper shall accept or cause to be accepted at the Delivery Point(s), a quantity of natural gas equivalent to the quantities of natural gas received by TransColorado at the Receipt Points, less applicable ~~f~~Fuel Gas use and ~~lost and unaccounted for~~L&U quantities.

5. AVAILABILITY AND NOTICE OF AVAILABLE OR PARTIAL AVAILABLE DAYS

- (a) (1) Shipper and TransColorado may agree that TransColorado will either provide notice of days that are Available Days or partial Available Days, or notice of days that are not Available Days or partial Available Days. Shipper and TransColorado may also agree on combinations or variations of the type of notice to be provided by TransColorado in the preceding sentence. TransColorado shall notify Shipper no later than two and one-half hours, or by another specific, mutually agreeable time, prior to the deadline for timely nominations for a day if that day is to be, or if applicable will not be, an Available Day or a partial Available Day, as such notification requirement has been agreed to by Shipper and TransColorado. Notification shall be made by e-mail or other mutually agreed method. To the extent consistent with the Transportation Service Agreement, the notification may specify that the day is a partial Available Day, which means that the firm service available to Shipper that day under the Transportation Service Agreement is less than Shipper's full CD, in which case the notice must specify the reduced CD which is available, or if applicable is not available, to Shipper that day. A partial Available Day shall not be accounted for as a full Available Day, but rather as a fraction of an Available Day in the ratio of the quantity of service made available for the Shipper under its Transportation Service Agreement that day to that Shipper's CD under the Transportation Service Agreement.
- (2) Available Days and Partial Available Days shall be determined by TransColorado separately for each Transportation Service Agreement, subject to the parameters defined in the Transportation Service Agreement, i.e., the minimum and maximum number of Available Days and the associated defined time period(s), any restrictions stated in the Transportation Service Agreement that certain days are not Available Days or partial Available Days, and whether partial Available Days are permitted under the Transportation Service Agreement. To the extent that TransColorado can identify the conditions under which it will be unable to consider a particular day an Available Day or partial Available Day, TransColorado shall specify such conditions in the Transportation Service Agreement; provided, however, that TransColorado will still be able to determine that a day is not an Available Day or partial Available Day based on other conditions. The determination of which days are, or if applicable are not, Available Days or partial Available Days under a Transportation Service Agreement is to be based on operational considerations and/or on TransColorado's commitments under other firm agreements, including the number of Available Days and partial Available Days under other Transportation Service Agreements under this Rate Schedule.
- (b) Shipper shall monitor and control its receipts and deliveries of gas and, if necessary, make appropriate adjustments in order to maintain a

thermal balance of receipts and deliveries, as provided in Section 12 of the General Terms and Conditions of this Tariff.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are applicable to this Rate Schedule and are incorporated by reference.

GENERAL TERMS AND CONDITIONS

These General Terms and Conditions apply to the transportation services provided under TransColorado's FERC Gas Tariff.

1. DEFINITIONS

1.1 The term "**Acquiring Shipper**" shall mean any Shipper that acquires firm released capacity from a releasing Shipper. For purposes of Section 6 of these General Terms and Conditions, the term "Replacement Shipper" is used rather than "Acquiring Shipper."

1.2 The term "**authorized overrun**" shall mean that quantity of gas authorized by TransColorado in excess of the CD or Daily Quantity specified in the applicable firm Transportation Service Agreement.

1.3 The term "**bidding period**" shall mean that period of time that released or uncommitted firm capacity is posted on the Interactive Website during which Shippers may bid for capacity.

1.4 The term "**Bidding Shipper**" shall mean any Shipper that is qualified to bid for capacity through the Interactive Website.

1.5 The term "**Btu**" shall mean one British thermal unit, which is the amount of heat required to raise the temperature of one pound of water one degree from fifty-nine degrees (59°F) to sixty degrees Fahrenheit (60°F) at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia). Total Btu's shall be determined by multiplying the total volume of natural gas delivered times the gas heating value expressed in Btu's per cubic foot of gas adjusted on a dry basis.

1.6 The term "**business day**" is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico. (NAESB WGQ Standard No. 3.2.1)

1.7 The term "**confirmed quantity**" shall mean a quantity that has been nominated by a Shipper and confirmed by an Operator.

1.8 The term "**contract demand**" ("CD") shall mean the quantity of gas set forth from time to time in the Transportation Service Agreement under any firm transportation service rate schedule under this Tariff.

1.9 The term "**cubic foot**" shall mean the volume of gas which would occupy a space of one cubic foot at a temperature of 60° Fahrenheit and at a pressure of 14.73 pounds per square inch absolute.

1.10 The term "**day**" shall mean a period of 24 consecutive hours, except for those days that are adjusted for Daylight Savings Time beginning at 9:00 a.m. Central Clock Time ("CCT"). "Clock Time" indicates that TransColorado will adjust its gas day to reflect changes for Daylight Savings Time.

1.11 The term "**daily quantity**" shall mean the quantity of gas set forth from time to time in the Transportation Service Agreement under Rate Schedule IT.

1.12 The term "**decatherm**" ("**Dth**") shall mean a unit of heating value equivalent to 10 therms or 1,000,000 Btus.

1.13 The term "**FERC**" or "**Commission**" shall mean the Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers that are exercisable by the Federal Energy Regulatory Commission.

1.14 The term "**FL&Ufuel**" shall mean gas used for compressor station fuel and other utility purposes, including, but not limited to, line losses and other unaccounted-for gas (including gas lost through explosion, fire or other calamity) in the operation of TransColorado's pipeline system.

1.15 TransColorado has adopted all of the Business Practices and Electronic Communications Standards which are required by the Commission in 18 CFR, Section 284.12 (a), as amended from time to time, in accordance with Order No. 587, et al., as described in Section 30 of the General Terms and Conditions.

(a) Transporter's HTML page(s) is accessible via the Internet's World Wide Web at the following address: <http://pipeline.kindermorgan.com>

1.16 The term "**gross heating value**" shall mean the quantity of heat, measured in Btu, produced by combustion in air of one (1) cubic foot of anhydrous gas at a temperature of sixty degrees Fahrenheit (60°F) and a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia), the air being at the same temperature and pressure as the gas, after the products of combustion are cooled to the initial temperature of the gas and air, and after condensation of the water formed by combustion.

1.17 The term "**Interactive Website**" shall mean the interactive internet web site maintained by TransColorado for communication regarding its transportation service in accordance with applicable Commission Regulations and NAESB standards, as more fully described in Section 2 of these General Terms and Conditions.

1.18 The term "**Mcf**" shall mean 1,000 cubic feet of gas. "**MMcf**" means 1,000,000 cubic feet of gas.

1.19 The term "**MDDQ**" shall mean the maximum specified daily quantity of each Primary Delivery Point listed in a Shipper's Agreement with TransColorado. The sum of the MDDQ's shall equal the MDQ of the Agreement.

1.20 The term "**MDRQ**" shall mean the maximum specified daily quantity of each Primary Receipt Point listed on a Shipper's agreement with TransColorado. The sum of the MDRQ's shall equal the MDQ of the Agreement.

1.21 The term "**MDQ**" shall mean the maximum daily quantity of Gas for which TransColorado will perform service under a contract at the sum of all Receipt Points (or Delivery Points) or in the aggregate, as specified in the Agreement. The MDQ shall not include ~~FL&Ufuel and Lost and Unaccounted-for Gas~~.

1.22 The term "**Month**" shall mean the period beginning on the first day of any calendar month and ending at the first day of the succeeding calendar month.

1.22.1 The term "**Monthly Maintenance Schedule**" shall mean the notice TransColorado posts on its Interactive Website prior to bid-week for the subsequent month that contains a list of scheduled maintenance activities TransColorado anticipates conducting in the subsequent month which are likely to result in curtailment or outages on the pipeline.

1.23 The term "**Operator**" shall mean the person or entity that controls the flow of gas into or out of TransColorado's System.

1.24 The term "**overrun gas**" shall mean those quantities of gas tendered for transportation by Shipper on any day in excess of the currently effective contract demand or daily quantity.

1.25 The term "**Pre-Arranged Shipper**" shall mean any Shipper who is qualified and seeks to acquire capacity under a pre-arranged release.

1.26 The terms "**Primary Receipt and Delivery Point**" shall mean a receipt or delivery point on TransColorado's system located within the path of service for which the Shipper is paying and has contracted for firm capacity.

1.27 The term "**recallable capacity**" shall mean firm capacity that is released subject to the Releasing Shipper's right to recall capacity during the term of the release.

1.28 The term "**Releasing Shipper**" shall mean any Shipper holding firm capacity rights under a Transportation Service Agreement under any firm transportation service Rate Schedule of this Tariff that releases firm capacity.

1.29 The term "**Shipper**" shall mean any party who (a) is receiving service according to an effective rate schedule under this Tariff 1, (b) has executed a service agreement under any rate schedule, or (c) has completed a request for service.

1.30 The term "**System**" shall mean the pipeline, appurtenant facilities and any compression and related facilities owned by TransColorado.

1.31 The term "**unauthorized overrun**" shall mean that quantity of gas by which Shipper exceeds, without TransColorado's consent, Shipper's confirmed quantity.

1.32 The term "**year**" shall mean a period of 365 consecutive days beginning January 1 or 366 consecutive days if such period includes February 29, unless otherwise specified.

2. INTERACTIVE WEBSITE

2.1 Website Description

(a) TransColorado maintains the Interactive Website, a FERC-compliant interactive internet web site that is available for use by Shippers and other interested parties. The web site has both secure and non-secure regions. Information of a general nature is included in the non-secure region while confidential Shipper-specific data is accessible only through the secure region, which requires a logon and password. Daily back-up records of information displayed or entered through this web site are archived and non-secure information is accessible to customers on a non-discriminatory basis. The data is kept for a three-year period, inclusive of both current and archived data.

(b) The non-secure information is primarily comprised of FERC-mandated informational postings. TransColorado, at its sole option, may add informational sections to this web site in order to facilitate timely and complete communications with customers. The secure region provides access to Nominations, Flowing Gas/Volume Inquiry data, Invoicing, Contracting and Capacity Release processing. Logons and passwords required to enter the secure region of the web site may be obtained per the procedures outlined in Section 2.2.

(i) Informational Postings. The types of information available through the Informational Postings include: (1) reports on operationally available capacity, unsubscribed capacity, and released capacity at receipt/delivery points and on the main line; (2) information on construction and maintenance projects impacting capacity; (3) imbalance volumes available for trading among Shippers; (4) firm and interruptible rates and ~~fuel~~FL&U reimbursement, including general discount offers; (5) catalog of currently active receipt and delivery points; (6) general announcements, critical notices and procedures, including Operational Flow Orders (OFO)^{1/}; and (7) the Tariff with search, download and print capabilities.

(ii) Nominations. This feature allows for submittal of all transportation nominations, transfer nominations, predetermined allocations and nomination priorities as required in Section 8. Additionally, operators can confirm volumes online. Shippers and point operators can review, print or download scheduled quantity reports.

(iii) Flowing Gas/Volume Inquiry. This feature provides volumetric information on total gas flow and allocated flows, at a point and contract level. The timing for reporting daily operational allocations after the gas has flowed is within one (1) business day after the end of the gas day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation. Each Shipper and each other entity involved in a transaction at a point will be able to see the total flows at the point and the volumes allocated to or by such Shipper or other entity.

(iv) Invoicing. This system component allows Shippers to view and download invoices and a statement of account. Additionally, using this component, Shippers can create and submit a Payment Remittance.

(v) Contract Request Processing. Using this feature, Shippers can review their existing Agreement information, submit new requests for Agreements and submit requests to amend Agreements and execute Service Agreements online.

(vi) Capacity Release Request and Bid Processing. This interactive feature allows Shippers to submit capacity-release requests and bids, which, in turn, are automatically posted to this web site as provided in Section 6. Additionally, Shipper with recall provisions in a release of capacity can initiate the recall process using this feature.

2.2 Access to Web Site. Shippers and other interested parties may obtain access to the interactive transactional web pages by contacting the Security Coordinator whose phone number can be found in the "Summary/Contacts" section at <http://pipeline.kindermorgan.com>. Logons, passwords and access instructions will be supplied upon request under the following terms and conditions set forth in Sections 2.3 through 2.13. The internet address for this web site is: <http://pipeline.kindermorgan.com>. This web site replaces DART and Subscribers to DART can continue to use their DART logon and password to access these web pages. By continuing to use such DART logons, Subscribers agree to the terms and conditions set forth in Sections 2.2 through 2.12.

2.3 Authority of employee. Users of this web site shall be deemed to have agreed and admitted that any employee permitted by Subscriber to access this web site shall have the legal authority to act on behalf of Subscriber in performing any functions, including those functions which are available presently and those functions which become available at a later date.

2.4 Installation of software. Each Subscriber shall purchase and ensure that lawful installation of the internet browser software occurs for each personal computer (PC) from which this web site is accessed.

2.5 Confidentiality. Certain information contained in this web site is confidential. A Subscriber shall not reproduce, disclose or otherwise make available confidential information contained therein to any other company, corporation, individual or partnership.

2.6 Reliance by TransColorado. TransColorado may act, and shall be fully protected by a Subscriber in acting, in reliance upon any acts or things done or performed by Subscriber's employees or designated agents on behalf of Subscriber and in respect to all matters conducted through this web site. TransColorado may correct errors in information entered into this web site by a Subscriber promptly after receiving notice of the corrections or may require Subscribers to enter the corrections directly into this web site.

2.7 Access. Should a Subscriber require access to confidential information (such as Agreement, points, nomination, volume, or other customer-specific information deemed to be of a confidential nature requiring controlled access), TransColorado will require the Subscriber to provide a written request and officer-level approval for issuance of a company-level computer access (logon) identification code and password. Upon receipt of such request, TransColorado will ensure return of a

confidential logon code and password within one business day.

2.8 Logon. A Subscriber's logon and password are confidential and are used to identify that Subscriber. A Subscriber shall keep its web site logon and password confidential. A Subscriber will ensure that only authorized employees and agents of Subscriber will be given Subscriber's logon and password and only these authorized persons will be permitted to access this web site on Subscriber's behalf. A Subscriber and its employees and agents will not disclose the Subscriber's logon and password to anyone without authority to access this web site on behalf of the Subscriber. To ensure such confidentiality is not breached, requests from Subscriber employees or agents for information regarding Subscriber logon and password made subsequent to issuance of the original logon and password may not be honored without receipt by TransColorado of additional authorization from Subscriber. Subscriber shall be responsible for an accepts liability for any security breach that is traced to Subscriber's logon and password.

2.9 Breach of Security. A Subscriber shall promptly notify TransColorado if there is any indication that a security breach has occurred with regard to Subscriber's logon and password. This includes, but is not limited to: (a) loss of confidentiality of logon and password; (b) termination of employment of any authorized employee; or (c) loss of authority to access this web site by any authorized employee. Such notification shall be made to TransColorado's Security Coordinator whose phone number can be found in the "Summary/Contacts" section on the interactive website <http://pipeline.kindermorgan.com>.

2.10 Limitation to Access. A Subscriber may attempt to access only that data for which Subscriber has authorization. A Subscriber shall provide supporting legal documentation prior to being given access to data of other subsidiaries, affiliates, or companies for whom it has an agency relationship. See Section 8 of these General Terms and Conditions for information on delegation.

2.11 Limits of Responsibility. TransColorado shall not be responsible for an omission or failure by TransColorado to act or perform any duty requested by a function accessed via this web site if such omission or failure to act is caused by or related to data lost in the transmission of such data from Subscriber's to TransColorado's computer system, power failures, failure of backup systems, or any other event beyond the reasonable control of TransColorado.

2.12 Reservation. TransColorado reserves the right to add, modify or terminate web site functions at any time subject to compliance with Commission Regulations.

2.13 Agreement. Any Subscriber who is not a Shipper will be required to sign an agreement with TransColorado pursuant to which the Subscriber agrees to be bound by the provisions of this Section.

^{1/} TransColorado will also support further notification of critical notices and OFOs through the following channels, to be designated by shipper: (1) up to two internet e-mail addresses provided by shipper or (2) standard NAESB EDI/EDM.

6. CAPACITY RELEASE BY FIRM SHIPPERS

6.1 GENERAL

(a) Subject to the terms, conditions and limitations set forth in this Section 6, a Shipper holding capacity rights under an Eligible Firm Transportation Agreement shall have the right to release all or a portion of such capacity rights and, if a capacity release is effectuated under this Section 6, to receive a credit for reservation charge revenues received by TransColorado from that other Shipper for such released capacity.

(b) The capacity release timeline set forth in this Section 6 applies to all parties involved in the capacity release process provided that; 1) all information provided by the parties to the transaction is valid and the Replacement Shipper (or Subreplacement Shipper, if applicable) has been determined to be creditworthy before the Qualified Bid is tendered, 2) for index-based capacity release transactions, the Releasing Shipper has provided TransColorado with sufficient instructions to evaluate the corresponding bids according to the timeline, and 3) there are no special terms or conditions of the release. Further, TransColorado may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by TransColorado). (NAESB WGQ Standard No. 5.3.1)

(c) Following is a summary of the capacity release process and deadlines set forth in greater detail in the remainder of this Section 6. All times are Central Clock Time (CCT) pursuant to NAESB WGQ Standard No. 0.3.17.

NAESB WGQ Standard No. 5.3.2

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

(1) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.

(2) Open season ends at 10:00 a.m. on the same or a subsequent Business Day (evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken);

(3) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.

(4) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 Noon.

(5) The contract is issued within one hour of the award posting (with a new contract number, when applicable).

(6) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

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

(1) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.

(2) Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.

(3) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.

(4) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.

(5) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 Noon.

(6) The contract is issued within one hour of the award posting (with a new contract number, when applicable).

(7) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(iii) For non-biddable releases:

The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No.

1.3.2. The posting deadlines are:

- Timely Cycle 12:00 Noon
- Evening Cycle 5:00 p.m.
- Intraday Cycle 1 9:00 a.m.
- Intraday Cycle 2 1:30 p.m.
- Intraday Cycle 3 6:00 p.m.

The contract is issued within one hour of the award posting (with a new contract number, when applicable).

Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(iv) For Sections 6.1(c)(i) and 6.1(c)(ii), Nomination is not contingent on a contract being issued or executed so long as the Replacement Shipper has preapproved credit.

6.2 DEFINITIONS

(a) **Bid Value.** The value assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 6.10 or, if applicable, the bid evaluation procedures set forth in the Capacity Release Request.

(b) **Capacity Release Request.** The request that a Releasing Shipper submits to initiate the capacity release procedure under this Section 6.

(c) **Eligible Firm Transportation Agreement.** A Transportation Service Agreement under any firm transportation service Rate Schedule under this Tariff.

(d) **Maximum Bid Volume.** The maximum amount of capacity the Qualified Bidder agreed to accept in its Qualified Bid.

(e) **Minimum Bid Volume.** The minimum amount of capacity the Qualified Bidder agreed to accept in its Qualified Bid.

(f) **Original Shipper.** The entity who is the Shipper under an Eligible Firm Transportation Agreement (other than through a capacity release).

(g) **Prearranged Release.** The binding written release agreement between a Releasing Shipper and a Prearranged Shipper covering Eligible Firm Transportation Agreement capacity rights, the effectiveness of which is subject only to: (1) the prequalification of the Prearranged Shipper under Section 6.15; and (2) the release of such capacity rights to the Prearranged Shipper as provided by this Section 6.

(i) A Prearranged Release between a Releasing Shipper and an Asset Manager as that term is defined in 18 C.F.R. Section 284.8(h)(3), shall be defined for purposes of this Section 6, as a "Prearranged Asset Manager Release".

(ii) A Prearranged Release between a Releasing Shipper and a Marketer Participating in a State-Regulated Retail Access Program, as that term is defined in 18 C.F.R. Section 284.8(h)(4), shall be defined for purposes of this Section 6, as a "Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program".

(iii) A Prearranged Asset Manager Release and a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program are exempt from the Open Season Requirements set forth in this Section 6.

(h) **Prearranged Shipper.** A person or entity prequalified under Section 6.15 who has entered into a Prearranged Release with a Releasing Shipper for Eligible Firm Transportation Agreement capacity rights, including a Replacement Shipper under either a Prearranged Asset Manager Release, or a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program.

(i) **Qualified Bid.** A binding bid prequalified under Section 6.15 by a Qualified Bidder for capacity rights subject to a Capacity Release Request under this Section 6.

(j) **Qualified Bidder.** Any person or entity prequalified under Section 6.15 who bids for capacity rights being released under this Section 6, including a Replacement Shipper under a Prearranged Asset Manager Release or a Prearranged Release to a Marketer Participating in a State-Regulated Retail Access Program.

(k) **Released Firm Transportation Agreement.** The agreement between TransColorado and a Replacement Shipper or a Subreplacement Shipper by which the Replacement Shipper or Subreplacement Shipper confirms the receipt of capacity rights under an Eligible Firm Transportation Agreement released by a Releasing Shipper under this Section 6.

(l) **Releasing Shipper.** Any Shipper holding capacity rights under an Eligible Firm Transportation Agreement or Released Firm Transportation Agreement who has released or seeks to release such capacity rights pursuant to this Section 6.

(m) **Replacement Shipper.** A Shipper receiving capacity rights under an Eligible Firm Transportation Agreement pursuant to a direct release from an Original Shipper under this Section 6.

(n) **Short-Term Prearranged Release.** Prearranged Release with a term of thirty-one (31) days or less.

(o) **Subreplacement Shipper.** A Shipper receiving capacity rights released from an Eligible Firm Transportation Agreement by a Replacement Shipper or a Subreplacement Shipper under this Section 6.

(p) **Unit Bid Value.** The unit value per Dth assigned to a Qualified Bid or a Prearranged Release according to the bid evaluation procedures set forth in Section 6.10.

(q) **Winning Bid Value.** The highest possible total Bid Value achievable under Section 6.10 for the Capacity Release Request from the Qualified Bids consistent with the Capacity Release Request and this Section 6.

6.3 Release Without a Prearranged Shipper. A Shipper seeking to release its Eligible Firm Transportation Agreement capacity rights without a Prearranged Shipper shall deliver a Capacity Release Request to TransColorado's Interactive Website (or in writing for posting on TransColorado's Interactive Website if TransColorado's Interactive Website is unavailable for receiving Capacity Release Requests) which sets forth:

(a) The Releasing Shipper's legal name, address and phone number, the Eligible Firm Transportation Agreement number, the date of the Eligible Firm Transportation Agreement and the name and title of the individual responsible for authorizing the capacity release;

(b) The quantity of the capacity (in Dth per day) and the transportation path(s) (or segment(s) thereof) being released, including identification by TransColorado's Point Identification Number (PIN) Number (or Common Code) of the Receipt Points, Delivery Points, pooling point defining the release path/segment and the firm capacity to be released at each such point;

(c) Whether the capacity being released is subject to recall and/or reput, and if so, the exact conditions for such recall and/or reput (which conditions must conform to Sections 6.5 and 6.14);

(d) The proposed effective date and proposed term of the release;

(e) Whether the Releasing Shipper wants TransColorado to actively market the Releasing Shipper's capacity rights;

(f) Whether the Releasing Shipper will accept Qualified Bids which are contingent on subsequent events (such as the subsequent purchase of upstream or downstream capacity), and if so, what events and the last date by which such contingency must be fulfilled;

(g) The starting date for the open season and the length of time for the open season (which must conform to Section 6.7);

(h) Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the volume transported, and if so, any minimum amount to be billed as a reservation charge even if there is no flow (or insufficient flow);

(i) Which of the bid evaluation procedures set forth in Section 6.10 the Shipper wishes to use, if any;

(j) The Releasing Shipper should specify which one of the following methods is acceptable for bidding on a given capacity release offer:

(i) Non-index-based release - dollars and cents,

(ii) Non-index-based release - percentage of maximum rate, or

(iii) Index-based formula as detailed in the capacity release offer.

The bids for the given capacity release offer should adhere to the method specified by the Releasing Shipper. (NAESB WGQ Standard No. 5.3.26)

(k) Any other applicable conditions (which must conform to Section 6.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 6.10 for evaluating Qualified Bids for its capacity rights, and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be awarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 6.5(a).

6.4 Prearranged Release. Subject to Section 6.6, a Shipper seeking to release its Eligible Firm Transportation Agreement capacity rights to a Prearranged Shipper shall deliver a Capacity Release Request to TransColorado's Interactive Website at TransColorado's designated site for an open season. The Capacity Release Request shall set forth:

(a) The Releasing Shipper's legal name, address and phone number, the Prearranged Shipper's legal name, and where applicable, identification of the Prearranged Replacement Shipper as an "Asset Manager" as that term is defined in 18 C.F.R. 284.8(h)(3) or a "Marketer Participating in a State-Regulated Retail Access Program" (as that term is defined in 18 C.F.R. 284.8(h)(4)), address, phone number, and telefax number, the Eligible Firm Transportation Agreement number, the date of the Eligible Firm Transportation Agreement and the name and title of the individuals at the Releasing Shipper and the Prearranged Shipper responsible for authorizing the capacity release;

(b) A statement that the Prearranged Shipper has agreed to be bound by a capacity award to the Prearranged Shipper under this Section 6 by TransColorado and to execute a Released Firm Transportation Agreement, which consists of TransColorado's standard form of Transportation Service Agreement under the applicable firm transportation service rate schedule and

the terms and conditions of the Prearranged Release, in accordance with TransColorado's Tariff. Such statement shall also set forth:

- (i) The quantity of the capacity (in Dth per day) and the transportation path(s) [or segment(s) thereof] being released, including identification by TransColorado's PIN Number (or Common Code) of the Receipt Points, Delivery Points, pooling point defining the released path/segment and the firm capacity to be released at each such point;
 - (ii) The fixed reservation charge and/or volumetric charge the Prearranged Shipper has agreed to pay for the released capacity;
 - (iii) Whether the capacity being released is subject to recall and/or reput in the Prearranged Release and, if so, the exact conditions of such recall and/or reput (which conditions must conform with Sections 6.5 and 6.14); and
 - (iv) The proposed effective date of the Prearranged Release and the proposed term of the Prearranged Release.
- (c) Whether the Releasing Shipper will accept Qualified Bids which are contingent on subsequent events (such as the purchase of upstream or downstream capacity), and if so, what events and the last date by which such contingency must be fulfilled;
- (d) Whether the Releasing Shipper will accept Qualified Bids with longer terms or larger volumes, and if so, what is the maximum volume and the longest term the Releasing Shipper will accept;
- (e) Whether the Releasing Shipper wants TransColorado to actively market its capacity rights subject to the Prearranged Release;
- (f) The starting date for and the length of time for the open season (which must conform to Section 6.7) and the length of time (consistent with Section 6.9(b)) for the Prearranged Shipper to be able to match a winning Qualified Bid;
- (g) Whether the Releasing Shipper will accept Qualified Bids whose revenues will vary by the volume transported, and if so, any minimum amount to be billed as a reservation charge even if there is no flow (or insufficient flow);
- (h) Which of the bid evaluation procedures set forth in Section 6.10 the Shipper wishes to use, if any;
- (i) Whether the Qualified Bids are to specify dollars and cents and/or percentage of the maximum tariff rate; or an index based formula as detailed in the capacity release offer;
- (j) Whether the release is a Prearranged Asset Manager Release as defined in Section 6.2(g)(i) hereof and the Asset Manager's obligation to deliver gas to, or purchase gas from, the Releasing Shipper;
- (k) Whether the release is a Prearranged Release to a Marketer Participating in a State Regulated Retail Access Program, as defined in Section 6.2(g)(ii) hereof; and

(l) Any other applicable conditions (which must conform with Section 6.5), including any minimum price condition and whether the Releasing Shipper wishes to apply a bid evaluation procedure different than the bid evaluation procedure set forth in Section 6.10 for evaluating Qualified Bids for its capacity rights, and if so, all the factors to be used in evaluating Qualified Bids, including how its capacity rights are to be awarded in the event of a tie for the highest valued Qualified Bid and whether the Releasing Shipper has presubmitted a computer diskette for such bid evaluation procedure pursuant to Section 6.5(a).

6.5 Capacity Release Requirements.

(a) All terms and conditions relating to a release which is the subject of a Capacity Release Request: (i) must be nondiscriminatory and applicable to all potential bidders; (ii) must be made available to TransColorado for posting; (iii) must relate solely to the details of acquiring or maintaining the transportation capacity rights on TransColorado, which are the subject of the release; and (iv) must not place any obligations or burdens on TransColorado in addition to the terms and conditions applicable to a capacity release under this Section 6 which are specified in TransColorado's Tariff. Any bid evaluation procedure elected by a Releasing Shipper different from TransColorado's bid evaluation procedure set forth in Sections 6.10(b) through 6.10(d) must be objective, nondiscriminatory in all circumstances and contain a complete description of the bid evaluation procedure for posting on TransColorado's Interactive Website. TransColorado may require the Releasing Shipper to submit a working computer program to TransColorado in diskette form which is compatible with TransColorado's Interactive Website which will enable TransColorado to make such alternative bid evaluation entirely through TransColorado's Interactive Website, The Releasing Shipper shall warrant that the computer diskette conforms to the bid evaluation procedure in the Capacity Release Request.

For the capacity release business process timing model, only the following methodologies are supported by TransColorado and provided to Releasing Shippers as choices from which they may select and, once chosen, will be used in determining the awards from the bid(s) submitted. They are: (i) highest rate, (ii) net revenue and (iii) present value. For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of TransColorado. However, TransColorado is not required to offer other choices or similar timeline treatment for other choices, nor, is TransColorado held to the timeline should the Releasing Shipper elect another method of evaluation. (NAESB WGQ Standard No. 5.3.3)

(b) The term of any release of capacity sought under this Section 6 shall be at least one full day and shall not exceed the remaining term of the Eligible Firm Transportation Agreement.

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

(d) No capacity release under this Section 6 shall result in an increase in the total capacity set forth in the Eligible Firm Transportation Agreement with the Original Shipper for any segment of a path covered by such Eligible Firm Transportation Agreement.

(e) A Capacity Release Request may include the right by a Releasing Shipper to recall all or part of the capacity, and/or to reput all or part of the recalled capacity, at any time and from time to time. All recalls or reputs must be made in accordance with the other provisions of TransColorado's Tariff, including Section 6.14 of these General Terms and Conditions.

(f) The Releasing Shipper may withdraw its posted Capacity Release Request during an open season under this Section 6 where unanticipated circumstances justify and no minimum bid has been received; following the close of the open season, a Releasing Shipper may not reject a winning Qualified Bid. Offer should be binding until written or electronic notice of withdrawal is received by TransColorado. Notice of a withdrawal of a Capacity Release Request must be delivered to TransColorado's Interactive Website no later than the end of the open season for the Capacity Release Request.

(g) A Replacement Shipper or Subreplacement Shipper may release the capacity under the provisions of this Section 6 (except as prohibited by Federal Energy Regulatory Commission Regulations).

(h) Any Capacity Release Request not in compliance with this Section 6.5 and the other provisions of TransColorado's Tariff shall be null and void and, even if posted, may be removed from TransColorado's Interactive Website by TransColorado at any time.

6.6 Open Season Exceptions. An open season is not required for: (a) a Prearranged Release for more than one (1) year at the maximum reservation charge applicable to the capacity being released, (b) a Short-term Prearranged Release, (c) a Prearranged Asset Manager Release, as defined in Section 6.2(g)(i) hereof or (d) a Prearranged Release to a Marketer Participating in a State Regulated Retail Access Program, as defined in Section 6.2(g)(ii) hereof. A Capacity Release Request which is not subject to an open season need only contain the information required in Sections 6.4(a) and (b). Such Capacity Release Request must be delivered to TransColorado's Interactive Website (or in writing for posting on TransColorado's Interactive Website if the Interactive Website is unavailable for receiving Capacity Release Requests) sufficiently in advance so that the release may become effective under Section 6.9 before the release transaction is to commence. A Releasing Shipper may not rollover, extend or in any way continue a Short-term Prearranged Release exempt from bidding under subsection (b) hereof with the same Replacement or Sub-replacement Shipper until twenty-eight(28) days after the Short-term Prearranged Release has ended unless the Releasing Shipper complies with the Capacity Release Request provisions in Sections 6 or the re-release qualifies for any of the other exemptions from bidding, referenced in subsections (a), (c) or (d) hereof.

6.7 Postings; Open Season. Except for the provisions in Section 6.6 above, the following constitute the procedures for postings of open seasons:

(a) A Capacity Release Request received by TransColorado through the Interactive Website prior to the starting time of the open season requested by the Releasing Shipper in its Capacity Release Request in conformance with

this Section 6 shall be posted on TransColorado's Interactive Website as requested. The posting shall contain the information contained in the Capacity Release Request, except that all identifying information, and the minimum price in any minimum price condition requested to be held confidential by the Releasing Shipper (but not the existence of the minimum bid condition), shall be kept confidential and shall not be posted. The posting shall also include the maximum reservation charge, if applicable, (including all reservation surcharges) applicable to the capacity subject to the Capacity Release Request, the beginning and ending time for the open season and the time the notice was posted. TransColorado shall post the Capacity Release Request upon receipt. If the Releasing Shipper requests a posting time, TransColorado will comply with that request as long as it comports with the deadlines set forth in this Section 6.

(b) An open season shall consist of: (i) a one (1) hour period on a Business Day between 12:00 p.m. and 1:00 p.m. CCT or (ii) any number (no fractions) of Business Days running from 12:00 p.m. CCT on a Business Day to 1:00 p.m. CCT on the following Business Day, as requested by the Releasing Shipper in its Capacity Release Request; provided, however, that any capacity release for a period of one (1) year or longer must have an open season of at least three Business Days, for a period at least running from 12:00 p.m. CCT on a Business Day to 1:00 p.m. CCT two (2) Business Days later.

(c) A Releasing Shipper may not specify an extension of an open season or the match period for a Prearranged Release. Rather, the Releasing Shipper must submit a new Capacity Release Request.

6.8 Qualified Bids for Released Capacity Rights.

(a) At any time during an open season, a Qualified Bidder may submit a Qualified Bid to TransColorado's Interactive Website (or in writing for posting on TransColorado's Interactive Website if the Interactive Website is unavailable for receiving Qualified Bids) seeking released capacity rights under a Capacity Release Request. In addition to being prequalified for credit pursuant to Section 6.15, each Qualified Bid must include the following:

(i) The Qualified Bidder's legal name, address, phone number, telefax number, the name and title of the individual responsible for authorizing the Qualified Bid and identification of the capacity rights for which the Qualified Bid is made;

(ii) The term for the purchase;

(iii) A Minimum Bid Volume and a Maximum Bid Volume (in Dth per day);

(iv) The fixed reservation charge and/or volumetric charge that the Qualified Bidder agrees to pay for the capacity (and if a volumetric charge, any minimum amount to be billed as a reservation charge, which must be equal to or greater than any such amount designated by the Releasing Shipper);

(v) A statement that the Qualified Bidder agrees to all the terms and conditions of the Capacity Release Request, with only the

modifications as expressly provided in its Qualified Bid, which modifications must be permitted by the Capacity Release Request and must conform with the requirements in this Section 6. In the event that the Releasing Shipper has stated that Qualified Bid(s) may be contingent upon subsequent events and the Qualified Bidder submits such a contingent Qualified Bid, then the Qualified Bidder must state in full the nature of the condition and the last date by which the Qualified Bid is null and void if the contingency does not occur; and

(vi) Agreement that the Qualified Bidder is bound by the terms and conditions of the capacity award by TransColorado pursuant to this Section 6 to the Qualified Bidder, including TransColorado's standard Form of Service Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with TransColorado's Tariff.

(b) The volume in a Qualified Bid may not be less than the minimum volume required for an Eligible Firm Transportation Agreement under TransColorado's Tariff. Neither the volume nor the release term specified in a Qualified Bid may exceed the maximum volume or term specified in a Capacity Release Request, unless the Capacity Release Request specifically allows otherwise. A Qualified Bidder must accept all the terms and conditions of a Capacity Release Request submitted under Section 6.4 (involving a Prearranged Release) except for the level of the reservation charge and the CD, unless the Capacity Release Request specifically allows otherwise.

(c) Except as provided herein, and for releases for a term of more than one (1) year, a Qualified Bidder may not bid rates which would exceed TransColorado's maximum reservation charge applicable to the Eligible Firm Transportation Agreement capacity. If the Original Shipper is paying a Negotiated Rate or a rate under a Negotiated Rate Formula pursuant to Section 23 of these General Terms and Conditions, a Qualified Bidder may not bid a rate which exceeds the applicable recourse rate. The maximum Qualified Bid reservation charge includes all demand surcharges, including all direct-billed charges which are or may become applicable to the Eligible Firm Transportation Agreement capacity. There is no maximum rate limitation applicable to bids for capacity release for a term of one (1) year or less, if the release is to take effect on or before one (1) year from the date on which TransColorado is notified of the release.

(d) All Qualified Bids shall provide for payment of maximum usage charges under TransColorado's Tariff for the capacity bid, as well as all other applicable add-on charges and surcharges under TransColorado's Tariff, such as, but not limited to, ACA and [Fuel-FL&U Reimbursement](#).

(e) A Qualified Bid received by TransColorado during an open season shall be posted by TransColorado on its Interactive Website, without the name of the Qualified Bidder. A Qualified Bid may be withdrawn by the Qualified Bidder prior to the close of the open season, but may not be withdrawn thereafter. Following such withdrawal, the Qualified Bidder cannot bid for the same capacity during the open season at a lower rate.

(f) All Qualified Bids must be consistent with all provisions of

TransColorado's Tariff. Any Qualified Bid inconsistent with TransColorado's Tariff or the applicable Capacity Release Request shall be null and void.

6.9 Awarding of Released Capacity.

(a) For a Prearranged Release for which no open season is required under Section 6.6 and which is received at least one (1) hour prior to a nomination deadline on a Day, TransColorado shall tender the contract to the Prearranged Shipper within one (1) hour after release notification, provided that all applicable provisions of this Section 6 have been complied with.

(b) As to any other Prearranged Release, in the event there was no winning Qualified Bid(s) with a higher total Bid Value than the Prearranged Shipper's Bid Value, TransColorado shall notify the Prearranged Shipper. If, during an open season, the winning Qualified Bid(s) have a higher total Bid Value than the Bid Value of the Prearranged Release under the bid evaluation procedure selected by the Releasing Shipper, TransColorado shall notify the Prearranged Shipper of the terms and conditions of the winning Qualified Bid(s), except for any identification of the Qualified Bidder(s). The Prearranged Shipper may elect to match any or all of such winning Qualified Bid(s), but may not elect to match only a portion of a winning Qualified Bid. Such election shall consist of the Prearranged Shipper submitting notice to TransColorado of its unconditional agreement to the terms and conditions of one or more of such winning Qualified Bid(s) in winning Qualified Bid(s) (or such later time as requested by the Releasing Shipper in its Capacity Release Request). In the event of a timely match, then the Prearranged Shipper shall be awarded the released capacity by 5:00 p.m. CCT on that business day. To the extent that the Prearranged Shipper fails to timely match (within the above time frame) the winning Qualified Bid(s) with a higher Bid Value, then the Qualified Bidder(s) who made the winning Qualified Bid shall be awarded the capacity by 5:00 p.m. CCT on the business day of TransColorado's notice to the Prearranged Shipper.

(c) For any other Capacity Release Request, the capacity rights shall be automatically awarded to the winning Qualified Bidder(s) when TransColorado has identified the entity(s) to receive the released capacity under this Section 6.

(d) A capacity release shall become effective, and nominations for gas service utilizing the release capacity shall be accepted, at the latest of the following times:

(i) The applicable nomination deadline set forth in Section 8.2 of these General Terms and Conditions for the start of service requested for such release in the Capacity Release Request; or

(ii) The applicable nomination deadline set forth in section 8.2 of these General Terms and Conditions on the day following the capacity award.

(e) Gas nominations for transportation pursuant to released capacity are subject to the provisions of Section 8 of these General Terms and Conditions. Gas nominations by a Shipper utilizing released capacity awarded by TransColorado shall constitute Shipper's binding acceptance of the terms and conditions of the capacity award by TransColorado pursuant to this Section 6,

including TransColorado's standard Form of Service Agreement covering the Rate Schedule applicable to the released capacity and the terms and conditions of the Qualified Bid and the Capacity Release Request, in accordance with TransColorado's Tariff.

(f) Subject to the other provisions in this Section 6, in the event that there is no Qualified Bidder or Prearranged Shipper for posted Eligible Firm Transportation Agreement capacity during an open season, no capacity release will be awarded and the Releasing Shipper shall retain the capacity sought to be released.

6.10 Bid Evaluation Procedure.

(a) Unless specifically requested otherwise by a Releasing Shipper in its Capacity Release Request, Qualified Bids for released capacity shall be evaluated pursuant to Sections 6.10(b) through 6.10(g) below. Any Qualified Bid which does not meet a minimum price condition stated in the Capacity Release Request shall be rejected outright. Any Qualified Bid with a contingency must have such contingency eliminated before 3:00 p.m. CCT following the close of the open season, unless the Releasing Shipper's offer has specified a later time; otherwise, such Qualified Bid will be rejected.

(b) TransColorado shall calculate a Bid Value and Unit Bid Value for each Qualified Bid and Prearranged Release (if any), and shall calculate the Winning Bid Value, as follows:

(i) For each month, the volume and reservation charge per Dth stated in the Qualified Bid shall be multiplied together to derive a gross monthly revenue figure. If the Qualified Bids contain volumetric-based charges permitted by the Capacity Release Request, then the gross monthly revenue figure shall be equal to any minimum amount designated by the bidder to be billed as a reservation charge even if there is no (or insufficient) flow.

(ii) Each gross monthly revenue figure shall be discounted to a net present value figure as of the first day of the capacity release as sought in the Capacity Release Request, using the current Federal Energy Regulatory Commission interest rate as defined in 18 C.F.R. Section 154.501(d).

(iii) The net present value figures for the proposed release shall be summed, and such sum shall be the Bid Value.

(iv) The Unit Bid Value is defined to equal the Bid Value divided by the product of: (1) the highest volume of capacity (in Dth) sought in the Qualified Bid for any day; multiplied by (2) the release term (in months) in the Capacity Release Request; and multiplied further by (3) thirty and four-tenths (30.4).

(c) The combination of Qualified Bid(s) with the highest possible total Bid Value (Winning Bid Value) for the capacity in the Capacity Release Request shall be the winning Qualified Bid(s). A Qualified Bid may be allocated less than its Maximum Bid Volume, but in no event shall the Qualified Bid be allocated less than its Minimum Bid Volume. It is recognized that this procedure is intended to result in the highest possible total Bid Value for the

Releasing Shipper consistent with the Qualified Bids, and it is possible that a Qualified Bid with the highest individual Unit Bid Value may be rejected partially or in its entirety.

(d) If there is more than one combination of Qualified Bids with a total Bid Value equal to the Winning Bid Value this Section 6.10(d) provides the procedure for selecting just one such combination, and thereby the winning Qualified Bid(s).

Subject to the provisions in Sections 6.10(d)(i), (ii) and (iii) below, the selection of winning Qualified Bid(s) among Qualified Bids (or combinations thereof) of equal Winning Bid Value is based on the following order of preference: (i) pro rata, if possible; (ii) preference for a Qualified Bid with the highest Maximum Bid Volume; (iii) preference for a Qualified Bid with the lowest Minimum Bid Volume; and (iv) first come, first served.

The specific Qualified Bid selection procedure is as follows:

(i) Identify the Winning Bid Value. If there is only one Qualified Bid, or combination of Qualified Bids, which create the Winning Bid Value, such Qualified Bid(s) shall be awarded the released capacity.

(ii) In order to break ties, identify all Qualified Bids which, alone or in combination with other Qualified Bids, can create the Winning Bid Value. Rank order these Qualified Bids in order of their Unit Bid Value from highest to lowest. Allocate the Capacity Release Request capacity first to the Maximum Bid Volume of each Qualified Bid with the highest Unit Bid Value; allocate any remainder to the Maximum Bid Volume of each Qualified Bid with the next highest Unit Bid Value; and so forth. If, at any step, the available Capacity Release Request capacity is less than the combined Maximum Bid Volumes of Qualified Bids with equal Unit Bid Values, then the Capacity Release Request capacity shall be allocated on a pro rata basis to each Qualified Bid based on its Maximum Bid Volume.

To the extent such a pro rata allocation would result in a capacity allocation to one or more Qualified Bid(s) below its Minimum Bid Volume, then such below-minimum Qualified Bids shall be discarded in their entirety and the Capacity Release Request capacity shall instead be allocated on a pro rata basis (based on the Maximum Bid Volume of each Qualified Bid) among the remaining Qualified Bid(s).

(iii) In the event that the previous Section 6.10(d)(ii) pro rata allocation procedure does not result in a single winning combination of Qualified Bid(s) with the Winning Bid Value, then Section 6.10(d)(ii) shall be disregarded and the winning Qualified Bid(s) shall be determined in the following manner:

(1) Identify the highest individual Maximum Bid Volume for a Qualified Bid which, alone or in combination with other Qualified Bid(s), can create the Winning Bid Value. Discard all Qualified Bid combinations which do not contain a Qualified Bid with such highest Maximum Bid Volume. Identify the highest volume which can be allocated to such Qualified Bid with such highest Maximum Bid Volume in the remaining combinations

and still have the Winning Bid Value. Discard all combinations of Qualified Bid(s) which do not contain the highest such volume allocation. If this does not break the tie, then repeat the above procedure looking to the next highest Maximum Bid Volume, with the highest volume allocated thereto, within each remaining combination of Qualified Bid(s) with a Winning Bid Value; and so forth, until the tie is broken or all Qualified Bids in the remaining combinations are reviewed.

(2) If the above does not break the tie, identify again the Qualified Bid within each remaining combination with the highest Maximum Bid Volume and the highest volume allocated to such Qualified Bid, and identify which such Qualified Bid has the lowest Minimum Bid Volume. Discard all combinations which do not contain such Qualified Bid. If this does not break the tie, repeat the above procedure looking to the next highest Maximum Bid Volume, with the lowest Minimum Bid Volume, within each remaining combination of Qualified Bid(s) with the Winning Bid Value; and so forth, until the tie is broken or all Qualified Bid(s) in the remaining combination are reviewed.

(3) If the above does not break the tie, identify again the Qualified Bid within each remaining combination with the highest Maximum Bid Volume. The combination containing such Qualified Bid that TransColorado's Interactive Website shows was submitted and received earliest by the Interactive Website (or if the Interactive Website is not available and the Qualified Bid was submitted in writing, the time TransColorado received the Qualified Bid) shall be the winning combination. The next highest Maximum Bid Volume within each remaining combination shall be used as necessary pursuant to the above first come, first served rule to break any remaining ties; and so forth as necessary to break any remaining ties.

(4) In no event shall the combination of winning Qualified Bid(s) result in a total Bid Value less than the highest possible total Bid Value achievable from a combination of Qualified Bid(s) consistent with the Qualified Bids, the Capacity Release Request and this Section 6.

(5) The Qualified Bid(s) allocated capacity under Sections 6.10(c) or 6.10(d) shall be winning Qualified Bid(s) to the extent of such capacity allocations.

(6) Here are examples of the application of Section 6.10(d):

EXAMPLE (1)

Assume: Capacity Release Request = 100,000/day for 5 years Qualified Bids:

Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume

Bid (a)	20,000/day	5 years	\$.18	0
Bid (b)	10,000/day	5 years	\$.17	0
Bid (c)	85,000/DAY	5 YEARS	\$.15	0

Winning Qualified Bids: There is only one combination of bids with the highest possible total Bid Value (Winning Bid Value). Therefore, Bid (a) receives its Maximum Bid Volume (20,000); Bid (b) receives its Maximum Bid Volume (10,000); Bid (c) receives 70,000.

EXAMPLE (2)

The assumptions remain the same as in Example (1), except that we assume that Bid (c) has a Minimum Bid Volume of 85,000.

Winning Qualified Bids: Again, there is only one combination of bids with the Winning Bid Value. Therefore, Bid (c) receives its Maximum Bid Volume (85,000) plus Bid (a) receives 15,000.

EXAMPLE (3)

The assumptions remain the same as in Example (1), except that we assume that Bid (a) has a Minimum Bid Volume of 20,000 and Bid (c) has a Minimum Bid Volume of 85,000.

Winning Qualified Bids: Again, there is only one combination of bids with the Winning Bid Value. Therefore, Bids (b) and (c) each receive their Maximum Bid Volumes. This combination leaves 5,000 unallocated, which stays with the Releasing Shipper.

EXAMPLE (4)

Assume: Capacity Release Request = 100,000/day for 5 years Qualified Bids:

	Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume
Bid (a)	60,000/day	5 years	\$.18	0
Bid (b)	60,000/day	5 years	\$.18	0
Bid (c)	70,000/day	5 Years	\$.18	45,000
Bid (d)	50,000/day	5 years	\$.18	15,000
Bid (e)	30,000/day	5 years	\$.18	10,000
Bid (f)	40,000/day	5 Years	\$.17	0

Winning Qualified Bids: Bid (a) receives 30,000; Bid (b) receives 30,000; Bid (d) receives 25,000; and Bid (e) receives 15,000.

Explanation: There are many combinations of Bids (a), (b), (c), (d) and (e) with the same Winning Bid Value. Each Bid has the same Unit Bid Value. There is

insufficient capacity being released to provide all the Maximum Bid Volumes for Bids (a), (b), (c), (d) and (e). Pursuant to Section 6.10(d)(2), a pro rata allocation is attempted. This would result in each bidder receiving 100/270 of its Maximum Bid Volume. In the case of Bid (c), Bid (c) would receive 70,000 (100/270) = 25,925 Dth. Since this figure is below Bid (c)'s Minimum Bid Volume of 45,000, Bid (c) must be discarded. Bids (a), (b), (d) and (e) are able to be allocated capacity based on a 100/270 pro rata factor. With Bid (c) discarded, the pro rata allocation factor is now 100/200 (i.e., one-half) so that Bids (a), (b), (d), and (e) each receive half of their Maximum Bid Volumes. Bid (c) receives zero (0) because its Minimum Bid Volume was too high for the initial pro rata allocation.

EXAMPLE (5)

Assume:

Capacity Release Request = 100,000/day for 5 years.

	Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume
Bid (a)	60,000/day	5 years	\$.18	60,000
Bid (b)	60,000/day	5 years	\$.18	50,000
Bid (c)	70,000/day	5 Years	\$.18	65,000
Bid (d)	50,000/day	5 years	\$.18	15,000
Bid (e)	30,000/day	5 years	\$.18	10,000
Bid (f)	40,000/day	5 Years	\$.17	0

Winning Qualified Bids: Bid (c) receives 70,000. Bid (d) receives 30,000.

Explanation: Again, there are many combinations of Bids (a), (b), (c), (d) and (e) with the same Winning Bid Value. Pro rata allocation won't work, because each Bid would receive 100/270 of the capacity; only Bids (d) and (e) have low enough Minimum Bid Volumes for a pro rata allocation, and the sum of Bid (d)'s and Bid (e)'s Maximum Bid Volumes is less than 100,000. Under Section 6.10(d)(iii)(1)), we then look to the combinations of Bid(s) (a), (b), (c), (d) and (e) to identify the Bid with the highest Maximum Bid Volume. This is Bid (c). We allocate the highest volume to Bid (c) consistent with creating the Winning Bid Value, so 70,000 is allocated to (c). This leaves 30,000 to be allocated. Bids(a) and (b) have the next highest Maximum Bid Volume (60,000), but the Minimum Bid Volumes of Bids (a) and (b) are each too high to receive the remaining capacity. The next highest available Maximum Bid Volume is in Bid (d), which is allocated the remaining capacity of 30,000.

EXAMPLE (6)

The assumptions remain the same as in Example (5), except that we assume that Bids (c) and (d) were never made.

Winning Qualified Bids: Bid (b) receives 60,000. Bid (e) receives 30,000. Bid (f)

receives 10,000.

Explanation: There are two combinations of Qualified Bids with the Winning Bid Value:

Combination 1	Combination 2
Bid (a): 60,000	Bid (b): 60,000
Bid (e): 30,000	Bid (e): 30,000
Bid (f): 10,000	Bid (f): 10,000

(Pro rata allocation pursuant to Section 6.10(d)(2) between Bids (a), (b) and (e) doesn't work, because only Bid (e) has a low enough Minimum Bid Volume to accept 100/150 capacity allocation and Bid (e) alone cannot create the Winning Bid Value). Under Section 6.10(d)(iii)(1), we compare Combinations 1 and 2 for the highest individual Maximum Bid Volumes, and find them all equal. Under Section 6.10(d)(iii)(2), the tie breaker goes to the Winning Bid Value combination containing the Qualified Bid having the highest Maximum Bid Volume and the lowest Minimum Bid Volume. In this case, Bid (b) has the same (highest) Maximum Bid Volume as Bid (a) but a lower Minimum Bid Volume. Therefore, Combination 2 wins.

EXAMPLE (7)

Assume:

Capacity Release Request = 100,000/day for 5 years Qualified Bids (which were all received through the Interactive Web Site):

	Maximum Bid Volume	Term	Unit Bid Value	Minimum Bid Volume
Bid (a)	50,000/day	5 years	\$.18	50,000
Bid (b)	50,000/day	5 years	\$.18	50,000
Bid (c)	50,000/day	5 Years	\$.18	50,000

Winning Qualified Bids: The two Qualified Bids shown as received earliest by TransColorado's Interactive Web Site shall each receive their Maximum Bid Volume.

Explanation: Clearly, any two Bids in combination have the same Winning Bid Value. Since the Bids are completely inflexible and have equivalent Maximum Bid Volumes and equivalent Minimum Bid Volumes, only Section 6.10(d)(iii)(3) can be used to break the tie. The tie breaker looks to the Qualified Bid(s) shown as received earliest on TransColorado's Interactive Web Site.

(e) In no event shall this Section 6.10 result in winning Qualified Bids with a total volume in excess of the capacity specified in the Capacity Release

Request.

(f) The bid evaluation procedure set forth in this Section 6.10 shall only consider Qualified Bids to the extent they provide for an objectively quantifiable payment by the Qualified Bidder. A Qualified Bid based on a percentage of TransColorado's reservation charge shall be evaluated by TransColorado based solely on the maximum reservation charge being charged by TransColorado for such service as of the end of the open season.

(g) If the Releasing Shipper selected a bid evaluation procedure which is different from the procedure set forth in this Section 6.10, which procedure must comply with Section 6.5, TransColorado shall determine the winning Qualified Bid(s) pursuant to the Releasing Shipper's bid evaluation procedure in its Capacity Release Request and computer diskette (if any) submitted by the Releasing Shipper pursuant to Section 6.5(a).

6.11 Confirmations; Released Firm Transportation Agreement. At the time the award of capacity under this Section 6 is posted, TransColorado shall send the winning Qualified Bidder or the Prearranged Shipper confirmation of the capacity release awarded to such Qualified Bidder or Prearranged Shipper. Prior to TransColorado awarding capacity on a Prearranged Release, the Prearranged Shipper shall confirm electronically the terms of the Prearranged Release.

6.12 Completed Transactions. By 5:00 p.m. CCT after capacity has been awarded, TransColorado shall post on its Interactive Website the name(s) of the winning Qualified Bidder(s), identification of the winning Qualified Bid(s) and any minimum bid conditions held confidential during the open season. The Releasing Shipper is responsible for reviewing the Qualified Bids to ensure that the released capacity was correctly awarded. The Releasing Shipper shall notify TransColorado of any error in the award of capacity within one business day after such posting on the Interactive Website. In the event of an error, the capacity shall be reawarded by TransColorado. As between TransColorado and the Releasing Shipper, the Releasing Shipper shall indemnify and hold TransColorado harmless as to any costs, damages or expenses relating to the bid evaluation procedure for which timely notice of an error was not provided to TransColorado by the Releasing Shipper hereunder. TransColorado shall correct an error in a timely fashion after receiving notice of such error from the Releasing Shipper or another person.

6.13 Billing

(a) TransColorado shall bill the Replacement Shippers and the Subreplacement Shippers the rate(s) specified in the Released Firm Transportation Agreements and any other applicable charges and each such Replacement Shipper and Subreplacement Shipper shall pay the billed amounts directly to TransColorado. TransColorado shall not be responsible for billing the Replacement Shipper for any amounts attributable to gas purchase volumes tied to a transportation capacity release. Such charges shall be between the Releasing Shipper and Replacement Shipper. TransColorado will support volumetric releases with volumetric commitments by fully accounting for volumetric and reservation components, consistent with the rules and regulations enunciated by the Federal Energy Regulatory Commission. (NAESB WGQ Standard No. 5.3.5)

(b) A Releasing Shipper shall be billed the reservation charge associated

with the entire amount of released capacity pursuant to its contract rate, which includes all non-usage based charges under TransColorado's Tariff for such released capacity including but not limited to additional direct-bill charges, with a concurrent conditional credit for payment of the reservation charge due from the Replacement or Subreplacement Shipper(s), as applicable, which received the released capacity. Releasing Shipper shall also be billed a marketing fee, if applicable. As to any capacity released by a Releasing Shipper, the Releasing Shipper shall not be billed or be responsible for: (i) usage charges; and (ii) add-on charges and surcharges applicable to TransColorado's usage rates under TransColorado's Tariff such as ACA and ~~FL&Uuel- R~~ reimbursement, which are incurred by a Replacement Shipper or Subreplacement Shipper which received the released capacity.

(c) If a Replacement Shipper or Subreplacement Shipper does not make payment to TransColorado of the reservation portion of the charges due as set forth in its Released Firm Transportation Agreement, TransColorado shall bill the Releasing Shipper(s) from whom such Replacement or Subreplacement Shipper received the capacity for the amount(s) due, including all applicable late charges authorized by TransColorado's Tariff, and such amount shall be paid by such Releasing Shipper within ten (10) days of the receipt of such billing, or interest shall continue to accrue. In the event that the Replacement or Subreplacement Shipper has not paid such amount(s) due by the end of such ten (10) day period, then: (i) the Releasing Shipper has the right to recall the capacity; and (ii) TransColorado's rights against the delinquent Replacement/Subreplacement Shipper shall be subrogated to the related rights of the Releasing Shipper. TransColorado shall make a reasonable effort to collect from the Replacement/Subreplacement Shipper the amount(s) due. Such reasonable effort shall not include incurring costs from outside attorneys, collection agents or other third parties.

(d) All payments received from a Replacement or Subreplacement Shipper shall first be applied to reservation charges, then to late charges on reservation charges, then to late charges not on the reservation charges, and then last to usage-based charges. Payments by Replacement or Subreplacement Shippers in excess of the total amount(s) due for the Released Firm Transportation Agreement capacity shall be a credit applied to any outstanding balance owed under any contract with TransColorado, or a refund if requested in writing and no such outstanding balance exists.

6.14 Nominations/Scheduling; Recalls and Reputs.

(a) Recalling Capacity - General

Transporter supports the ability of a Releasing Shipper to specify as a condition of a Capacity Release offer which recall notification periods as set out below will be available for use by the parties to the release and whether recall notices must be provided on a Business Day. All Replacement and Subreplacement Shippers shall nominate and schedule natural gas for service hereunder directly with TransColorado in accordance with the applicable procedures set forth in Section 8 of these General Terms and Conditions. In order for any capacity recall or capacity reput to be effective for a day, a Releasing Shipper must give prior notice of such recall or reput and any allocation of the capacity for a partial recall or reput to TransColorado.

(b) Recall Nomination Timeline

Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at any of the daily nomination cycles consistent with the following (notice of allocation of capacity between the Releasing Shipper and the Replacement Shipper hereunder is intended to be provided in a manner that will permit affected parties sufficient time to place nominations or take other corrective actions and thereby avoid penalties):

i. Timely Recall Notification:

(a) A Releasing Shipper recalling capacity must provide notice of such recall to TransColorado and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;

(b) TransColorado shall provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due;

ii. Early Evening Recall Notification:

(a) A Releasing Shipper recalling capacity must provide notice of such recall to TransColorado and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;

(b) TransColorado shall provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due;

iii. Evening Recall Notification:

(a) A Releasing Shipper recalling capacity must provide notice of such recall to TransColorado and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;

(b) TransColorado shall provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due;

iv. Intraday 1 Recall Notification:

(a) A Releasing Shipper recalling capacity must provide notice of such recall to TransColorado and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;

(b) TransColorado shall provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due;

v. Intraday 2 Recall Notification:

- (a) A Releasing Shipper recalling capacity must provide notice of such recall to TransColorado and the first Replacement Shipper no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;
 - (b) TransColorado shall provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due;
- vi. Intraday 3 Recall Notification:
 - (a) A Releasing Shipper recalling capacity should provide notice of such recall to TransColorado and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
 - (b) TransColorado should provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due. (NAESB WGQ Standard No. 5.3.44)

vii. Other: For recall notifications provided to TransColorado prior to the recall notification deadlines specified in NAESB WGQ Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., TransColorado shall provide notification to all affected Replacement Shippers no later than one (1) hour after receipt of such recall notification. For recall notifications provided to TransColorado after 5:00 p.m. and prior to 7:00 a.m., TransColorado shall provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (NAESB WGQ Standard No. 5.3.45)

(c) Methods of Notification

- i. The Replacement Shipper is to provide TransColorado with no more than two (2) Internet e-mail addresses to be used for recall notification. The obligation of TransColorado to provide notification is waived until at least one (1) of the addresses has been provided. (NAESB WGQ Standard No. 5.3.47)

When TransColorado sends internet e-mail notification for recalling of capacity to each affected Replacement Shipper, the subject line of the e-mail shall include the following information separated by commas in the following order: (1) "Recall"; (2) the recall notification period; (3) the effected date in YYYYMMDD format; (4) the name or abbreviation of TransColorado (excluding commas); and (5) TransColorado's D-U-N-S number. The body of such e-mail notification shall contain at least the affected Replacement Shipper's contract number, the quantity of Capacity being recalled, and the offer number or award number, if necessary to uniquely identify the Capacity being recalled. Where supported by TransColorado, for recalls that are effective at non-standard times, the appropriate recall notification period shall be included in the subject line and the effective time of the recall shall be

in the body of the e-mail. Where TransColorado offers Capacity recall notification mechanisms in addition to internet e-mail, the notification shall include at least the same level of information. (NAESB WGQ Standard No. 5.3.46)

Affected Replacement Shippers must manage internal distribution of notifications of recall received from TransColorado. (NAESB WGQ Standard No. 5.3.52)

ii. In accordance with NAESB WGQ Principle 5.1.2 (Recommendation R02002), the Releasing Shipper shall provide Capacity recall notification to Transporter through Transporter's Interactive Website. The Releasing Shipper shall provide notice to its affected Replacement Shipper at the same time it provides notification to Transporter. The recall notification must specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the capacity being recalled. The mode of notification must be mutually agreed upon between the Releasing and the Replacement Shipper.

iii. All recalled Capacity notices must indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a Capacity recall. (NAESB WGQ Standard No. 5.3.49)

(d) Quantity Allocation

In the event of an Intraday Capacity recall, TransColorado should determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). Variations to the use of EPC may be necessary to reflect the nature of TransColorado's Tariff, services, and/or operational characteristics. (NAESB WGQ Standard No. 5.3.56)

In any recall notification provided to Transporter, the quantity must be expressed in terms of the adjusted total released Capacity entitlements based upon EPC. EPC means that portion of the Capacity that would have theoretically been available for use prior to the effective time of the Intra-Day recall based upon a cumulative uniform hourly use of the Capacity.

The amount of the capacity allocated to the Replacement Shipper(s) must equal the original released Capacity less the recalled Capacity that is adjusted based upon the EPC or other TransColorado Tariff specific variations of the EPC in accordance with NAESB WGQ Standard No. 5.3.56. (NAESB WGQ Standard No. 5.3.58)

TransColorado shall not be obligated to deliver in excess of the total daily contract quantity of the release as a result of any recall. (NAESB WGQ Standard No. 5.3.57) The service flexibility available to either the Releasing Shipper or the Replacement Shipper for the subject Capacity shall not be less as a result of the recall.

(e) Disputes

In the event of a dispute between the Releasing Shipper and any other person as to the validity of any recall or reput, or the status of the holder of the capacity rights, TransColorado shall be entitled to conclusively rely on any

notice provided by the Releasing Shipper. The Original Shipper, Replacement Shipper and/or Subreplacement Shipper involved in any such dispute shall indemnify and hold TransColorado harmless from any costs, damages or expenses relating to TransColorado's reliance on such notice.

6.15 Qualification for Participation in the Capacity Release Program.

(a) Any person wishing to become a Qualified Bidder and make a Qualified Bid must satisfy the creditworthiness requirements in Section 18 of these General Terms and Conditions prior to submitting a Qualified Bid under this Section 6. A person cannot bid for services which exceed its pre-qualified level of credit-worthiness. TransColorado shall process -- and encourages -- applications from potential Qualified Bidders seeking prequalification for bids they may make in the future.

(b) Credit applications shall be completed in full with all information required to establish creditworthiness under the credit criteria included in Section 18 of these General Terms and Conditions. Should a potential bidder fail to satisfy such credit criteria, the potential bidder may still become a Qualified Bidder by providing a prepayment, letter of credit, or other good and sufficient security satisfactory to TransColorado as further set forth in Section 18 of these General Terms and Conditions.

(c) Based on TransColorado's continuing review of a Shipper's financial records, TransColorado shall have the right to amend a Shipper's line of credit and lower or increase the quantity and term.

(d) TransColorado's determination of a Shipper's creditworthiness is solely for TransColorado's purposes under TransColorado's Tariff and such determination is neither a representation nor a guarantee to a Releasing Shipper or any other entity as to the ability of a Replacement or Subreplacement Shipper to pay any outstanding amount under a Released Firm Transportation Agreement.

6.16 Compliance by Shipper. By acquiring released capacity, a Shipper agrees that it will comply with all provisions of TransColorado's Tariff and all applicable Commission orders, rules and regulations. Such Shipper also agrees to be responsible to TransColorado for compliance with all applicable terms and conditions of TransColorado's Tariff, as well as the terms and conditions of the Released Firm Transportation Agreement.

6.17 Obligations of Releasing Shipper.

(a) The Releasing Shipper shall continue to be liable and responsible for all reservation charges associated with the released capacity up to the reservation charge specified in such Releasing Shipper's Agreement with TransColorado. The Releasing Shipper agrees that the award of capacity to a Replacement Shipper or Subreplacement Shipper shall automatically reduce the Releasing Shipper's firm capacity rights under the Agreement with TransColorado effective on the effective date of the release for the period of the release, except for any period that the firm capacity is recalled by the Releasing Shipper (if the successful bid so permits) until such capacity is reput to the Replacement or Subreplacement Shipper, in accordance with this Section 6.

(b) A release by a Replacement Shipper shall not relieve the Original Shipper or the Replacement Shipper of their obligations under this Section 6.

6.18 Conversions Between Monthly and Daily Reservation Rates. For less than maximum rate transactions only, converting daily rate to monthly rate is accomplished by multiplying the daily rate times number of days in rate period, dividing the result by number of months in rate period and taking the remainder out to five (5) decimal places and rounding up or down to TransColorado's specified decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by number of months in rate period, dividing the result by number of days in rate period and taking the remainder out to five (5) decimal places and rounding up or down to TransColorado's specified decimal place.

8. NOMINATIONS/SCHEDULING OF RECEIPTS AND DELIVERIES

Nominations must be submitted to TransColorado through TransColorado's Interactive Website, or such other electronic means as are mutually agreed upon by TransColorado and Shipper. The sending party should adhere to nomination, confirmation and scheduling deadlines. The receiving party may waive any submittal deadline in this Section 8 or as outlined in the applicable NAESB standards.

8.1 Priority of Service. Shippers shall be entitled to transportation service subject to the availability of pipeline capacity on TransColorado's system in the following order of declining priority:

- (a) The order for scheduling transportation services is as follows:
 - (i) Firm service at Primary Points and primary paths (scheduled pro rata based on maximum daily quantity);
 - (ii) Firm service at secondary points (scheduled pro rata based on nominations);
 - (1) Secondary firm service within the primary path;
 - (2) Secondary firm service outside the primary path;

Scheduling of receipt and delivery points will be prorated based on nominations with points within the primary path scheduled before points outside the primary path;

(iii) Interruptible service, authorized overrun service and parking and loaning service, prorated on the basis rate paid from highest to lowest (scheduled by rate, then prorated on the basis on nominations);

Where two or more Shippers are paying the same rate, available capacity will be awarded to those Shippers paying the same rate in equal amounts up to the level requested. This procedure will continue until (1) all requests are filled or (2) all available capacity is utilized;

- (b) Released capacity has the same priority as non-released capacity;
- (c) Firm intraday nominations are entitled to bump scheduled interruptible volumes only during the Evening, Intraday 1 and Intraday 2 Nomination Cycles, as defined in this Section 8. Firm intraday nominations are not entitled to bump already scheduled firm volumes. Interruptible service intraday nominations are not entitled to bump already scheduled interruptible service volumes.

8.2 Scheduling of Gas Receipts and Deliveries. This Section 8.2 applies to the operation of TransColorado's System and sets forth the procedures for scheduling of receipts and deliveries under Transportation Service Agreements pursuant to this Tariff. If on any day TransColorado should determine that the transportation capacity of its facilities is insufficient to transport all volumes of natural gas tendered for transportation by Shippers, TransColorado shall allocate the available transportation capacity on the basis set forth below.

(a) The quantities of gas to be transported shall be scheduled no later than the day before gas flows ("scheduling day"). The following procedure shall be utilized to schedule transportation on TransColorado's System:

Scheduling Day. Each scheduling day, Shippers shall request transportation and cause the Operators to make confirmations of supply or downstream capacity. When necessary, the capacity allocation procedure set forth in Section 8.1 of these General Terms and Conditions shall be followed. TransColorado shall communicate electronically or via facsimile to the Shippers and Operators the scheduled quantities and any additional capacity availability.

For purposes of NAESB WGQ Standard No. 1.3.2 (ii), (iii), (iv) and (v), the word "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post (NAESB Standard 1.3.2(vi)).

Unless otherwise agreed, the following timeline shall apply for scheduling of receipts and deliveries on scheduling day (All times are Central Clock Time (CCT) pursuant to NAESB WGQ Standard No. 0.3.17.

The Timely Nomination Cycle

On the day prior to gas flow:

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

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day. (NAESB Standard 1.3.2(i))

The Evening Nomination Cycle

On the day prior to gas flow:

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

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day. (NAESB Standard 1.3.2(ii))

(b) Flow Day. Shippers shall cause the Operators to tender the scheduled quantities of natural gas to TransColorado at Receipt Points, plus volumes to be retained by TransColorado for [fuelFL&U](#) as provided for in the applicable transportation rate schedule, and TransColorado shall deliver the scheduled quantities of natural gas, for Shippers' accounts, at Delivery Points.

(c) Intraday Procedures

(i) Intraday Scheduling: Shippers may each day submit intraday scheduling requests in accordance with the applicable NAESB standards. Intraday nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas. (NAESB WGQ Standard No. 1.3.11) TransColorado will schedule such requests using the allocation priorities established in Section 8.1.

Shippers may submit an intraday request for transportation of additional quantities of gas. Shippers shall cause the Operator to make corresponding confirmations of supply and downstream capacity. Such scheduling may change the prior sequencing of deliveries. TransColorado shall communicate electronically or via facsimile the final scheduling of additional quantities of gas to Shippers and Operators in compliance with the applicable NAESB standards.

In addition, Shippers may reduce previously scheduled quantities of gas. Shippers shall cause the Operator to make corresponding confirmations of reduced supply and downstream capacity. TransColorado shall communicate electronically or via facsimile the reduction of scheduled quantities to Shippers and Operators in compliance with the applicable NAESB standards.

Requests for additional capacity and requests for reductions in previously scheduled volumes must be made electronically. In the event an unexpected capacity constraint occurs, TransColorado shall interrupt or curtail capacity in accordance with the applicable provisions of Section 8.3.

Unless otherwise agreed, TransColorado shall support NAESB Standard 1.3.2 nomination cycles for scheduling of receipts and deliveries on scheduling day:

The Intraday 1 Nomination Cycle

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the SR;
- 10:15 a.m. Nominations are received by TransColorado (including from TTTSPs);
- 10:30 a.m. TransColorado sends the quick response to the SR;
- 12:30 p.m. TransColorado receives completed confirmations from confirming parties;
- 1:00 p.m. TransColorado provides scheduled quantities to the affected SR and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on the current Gas Day. (NAESB WGQ Standard No. 1.3.2(iii))

The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the SR;
- 2:45 p.m. Nominations are received by TransColorado (including from TTTSPs);
- 3:00 p.m. TransColorado sends the quick response to the SR;
- 5:00 p.m. TransColorado receives completed confirmations from confirming parties;
- 5:30 p.m. TransColorado provides scheduled quantities to the affected SR and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on the current Gas Day. (NAESB WGQ Standard No. 1.3.2(iv))

The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the SR;
- 7:15 p.m. Nominations are received by TransColorado (including from TTTSPs);
- 7:30 p.m. TransColorado sends the quick response to the SR;
- 9:30 p.m. TransColorado receives completed confirmations from confirming parties;
- 10:00 p.m. TransColorado provides scheduled quantities to the affected SR and point operator.

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle. (NAESB WGQ Standard No. 1.3.2(v))

(ii) Section 284.10(c)(1)(i)(A): In compliance with the Commission's Regulations, TransColorado will (1) give scheduling priority to an intraday nomination submitted by a firm shipper over nominated and scheduled volumes for interruptible shippers, (2) provide the interruptible shipper with advance notice of any reduction resulting from an intraday nomination, and (3) notify the bumped shipper whether penalties will apply on the day its volumes are reduced.

(iii) Bumping Notice Procedures: TransColorado will notify shippers that have been bumped during the intraday scheduling process through Scheduled Quantity documents as posted on TransColorado's Interactive Web Site, telephone or telefax.

Additionally, TransColorado will provide notification, at the shipper's option, through the following channels: via e-mail to up to two e-mail addresses provided by the shipper or via standard NAESB EDI/EDM.

(d) Operating conditions may, from time to time, cause a temporary and unintentional imbalance between the quantities of natural gas that TransColorado receives and the quantities of natural gas that Shipper takes under the executed Transportation Service Agreement. Shipper shall schedule gas attributable to imbalances when TransColorado, in its reasonable discretion and in a nondiscriminatory manner, determines that it can practicably receive or deliver such imbalance.

(e) So as to avoid measurement problems relative to small volumes and disproportionate administrative burdens, TransColorado shall not be obligated to accept for the account of Shipper from any receipt point a quantity of gas that is less than fifteen (15) dth per day.

(f) In the event of any occurrence (e.g., computer failure), which prevents TransColorado from utilizing the process set forth above for the duration of such occurrence, TransColorado shall schedule the lesser of the last new request received and confirmed or the previously scheduled quantities. Notice of the commencement and termination of any such occurrence shall be posted on DART.

(g) Shipper shall use reasonable efforts to deliver and receive gas at reasonable hourly and daily rates of flow.

(h) The rights of a releasing shipper to recall capacity within any nomination cycle shall be governed by Section 6.14 of these General Terms and Conditions.

(i) A Shipper that has been awarded firm capacity in a capacity release may submit a nomination using such capacity at the next available opportunity for nominations under this Section 8.2, which occurs on or after the time capacity is awarded, including an intraday nomination in either the Intraday 1, Intraday 2 or the Intraday 3 Nomination Cycle, and which is consistent with Section 6.9 of these General Terms and Conditions.

8.3 Interruption and Curtailment of Service. If, on flow day, an interruption of service occurs which requires a reallocation of previously scheduled capacity, interruption or curtailment of service shall be instituted in the following sequence:

- (a) all authorized overrun transportation service.
- (b) all park and loan service.
- (c) all interruptible transportation service.
- (d) all firm transportation service at primary and alternate points.

8.4 Reservation Charge Credits.

(a) TransColorado shall have the right, without liability to Shipper, to interrupt or curtail the transportation of gas for Shipper for reasons of force majeure; or when necessary, to test, alter, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, TransColorado's pipeline system, or otherwise related to the operation thereof. TransColorado shall endeavor to cause a minimum of inconvenience to Shipper because of such interruptions.

(b) As used in this Section 8.4, MDQ shall mean the quantity of gas for which reservation charges are assessed under a firm agreement on any day. Where TransColorado does not schedule its system in the Timely and Evening Nomination Cycles to meet the nominations of a firm Shipper from Primary Receipt to Primary Delivery Point(s) on a day, reservation charge credits shall be granted as set forth herein.

(c) To be eligible to receive reservation charge credits, Shippers are required to nominate at Primary Point(s) and designate, as necessary, nomination priorities as set forth in Section 8.8 to those quantities which may not be fully scheduled but could be eligible for reservation charge credits herein. When a Shipper whose nominated amount is not fully scheduled by TransColorado in the Timely Nomination Cycle and that Shipper, subject to the nominated quantity not being fully scheduled by TransColorado, nominates on another pipeline in the Timely or Evening Nomination Cycle to re-direct transportation of the supplies, it need not re-submit its nomination in the Evening Nomination Cycle to TransColorado in order to receive reservation charge credits conditioned on Shipper providing, no later than the end of the gas day on the day curtailments are effective, documentation that it has scheduled and confirmed the curtailed quantities on an alternate pipeline. Such documentation shall be in writing and consist of a representation to TransColorado of the quantities nominated, confirmed and scheduled on a third-party pipeline as a result of TransColorado's inability to provide primary firm service. However, if Shipper does not nominate such supplies on another pipeline after it is curtailed in the Timely Nomination Cycle, Shipper is required to re-submit its nomination in the Evening Nomination Cycle in order to receive reservation charge credits. If the Shipper subsequently uses more capacity on TransColorado's pipeline in the Intraday 1, Intraday 2 or Intraday 3 Nomination Cycle its reservation charge credits may be appropriately reduced.

- (d) Reservation Charge Credit Quantities – Except as provided in Section 8.4(e) below, in the event TransColorado fails to schedule nominations on any day under any firm contract, then the applicable reservation charges shall be eliminated for the lesser of:
- i. the applicable MDQ; or
 - ii. the quantity of gas nominated at Shipper's Primary Point(s) but not scheduled for delivery; or
 - iii. the average of the daily usage by Shipper at Primary Point(s) in a 7 day period as set forth below:
 - a. Where a non-force majeure firm service curtailment is announced with TransColorado's Monthly Maintenance Schedule posting, then the 7 days immediately preceding such posting; or
 - b. Where a non-force majeure firm service curtailment is announced after the Monthly Maintenance Schedule posting but prior to the Timely Cycle deadline for the day of the firm service curtailment, then the 7 days immediately preceding the firm service curtailment; or
 - c. In the 7 days immediately preceding the announcement of the force majeure event consistent with the availability of reservation charge credits pursuant to Section 8.4(e)(iii); except that
 - d. Section 8.4(d)(iii) above shall not apply where a non-force majeure firm service curtailment is not announced before the Timely Cycle deadline for the day or where the 7 day period for measurement of Shipper usage is limited by pre-existing firm service curtailments.
- (e) TransColorado shall not be obligated to adjust the reservation charge under any contract pursuant to this Section 8.4:
- i. to the extent that the Shipper uses alternate receipt or delivery point(s) instead of its Primary Receipt and Delivery Point(s); or
 - ii. when TransColorado's failure to schedule nominated and confirmed quantities is solely the result of the conduct of Shipper or the upstream or downstream operator of the facilities at the Receipt or Delivery Point, respectively that is not operated or controlled by TransColorado (i.e. where TransColorado is otherwise ready and able to perform); or
 - iii. when TransColorado's failure to schedule nominated quantities occurs, whichever of these dates occurs first either (a) within (but not to exceed) ten (10) days following a force majeure event as contemplated by Section 14 of these General Terms and Conditions, or (b) prior to the date TransColorado has or should have, in the exercise of due diligence, overcome the force majeure event.

(f) For outages resulting from orders issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to section 60139(c) of the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011, TransColorado may, for a two year transitional period commencing January 1, 2013, treat such outages as an event of force majeure and provide partial reservation charge crediting pursuant to the terms of Section 8.4(e)(iii). Any notice of a PHMSA required outage posted by TransColorado on its interactive website must identify the specific PHMSA order with which TransColorado is complying.

(g) Any adjustment shall be credited against transportation charges for a future Month or refunded if the Transportation Service Agreement has terminated.

8.5 Pooling. TransColorado shall provide at least one pool for purposes of facilitating the aggregation and disaggregation of gas received into its system. The process of aggregating and disaggregating gas receipts shall be deemed pooling.

8.6 Delegation. A Shipper may delegate to any third party responsibility for submitting and receiving notices or nominations or performing other administrative duties under any agreement, subject to the following conditions:

(a) Any designation of such a representative, and any change in such designation, must be in writing and must be submitted at least two (2) business days prior to the requested effective date.

(b) The written designation shall specify any limits on the authority of the representative, including any time limit on the designation; provided, however, that TransColorado may reject any such limited designation if the limitations specified in the designation would result in an undue administrative burden.

(c) TransColorado may rely on communications from Shipper's designated representative for all purposes except to the extent the designation is explicitly limited as specified in the preceding Section 8.6(b). Communications by TransColorado to such designated representative shall be deemed notice to Shipper except to the extent the representative's authority is explicitly limited with respect to the receipt of notice under the procedure set out in said Section 8.6(b).

(d) Any third party may administer multiple transportation agreements as the designated representative for one or more Shippers. However, such representative shall separately administer and account for each such Agreement.

8.7 Transfer Nominations.

(a) Whenever gas is purchased at a Receipt Point (including a pooling point) on TransColorado's system by an entity that is not going to nominate that gas for receipt by TransColorado under a Transportation Agreement, that entity must submit a transfer nomination to TransColorado through its Interactive Website or EDI, identifying the quantities (in Dth) and the entities from whom the gas is being bought and the entities to whom the gas is being sold. Such transfer nominations are needed in order to be able to confirm the nominated receipts at that point and thus such transfer nominations are due by the deadlines applicable to Shipper nominations.

(b) A third party may provide title tracking services on TransColorado's system as follows:

- (1) The entity seeking to provide such a service (Third Party Account Administrator) shall so notify TransColorado in writing, in which event TransColorado shall establish an identification number for nominations involving the Third Party Account Administrator;
- (2) Transfer nominations consistent with this section must be made by the Shipper tendering gas for delivery to the Third Party Account Administrator, where subsequent title to such gas is to be tracked by the Third Party Account Administrator; and
- (3) The Third Party Account Administrator shall maintain records of any title transfers after delivery of gas to it and shall submit a nomination consistent with this section for delivery of gas to the last party in the chain of title, which party shall also submit a nomination for receipt of the gas, consistent with this section.

8.8 Nomination Priorities. As part of the nomination and transfer nomination process, if there is more than one supply source nominated to be delivered to a single delivery point or buyer, the nomination or transfer nomination should identify how and which supply sources should be cut in the event all nominated deliveries are not or cannot be made. Similarly, the nomination or transfer nomination should identify which delivery should be cut in the event gas is not or cannot be received as nominated (i.e., ranking). Ranking should be included in the list of data elements. Transportation service providers should use service requester provided rankings when making reductions during the scheduling process when this does not conflict with tariff-based rules.

9. USE OF RECEIPT AND DELIVERY POINTS

9.1 Designation of primary receipt and delivery points. Shipper's primary receipt points must be assigned by the Shipper to corresponding delivery points, subject to available capacity. The total capacity assigned to Shipper's receipt points must equal the total capacity assigned to the corresponding delivery point(s). The capacity must equal the CD shown in Shipper's firm Transportation Service Agreement. [FuelFL&U](#) reimbursement is required in addition to these volumes in accordance with the provisions of the applicable rate schedule.

9.2 Adding and deleting points or changing capacity at primary receipt and delivery points. A firm Shipper may add and delete primary receipt and delivery points and increase or decrease its total capacity at primary receipt and delivery points subject to available capacity by amending its Transportation Service Agreement. If TransColorado and Shipper mutually agree, a firm Shipper may change primary receipt or delivery points by returning to TransColorado an equivalent amount of capacity at one or more existing receipt or delivery points.

9.3 Flexible use of alternate receipt and delivery points. A firm Shipper, or any Acquiring Shipper, may flex to or use any receipt or delivery point at which capacity is available on an alternate basis. However, an Acquiring Shipper may not add or delete primary receipt and delivery points or change Shipper's total capacity at primary receipt and delivery points unless the terms of Shipper's release allow for such.

9.4 Priority at alternate receipt and delivery points. A Shipper's priority at alternate points shall be determined according to Section 8 of these General Terms and Conditions.

9.5 Nominations to and rights of firm and Acquiring Shippers at alternate points. A firm or Acquiring Shipper must follow TransColorado's nomination procedures to flex to alternate receipt and delivery points. A firm or Acquiring Shipper's right to service at alternate receipt and delivery points shall be subordinate to the primary rights of other firm Shippers at those points, but as provided by Section 8, will have priority over interruptible transportation and authorized overrun service.

9.6 Availability of receipt and delivery point information. Shippers may obtain information through the Informational Postings portion of TransColorado's Interactive Website regarding its ability to provide transportation service at the receipt and delivery points desired by the Shipper.

9.7 Discounted Transportation Rates. Previously discounted firm transportation rates for primary receipt and delivery points will not apply to service at alternate points. Unless otherwise agreed to in writing by TransColorado, Shipper shall pay the maximum applicable reservation and usage charges for service nominated at the alternate points. In addition, if primary receipt and delivery points are changed, the maximum applicable reservation and usage charges shall apply at the new receipt or delivery point, unless TransColorado otherwise agrees in writing.

12. BALANCING OF GAS

12.1 General Provision. Shipper shall monitor and control its receipts and deliveries of gas and, if necessary, make appropriate adjustments in order to maintain a thermal balance of receipts and deliveries. TransColorado shall not be obligated to receive or deliver gas that differs from the confirmed nomination between Shipper and TransColorado.

TransColorado shall monitor, to the extent of its ability, receipts and deliveries of gas as compared to quantities nominated by Shipper, and, based upon available information, advise Shipper of any imbalances. Upon notification, Shipper shall be obligated to adjust its receipts and deliveries to correct or avoid any imbalance between nominations and actual receipt or delivery. Any adjustment to receipts and deliveries by Shipper, whether or not pursuant to notification from TransColorado, shall be coordinated with TransColorado's gas representatives and in accordance with the TransColorado's scheduling procedures.

12.2 Balancing Upon Termination. In the event the quantities of gas received and delivered are not in balance at the end of the term of the service agreement, then such balance shall be achieved at the earliest practicable date, not to exceed 45 days after the imbalance is determined by extending receipts or deliveries, as applicable, at the appropriate point(s) of receipt or point(s) of delivery, until such balance is achieved, or by such other method as is then mutually agreed upon by TransColorado and Shipper.

12.3 Maintenance of System Integrity. Nothing in this section limits TransColorado's right to take action that may be required to adjust receipts and deliveries of gas in order to alleviate conditions that threaten the integrity of its system, including maintenance of service to higher-priority customers.

12.4 Imbalances with the Other Parties. TransColorado shall not be responsible for eliminating any imbalances between Shipper and any third party. Furthermore, TransColorado shall not be obligated to adjust or deviate from its standard operating and accounting procedures in order to alleviate any such imbalances.

12.5 Netting and Trading

(a) Imbalances under a Shipper's different Agreements will be netted together to obtain the Shipper's Total Monthly Imbalance. The Total Monthly Imbalance will be shown with the monthly billings sent to Shippers.

(b) To assist Shippers in arranging offsets, TransColorado will post on its Interactive Website the total Monthly Imbalance of any Shipper which has notified TransColorado that it has elected to have such information posted. Notification by the Shipper may be in writing or on TransColorado's Interactive Website and shall be effective by 8:00 a.m. on the next Business Day if the notification is received by 11:45 a.m. on a Business Day. Imbalance information authorized for posting through such notification shall be posted no later than the ninth Business Day of the month after the imbalance occurred. Shippers shall have the ability to post and trade imbalances, and imbalance information shall remain posted, until the seventeenth Business Day of the month after the imbalance occurred.

(c) TransColorado shall enable the imbalance trading process by:

- (1) Receiving the Request for Imbalance Trade.
- (2) Receiving the Imbalance Trade Confirmation.
- (3) Sending the Imbalance Trade Notification and
- (4) Reflecting the trade prior to or on the next monthly Shipper Imbalance or cashout.

(d) Imbalance trades can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. Imbalance trades are considered final when confirmed by the confirming trader and effectuated by TransColorado.

(e) After receipt of an Imbalance Trade Confirmation, TransColorado shall send the Imbalance Trade Notification to the initiating trader and the confirming trader no later than noon the next Business Day.

(f) Shipper imbalances remaining after the imbalance netting and trading procedures set out in subsections (a)-(e) shall be cashed out as described in Section 12.6 of these General Terms and Conditions.

12.6 Cashout Procedures

(a) Any imbalance remaining will be cashed out on a tiered basis, pursuant to the following schedule. In determining the cashout tier applicable, TransColorado will utilize the operational data posted on its Interactive Website as of the end of the month or the actual flow volumes, whichever results in a lower cashout tier.

Imbalance Level	Overage (TransColorado pays Shipper)	Underage (Shipper pays TransColorado)
0% to 5%	100% X MIP*	100% X MIP
Greater than 5% to 10%	90% X MIP	110% X MIP
Greater than 10% to 15%	80% X MIP	120% X MIP
Greater than 15% to 20%	70% X MIP	130% X MIP
Greater than 20%	60% X MIP	140% X MIP

*Monthly Index Price

(b) Following any offsetting with other Shippers, a Shipper's remaining imbalance will be cashed out based on the percentage of that imbalance compared to the total receipts for that Shipper during the month. For example, if the total receipts were 1,000 Dth and the remaining underage imbalance after offsetting with other Shippers was 100 Dth, the total imbalance level would be 10%. The first 5% (50 Dth) would be cashed out at 100% of the MIP and the remaining 50 Dth would be cashed out at 110% of

the MIP.

(c) The Monthly Index Price (MIP) is based on prices as reported by Intelligence Press, Inc. in the publication "Natural Gas Intelligence." TransColorado shall use either the highest weekly average price or the lowest weekly average price determined for each month as the MIP for all monthly imbalances subject to cashout hereunder as described below.

(i) For gas owed TransColorado, the MIP shall be the highest weekly average price for the El Paso non-Bondad index and will be applicable to the negative imbalance for the month in which the imbalance occurred.

(ii) For gas owed the Shipper, the MIP shall be the lowest weekly average price for the White River Hub index and will apply to the positive imbalance for the month in which the imbalance occurred.

(d) Following the ten-day period for offsetting imbalances, Shippers with remaining imbalances shall pay TransColorado or will be credited with the appropriate cashout amounts, unless otherwise agreed to in writing by TransColorado.

(e) In the event "Natural Gas Intelligence" becomes unavailable, TransColorado shall request authorization from the Commission to substitute another publication and, upon approval, shall substitute information posted in the approved publication for similar indices. The Monthly Index Price shall be reported on TransColorado's Interactive Website no later than 5:00 p.m. CCT on the tenth business Day of the Month following the production Month.

-12.7 Assessment of Imbalances. TransColorado will not assess imbalances if (a) Shipper's action is excused by force majeure, (b) TransColorado has invoked force majeure, (c) imbalances are caused by TransColorado or result from TransColorado's error or (d) TransColorado has previously imposed and Shipper has previously paid imbalance charges on the quantities of gas comprising the imbalance amount.

In determining imbalances, TransColorado shall take into consideration (a) quantities retained for ~~FL&U fuel and lost and unaccounted for gas~~ and (b) additional quantities transported pursuant to any agreed-upon action. TransColorado and Shipper may mutually agree to offset excess or deficient quantities delivered under other Transportation Service Agreements between TransColorado and Shipper.

All cashout charges shall be invoiced according to Section 13 to these General Terms and Conditions.

12.8 Unauthorized Overrun

(a) TransColorado shall levy a charge to any Operator that exceeds the limits specified below. Such charge is applicable in times of capacity constraints, or when Operators act in a manner that materially threatens the integrity of TransColorado's System (e.g. under-performance or over-performance that causes significant pressure declines or buildups).

(b) On any day TransColorado determines that it is unable to receive or deliver the total volume of gas scheduled on its System or a portion of its

System, it shall have the right to notify all Operators of a Critical System Alert. Contemporaneously with, or shortly following such notice, TransColorado shall give notice to any Operator that would be subject to an Unauthorized Overrun Charge as provided below.

(c) The quantity of gas subject to such charge is the quantity of gas that varies from the amount scheduled at that receipt or delivery point on such days.

(d) Upon receipt of a notification from TransColorado, the Operator shall, within four hours, reduce takes to a level no more than 5% above the scheduled volume for such day or 50 Dth, whichever is larger. If after the four hour notice period:

(i) the Operator continues to over-perform by amounts that exceed the foregoing threshold, TransColorado is permitted to reduce the flow into or out of its System by partially or fully closing the valves at the applicable receipt or delivery points.

(ii) the Operator continues to under-perform by failing to deliver or take the quantities it confirmed for that flow day, an Unauthorized Overrun Charge shall be levied by TransColorado to the Operator in the amount shown on the Statement of Rates for those volumes exceeding 5%.

(e) TransColorado shall notify Operators each day during a Critical System Alert via the Informational Postings portion of its Interactive Website that the situation continues to exist.

12.9 ~~Fuel Gas Reimbursement and L&U~~

(a) The Fuel and L&U Reimbursement Percentages shall be stated separately on the Statement of Rates as a Fuel Reimbursement Percentage and an L&U Reimbursement Percentage, but may be referred to collectively as FL&U Reimbursement Percentages. Such percentages shall be furnished in-kind by Shippers at each receipt point on a pro rata basis based on the quantity received.

(b) The FL&U Reimbursement Percentages shall be recomputed quarterly and shall apply to those rate schedules requiring the assessment of Fuel and/or L&U.

(i) The initial FL&U filing to set forth separate Fuel and L&U Reimbursement Percentages shall be proposed with an effective date of January 1, 2018 ("Initial FL&U Filing"). The data collection period for this initial filing is January 1, 2018 through September 30, 2018. The Initial FL&U Filing shall include in the calculation of the FL&U Reimbursement Percentages any over or under collected amounts of Fuel as defined by TransColorado's Tariff prior to the Initial FL&U Filing from the previous fuel and lost and unaccounted for gas reimbursement mechanism.

(ii) After the initial FL&U Filing, TransColorado shall file FL&U Reimbursement Percentages to be effective no later than three Months

following the effective date of the immediately prior FL&U filing. The data collection period for such filing shall be the three-Month period ending two calendar months before the filing date of such FL&U Filing. The filed FL&U Reimbursement Percentages shall become effective on the date proposed subject to the review and notice deemed appropriate by FERC.

(c) Derivation of Fuel and L&U Reimbursement Percentages. The Fuel Reimbursement Percentage and the L&U Reimbursement Percentage shall be derived separately. The Fuel Reimbursement Percentage shall equal the sum of the Fuel Current Reimbursement Component and the Fuel Adjustment Reimbursement Component subject to the adjustment described in this Section 12.9(c). The L&U Reimbursement Percentage shall equal the sum of the L&U Current Reimbursement Component and the L&U Adjustment Reimbursement Component subject to the adjustment described in this Section 12.9(c). Neither the Fuel Reimbursement Percentage nor the L&U Reimbursement Percentage shall be less than zero. If after the calculations described in Sections 12.9(c)(i) through (iv), the calculation of the Fuel Reimbursement Percentage or the L&U Reimbursement Percentage results in either percentage being less than zero, such percentage shall be adjusted to zero and the quantities that would have reduced the calculation of the Fuel Reimbursement Percentage and/or the L&U Reimbursement Percentage below zero shall be deferred and applied to the calculation of the Fuel Adjustment Reimbursement Component or the L&U Adjustment Reimbursement Component, as applicable and described below, in a future period. These individual components shall be calculated as follows:

(i) The Fuel Current Reimbursement Component shall be the projected Fuel Requirement divided by the projected receipt quantities related to the anticipated transportation service for all transactions subject to Fuel for the period the percentage will be in effect.

(ii) The Fuel Adjustment Reimbursement Component shall be calculated by first determining the quantity of gas which is the difference between: (1) the actual quantities of Fuel experienced by TransColorado during the data collection period, including any prior period adjustments not already considered in a previous filing before or after the Initial FL&U Filing; and (2) the quantities of Fuel retained by Transporter during the data collection period, including any prior period adjustments not already considered in a previous filing before or after the Initial FL&U Filing, and any previously deferred Fuel quantities. The difference of these quantities shall then be divided by the projected receipt quantities related to the anticipated transportation service for all transactions subject to Fuel for the period the percentage will be in effect.

(iii) The L&U Current Reimbursement Component shall be the projected L&U Requirement divided by the total receipt quantities for the period the percentages will be in effect.

(iv) The L&U Adjustment Reimbursement Component shall be calculated by first determining the quantity of gas which is the difference between: (1) the actual quantities of L&U experienced by TransColorado during the data collection period, including any prior period adjustments not already considered in a previous filing before or after the Initial FL&U Filing; and (2) the quantities of L&U retained by Transporter during the data collection period, including any prior period adjustments not already considered in a previous filing before or after the Initial FL&U Filing, and any previously deferred L&U quantities. Determination of the actual quantities of L&U experienced during this period shall include an adjustment to recognize the effect of changes in system linepack, if any. The difference of these quantities shall then be divided by the projected total receipt quantities for the period the percentage will be in effect.

(d) Fuel will not be assessed when the entire transportation service is provided using one of the no-fuel routes identified below. However, Shippers using these routes will be subject to TransColorado's applicable L&U Reimbursement Percentage.

(i) Greasewood Hub

- a. A point located at Greasewood ("Greasewood Point") to another Greasewood Point. Greasewood Points include Point Identification Numbers ("PIN") 36100, 36101, and 40237.
- b. Greasewood Point to Dark Canyon (PIN 41781)
- c. Dark Canyon to Greasewood Point
- d. Yellow Jacket Pass (PIN 42223) to Greasewood Point
- e. Yellow Jacket Pass to Dark Canyon

(ii) Meeker Hub

- a. Ryan Gulch (PIN 43886) to Love Ranch (PIN 42235)
- b. Ryan Gulch to Horse Draw (PIN 45314)
- c. Love Ranch to Ryan Gulch
- d. Love Ranch to Horse Draw
- e. Horse Draw to Love Ranch
- f. Horse Draw to Ryan Gulch

(iii) Greasewood Hub to Meeker Hub

- a. Greasewood to Love Ranch
- b. Greasewood to Horse Draw
- c. Greasewood to Ryan Gulch
- d. Dark Canyon to Love Ranch
- e. Dark Canyon to Horse Draw
- f. Dark Canyon to Ryan Gulch
- g. Yellow Jacket Pass to Love Ranch
- h. Yellow Jacket Pass to Horse Draw
- i. Yellow Jacket Pass to Ryan Gulch

(iv) Blanco Hub

- a. Transwestern Pipeline Company ("TW") Blanco (PIN 36106) to El Paso Natural Gas Company ("El Paso") Blanco (PIN 36105)
- b. TW Blanco to Hare Canyon (PIN 40379)

c. Hare Canyon to El Paso Blanco

d. Hare Canyon to TW Blanco

(v) Coyote Gulch (PIN 36103) to a point located at Blanco (i.e., TW Blanco, El Paso Blanco, or Hare Canyon)

(e) FL&U calculations shall be accomplished pursuant to NASEB WGQ standards, as follows:

(i) When the fuel reimbursement method is fuel in-kind, the results of the fuel reimbursement calculations for the nomination process should be rounded to the nearest dekatherm, Gigajoule (Canada), or Gigacalorie (Mexico). The mathematical effect of rounding can yield a result of zero. (NAESB WGQ Standard 1.3.15)

(ii) Where fuel reimbursement is in kind, the standard fuel calculation mechanism, as this is related to the nomination process, should be $(1 - \text{fuel \%}/100)$ multiplied by receipt quantity = delivery quantity. (NAESB WGQ Standard 1.3.16)

(iii) For in-kind fuel reimbursement methods, Service Providers should not reject a nomination for reasons of rounding differences due to fuel calculation of less than 5 Dth. (NAESB WGQ Standard 1.3.29)

(iv) The transportation priority for fuel should be the same as the level of service as the transaction to which it applies. (NAESB WGQ Standard 1.3.31)

(v) For current in-kind fuel reimbursement procedures, fuel rates should be made effective only at the beginning of the month. (NAESB WGQ Standard 1.3.28)

~~Except as otherwise provided in Section 12.9 (f), Transportation under Rate Schedule FT, FFT, or IT shall be subject to applicable in-kind reimbursement. Phase II transportation shall be subject to in-kind reimbursement for gas consumed in transmission system operations and for its proportionate share of lost and unaccounted-for gas. Phase I transportation and those Receipt/Delivery Point combinations that incur no fuel, referred to as "No-Fuel Routes" as identified in Section 12.9 (f) hereof shall be subject to in-kind reimbursement for its proportionate share of lost or gained and unaccounted-for gas. Upon commencement of transportation service under TransColorado's North Expansion, Phase II transportation between the receipt and delivery points specified in Section 12.9(e) ("North Expansion Transportation") will be assessed a separately stated fuel reimbursement percentage ("FGRP-N") as set forth in the currently effective Statement of Rates. The FGRP-N shall include a proportionate share of system-wide lost or gained and unaccounted-for gas. Phase I, No-Fuel Routes and Phase II transportation (excluding North Expansion Transportation) shall be subject to in-kind reimbursement ("FGRP") as posted on TransColorado's Interactive Website. The applicable fuel-gas reimbursement percentage (FGRP or FGRP-N) shall be applied to quantities of gas tendered by Shipper. Shipper's total~~

~~receipt point nominations must include the amount of gas equal to the FGRP or FGRP-N as applicable.~~

~~TransColorado shall post on its Interactive Website a revised FGRP five (5) days in advance of the first of each month to be effective during the month. TransColorado shall have the right to adjust the FGRP to reflect the actual quantity of gas used by TransColorado so as not to create an imbalance on its system. The Phase I and No-Fuel Route FGRP will include two components: (1) lost or gained and unaccounted-for quantities, and (2) prior 12-months ending December 31 variance adjustment, that includes unamortized or over-amortized quantities at December 31. The Phase II FGRP (excluding North Expansion Transportation) will include three components: (1) lost or gained and unaccounted-for quantities; (2) system gas consumption (excluding North Expansion Project gas consumption) and (3) prior 12-months ending December 31 variance adjustment, that includes unamortized or over-amortized quantities at December 31. The FGRP-N will include three components: (1) lost or gained and unaccounted-for quantities; (2) system gas consumption specific to the North Expansion Project compressor station facilities; and (3) prior 12-months ending December 31 variance adjustment, that includes unamortized or over-amortized quantities at December 31. The calculation of the FGRP and FGRP-N are addressed in Sections 12.9(a) and (b), respectively.~~

~~(a) The monthly FGRP for Phase I and No-Fuel Route Shippers will be calculated using the most recent available actual data and will be equal to (i) plus (iii) of this section. The monthly FGRP for Phase II shippers will be calculated using the most recent available actual data and be equal to (i) plus (ii) plus (iv) of this section.~~

~~(i) Projected monthly lost and unaccounted-for component of the FGRP will equal (i)(1) divided by (i)(2):~~

~~(1) Projected transmission system losses or gains and unaccounted-for quantities will be calculated by subtracting the physical transmission deliveries for the month, two months previous to the projected month, including actual system gas consumed, from corresponding physical transmission receipts as adjusted for anticipated changes in system operations.~~

~~(2) Sum of projected monthly scheduled Phase I, No-Fuel Routes, Phase II and North Expansion Transportation receipt quantities. Projected monthly scheduled transportation receipts will be based on the scheduled Phase I, No-Fuel Routes, Phase II and North Expansion Transportation transmission receipt quantities for the month, two months previous to the projected month, as adjusted for anticipated changes in system operations.~~

~~(ii) Projected monthly system gas consumption. Projected transmission system gas consumption will be based on the actual fuel consumed at each compressor station (excluding fuel gas consumption applicable to North Expansion Transportation), extraction plant or other fuel consuming facility for the month, two months previous to the projected month, as adjusted for anticipated changes in system operations divided by projected monthly scheduled Phase II transportation receipt quantities. Projected monthly scheduled transportation receipts will be based on the scheduled transmission~~

~~receipt quantities for the month, two months previous to the projected month, as adjusted for anticipated changes in system operations.~~

~~(iii) Phase I and No-Fuel Routes prior 12 months ending December 31 variance adjustment. The variance adjustment for each 12 months ending December 31 shall be: the sum of Phase I or No-Fuel Routes, as applicable Shippers' proportionate share of the 12 months' lost or gained and unaccounted-for quantities, less the sum of the 12 months' Phase I or No-Fuel Route Shippers' FGRP quantity collected, as adjusted to exclude the variance adjustment component of the FGRP plus the unamortized balance at December 31; all divided by actual Phase I or No-Fuel Route Shippers' annual transportation volumes for the 12 months ended December 31, as adjusted for anticipated changes in system operations. Monthly variances will be accumulated in the appropriate accounts. The variance adjustment component of the FGRP will be used to amortize the previous 12 months ended December 31 variance account balance over the 12-month period April 1 through March 31.~~

~~(iv) Phase II prior 12 months ending December 31 variance adjustment. The Phase II variance adjustment for each 12 months ending December 31 shall be: the sum of the 12 months' actual monthly gas consumption and the Phase II Shippers' proportionate share of the 12 months' lost or gained and unaccounted-for quantities; less the sum of the month's Phase II FGRP quantity collected, as adjusted to exclude the variance adjustment component of the FGRP plus the unamortized balance at December 31; all divided by actual Phase II annual transportation volumes for the 12 months ended December 31, as adjusted for anticipated changes in system operations. Monthly variances will be accumulated in the appropriate accounts. The variance adjustment component of the FGRP will be used to amortize the previous 12 months ended December 31 variance account balance over the 12-month period April 1 through March 31.~~

~~(b) The FGRP-N applicable to North Expansion Transportation will be equal to (i) plus (ii) plus (iii) of this section.~~

~~(i) Projected annual lost and unaccounted-for component of the FGRP-N will equal (i)(1) divided by (i)(2):~~

~~(1) Projected annual transmission system losses or gains and unaccounted-for quantities will be calculated by subtracting the annual system wide physical transmission deliveries, including actual system gas consumed, from corresponding physical transmission receipts as adjusted for anticipated changes in system operations.~~

~~(2) Sum of projected annual scheduled Phase I, No-Fuel Routes, and Phase II and North Expansion Transportation receipt quantities. Projected annual scheduled transportation receipts will be based on the scheduled Phase I, Phase II and North Expansion Transportation transmission receipt quantities for the annual period, as adjusted for anticipated changes in system operations.~~

~~(ii) Projected annual North Expansion Transportation system gas consumption. Projected North Expansion Project transmission system gas consumption will be based on the actual fuel consumed for North Expansion~~

~~Transportation for the year, as adjusted for anticipated changes in system operations divided by projected annual scheduled North Expansion Transportation receipt quantities. Projected annual scheduled North Expansion Transportation receipts will be based on the scheduled transmission receipt quantities for the year, as adjusted for anticipated changes in system operations.~~

~~(iii) — The North Expansion Transportation prior 12 months ending December 31 variance adjustment. The North Expansion Transportation variance adjustment for each 12 months ending December 31 shall be: the sum of the 12 months' actual monthly North Expansion fuel gas consumption and the North Expansion Shippers' proportionate share of the 12 months' lost or gained and unaccounted for quantities; less the sum of the 12 month's FGRP-N quantity collected, as adjusted to exclude the variance adjustment component of the FGRP-N plus the unamortized balance at December 31; all divided by actual annual North Expansion transportation volumes for the 12 months ended December 31, as adjusted for anticipated changes in system operations. Variances will be accumulated in the appropriate accounts. The variance adjustment component of the FGRP-N will be used to amortize the previous 12 months ended December 31 variance account balance over the 12-month period April 1 through March 31.~~

~~(c) — TransColorado will file an annual fuel reimbursement report on March 1 of each year that illustrates the application of its fuel reimbursement provisions for its FGRP and FGRP-N for the 12 months beginning January 1 of the previous year and establishes variance adjustments applicable to the FGRP and FGRP-N, respectively, to be effective during the 12-month period April 1 through March 31 based on the 12 months ended December 31 as provided in paragraph 12.9(a) and 12.9(b). With respect to the FGRP, the fuel reimbursement report will show how the monthly fuel reimbursement percentages were calculated and illustrate how the monthly projected fuel percentages were reconciled with actual fuel usage for the 12 months ended each December 31. With respect to the FGRP-N, the fuel reimbursement report will show a reconciliation of monthly fuel reimbursement per the Statement of Rates and the actual fuel usage for the 12 months ended December 31. TransColorado shall have the right to file interim adjustments as necessary to revise the FGRP-N to reflect significant changes from previously filed projections. Any revisions to the 12-month application of TransColorado's Fuel Reimbursement provision will be included in the prior year's variance adjustment.~~

~~(df) If, pursuant to Section 23.11 of the General Terms and Conditions, TransColorado negotiates a fuel FL&U Reimbursement Percentages retention rate different than the maximum rate level, TransColorado will credit the full recourse rate fuel retention FL&U Reimbursement amounts to the appropriate FL&U Reimbursement fuel retention accounts.~~

~~(e) — Upon commencement of transportation service under TransColorado's North Expansion, TransColorado shall assess FGRP-N as stated in the currently effective Statement of Rates for transportation transactions between the following receipt and delivery points:~~

~~(i) — Receipt Points: At Raccoon Hollow located in Mesa County, Colorado. Delivery points: At the terminus of TransColorado's line at Greasewood located in Rio Blanco County, Colorado.~~

~~(ii) — Receipt Points: At Love Ranch located in Rio Blanco County, Colorado. Delivery Points: At the terminus of TransColorado's line at Greasewood located in Rio Blanco County, Colorado.~~

~~(iii) — Receipt Points: At Logan Wash located in Garfield County, Colorado. Delivery Points: At the terminus of TransColorado's line at Greasewood located in Rio Blanco County, Colorado.~~

~~(iv) — Receipt Points: At Conn Creek located in Garfield County, Colorado. Delivery Points: At the terminus of TransColorado's line at Greasewood located in Rio Blanco County, Colorado.~~

~~(v) — Receipt Points: At points of interconnect located near the beginning of TransColorado's line at Greasewood located in Rio Blanco County, Colorado. Delivery Points: At points of interconnect located near the terminus of TransColorado's line at Greasewood located in Rio Blanco County, Colorado.~~

~~(vi) — Receipt Points: At Bull Fork located in Rio Blanco County, Colorado. Delivery Points: At the terminus of TransColorado's line at Greasewood located in Rio Blanco County, Colorado.~~

~~(vii) — Receipt Points: At Raccoon Hollow located in Mesa County, Colorado. Delivery Points: At the point of interconnection with Rockies Express's line at Meeker, located in Rio Blanco County, Colorado.~~

~~(viii) — Receipt Points: At Love Ranch located in Rio Blanco County, Colorado. Delivery Points: At the point of interconnection with Rockies Express's line at Meeker, located in Rio Blanco County, Colorado.~~

~~(ix) — Receipt Points: At Logan Wash located in Garfield County, Colorado. Delivery Points: At the point of interconnection with Rockies Express's line at Meeker, located in Rio Blanco County, Colorado.~~

~~(x) — Receipt Points: At Conn Creek located in Garfield County, Colorado. Delivery Points: At the point of interconnection with Rockies Express's line at Meeker, located in Rio Blanco County, Colorado.~~

~~(xi) — Receipt Point: At the point of interconnection with Rockies Express's line at Meeker, located in Rio Blanco County, Colorado. Delivery Points: At points of interconnection located near the beginning of TransColorado's line at Greasewood located in Rio Blanco County, Colorado.~~

~~(xii) — Receipt Point: At Bull Fork located in Rio Blanco County, Colorado. Delivery Points: At the point of interconnection with Rockies Express's line at Meeker, located in Rio Blanco County, Colorado.~~

~~(xiii) — Receipt Point: At Anderson Gulch Plant Mesa, located in Mesa County, Colorado. Delivery Points: At points of interconnection located near the terminus of TransColorado's line at Greasewood, located in Rio Blanco County, Colorado.~~

~~(xiv) — Receipt Point: At Anderson Gulch Plant Mesa, located in Mesa County, Colorado. Delivery Point: At the point of interconnection with Rockies Express's line at Meeker, located in Rio Blanco County, Colorado.~~

~~(xv) — Receipt Point: At Roan Cliff, located in Garfield County, Colorado. Delivery Point: At the points of interconnection located near the terminus of TransColorado's line at Greasewood, located in Rio Blanco County, Colorado.~~

~~(xvi) — Receipt Point: At Roan Cliff, located in Garfield County, Colorado. Delivery Point: At the point of interconnection with Rockies Express's line at Meeker, located in Rio Blanco County, Colorado.~~

~~(xvii) — Receipt Point: At Ryan Gulch, located in Rio Blanco County, Colorado. Delivery Point: At the points of interconnection located near the terminus of TransColorado's line at Greasewood, located in Rio Blanco County, Colorado.~~

~~(xviii) — Receipt Point: At Ryan Gulch, located in Rio Blanco County, Colorado. Delivery Point: At the point of interconnection with Rockies Express's line at Meeker, located in Rio Blanco County, Colorado.~~

~~(f) — The following Receipt/Delivery Point combinations (referred to as ("No-Fuel Routes")) incur no fuel and are therefore exempt from fuel charges. Shippers nominating transportation service using these routes will not be subject to a fuel charge but will be assessed the applicable loss and unaccounted charge for the route.~~

~~(i) — Receipt Points: At points of interconnection located near the beginning of TransColorado's line at Greasewood located in Rio Blanco County, Colorado. Delivery Points: At the point of interconnection with Rockies Express's line at Meeker, located in Rio Blanco County, Colorado.~~

~~(ii) — Receipt Points: At points of interconnection located near the beginning of TransColorado's line at Greasewood located in Rio Blanco County, Colorado. Delivery Points: At the point of interconnection of TransColorado's line with Enterprise Gas Processing LLC's facilities, located in Rio Blanco County, Colorado.~~

~~—(g) The following Receipt/Delivery Point combinations (referred to as "Phase I" transportation) incur no fuel and require no compression because the receipts and deliveries are located within the Phase I facilities commencing from the Coyote Gulch Treating Plant located in La Plata County, Colorado and extending to the points of interconnection with Southern Trails Pipeline Company, El Paso Natural Gas Company and Transwestern Pipeline Company located in San Juan County, New Mexico as certificated at Docket No. CP90-1777-008 (76 FERC ¶ 61,366) and consistent with the settlement at Docket Nos. RP99-106-000 and RP99-106-004 (90 FERC ¶ 61,043).~~

~~(i) Receipt Point: At Coyote Gulch Plant, located in La Plata County, Colorado. Delivery Points: At the points of interconnection with Southern Trails, El Paso and Transwestern located in San Juan County, New Mexico.~~

~~(ii) Receipt Point: At the Transwestern interconnection located in San Juan County, New Mexico. Delivery Points: At the points of interconnection with Southern Trails and El Paso located in San Juan County, New Mexico.~~

12.10 Credit of Cashout Revenues. Any cashout revenues that exceed gas purchase and applicable costs will be credited to firm, interruptible and negotiated-rate Shippers. The credits shall be calculated by dividing the actual reservation and commodity revenues for each Shipper by the total reservation and commodity revenues during the reporting period and multiplying the result by the excess cashout revenues. The reservation and commodity revenues used to calculate the refund allocation factor shall be net of all applicable surcharges, including, but not limited to, ACA and GRI surcharges. The reporting period shall be the annual period of January through December. If gas purchase and applicable costs exceed revenues, the costs exceeding revenues will be rolled into subsequent annual costs, as an offset to revenues, until eliminated.

12.11 Third Party Imbalance Management. TransColorado will allow Shippers to obtain imbalance-management service from a third-party provider (TPP) subject to the following:

- A. All transactions involving the physical payback of gas or trading of imbalances on TransColorado's system must comply with the terms and conditions of TransColorado's tariff.
- B. The trading or curing of imbalances may only involve procedures that are provided for in TransColorado's tariff.
- C. Shippers will not be permitted to trade imbalances in any manner that will increase a Shipper's imbalance on TransColorado's system.
- D. Trading of imbalances may only be between imbalances on TransColorado's system.
- E. When a Shipper desires to physically repay or take deliveries of gas, either the Shipper or the TPP must have the necessary transportation receipt and delivery point capacity to allow for the delivery of the gas.
- F. Neither the Shipper nor the TPP may transport or trade gas to which they do not hold title.
- G. Shipper shall remain primarily liable for its imbalances under the provisions of this Section 12.
- H. The TPP will not be permitted to act as a Shipper's agent until TransColorado has received written notice from Shipper. The Shipper agrees to be bound by all transactions conducted by the TPP in the Shipper's name.

12.12 Refund of Penalty Revenues

All Operational Flow Order penalties, unauthorized overrun penalties, cash-out penalties, parking and loaning penalties and imbalance penalty revenues that exceed gas purchase and incremental administrative costs, will be credited to all non-offending firm, interruptible and negotiated-rate Shippers as set out in Section 12.10 above.

13. BILLING AND PAYMENT

13.1 On or before the ninth business day of each month, TransColorado shall furnish to Shipper a monthly statement of the transportation charge in effect and of the total payment due for the transportation of gas during the preceding month (including any other applicable charges). TransColorado shall provide a schedule showing quantities of gas and heat content received and delivered, including equivalent quantities, ~~unaccounted-for gas, fuel gas, L&U~~ and any imbalance under Section 12. TransColorado may furnish an estimated statement and make appropriate adjustments in the statement rendered for the next succeeding month.

13.2 When information necessary for billing purposes is in the control of Shipper or the Operator, it shall be furnished to TransColorado on or before the fifth business day of the month with respect to deliveries of gas during the previous month.

13.3 Shipper and TransColorado shall have the right to examine, at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of the statement, charge, or computation made under or pursuant to any of the provisions.

13.4 Payment to TransColorado shall be due at its general office, or at such other address as TransColorado shall designate, within ten days from the date the bill was issued by TransColorado. If the 10th day falls on a weekend or holiday, then the due date shall be extended to the first business day thereafter. Shipper shall submit supporting documentation and TransColorado will apply payment per supporting documentation provided by Shipper. If payment differs from invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two business days of the payment due date.

13.5 Should Shipper fail to pay all of the amount of any bill when such amount is due, TransColorado shall collect interest on the unpaid portion of the bill in the manner and at the rate prescribed by 18 C.F.R. Section 154.501(d). If such failure to pay continues for 30 days after payment is due, TransColorado, in addition to any other remedy it may have, after giving Shipper 15 days written notice, may suspend further receipt and/or delivery of gas for Shipper until such amount is paid. If Shipper in good faith shall dispute the amount of any such bill, Shipper shall nevertheless pay to TransColorado the amount of such bill and, at any time thereafter within 30 days of a demand made by Shipper, TransColorado shall furnish a good and sufficient surety bond guaranteeing refund to Shipper upon such bills after a final determination by agreement, by determination of regulatory agencies having jurisdiction, or by judgment of the courts, as may be the case. Payment of the disputed portion shall not be deemed a waiver of the right to contest such disputed portion in any forum having jurisdiction. Alternatively, shipper may, if invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for dispute. (NAESB WGQ Standard No. 3.3.19)

13.6 If it is determined that Shipper has been overcharged, and Shipper has paid the statement containing the overcharge then, within 30 days after the final determination, TransColorado shall refund the amount overcharged. If it is determined that Shipper has been undercharged, Shipper shall pay the amount undercharged with appropriate interest within 30 days of notice by TransColorado of the amount. Prior period adjustment time limits should be six months from the date of the initial transportation invoice with a three month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ Standard No. 3.3.15)

23. NEGOTIATED RATES

23.1 Applicability. Notwithstanding anything to the contrary contained in this Tariff, TransColorado may charge a negotiated rate for service under any rate schedule contained in this Tariff to any Shipper that has access to service at the rates set forth in the applicable rate schedule as shown on the effective Statement of Rates (recourse rates), and agrees to pay the negotiated rate.

23.2 Definition. A negotiated rate shall mean a rate for service, where one or more of the individual rate components exceed the maximum charge, or are less than the minimum charge, for such components. This definition shall include a rate derived by a formula where one or more of the individual rate components may exceed the maximum charge, or may be less than the minimum charge.

23.3 Conditions. Implementation of a negotiated rate shall be subject to the following conditions:

(a) TransColorado and Shipper have executed a valid Transportation Service Agreement to implement negotiated rate(s).

(b) Shipper had access to service pursuant to this FERC Gas Tariff at the rates set forth on the Statement of Rates at the time of the execution of the Transportation Service Agreement implementing negotiated rate(s).

(c) TransColorado has filed a tariff section called "Negotiated Rates" advising the Commission of such agreement. The tariff section will state the exact legal name of the Shipper, the negotiated rate, other applicable charges, the receipt and delivery points, the volume of gas to be transported and the applicable rate schedule for service provided at a negotiated rate. The tariff section will include a statement affirming that the negotiated rate agreement does not deviate in any material aspect from the applicable form of service agreement or TransColorado will file the agreement pursuant to Section 154.112(b) of the Commission's Regulations.

23.4 Reserved

23.5 Transportation Service Agreements Subject to the Right of First Refusal. The right of first refusal provided with respect to certain Shipper's firm service agreements, as described in Section 7 of the General Terms and Conditions, shall not apply to firm service agreements with negotiated rates, unless otherwise agreed to in writing by TransColorado.

23.6 Capacity Release. TransColorado and Shipper may, in connection with their agreement to a Negotiated Rate under a firm transportation rate schedule, agree upon payment obligations and crediting mechanisms in the event of a capacity release that vary from or are in addition to those set forth in Section 6 of this Tariff. This provision does not allow TransColorado and Shipper to negotiate the terms and conditions of service.

23.7 Capacity Scheduling. For purposes of allocating capacity under Section 8 of these General Terms and Conditions, a Shipper paying a negotiated rate that exceeds the maximum rate for that service will be considered to have paid the maximum rate for such service.

23.8 Accounting for Costs and Revenues. Allocation of costs to, and recording of revenues from service at negotiated rates(s) or rate formula(s) will follow

TransColorado's normal practices associated with transportation services provided under this tariff. If TransColorado institutes any revenue tracker or other device to flow through to its shippers the impact of interruptible or other transportation transactions, the treatment of such tracker of revenues from nonconforming negotiated rate(s) or rate formula(s) shall be specified in the applicable tariff provision.

23.9 Section 4(e) Rate Case Tracking. TransColorado will separately record the volume transported, billing determinants, rate components, surcharges and the revenue associated with its negotiated-rate transactions so that this information can be separately identified, and separately totaled as part of Statements G, I, and J in any applicable rate case filing under Section 4(e) of the Natural Gas Act, 15 U.S.C. & Section 717(c). TransColorado's recovery of surcharges, such as ACA and GRI, will comport with existing practices.

23.10 Rate Treatment. TransColorado shall have the right to seek in future general rate proceedings discount-type adjustments in the design of its rates related to negotiated-rate agreements that were converted from pre-existing discount adjustments to negotiated-rate agreements, provided that the type of pre-existing service is not altered as a result of the conversion to a negotiated rate. In those situations, TransColorado may seek a discount-type adjustment based upon the greater of: (a) the negotiated-rate revenues received or (b) the discounted-rate revenues that otherwise would have been received.

23.11 Negotiated-Rate Surcharge and ~~Fuel Retention~~FL&U Reimbursement Components. If TransColorado negotiates surcharge or ~~fuel retention~~FL&U reimbursement percentage rate components at lower than the maximum rate level for those components as part of a negotiated-rate agreement, it will assume any risk of under-recovery of costs or ~~fuel retention~~FL&U reimbursement from negotiated-rate Shippers in order to ensure that its recourse Shippers are not adversely affected due to negotiated-rate agreements with individual Shippers. If TransColorado negotiates specific surcharge components of its rates, rather than total rates, as part of a negotiated rate agreement, TransColorado's discount order policy shall not apply.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE FT

Agreement No: _____

FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FT

Between

TRANSCOLORADO GAS TRANSMISSION COMPANY LLC
And

(Shipper)

DATED: _____

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

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE FT
(Continued)

Agreement No. _____

Transportation Service Agreement
Rate Schedule FT
Dated: _____

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

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

(Insert the applicable portion(s) of the following provision when service involves the construction of facilities:

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

- (i) The receipt and acceptance by TransColorado of a FERC certificate for the additional facilities, as well as the receipt by TransColorado of all other necessary regulatory approvals, permits and other authorizations for the additional facilities in form and substance satisfactory to TransColorado in its sole discretion.
- (ii) The approval of the appropriate management, management committee, and/or board of directors of TransColorado and/or its parent companies to approve the level of expenditures for the additional facilities.
- (iii) _____.)

- 6. Receipt and Delivery Points: Shipper agrees to tender gas for transportation service and TransColorado agrees to accept receipt quantities at the primary receipt point(s) identified in Exhibit A. TransColorado agrees to provide transportation service and deliver gas to Shipper (or for Shipper's account) at the primary delivery point(s) identified in Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.
- 7. Rates and Surcharges: As set forth in Exhibit B. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. TransColorado and Shipper may mutually agree to a discounted rate pursuant to Section 29 of the General Terms and Conditions. Upon mutual agreement, the parties may also enter into a separate letter agreement or an electronic contract specifying any discount applicable to the Agreement.
- 8. Negotiated Rate: Yes _____ No _____
- 9. Contract Demand:
(Dth/d) Effective Date
_____ _____
- 10. Term of Firm Transportation Service: _____
[Insert term of service including any (i) construction contingencies, (ii) extension rights such as an evergreen or rollover provision, (iii) contractual rights of first refusal, (iv) interim capacity limitations and/or (v) related termination provisions, as applicable.]
- 11. Notices, Statements, and Bills:
To Shipper:
 Invoices:

 Attn: _____

 All Notices: _____

 Attn: _____

To Transporter:
 TransColorado Gas Transmission Company LLC
 Attn: Marketing Department
 P.O. Box 1087
 Colorado Springs, Colorado 80944
 E-mail: #KMWestMarketing@KinderMorgan.com
- 12. Effect on Prior Agreement(s): _____
- 13. Governing Law: TransColorado and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.

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

TRANSPORTER:
TRANSCOLORADO GAS TRANSMISSION
COMPANY LLC

Accepted and agreed to this
_____ day of _____, _____

SHIPPER:

Accepted and agreed to this
_____ day of _____, _____

Agreement No. _____

EXHIBIT A

to

FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FT

Between

TransColorado Gas Transmission Company LLC
(Transporter)

and

(Shipper)

Dated: _____

- The following data elements shall be described on this Exhibit A, as applicable:
- Primary Receipt Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name) (1)
 - Primary Delivery Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name) (1)
 - Effective Dates (See ¶____)
 - Maximum Daily Receipt Quantity (MDRQ) (Dth per Day) (2)
 - Maximum Daily Delivery Quantity (MDDQ) (Dth per Day) (2)
 - Minimum Pressure (p.s.i.g.) (4)
 - Maximum Pressure (p.s.i.g.) (4)

Shipper's Contract Demand: See Paragraph: ____
Notes [Insert as applicable]:

- (1) Information regarding receipt and delivery point(s), including legal descriptions, measuring parties, and interconnecting parties, shall be posted on TransColorado's Interactive Website. TransColorado shall update such information from time to time to include additions, deletions, or any other revisions deemed appropriate by TransColorado.
- (2) Each receipt point quantity may be increased by an amount equal to TransColorado's ~~Fuel FL&U r~~Reimbursement ~~percentage~~. Shipper shall be responsible for providing such ~~Fuel FL&U R~~reimbursement at each receipt point on a pro rata basis based on the quantities received on any Day at a receipt point divided by the total quantity delivered at all delivery points under this Agreement.
- (3) The sum of the delivery quantities at all delivery point(s) shall be equal to Shipper's Contract Demand.
- (4) Pressure conditions shall be in accordance with Section 10.16 of the General Terms and Conditions of the Tariff.

Agreement No.____

EXHIBIT B

to

FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FT

Between

TransColorado Gas Transmission Company LLC
(Transporter)

and

(Shipper)

Dated:_____

- The following data elements shall be described on this Exhibit B, as applicable:
- Primary Receipt Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name)
 - Primary Delivery Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name)
 - Reservation Rate (1)(4)
 - Usage Rate (1)(4)
 - Effective Dates
 - Fuel (2)
 - Surcharges (3)
 - Alternate Receipt Point(s)
 - Alternate Delivery Point(s)
 - Authorized Overrun (1) (5)

Notes [Insert as applicable]:

(1) Unless otherwise agreed by the parties in writing, the rates for service shall be TransColorado's maximum rates for service under Rate Schedule FT or other superseding Rate Schedules; as such rates may be changed from time to time. Reservation rate(s) shall be payable regardless of quantities transported.

-and/or-

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

As provided in Section 29 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following discount rate(s)_____(insert if applicable) which shall be payable regardless of quantities transported. The rate(s) charged under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in TransColorado's Tariff.

EXHIBIT B
(Continued)

-and/or-

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

As provide in Section 23 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following negotiated rate(s)_____(insert if applicable) which shall be payable regardless of quantities transported.

(2) Fuel FL&U R reimbursement shall be assessed pursuant to Rate Schedule FT of TransColorado's Tariff, as they may be changed from time to time, unless otherwise agreed between the parties.

(3) Surcharges if applicable:

All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed to by the parties

ACA:

The ACA Surcharge shall be assessed pursuant to Section 24 of the General Terms and Conditions of the Tariff.

(4) Quantities scheduled by Transporter from/to primary and/or alternate, and/or segmented point(s) on any acquired capacity held by TransColorado shall be subject to the Acquired Capacity charges as described on TransColorado's Interactive Website and/or pursuant to Section 27 of the General Terms and Conditions of TransColorado's Tariff.

(5) Subject to Transporter's authorized maximum and minimum rates in effect from time to time, a rate of \$___ per Dth shall apply to Authorized Overrun of up to __Dth per Day.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE IT

Agreement No: _____

INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE IT

Between

TRANSCOLORADO GAS TRANSMISSION COMPANY LLC

And

(Shipper)

DATED: _____

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

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE IT

Agreement No. _____

Transportation Service Agreement
Rate Schedule IT
Dated: _____

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

1. Transporter: TransColorado Gas Transmission Company LLC
2. Shipper: _____
3. Applicable Tariff and Incorporation by Reference: TransColorado’s FERC Gas Tariff Third Revised Volume No. 1, as the same may be amended or superseded from time to time (“Tariff”). Capitalized terms used and not otherwise defined in this Agreement have the meanings given to them in the Tariff.
4. Changes in Rates and Terms. Transporter shall have the right to propose to the FERC changes in its rates and terms of TransColorado, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.
5. Transportation Service: Transportation service at and between receipt point(s) and delivery point(s) shall be on an interruptible basis.

Receipt and Delivery Points: System-wide
All receipt and delivery point(s) as posted on TransColorado’s Interactive Website.

TransColorado’s receipt and delivery point(s) shall be updated from time to time to add or delete receipt or delivery point(s) and to modify data pertinent to receipt and delivery point(s), all as deemed appropriate by TransColorado.

6. Rates and Surcharges: As set forth in Exhibit A. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. TransColorado and Shipper may mutually agree to a discounted rate pursuant to Section 29 of the General Terms and Conditions. Upon mutual agreement, the parties may also enter into a separate letter agreement or an electronic contract specifying any discount applicable to the Agreement.
7. Daily Quantity:
Dth/day: _____ Effective Dates: _____
8. Negotiated Rate: Yes _____ No _____
9. Term of Interruptible Transportation Service: _____
[Insert term of service including any (i) extension rights such as an evergreen or rollover provision; and (ii) related termination provisions, as applicable.]

10. Notices, Statements, and Bills:

To Shipper:

Invoices:

Attn: _____

All Notices: _____

Attn: _____

To Transporter:

TransColorado Gas Transmission Company LLC

Attn: Marketing Department

P.O. Box 1087

Colorado Springs, Colorado 80944

E-mail: #KMWestMarketing@KinderMorgan.com

11. Effect on Prior Agreement(s): _____

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

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

TRANSPORTER:
TRANSCOLORADO GAS TRANSMISSION
COMPANY LLC

SHIPPER:

Accepted and agreed to this
_____ day of _____, _____

Accepted and agreed to this
_____ day of _____, _____

Agreement No.____

EXHIBIT A

To

INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE IT

Between

TransColorado Gas Transmission Company LLC
(Transporter)

and

(Shipper)
Dated:_____

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

- Usage Rate (1)
- Effective Dates (See ¶____)
- Fuel (2)
- Surcharges (3)

Notes [Insert as applicable]:

(1) Unless otherwise agreed by the parties in writing, the rates for service shall be Transporter's maximum rates for service under Rate Schedule IT or other superseding Rate Schedule; as such rates may be changed from time to time.

-and/or-

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

As provided in Section 29 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following discount rate(s)_____. The rate(s) charged under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in TransColorado's Tariff.

-and/or-

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

As provide in Section 23 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following negotiated rate(s)_____.

(2) Fuel FL&U rReimbursement shall be assessed pursuant to Rate Schedule IT of TransColorado's Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

(3) Surcharges, if applicable:

All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed to by the parties

ACA:

The ACA Surcharge shall be assessed pursuant to Section 24 of the General Terms and Conditions of the Tariff.

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE FFT

Agreement No: _____

FLEXIBLE FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FFT

Between

TRANSCOLORADO GAS TRANSMISSION COMPANY LLC

And

(Shipper)

DATED: _____

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

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO RATE SCHEDULE FFT

Agreement No. _____

Transportation Service Agreement

Rate Schedule FFT

Dated: _____

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

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

(Insert the applicable portion(s) of the following provision when service involves the construction of facilities:

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

- (i) The receipt and acceptance by TransColorado of a FERC certificate for the additional facilities, as well as the receipt by TransColorado of all other necessary regulatory approvals, permits and other authorizations for the additional facilities in form and substance satisfactory to TransColorado in its sole discretion.
- (ii) The approval of the appropriate management, management committee, and/or board of directors of Transporter and/or its parent companies to approve the level of expenditures for the additional facilities.
- (iii) _____.)

- 6. Receipt and Delivery Points: Shipper agrees to tender gas for transportation service and TransColorado agrees to accept receipt quantities at the primary receipt point(s) identified in Exhibit A. TransColorado agrees to provide transportation service and deliver gas to Shipper (or for Shipper's account) at the primary delivery point(s) identified in Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.
- 7. Rates and Surcharges: As set forth in Exhibit B. Shipper shall pay the applicable maximum tariff rate unless otherwise provided. TransColorado and Shipper may mutually agree to a discounted rate pursuant to Section 29 of the General Terms and Conditions. Upon mutual agreement, the parties may also enter into a separate letter agreement or an electronic contract specifying any discount applicable to the Agreement.
- 8. Negotiated Rate: Yes _____ No _____
- 9. Contract Demand:
 (Dth/day) Effective Date
 _____ _____
- 10. Term of Flexible Firm Transportation Service: _____
 [Insert term of service including any (i) construction contingencies, (ii) extension rights such as an evergreen or rollover provision, (iii) contractual rights of first refusal, (iv) interim capacity limitations, and/or (v) related termination provisions, as applicable.]
- 11. Available Days:
 An Available Day, as described in TransColorado's Tariff, shall be _____
 _____ Minimum Available Days
 _____ Maximum Available Days
 _____ Applicable Time Periods
 _____ Any Days Precluded from Being Available Days?
 _____ No
 _____ Yes, Specify Days So Precluded _____
- 12. Type and Timing of Notice:
 _____ Notice of Available Days and partial Available Days
 _____ Notice of Not Available Days or partial Available Days
 Specify when Notice Requested:
 ___ No later than 2.5 hours prior to deadline for timely nominations
 ___ No later than other specific time prior to deadline for timely nominations: _____

13. Notices, Statements, and Bills:

To Shipper:

Invoices:

Attn: _____

All Notices: _____

Attn: _____

To Transporter:

TransColorado Gas Transmission Company LLC

Attn: Marketing Department

P.O. Box 1087

Colorado Springs, Colorado 80944

E-mail: #KMWestMarketing@KinderMorgan.com

14. Effect on Prior Agreement(s): _____

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

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

TRANSPORTER:
TRANSCOLORADO GAS TRANSMISSION
COMPANY LLC

SHIPPER:

Accepted and agreed to this
_____ day of _____, _____

Accepted and agreed to this
_____ day of _____, _____

Agreement No.____

EXHIBIT A

To

Transportation Service Agreement

Rate Schedule FFT

Between

TransColorado Gas Transmission Company LLC

and

(Shipper)

Dated:_____

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

- Primary Receipt Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name) (1)
- Primary Delivery Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name) (1)
- Effective Dates (See ¶____)
- Maximum Daily Receipt Quantity ("MDRQ") (Dth per Day) (2)
- Maximum Daily Delivery Quantity ("MDDQ") (Dth per Day) (2)
- Minimum Pressure (p.s.i.g.) (4)
- Maximum Pressure (p.s.i.g.) (4)
- Available Days (See ¶____)

Shipper's Contact Demand: See Paragraph:___

Notes [Insert as applicable]:

- (1) TransColorado's receipt and delivery point(s) shall be updated on the Interactive Website from time to time to add or delete receipt or delivery point(s) and to modify data pertinent to receipt and delivery point(s), all as deemed appropriate by TransColorado.
- (2) Each receipt point quantity may be increased by an amount equal to TransColorado's ~~Fuel-FL&U Reimbursement~~ percentages. Shipper shall be responsible for providing such ~~Fuel-FL&U Reimbursement~~ at each receipt point on a pro rata basis based on the quantities received on any Day at a receipt point divided by the total quantity delivered at all delivery points under this Agreement.
- (3) The sum of the delivery quantities at all delivery point(s) shall be equal to Shipper's MDQ.
- (4) Pressure conditions shall be in accordance with Section 10.16 of the General Terms and Conditions of the Tariff.

Agreement No. _____

EXHIBIT B

To

Transportation Service Agreement
Rate Schedule FFT
Between
TransColorado Gas Transmission Company LLC
and

(Shipper)

Dated: _____

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

- Primary Receipt Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name)
- Primary Delivery Point(s) (including, among other things, Point Identification Number (PIN) and Point Identification Number Name)
- Reservation Rate (1)(4)
- Usage Rate (1)(4)
- Effective Dates
- Fuel (2)
- Surcharges (3)
- Alternate Receipt Point(s)
- Alternate Delivery Point(s)
- Authorized Overrun (1) (5)
- Available Days (See ¶____)

Notes [Insert as applicable]:

(1) Unless otherwise agreed by the Parties in writing, the rates for service shall be TransColorado's maximum rates for service under Rate Schedule FFT; as such rates may be changed from time to time. Reservation rate(s) shall be payable regardless of quantities transported.

-and/or-

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

As provided in Section 29 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following discount rate(s) _____ (insert if applicable) which shall be payable regardless of quantities transported. The rates charged under this Agreement shall not be less than the minimum, nor greater than the maximum rate provided in TransColorado's Tariff.

-and/or-

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

As provide in Section 23 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following negotiated rate(s)_____ (insert if applicable) which shall be payable regardless of quantities transported.

(2) ~~Fuel-FL&U~~ Reimbursement shall be assessed pursuant to Rate Schedule FFT of TransColorado's Tariff, as they may be changed from time to time, unless otherwise agreed between the Parties.

(3) Surcharges, if applicable:

All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates sheet, as they may be changed from time to time, unless otherwise agreed to by the Parties

ACA:

The ACA Surcharge shall be assessed pursuant to Section 24 of the General Terms and Conditions of the Tariff.

(4) Quantities scheduled by TransColorado from/to primary and/or alternate, and/or segmented point(s) on any acquired capacity held by TransColorado shall be subject to the acquired capacity charges as described on TransColorado's Interactive Website and/or pursuant to Section 27 of the General Terms and Conditions of TransColorado's Tariff.

(5) Subject to TransColorado's authorized maximum and minimum rates in effect from time to time, a rate of \$___ per Dth shall apply to Authorized Overrun of up to ___Dth per Day.