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February 11, 2025

BY E-TARIFF

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

RE: Rocky Mountain Natural Gas LLC, Docket No. PR25-21-000
CORRECTED FILING

Dear Secretary Bose:

Pursuant to Section 284.123 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") regulations, 18 C.F.R. § 284.123(b)(1)(ii) (2017), Rocky Mountain Natural Gas LLC ("RMNG") hereby submits clean and marked versions of its corrected revised Statement of Operating Conditions ("SOC") in Docket No. PR25-21-000, based upon corrections recommended by FERC.

This filing will replace the filing made on November 1, 2024 in relation to the decrease to the Fuel/Loss Reimbursement Quantity ("FL&U") that became effective November 1, 2024, under its tariff on file with the Public Utilities Commission of the State of Colorado ("Colorado P.U.C."), marked as Attachment A (Redlined FERC RMNG SOC Pages) and Attachment B (Clean Full FERC RMNG SOC).

If you have any questions related to this filing, please do not hesitate to contact the undersigned.

Sincerely,

s/ Douglas J. Law

Douglas J. Law
Attorney for Rocky Mountain Natural Gas LLC

February 11, 2025

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Attachments:

Attachment A – Clean full corrected SOC reflecting FL&U rates effective November 1, 2024

Attachment B – Redlined full corrected SOC reflecting FL&U rates effective November 1, 2024

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

Rocky Mountain Natural Gas, LLC. d/b/a)
Black Hills Energy)

Docket No. RP24- -000

**NOTICE OF FILING
(February 10, 2025)**

On February 10, 2025, Petitioner submitted a revised Statement of Currently Effective Rates for its interstate transportation service.

Any person desiring to intervene or protest this filing must file in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.211 and 385.214 (2017). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Petitioners. On or before the comments date, it is not necessary to serve motions to intervene or protests other than on the Petitioners.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the “eFiling” link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426.

This filing is accessible on-line at <http://www.ferc.gov> using the “eLibrary” link and is available for review in the Commission’s Public Reference Room in Washington, D.C. There is an “eSubscription” link on the website that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: 5:00 pm Eastern Time on February 10, 2025.
Kimberly D. Bose, Secretary

ATTACHMENT A

CLEAN CORRECTED RMNG SOC WITH FL&U RATES EFFECTIVE NOVEMBER 1, 2024

ATTACHMENT B

REDLINED CORRECTED RMNG SOC WITH FL&U RATES EFFECTIVE NOVEMBER 1,
2024

STATEMENT OF OPERATING CONDITIONS
OF
ROCKY MOUNTAIN NATURAL GAS LLC

ETariff Information

- | | |
|--|---|
| a. Tariff Submitter: | Rocky Mountain Natural Gas LLC |
| b. FERC Tariff Program Name: | FERC NGPA Gas Tariff |
| c. Tariff Title: | Statement of Operating Conditions of Rocky Mountain Natural Gas LLC |
| d. Tariff Record Proposed Effective Date: | January 1, 2025 <u>November 1, 2024</u> |
| e. Tariff Record Title: | RMNG Revised Baseline SOC, Statement of Operating Conditions |
| f. Option Code: | A |
| g. Other Information as the FERC May Require by Notice or Order: | Updated SOC reflecting rate change and revisions. |

Contact Information

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STATEMENT OF OPERATING CONDITIONS

Of

ROCKY MOUNTAIN NATURAL GAS LLC

Filed with the

FEDERAL ENERGY REGULATORY COMMISSION

ROCKY MOUNTAIN NATURAL GAS LLC
STATEMENT OF OPERATING CONDITIONS
APPLICABLE TO TRANSPORTATION SERVICE PURSUANT TO 18 C.F.R. SECTION
284.224

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- Appendix C – Rate Schedule ITS
- Appendix D – Rate Schedule MCS
- Appendix E – General Terms and Conditions

ROCKY MOUNTAIN NATURAL GAS LLC

STATEMENT OF OPERATING CONDITIONS

APPLICABLE TO TRANSPORTATION SERVICE PURSUANT TO 18 C.F.R. SECTION 284.224

1. INTRODUCTION

1.1. This Statement of Operating Conditions describes the administrative and operational policies and procedures of Rocky Mountain Natural Gas LLC (“Transporter”), a Hinshaw pipeline, regarding transportation service conducted for any eligible Shipper (“Shipper”) in Colorado pursuant to Transporter’s limited-jurisdiction, blanket certificate of public convenience and necessity issued by the Federal Energy Regulatory Commission on April 27, 1988, in Docket No. CP88-204-000 pursuant to Section 284.224 of the Commission’s regulations, 18 CFR § 284.224. (*Rocky Mountain Natural Gas Company*, 43 FERC ¶ 62,095 (1988).) This FERC certificate authorizes Transporter to engage in the transportation of natural gas in interstate commerce to the same extent and in the same manner that intrastate pipelines are authorized to engage in such transportation under Section 311(a)(2) of the Natural Gas Policy Act of 1978 (“NGPA”). It is the policy of Transporter to render such transportation services under written transportation service agreements (“Transportation Service Agreements”) containing the terms and conditions generally acceptable to Transporter and in accordance with those additional terms and conditions set forth herein, executed after consideration of its existing commitments, pipeline design capacity, available pipeline capacity, points of receipt and delivery, and other factors deemed material by Transporter. This Statement of Operating Conditions does not apply to gas transportation or other services provided by Transporter subject to the jurisdiction of the Public Utilities Commission of the State of Colorado.

2. DEFINITIONS

The following terms used herein shall have the meanings defined below:

- 2.1. “Accumulated Balances” means the sum of Daily Park or Loan quantities.
- 2.2. “Agent or “Agency” means a person or Party that has agency authority to act for a Shipper by performing administrative duties such as receiving invoices, paying invoices, receiving notices and confirmations, nominating, scheduling, or other administrative duties required by the provisions of this Statement of Operating Conditions.
- 2.3. “Authorized Overrun Quantity” means the following: A Shipper’s total Firm activity under a Transportation Service Agreement is limited to the Shipper’s MDTQ under such Agreement. In total, Shipper may nominate and tender and Transporter may confirm and receive quantities which exceed the Shipper’s MDTQ. Such Confirmed quantities which exceed Shipper’s MDTQ shall be considered as Authorized Overrun Quantities and shall be transported on an Interruptible basis.
- 2.4. “Balance” and “Balancing” means a Shipper’s obligation to cause its Deliveries of Gas to equal its Receipts, with due consideration given to the FL&U Reimbursement Quantity(s) and other allowable in-kind deductions.
- 2.5. “British Thermal Unit” or “Btu” means the amount of energy required to increase the temperature of one (1) pound of water one (1) degree Fahrenheit at fifty-nine (59) degrees Fahrenheit.

- 2.6. "Bump or "Bumping" means the reduction of a previously scheduled and confirmed Interruptible Transportation Quantity to permit Transporter to schedule and confirm a Firm Transportation Nomination which has a higher priority and which was submitted as an evening, Intra-Day 1 or Intra-Day 2 Cycle Nomination. In the event that a rate discount is granted that affects previously scheduled quantities, "Bumping" also shall mean the reduction of a Firm Transportation Quantity previously scheduled and confirmed to permit Transporter to schedule and confirm an Intra-Day Nomination that has a higher priority, including a higher priority due to a higher rate level as described in Section 16.1, Nomination Procedures and Deadlines, of the GT&C of this Statement of Operating Conditions.
- 2.7. "Business Day" means Monday, Tuesday, Wednesday, Thursday and Friday, excluding Federal Bank Holidays.
- 2.8. "Capacity" means the quantity and/or volume of Gas which the Company's facilities, or any particular segment thereof, can accommodate as determined by the Company in its reasonable judgment, based on then-current operating conditions.
- 2.9. "Cash Out Index Price" means the price as provided in Section 26, Imbalance Management, of these GT&C, at which Imbalance Quantities will be resolved by cashing out such quantities.
- 2.10. "Company" means Rocky Mountain Natural Gas LLC. Additionally, the term "Transporter" is used interchangeably with "Company" throughout this Statement of Operating Conditions.
- 2.11. "Company-Used Gas" means the quantity of Gas used by Transporter as Fuel (to fuel compressors stations, dehydration equipment, Gas shrinkage through processing plants and Fuel used in any other system facilities) and for other purposes in its Gas operations. Additionally, the term "Fuel" is used interchangeably with "Company-Used Gas" throughout this Statement of Operating Conditions.
- 2.12. "Confirmation" means the verification of the Confirmed Quantity by the Confirming Parties.
- 2.13. "Confirmed Nomination" or "Confirmed Quantity" means the final result of the Confirmation process and is the quantity of Gas stated in Dth, which has been determined as authorized to flow on a specified Gas Day at a specified Receipt Point or Delivery Point on behalf of a Shipper or Shippers. More specifically, the Confirmed Nomination or Confirmed Quantity is that quantity of Gas which Transporter has scheduled prior to the Day of Gas flow for Nominations other than Intra-Day Nominations, or on the Day of Gas flow for Intra-Day Nominations, to be (1) Delivered to the Shipper on a particular Day at a specified Delivery Point(s) or (2) transported for a Shipper on a particular Day from a specified Receipt Point(s) to a specified Delivery Point(s).
- 2.14. "Critical Notices" means those notices posted on Transporter's EBB which provide information with respect to conditions on Transporter's system that affect Shipper requirements, scheduling or adversely affect scheduled Gas flow.
- 2.15. "Critical Operating Condition" means that Day or Days for which Transporter has posted a Critical Notice(s) on its Electronic Bulletin Board ("EBB").

- 2.16. "Cubic Foot of Gas" means, for the purpose of determining Gas volumes, the amount of Gas necessary to fill one cubic foot of space when the Gas temperature is at, or corrected to, sixty (60) degrees Fahrenheit, and the Gas pressure is either (1) the actual prevailing pressure at the meter, or (2) corrected to 14.73 p.s.i.a.
- 2.17. "Curtailement" means the reduction in Gas quantities Received from and/or Delivered to a Shipper(s) due to an Imbalance between the quantity of Gas Shipper was confirmed to give to Transporter at the Receipt Point and in the quantity of Gas Transporter was confirmed to Deliver to Shipper at the Delivery Point(s), or due to operational constraints affecting the Capacity of the Company's system, including the Capacity of a Interconnecting Pipeline.
- 2.18. "Customer" means a Shipper.
- 2.19. "Day" means a period of twenty-four (24) consecutive hours beginning and ending at eight o'clock (8:00) a.m., Mountain Clock Time.
- 2.20. "Deliver," "Delivered," or "Delivery" means the tender of a quantity of Gas by Transporter to Shipper or for a Shipper's account or to a third party for Shipper's account under an Agreement.
- 2.21. "Delivery Quantity" means the quantity, expressed in Dth, of Gas Delivered by Transporter at the Delivery Point(s) for the account of Shipper.
- 2.22. "Delivery Point(s)" has the same meaning as "Point of Delivery" defined herein below.
- 2.23. "Discounted Rate Agreement(s)" means a letter or form defining the discounted rate(s) for service and the associated term of such discounted rate(s) which rate(s) and term has been agreed to by the Shipper and the Transporter under a Rate Schedule in this Statement of Operating Conditions and which letter or form will be appended to the applicable Service Agreement(s).
- 2.24. "Dth" or "Dekatherm" means the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units (MMBtu). One Dth of Gas shall mean the quantity of Gas which contains one Dth of heat energy, and will be reported on a dry MMBtu or Dth basis. Dth is the standard quantity unit for Nominations, Confirmation and Scheduled quantities in this Statement of Operating Conditions and with most interconnecting Party(s). As used in this Statement of Operating Conditions, related Service Agreements, statement and invoices, MMBtu and Dth are synonymous.
- 2.25. "EBB" or "Electronic Bulletin Board" means the Company web site which displays and provides certain of Transporter's data, including notices, Receipt and Delivery Point listings and point catalogs, and this Statement of Operating Conditions, to Shippers and Interconnecting Party(s).
- 2.26. "EFM" or "Electronic Flow Measurement" means equipment installed on a meter, allowing electronic communication to capture measurement data.
- 2.27. "End-User" means the party who ultimately consumes the Gas.
- 2.28. "Firm" means service that is subject to Curtailement as provided for in this Statement of Operating Conditions, but that is not subject to Interruption as provided for in this Statement of Operating Conditions.

- 2.29. "Fuel" has the same meaning as "Company-Used Gas" in this Statement of Operating Conditions.
- 2.30. "Fuel Lost, and Unaccounted-For Gas Reimbursement Quantity" or "FL&U Reimbursement Quantity" means that quantity of Gas deducted from the quantities received from a Shipper which quantity is retained by Transporter as compensation and reimbursement for Company-Used Gas consumed in system operations and for Lost and Unaccounted-for Gas. The Fuel component of this quantity is defined in Section 20, Fuel, Lost and Unaccounted-for Gas (FL&U) Reimbursement Mechanism, of the GT&C of this Statement of Operating Conditions. The Lost and Unaccounted-for Gas component of this quantity is the difference between the sum of all input quantities of Gas Received into Transporter's system and the sum of all output quantities of Gas Delivered from Transporter's system, which difference shall exclude Company-Used Gas and shall include, but not be limited to, Gas vented and lost as a result of an event of force majeure.
- 2.31. "Gas" or "Natural Gas" means any mixture of hydrocarbons or of hydrocarbons and non-combustible Gas, in a Gaseous state, consisting essentially of methane.
- 2.32. "Gross Dry Heating Value" means the number of Btus produced by complete combustion, at a constant pressure, of the amount of Gas which would occupy a volume of one (1) cubic foot at a temperature of sixty (60) degrees Fahrenheit on a water-free basis and at a pressure of 14.73 p.s.i.a. with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of the Gas and air, and when the water formed by combustion has condensed to the liquid state.
- 2.33. "Hour" means the sixty (60) minute period beginning at the top of the hour of the Day and ending at the top of the next hour (i.e. hour 1 starts at 8:00 a.m., Mountain Clock Time, and ends at 8:59 a.m., Mountain Clock Time).
- 2.34. "Imbalance" or "Imbalance Quantities" means the difference between the amount of net Gas Received by the Transporter from a Shipper (with due regard given to the FL&U Reimbursement Quantity and other allowable in-kind deductions) or for a Shipper's account for transportation under this Statement of Operating Conditions and the amount of Gas Delivered by Transporter to the Shipper or for the Shipper's account, as generally determined following the daily and monthly accounting allocation processes.
- 2.35. "Intra-Day" means any Nominated, Confirmed or Scheduled quantities submitted outside of the Timely cycle.
- 2.36. "Interconnecting Pipeline" or "Interconnecting Party" means the Party or such Party's designees that is responsible for the operations of a Gas system which interconnects with Transporter's pipeline system and is responsible for verifying Nominations and/or scheduling Gas flow at such points of interconnection. An Interconnecting Party is also a Confirming Party.
- 2.37. "Interruptible" means that the Company has the right, except as may otherwise be specifically provided for in this Statement of Operating Conditions, to stop at any time, in whole or in part, receipts from, or Deliveries of Gas (1) to a Firm service Shipper for volumes in excess of a Shipper's Maximum Daily Transportation Quantity, or (2) to an Interruptible service Shipper, due to the need to serve higher priority demand or for any other operational reason.

- 2.38. "Interruption" or "Interrupt" means the act of stopping, in whole or in part, Receipts from, or Deliveries (1) to a Firm Shipper for Authorized Overrun Quantities or Unauthorized Overrun Quantities; (2) to an Interruptible service Shipper, due to the need to serve higher priority demand and/or (3) for any other operational reason.
- 2.39. "Loan," "Loaned," or "Lending" means Transporter's advancement of quantities of Gas to a Shipper from Transporter's line pack assets at a Loan Point pursuant to Rate Schedule MCS.
- 2.40. "Loan Payback" or "Loan Redelivery" means the Receipt of Gas to a Shipper's Lending account pursuant to Rate Schedule MCS.
- 2.41. "Loan Point" means a nomination point determined by Transporter at which quantities may be Loaned pursuant to a Rate Schedule MCS Agreement. Such points will be posted on Transporter's EBB under the Non-Critical Notices section.
- 2.42. "Loan Quantity" or "Loaned Quantity" means the quantity of Gas, expressed in Dth per Day, advanced to Shipper from Transporter's line pack assets at a Loan Point pursuant to Rate Schedule MCS.
- 2.43. "Maximum Daily Delivery Quantity" ("MDDQ") means the maximum quantity of Gas for which the Shipper is entitled to receive from the Company at a particular Primary Delivery Point on any Day that service to the Shipper is not Interrupted and Capacity at that point is not subject to Curtailment; provided however that the sum of the Shipper's MDDQ shall not be in excess of the Shipper's MDTQ. The MDDQ for a Shipper is specified in the Rate Schedule FTS Service Agreement.
- 2.44. "Maximum Daily Receipt Quantity" ("MDRQ") means the maximum quantity of Gas which the Shipper is entitled to tender to the Company at a particular Primary Receipt Point on any Day that service to the Shipper is not Interrupted and Capacity at that point is not subject to Curtailment; provided however that the sum of the Shipper's MDRQ shall not be in excess of the Shipper's MDTQ.
- 2.45. "Maximum Daily Transportation Quantity" ("MDTQ") means the maximum quantity of Gas which the Shipper is entitled to tender to the Company for the account of the Shipper at all Primary Delivery Point(s) on any Day that Capacity at such Point(s) is not subject to Curtailment, the maximum aggregate path capacity which the Shipper is entitled to use to transport Received quantities and the maximum quantity of Gas which the Shipper is entitled to Receive from the Transporter at a specified Primary Delivery Point on any Day that service to the Shipper is not Interrupted and Capacity at that Point is not subject to Curtailment. The MDTQ is the sum of all MDDQ for a Shipper and is specified in the applicable Service Agreement(s).
- 2.46. "Mcf" means one thousand (1,000) cubic feet of Gas.
- 2.47. "MMBtu" means one million (1,000,000) Btus. One Dth is equal to one MMBtu.
- 2.48. "Month" means a period beginning at eight o'clock (8:00) a.m., Mountain Time, on the first Day of the calendar month and ending at the same time on the first Day of the next month.
- 2.49. "Monthly Billing Period" means a calendar month; provided that the period between any two readings of a Shipper's meter(s) may not strictly correspond to such calendar month.
- 2.50. "Nomination" or "Nominate" means a request by a Shipper submitted to Transporter for a prospective Transportation transaction under an executed Service Agreement.

- 2.51. “Nominating Party” means a Shipper or Shipper’s Agent, authorized to submit Nominations to Transporter pursuant to Shipper’s executed Service Agreement(s).
- 2.52. “Off-System Delivery Point” means a Delivery Point where gas is being transported by the Company through its system to an Interconnecting Party. Off-System Delivery Points do not include Black Hills Colorado Gas, Inc. Delivery Points. Off-System Delivery Points are defined in and listed in the Informational Postings section of Transporter’s EBB.
- 2.53. “On-System Delivery Point” means a Delivery Point where gas is being transported by the Company through its system to a Black Hills Colorado Gas, Inc. owned and/or operated Delivery Point, except that for the Bachelor Gulch Delivery Point it means a Delivery Point where Gas is being transported by Transporter through its system and the Public Service Company of Colorado system to the Black Hills Colorado Gas, Inc. owned and/or operated Delivery Point. On-System Delivery Point(s) are defined in and listed in the Informational Postings section of Transporter’s EBB.
- 2.54. “Operational Balancing Agreement” or “OBA” means an agreement executed between Transporter and an Interconnecting Party which specifies the procedures to manage and resolve operating variances at an interconnect.
- 2.55. “Operational Flow Order” or “OFO” is defined in Section 28.3 of the General Terms and Conditions.
- 2.56. “Operator” or “Point Operator” means a Party that controls and is responsible for the operation of a physical Gas facility through which gas flows into or out of Transporter’s system at a Point of Delivery or Receipt on Transporter’s system.
- 2.57. “Overrun Capacity” or “Overrun Quantities” means the use of Capacity on Transporter’s system that is greater than the Shipper’s contract entitlements.
- 2.58. “Park,” “Parked” or “Parking” means acceptance by Transporter of quantities of Gas tendered by Shipper at a Park Point for Delivery pursuant to Rate Schedule MCS.
- 2.59. “Park Point” means a nomination point determined by Transporter at which quantities may be Parked pursuant to a Rate Schedule MCS Agreement. Such points will be posted on Transporter’s EBB under the Non-Critical Notices section.
- 2.60. “Park Quantity” or “Parked Quantity” means the quantity of Gas, expressed in Dth per Day, tendered by Shipper at a Park Point pursuant to Rate Schedule MCS.
- 2.61. “Party” means, depending upon the context, the Company, a Shipper, an End-User, a Point Operator and/or an Interconnecting Party.
- 2.62. “Point of Delivery” or “Delivery Point” means the point of connection between facilities of the Company and facilities of another Party at which the Gas leaves the outlet side of the measuring equipment or main of the Company and enters the facilities of the other Party, or an otherwise agreed upon point.
- 2.63. “Point of Delivery Quantity” or “Delivery Point Quantity” means the maximum quantity of Gas, expressed in Dth per Day, which Transporter shall be obligated under a Transportation Service Agreement to Deliver to Shipper, or for Shipper’s account at a Point of Delivery.
- 2.64. “Point of Receipt” or “Receipt Point” means the point(s) at which the upstream facilities of a Party are connected with the Company’s facilities and at which the Gas quantities flowing into the Company’s facilities are measured, or an otherwise agreed upon point.
- 2.65. “Point of Receipt Quantity” or “Receipt Point Quantity” means the maximum quantity of Gas, expressed in Dth per Day, which the Shipper is permitted under a Transportation Service Agreement to tender to Transporter at a Point of Receipt.

- 2.66. "Point Operator" has the same meaning as "Operator."
- 2.67. "Primary Capacity" means the transmission system Capacity on and along any portion of the Primary Receipt Point, primary path, or Primary Delivery Point reserved for the Shipper under a Firm Transportation Service Agreement. On any pipeline Segment, primary path capacity is limited by the Primary Point of Receipt quantity upstream of such segment and the Primary Point of Delivery Quantity downstream of such segment, whichever is less.
- 2.68. "Primary Delivery Point" means, with respect to a particular Shipper, a Delivery Point on the Company's system listed in the Service Agreement executed by the Company and the Shipper, or the Shipper's duly authorized agent.
- 2.69. "Primary Point(s)" means those point(s) of Receipt and Delivery specified in the Firm Transportation Agreement as Point(s) where Shipper is entitled to Firm Service.
- 2.70. "Primary Receipt Point" means, with respect to a particular Shipper, a Receipt Point on the Company's system listed in the Transportation Service Agreement executed by the Company and the Shipper, or the Shipper's duly authorized agent.
- 2.71. "p.s.i.a." means pounds per square inch absolute.
- 2.72. "p.s.i.g." means pounds per square inch gauge.
- 2.73. "Quantity" means all quantities expressed in Dth of Gas Received or Delivered by Transporter for the account of the Shipper.
- 2.74. "Receipt Quantities" means all quantities expressed in Dth of Gas received by Transporter at the Point(s) of Receipt for the account of the Shipper.
- 2.75. "Receive," "Received," or "Receipt" means the tender of a quantity of Gas by a Shipper (or by an entity for Shipper's account) to Transporter for transportation under an Agreement.
- 2.76. "Scheduled Quantity" means the quantity of Gas Transporter has determined it can Transport, based on a Shipper's nomination, from a specific Point of Receipt to a specific Point of Delivery on a designated Day subject to Transporter's available transportation system Capacity. Such quantities shall be determined in accordance with Section 16, Nomination and Scheduling Procedures, of the GT&C of this Statement of Operating Conditions and are subject to a final Confirmation by Transporter.
- 2.77. "Secondary Capacity" means Capacity other than the primary Capacity under a Firm Transportation Agreement used when Shipper Nominates service at points or paths outside of the Primary Receipt to Delivery Contract Path. The Primary Receipt to Delivery Contract Path means the path through and from a Primary Point of Receipt to and through a Primary Point of Delivery.
- 2.78. "Secondary Delivery Point" means, with respect to a particular Shipper, an available Off System Delivery Point on the Company's system other than the Primary Delivery Points that are listed in the Service Agreement executed by the Company and the Shipper, or the Shipper's duly authorized agent.
- 2.79. "Secondary Point(s)" means those Point(s) of Receipt and Delivery which are not specified in the Firm Transportation Service Agreement as Primary Points and where Shipper is entitled to Nominate Gas quantities for Receipt or Delivery. The availability of Secondary Points is as defined in the Rate Schedules.
- 2.80. "Secondary Receipt Point" means, with respect to a particular Shipper, an available Receipt Point on the Company's system other than the Primary Receipt Points that are

listed in the Service Agreement executed by the Company and the Shipper, or the Shipper's duly authorized agent.

- 2.81. "Segment" means a portion of the transmission system between a defined upstream point and a defined downstream point.
- 2.82. "Service Agreement" or "Agreement" means a written agreement, and any exhibits, attachments and/or amendments thereto, for Gas service, which is executed by the Company and a Shipper, or the Shipper's duly authorized agent.
- 2.83. "Shipper" means that Party that has executed a Service Agreement providing for service under a Rate Schedule included with this Statement of Operating Conditions.
- 2.84. "Tender" or "Tendered" means making Gas available in accordance with the provisions of this Statement of Operating Conditions and Shipper's Transportation Service Agreement.
- 2.85. "Thermal Content" when applied to any volume of Gas means the aggregate number of Btus contained in such volume. The thermal content is that amount determined by multiplying the Gross Dry Heating Value by the volume of Gas in cubic feet.
- 2.86. "Third Party Charges" means amounts paid to a Party other than Transporter.
- 2.87. "Timely" means any Nominated, Confirmed or Scheduled quantities submitted in the first scheduling cycle of each Day.
- 2.88. "Transportation Service" or "Transportation" means the acceptance by Transporter of Gas tendered by a Shipper to the Company's pipeline system at a Receipt Point(s), and direct, displacement, backhaul or exchange delivery to the Shipper, or for the Shipper's account, at a Delivery Point.
- 2.89. "Transporter" means Rocky Mountain Natural Gas LLC. Additionally, the term "Company" is used interchangeably with "Transporter" throughout this Statement of Operating Conditions.
- 2.90. "Transporting Pipeline" or "Interconnecting Pipeline" means any interstate or intrastate pipeline delivering transportation Gas to the Primary Receipt Point(s) or taking Gas from the Primary Delivery Point(s) or Secondary Delivery Point(s). A Transporting Pipeline may include facilities owned by the Company, an affiliate of the Company, or an unaffiliated entity.
- 2.91. "Unauthorized Overrun" means the Transportation of quantities in excess of Shipper's contract entitlement under a Rate Schedule FTS or ITS Service Agreement that has not been authorized by Transporter as a Confirmed Quantity.
- 2.92. "Unpark" means the Delivery of Gas from a Shipper's Parking account to a Service Agreement of the Shipper or to the Service Agreement of another Shipper.
- 2.93. "Upstream Party" means the Party delivering Gas to Transporter at a Receipt Point as identified by Shipper's Nomination.

3. STATEMENT OF RATES

The Statement of Rates applicable to Rate Schedule FTS, Rate Schedule ITS, and Rate Schedule MCS is attached hereto as Appendix A and is hereby made a part of this Statement of Operating Conditions.

4. RATE SCHEDULES

Rate Schedule FTS, available for transportation of Natural Gas through the Company's facilities on a firm basis for any Shipper, is attached hereto as Appendix B and is hereby made a part of this Statement of Operating Conditions. Rate Schedule ITS, available for transportation of Natural Gas through the Company's facilities on an interruptible basis for any Shipper, is attached hereto as Appendix C and is hereby made a part of this Statement of Operating Conditions. Rate Schedule MCS, available for Interruptible Gas Parking, Gas Lending, Gas Wheeling and Title Tracking Transfer Services at and/or between a Park Point and Loan Point, is attached hereto as Appendix D and is hereby made a part of this Statement of Operating Conditions.

5. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions are attached hereto as Appendix E and are hereby made a part of this Statement of Operating Conditions.

APPENDIX A

STATEMENT OF RATES

Rocky Mountain Natural Gas LLC – 18 C.F.R. §284.123(e) Rate Summary

Firm and Interruptible Transportation Service (FTS and ITS)

Summary of Hinshaw Pipeline Firm and Interruptible Transportation Service Rates

Rate Schedule	Type of Service	Type of Charge	Total Rate	Maximum Rate ¹	Minimum Rate
FTS	Firm Transportation	<u>Reservation Charge</u> (Per Dth of MDTQ per Monthly Billing Period)	\$24.1757	\$25.3873	\$0.00
		<u>Usage Charge</u> ² (Per Dth delivered per Monthly Billing Period)	\$0.1038	\$0.1038	\$0.1038
		<u>Authorized Overruns</u> (Per Dth delivered per Monthly Billing Period)	\$0.9384	\$0.9384	\$0.1038
		<u>Unauthorized Overruns</u> ¹ (Per Dth in excess of Tolerance delivered per Monthly Billing Period)	\$0.9384	\$0.9384	
ITS	Interruptible Transportation	<u>Usage Charge</u> (Per Dth delivered per Monthly Billing Period)	\$0.9384	\$0.9384	\$0.1038
		<u>Unauthorized Overruns</u> ³ (Per Dth in excess of Tolerance delivered per Monthly Billing Period)	\$0.9384	\$0.9384	

~~Fuel/Loss Reimbursement Quantity — The Company shall be entitled to retain a percentage of all Terms of Gas received for transportation. The percentage shall be 0.71%.~~

Notes:

- ~~¹ — Penalty charge is applied by the method specified in Section 4.2(f) of the Firm Transportation Service Rate Schedule or Section 4.2(e) of the Interruptible Transportation Service Rate Schedule in addition to the maximum Rate Schedule FTS Authorized Overrun Charge.~~
- ~~² — FTS and ITS Maximum Rates include GRSA of 0.00% referenced in Section 22.121.1 of the General Terms and Conditions.~~

APPENDIX B

RATE SCHEDULE FTS

<u>Rate Schedule</u> <u>Rate/1</u>	<u>Type of Service</u>	<u>Type of Charge</u>	<u>Total Rate</u>	<u>Maximum Rate/1/4/5</u>	<u>Minimum</u>
NNS	No-Notice Storage	<u>Reservation Charge</u> (Per Dth of MDWQ per Monthly Billing Period)	\$23.4605	\$25.0905	\$25.0905
		<u>Injection Charge</u> (Per Dth injected per Monthly Billing Period)		\$0.00	\$0.00
		<u>Withdrawal Charge</u> (Per Dth withdrawn per Monthly Billing Period)		\$0.00	\$0.00
APAL	Interruptible Automatic Park and Loan	<u>APAL Charge</u> (Per Dth of Imbalance Quantity per day)		\$0.8249	\$0.8249
MCS	Interruptible Market Center Services	<u>MCS Charge</u> (Per Dth of Parked or Loan Quantity)		\$0.8249	\$0.00
		<u>MCS Charge</u> (Per Dth of Unparked or Loan Payback Quantity)		\$0.8249	\$0.00
		<u>MCS Charge</u> (Per Dth Per Day of Accumulated Daily Park or Loan Quantity)		\$0.8249	\$0.00
		<u>MCS Charge</u> (Per Dth of Title Tracking Transfer and/or Wheeling Quantity)		\$0.8249	\$0.00

~~Fuel/Loss Reimbursement Quantity — The Company shall be entitled to retain a percentage of all Therms of Gas received for transportation. The percentage shall be 0.71%.~~

In addition to the charges identified above, Transporter may also assess or calculate the charges as identified below and within the applicable tariff sections referenced therein:

Fuel/Loss Reimbursement Quantity — Transporter shall be entitled to retain a percentage of all Therms of Gas received for transportation. The percentage shall be 0.71%.

Penalty Charges. — Penalty charge is applied by the method specified in Section 4.2(f) of the Firm Transportation Service Rate Schedule or Section 4.2(c) of the Interruptible Transportation Service Rate Schedule in addition to the maximum Rate Schedule FTS Authorized Overrun Charge.

GSRA. — FTS and ITS Maximum Rates include GSRA of 0.00% referenced in Section 21.1 of the General Terms and Conditions.

APPENDIX B
RATE SCHEDULE FTS

Notes:

/1
Billed Reservation Charge Billed Reservation Charge shall include the following charges and credits, as applicable:

<u>Charge</u>	<u>Rate</u>	<u>Reference</u>
RAM-FTS	(\$1.2116)	Section 22 of the General Terms and Conditions
RAM-NNS	(\$2.6300)	Section 22 of the General Terms and Conditions
SSIR	\$0.00	Section 24 of the General Terms and Conditions

/2
South of Read Junction Charge South of Read Junction Charge may be added as described in Section 4.3 of the Firm Transportation Service Rate Schedule. Charge equal to (1) the difference between the allocated south of Read Junction delivery quantities and the quantity scheduled and confirmed from TransColorado-Olathe, multiplied by (2) the higher of the posted mid-point Gas Daily price for that Gas Day at El Paso-San Juan, CIG Rockies, or Northwest Pipeline (South of Green River) as published by *Platts' Gas Daily* for the "Spot Gas Prices Delivered to Pipelines" for that Gas Day, in addition to other charges, as applicable.

/3
Unauthorized Overrun Charge Unauthorized Overrun charge is applied by the method specified in Section 4.2(g) of the Firm Transportation Service Rate Schedule or Section 4.2(c) of the Interruptible Transportation Service Rate Schedule in addition to the maximum Rate Schedule FTS Authorized Overrun Charge.

/4
FTS and IST Maximum Rates – GRSA FTS and ITS Maximum Rates include GRSA of 0.00% referenced in Section ~~25.421.1~~ of the General Terms and Conditions.

/5
NNS Maximum Rates – GRSA NNS Maximum Rates include GRSA of 0.00% referenced in Section ~~21.225.1~~ of the General Terms and Conditions.

/6
APAL Charges APAL charges will be calculated pursuant to the procedure specified in Section 4.2(a) of Rate Schedule APAL.

/7
MCS Transaction The total MCS Transaction will be at or above \$0.0100 per Dth.

Third Party Charges Third Party Charges may apply as set forth in section 4.4 of Rate Schedule FTS

Other Rates, Charges and Fees Other Rates, Charges and Fees as set forth in section 4.5 of Rate Schedule FTS

APPENDIX B
RATE SCHEDULE FTS

1. AVAILABILITY

This Rate Schedule is available for transportation of Gas through the Company's facilities on a Firm basis for any Shipper, when:

- 1.1. The Shipper has requested to have Gas transported under this Rate Schedule to an Off-System Delivery Point(s). The Shipper shall submit a Transportation Service Request Form as set forth in this Statement of Operating Conditions.
- 1.2. The Shipper and Transporter have executed an FTS Service Agreement in the form set forth in this Statement of Operating Conditions under this Rate Schedule.
- 1.3. AVAILABLE CAPACITY. Transporter has determined, through the use of its engineering analysis, that it will have available sufficient uncommitted Capacity to provide the Firm service requested by the Shipper without the addition by Transporter of new facilities or the expansion of the Capacity of Transporter's pipeline system, unless the Transporter has provided for the addition of facilities under a FTS Service Agreement or otherwise has waived this requirement in a not unduly discriminatory manner, or the Shipper has executed a Facilities Installation Agreement. In addition to the available mainline Capacity between Receipt and Delivery Points, Transporter shall determine that the contracted quantity specified at a Primary Receipt Point(s) or Primary Delivery Point(s) shall not exceed the available Firm Capacity at those points.
- 1.4. Shipper has met the creditworthiness requirements specified in Section 3, Creditworthiness, Related Deposits, and Other Credit Assurances, of the GT&C of this Statement of Operating Conditions.
- 1.5. By executing the FTS Service Agreement, Shipper certifies that (1) Shipper has title to, or a current contractual right to acquire such title to, the Gas to be transported by Transporter; (2) Shipper has, or will have, entered into all arrangements necessary for the commitment of Deliveries to Transporter; and (3) Shipper has, or will have, entered into all arrangements necessary for the Delivery of Gas from Transporter.
- 1.6. The minimum term for Off-System Rate Schedule FTS Service Agreement(s) is one (1) month.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1. This Rate Schedule shall apply to the Firm transportation of Gas on the Transporter's system as defined in this Statement of Operating Conditions. Such Transportation Service shall include forward-haul, back-haul and/or Transportation Service accomplished by means of exchange or displacement and shall include Transportation Service to Off-System Delivery Points.
- 2.2. The FTS Service Agreement shall state one or more MDRQ and MDDQ, and an MDTQ as those service entitlements are defined this Statement of Operating Conditions.

APPENDIX B

RATE SCHEDULE FTS

- 2.3. Transporter shall receive from the Shipper, or for the account of the Shipper, at Receipt Points on the Transporter's system, for transportation under this Rate Schedule, daily quantities of Gas tendered for the account of the Shipper up to the Shipper's MDTQ, plus the Fuel, Lost and Unaccounted-for Gas ("FL&U") Reimbursement Quantity and other in-kind allowable deductions, as specified in the FTS Service Agreement between the Shipper and Transporter. Provided that Transporter shall in no circumstances be obligated to receive for the account of the Shipper quantities of Gas in excess of the Shipper's MDTQ, plus the FL&U Reimbursement Quantity and other allowable in-kind deductions:
- a. Subject to the Scheduling Principles provided for in this Statement of Operating Conditions, including the use of available Secondary Receipt Points when permitted under this Rate Schedule, Transporter shall Receive from the Shipper, or for the account of the Shipper, daily quantities of Gas up to the MDRQ plus the FL&U Reimbursement Quantity and other in-kind allowable deductions at each Primary Receipt Point(s) specified in the Firm Transportation Service Agreement and/or at available Secondary Receipt Points.
- 2.4. Upon receipt of Gas from the Shipper, or for the Shipper's account, Transporter shall, after a deduction for the FL&U Reimbursement Quantity and other in-kind allowable deductions, transport and Deliver for the account of the Shipper to an Off-System Delivery Point(s) the net quantities Received up to the Shipper's MDTQ daily quantities, as specified in the FTS Service Agreement between the Shipper and Transporter. Provided that Transporter shall in no circumstances be obligated to deliver for the account of the Shipper quantities of Gas in excess of the Shipper's MDTQ:
- a. Subject to the Scheduling Principles provided for in Section 15, Scheduling Principles for, and Determination of, Receipts and Deliveries, of the GT&C of this Statement of Operating Conditions, including the use of available Secondary Delivery Points when permitted under this Rate Schedule, and subject to the operational and service limitations of Deliveries to Off-System Delivery Points provided for in Section 23.4, Limitations of Obligations, of the GT&C of this Statement of Operating Conditions, Transporter shall Deliver to the Shipper, or for the account of the Shipper, the net daily quantities of Gas so Received up to the MDDQ for Shipper at each Primary Delivery Point(s) specified in the Firm Transportation Service Agreement and/or at available Secondary Delivery Points.
- 2.5. AUTHORIZED OVERRUN SERVICE. Pursuant to this Rate Schedule, if on any Day that sufficient uncommitted Capacity on Transporter's system is available, the Shipper desires to transport Gas exceeding the Shipper's MDTQ applicable to a Delivery Point(s) or, in the aggregate at all Delivery Point(s), in excess of the Shipper's MDTQ, the Shipper may schedule such quantities pursuant to the Scheduling Principles provided for in Section 15, Scheduling Principles for, and Determination of, Receipts and Deliveries, of the GT&C of this Statement of Operating Conditions and Transporter may Confirm and Receive and Deliver such Confirmed Authorized Overrun Quantities. Authorized Overrun Service is interruptible and shall be billed at the rate(s) applicable to such service.
- 2.6. UNAUTHORIZED OVERRUN SERVICE. Pursuant to this Rate Schedule, if on any Day the

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RATE SCHEDULE FTS

Shipper takes quantities in excess of (a) a daily quantity of Gas which was Nominated and Confirmed and which exceeds the MDDQ applicable at a Delivery Point(s), or (b) the level to which Deliveries have been curtailed for the Day, or (c) the aggregate of its MDTQ plus any Authorized Overrun Quantities for the Day, such quantities shall be considered Unauthorized Overrun Service and shall be billed at the rate(s) applicable to such service.

- 2.7. Notwithstanding the charges for Authorized and Unauthorized Overrun Service provided for in Section 4.2 (e) and (f) of this Rate Schedule, Transporter shall have the right to reduce Receipts or Deliveries of Gas in excess of the MDTQ at any time in its reasonable discretion and judgment, as necessary to protect its system and operations, including the continuation of service to other Shippers. During periods when applicable Operational Flow Orders are in effect, any overruns are subject to the provisions of Section 28.3, Operational Flow Orders, of the GT&C of this Statement of Operating Conditions.
- 2.8. RATES OF FLOW. ~~Unless otherwise agreed, a~~At each Point of Receipt, each Party shall use commercially reasonable efforts to tender or cause to be tendered Gas at ratable hourly rates. ~~Unless otherwise agreed, a~~At each Point of Delivery, each Party shall use commercially reasonable efforts to tender or cause to be tendered Gas at the hourly rates of flow as specified below. Shipper shall also use commercially reasonable efforts to tender or cause to be tendered Gas at daily rates of flow such that the net Receipt Quantities (Receipt Quantities after a deduction for the FL&U Reimbursement Quantity and other allowable in-kind deductions) and the Delivery Quantities are Balanced each Day.
- a. At each Off-System Point of Delivery as listed in the Informational Postings section of Transporter's Electronic Bulletin Board ("EBB"), quantities tendered or caused to be tendered for Shipper's account each hour over the Gas Day shall not exceed 1/24th of Scheduled Quantities at such Point and shall be ratable over the Gas Day at such Point.
 - b. When requested by Transporter, Shipper shall specify and provide to Transporter the Shipper's requested and expected hourly flow pattern pursuant to the procedure specified in Section 26, Operations by Transporter and Shippers and Imbalance Management, of the GT&C of this Statement of Operating Conditions.
- 2.9. Service under this Rate Schedule shall be provided on a not unduly discriminatory basis.
- 2.10. Contract Quantities (MDDQ, MDRQ, MDTQ) shall be stated in both Mcf and Dth on the FTS Service Agreement. The Dth contract quantity shall be adjusted if the average thermal content of the Gas on the system changes such that, ~~in Transporter's sole operational judgment~~, an adjustment is required so that the system is not adversely impacted. Such adjustment shall be made in accordance with the provisions of Section 28.3, Operational Flow Orders, of the GT&C of this Statement of Operating Conditions.
- 2.11. Service under this Rate Schedule is subject to the provisions of this Rate Schedule, the GT&C of this Statement of Operating Conditions, the terms of the Shipper's executed FTS Service Agreement with Transporter, and any applicable Gas transportation rules of the applicable regulatory authority. Transporter shall not be required to perform service under this Rate Schedule on behalf of any Shipper that fails to comply with any and all of said

APPENDIX B

RATE SCHEDULE FTS

provisions.

3. ASSIGNMENT PROVISIONS

3.1. The FTS Service Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge its FTS Service Agreement rights and obligations under the provisions of any mortgage, deed or trust, indenture or other instrument as security for indebtedness; otherwise, neither Transporter nor Shipper shall assign any of its right, title and interest without first having obtained formal written consent of the other(s). Such consent shall not be unreasonably withheld.

4. RATES AND CHARGES FOR SERVICE

4.1. APPLICABLE BASIC RATES. The applicable basic rates, including surcharges, for service under this Rate Schedule are set forth on the Statement of Rates in this Statement of Operating Conditions, as revised from time to time.

a. MAXIMUM AND MINIMUM RATES. Where a maximum rate and a minimum rate have been established with respect to an applicable basic rate, the Company shall charge the Shipper a rate that is no higher than the maximum rate and no lower than the minimum rate so established. The Company shall charge the maximum rate ~~unless otherwise agreed to in writing with the Shipper~~. Any discounts from the applicable maximum rate shall be granted on a not unduly discriminatory basis.

b. Shipper may elect to prepay its anticipated charges for service at any time.

4.2. MONTHLY BILL. Commencing with the first Monthly Billing Period in which the Shipper's FTS Service Agreement for service under this Rate Schedule is effective, and each Monthly Billing Period thereafter during the term of the Service Agreement, Transporter shall charge and the Shipper shall pay Transporter the sum of the following amounts:

a. RESERVATION CHARGE. The monthly reservation charge shall be determined by multiplying (1) the applicable maximum rate(s) for Rate Schedule FTS set forth on the Statement of Rates in this Statement of Operating Conditions as revised from time to time, or the discounted reservation rate if such has been granted in reference to the FTS Service Agreement; and (2) the contract MDTQ for the applicable month.

b. USAGE CHARGE. The monthly usage charge shall be determined by multiplying (1) the applicable maximum rate for Rate Schedule FTS set forth on the Statement of Rates in this Statement of Operating Conditions, as revised from time to time, , and (2) the quantity of Gas in Dth Delivered by the Company hereunder during the Monthly Billing Period to the Shipper or for the Shipper's account at any Delivery Point, less any quantities of Gas taken which are deemed as Authorized Overrun Quantities or Unauthorized Overrun Quantities pursuant to Section 2.5 and 2.6, respectively, of this Rate Schedule which will be billed under the provisions of Section 4.2(e) and (f), respectively, of this Rate Schedule.

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RATE SCHEDULE FTS

- c. GENERAL RATE SCHEDULE ADJUSTMENT AND OTHER SURCHARGES.
- (1) GENERAL RATE SCHEDULE ADJUSTMENT. With respect to Service Agreements providing Off-System Transportation Service, the monthly Reservation Charge and Usage Charge assessed pursuant to Sections 4.2(a) and 4.2(c) of this Rate Schedule shall be adjusted to reflect recovery of the GRSA for Rate Schedule FTS set forth in the Statement of Rates in this Statement of Operating Conditions, as revised from time to time. The percentage adjustment of the GRSA is addressed in Section 21.1, General Rate Schedule Adjustment (GRSA), of the GT&C of this Statement of Operating Conditions.
- d. AUTHORIZED OVERRUN CHARGES. The monthly Authorized Overrun Quantity Charge shall be determined by multiplying (1) the applicable maximum authorized overrun rate for Rate Schedule FTS as stated on the Statement of Rates in this Statement of Operating Conditions, as revised from time to time, or the discounted authorized overrun rate if such has been granted in reference to the FTS Service Agreement, and (2) the total quantity of Daily Authorized Overrun Gas Delivered by the Transporter hereunder during the Monthly Billing Period to the Shipper or for the Shipper's account at the applicable Delivery Point(s).
- e. UNAUTHORIZED OVERRUN CHARGE. This charge shall have both a penalty component and a service component. This charge shall be charged to Shipper with respect to Gas quantities specified in Section 2.6 of this Rate Schedule. All Unauthorized Overrun Quantities shall be subject to a service charge within the rate band established for the Authorized Overrun Quantity Charge as agreed to by the Transporter in writing on a not unduly discriminatory basis. Quantities of Daily Unauthorized Overrun Gas taken during the Monthly Billing Period that are less than the tolerance, or for which the required notice has not been given under Section 4.2(f)(1) of this Rate Schedule, shall be subject to the service charge. In addition to the service charge, unless waived by the Transporter on a not unduly discriminatory basis for a specified period for all Shippers or by specific geographic segments of the pipeline, and subject to the limitation in Section 4.2(f)(1) of this Rate Schedule, quantities of Unauthorized Overrun Gas taken on any Day in excess of the quantities specified in Section 2.6 of this Rate Schedule ("the tolerance") shall be subject to an additional penalty charge equal to the applicable Rate Schedule FTS Unauthorized Overrun penalty rate for that Day set forth on the Statement of Rates of this Statement of Operating Conditions, as revised from time to time. The monthly Unauthorized Overrun charge shall be the summation of the service charge and the penalty charges incurred for Daily Unauthorized Overrun service.
- (1) For those Shippers whose Deliveries are not measured by electronic measurement equipment, Transporter may only assess an Unauthorized Overrun Charge on Unauthorized Overrun Quantities received and/or delivered after the expiration of notice period provided by Transporter to the Shipper that the charge shall be assessed. The required notice period for such Shippers is twenty-four (24) hours; provided that Transporter may designate a shorter notice period if, ~~in its sole and reasonable operational judgment,~~ such is deemed necessary to protect its system.

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- (2) During periods when applicable Operational Flow Orders are in effect, any overruns shall be subject to the provisions of Section 28.3, Operational Flow Orders, of the GT&C of this Statement of Operating Conditions. The penalty provided in such Operational Flow Orders section shall be in addition to the Unauthorized Overrun charges herein.
- 4.3. LATE PAYMENT CHARGES. Any amounts billed to a Shipper that are not paid timely shall be subject to the late payment charges described in Section 5.10, Late Charges, of the GT&C of this Statement of Operating Conditions.
- 4.4. THIRD PARTY CHARGES. Shipper may, on a not unduly discriminatory basis, be required to pay to Transporter, if applicable, any charges for Third Party Capacity acquired by Transporter in accordance with Section 18, Third Party Capacity, of the GT&C of this Statement of Operating Conditions. In no event shall such charges for Third Party Capacity billed to Shipper exceed the amount incurred and paid by Transporter for the applicable Third Party Capacity or service.
- 4.5. OTHER RATES, CHARGES AND FEES. Transporter shall add to the Shipper's monthly bill any other rates, charges, fees or assessments that the Transporter is authorized to charge the Shipper under this Statement of Operating Conditions, including reimbursement of any banking fees related to insufficient payment of bills.
- 4.6. FORCE MAJEURE AND BILLING. In the event of a force majeure occurrence as defined in Section 23.1, Force Majeure, of the GT&C of this Statement of Operating Conditions, the Shipper shall not be relieved of its obligations to make payment of amounts then due or which become due hereunder.
5. FUEL, LOST AND UNACCOUNTED-FOR GAS ("FL&U") REIMBURSEMENT QUANTITY
- 5.1. Transporter shall be entitled to retain Gas from each Shipper hereunder equal to the FL&U Reimbursement Quantity as specified in this Statement of Operating Conditions. ~~Unless otherwise agreed to in writing,~~ Shipper shall pay the applicable FL&U Reimbursement Quantity specified on the Statement of Rates of this Statement of Operating Conditions. The FL&U Reimbursement Quantity shall be stated as a percentage of Gas Received by Transporter at the Receipt Point(s), excluding Gas quantities withdrawn from storage. Title to the FL&U Reimbursement Quantity shall rest in Transporter upon Receipt at the Receipt Point(s) at no cost and free and clear of all adverse claims.
- 5.2. Transporter may recalculate and re-determine its FL&U Reimbursement Quantity at least once annually using the prior twelve months of available data based on actual experience, as adjusted for reasonable changes. Such redetermination shall be filed with the applicable regulatory authority.
- 5.3. Transporter shall be entitled to make additional in-kind deductions of Gas received from a Shipper as allowed by this Statement of Operating Conditions.

APPENDIX B

RATE SCHEDULE FTS

6. COMMINGLING OF GAS. Transporter shall have the unqualified right to commingle the Shipper's Gas with other Gas in the Company's pipeline system.
7. DELEGATION. By a contract ("Agency Agreement"), a Shipper may delegate to any third party ("Agent") responsibility for receiving invoices, notices, and confirmations, submitting Nominations, and/or performing other administrative duties required by the FTS Service Agreement, subject to Section 28, Agency (Delegation) Agreements, of the GT&C of this Statement of Operating Conditions.
8. GENERAL TERMS AND CONDITIONS. The applicable GT&C of this Statement of Operating Conditions are hereby incorporated in and made a part of this Rate Schedule. To the extent that said GT&C are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

APPENDIX C

RATE SCHEDULE ITS

1. AVAILABILITY

This Rate Schedule is available for transportation of Gas through the Company's facilities on an Interruptible basis for any Shipper, when:

- 1.1. The Shipper has requested to have Gas transported under this Rate Schedule. Shipper shall submit a Transportation Service Request Form as set forth in this Statement of Operating Conditions.
- 1.2. The Shipper and Transporter have executed an ITS Service Agreement in the form set forth in this Statement of Operating Conditions under this Rate Schedule within sixty (60) days of being tendered to the Shipper by Transporter, following Transporter's acceptance of the terms of the Shipper's request for service, as proposed by the Shipper or as modified by mutual agreement of the Shipper and Transporter.
- 1.3. AVAILABLE CAPACITY. Transporter has determined, through the use of its engineering analysis, that it will have available sufficient uncommitted Capacity to provide the Interruptible service requested by the Shipper without the addition by Transporter of new facilities or the expansion of the Capacity of Transporter's pipeline system, unless the Transporter has waived this requirement in a not unduly discriminatory manner, or the Shipper has executed a Facilities Installation Agreement.
- 1.4. Shipper has met the creditworthiness requirements specified in Section 3, Creditworthiness, Related Deposits, and Other Credit Assurances, of the GT&C of this Statement of Operating Conditions. For purposes of credit requirements, the ITS Service Agreement will list a maximum credit quantity and Transporter may limit Shipper's ability to schedule Gas if the maximum credit quantity has been exceeded. Transporter may require the Shipper to provide a service deposit or other form of performance assurance to Transporter as provided in Section 3.4, Requirement of Deposit or Other Credit Assurance, of the GT&C of this Statement of Operating Conditions.
- 1.5. By executing the ITS Service Agreement, Shipper certifies that (1) Shipper has title to, or a current contractual right to acquire such title to, the Gas to be transported by Transporter; (2) Shipper has, or will have, entered into all arrangements necessary for the commitment of Deliveries to and from Transporter; and (3) Shipper shall not use such service where an interruption may adversely impact the requirements of human-needs end-use customers.
- 1.6. Transporter delivers Gas to Shipper, or for Shipper's Account, at a Point that is not an On-System Delivery Point, which On-System Points are listed on the Informational Postings section of Transporter's EBB.
- 1.7. Service under this Rate Schedule shall be made on an as-available basis, with priority of quantities scheduled pursuant to Section 15, Scheduling Principles for, and Determination of, Receipts and Deliveries, of the GT&C of this Statement of Operating Conditions.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1. This Rate Schedule shall apply to the Interruptible transportation of Gas on Transporter's system. Such Transportation Service shall include forward-haul, back-haul and/or

APPENDIX C

RATE SCHEDULE ITS

Transportation Service accomplished by means of exchange or displacement to Off-System Delivery Points.

- 2.2. Service under this Rate Schedule shall be provided to the Shipper only to the extent that Capacity is available after Transporter has provided service (1) to Shippers under Firm Rate Schedules and (2) to those Shippers served under this Rate Schedule that have a higher scheduling priority as defined in Section 15, Scheduling Principles for, and Determination of, Receipts and Deliveries, of the GT&C of this Statement of Operating Conditions and when applicable, Section 23, Limitations on Obligations, of the GT&C of this Statement of Operating Conditions. The Shipper shall have no MDRQ, MDDQ or MDTQ under the ITS Service Agreement and all Receipt Points and Off-System Delivery Points are available for scheduling of Interruptible Transportation Service, provided, however, that Transporter may limit quantities to be scheduled based on the maximum credit quantity.
- 2.3. On any Day that sufficient uncommitted Capacity is available, Transporter shall receive from the Shipper, or for the account of the Shipper, at Receipt Points on Transporter's system, for transportation under this Rate Schedule, daily quantities of Gas tendered for the account of the Shipper, plus the FL&U Gas Reimbursement Quantity and other allowable in-kind deductions, as specified in the ITS Service Agreement between the Shipper and Transporter.
- 2.4. Upon Receipt of Gas from the Shipper, or for the Shipper's account, Transporter shall, after a deduction for the FL&U Reimbursement Quantity and other allowable in-kind deductions, transport and Deliver for the account of the Shippers to an Off-System Delivery Point(s) the net quantities Received, as specified in the ITS Service Agreement between the Shipper and Transporter.
- 2.5. UNAUTHORIZED OVERRUN SERVICE. Pursuant to this Rate Schedule, if on any Day the Shipper takes quantities in excess of (a) a daily quantity of Gas which was Nominated and Confirmed at a Delivery Point(s), or (b) the level to which Deliveries have been curtailed for the Day, such quantities shall be considered Unauthorized Overrun Service and shall be billed at the rate(s) applicable to such service.
- 2.6. RATES OF FLOW. ~~Unless otherwise agreed, a~~ At each Receipt Point(s) and/or Delivery Point(s), each Party shall use commercially reasonable efforts to tender, or cause to be tendered, Gas at reasonably uniform hourly and Daily rates of flow, and Shipper shall use commercially reasonable efforts to cause net Receipts (after deduction for FL&U Reimbursement Quantities and other allowable in-kind deductions) to equal deliveries.
 - a. At each Delivery Point(s), ~~and unless otherwise agreed in writing,~~ quantities for Shipper's account shall not exceed in any hour 1/24th of Scheduled Quantities at such point.
- 2.7. Service under this Rate Schedule is Interruptible and is subject to immediate Interruption by Transporter without notice, except as otherwise provided in this Statement of Operating Conditions. Whenever circumstances permit, Transporter shall give the Shipper advance notice of Interruption of the service provided hereunder via Transporter's EBB, telephone, facsimile, e-mail or as otherwise agreed, and the Transporter shall take all actions necessary and within the Transporter's control to effectuate the Interruption of service (e.g.,

APPENDIX C

RATE SCHEDULE ITS

notify upstream and downstream Transporting Pipelines that Transporter shall not Confirm the transportation of the Shipper's Gas, etc.).

- 2.8. Service under this Rate Schedule shall be provided on a not unduly discriminatory basis.
- 2.9. Service under this Rate Schedule is subject to the provisions of this Rate Schedule, the GT&C of this Statement of Operating Conditions, the terms of the Shipper's executed ITS Service Agreement with Transporter, and any applicable Gas transportation rules of the applicable regulatory authority. Transporter shall not be required to perform service under this Rate Schedule on behalf of any Shipper that fails to comply with any and all of said provisions.

3. ASSIGNMENT PROVISIONS.

- 3.1. The Rate Schedule ITS Service Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge its Rate Schedule ITS Service Agreement rights and obligations under the provisions of any mortgage, deed or trust, indenture or other instrument as security for indebtedness; otherwise, neither Transporter nor Shipper shall assign any of its right, title and interest without first having obtained formal written consent of the other(s). Such consent shall not be unreasonably withheld.

4. TERM OF ITS SERVICE AGREEMENT. The minimum term for Rate Schedule ITS Service Agreements is one (1) month.

5. RATES AND CHARGES FOR SERVICE

- 5.1. APPLICABLE BASIC RATES. The applicable basic rates, including surcharges, for service under this Rate Schedule are set forth on the Statement of Rates in this Statement of Operating Conditions, as revised from time to time.
 - a. MAXIMUM AND MINIMUM RATES. Where a maximum rate and a minimum rate have been established with respect to an applicable basic rate, the Company shall charge the Shipper a rate that is no higher than the maximum rate and no lower than the minimum rate so established. The Company shall charge the maximum rate ~~unless otherwise agreed to in writing with the Shipper~~. Any discounts from the applicable maximum rate shall be granted on a not unduly discriminatory basis.
 - b. Shipper may elect to prepay its anticipated charges for service at any time.
- 5.2. MONTHLY BILL. Commencing with the first Monthly Billing Period in which the Shipper's ITS Service Agreement for service under this Rate Schedule is effective, and each Monthly Billing Period thereafter during the term of the Service Agreement, Transporter shall charge and the Shipper shall pay Transporter the sum of the following amounts:
 - a. USAGE CHARGE. The monthly usage charge shall be determined by multiplying (1) the maximum rate for Rate Schedule ITS set forth on the Statement of Rates in this Statement of Operating Conditions, as revised from time to time, or the discounted

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RATE SCHEDULE ITS

usage rate if such has been granted in reference to the ITS Service Agreement, and (2) the quantity of Gas in Dth Delivered by the Company hereunder during the Monthly Billing Period to the Shipper or for the Shipper's account at any Delivery Point, less any quantities of Gas taken which are deemed as Unauthorized Overrun Quantities pursuant to Section 2.5 of this Rate Schedule which will be billed under the provisions of Section 5.2 (c) of this Rate Schedule.

- b. UNAUTHORIZED OVERRUN CHARGE. This charge shall have both a penalty component and a service component. This charge shall be charged to Shipper with respect to Gas quantities specified in Section 2.5 of this Rate Schedule. All Unauthorized Overrun Quantities shall be subject to a service charge within the rate band established for the Rate Schedule FTS Authorized Overrun Charge as agreed to by Transporter in writing on a not unduly discriminatory basis. Quantities of Daily Unauthorized Overrun Gas taken during the Monthly Billing Period that are less than the tolerance, or for which the required notice has not been given under Section 5.2(c)(1) of this Rate Schedule, shall be subject to the service charge. In addition to the service charge, unless waived by the Transporter on a not unduly discriminatory basis for a specified period for all Shippers or by specific geographic segments of the pipeline, and subject to the limitation in Section 5.2(b)(1) of this Rate Schedule, quantities of Unauthorized Overrun Gas taken on any Day in excess of five percent (5%) over the quantities specified in Section 2.5 of this Rate Schedule ("the tolerance") shall be subject to an additional penalty charge equal to the applicable Rate Schedule ITS Unauthorized Overrun penalty rate for that Day set forth on the Statement of Rates of this Statement of Operating Conditions, as revised from time to time. The monthly Unauthorized Overrun charge shall be the summation of the service charge and the penalty charges incurred for Daily Unauthorized Overrun service.
- (1) For those Shippers whose Deliveries are not measured by electronic measurement equipment, Transporter may only assess an Unauthorized Overrun Charge on Unauthorized Overrun quantities received and/or delivered after the expiration of the notice period provided by Transporter to the Shipper that the charge will be assessed. The required notice period for such Shippers is twenty-four (24) hours; provided that Transporter may designate a shorter notice period if, ~~in its sole and reasonable operational judgment~~, such is deemed necessary to protect its system.
- (2) During periods when applicable Operational Flow Orders are in effect, any overruns shall be subject to the provisions of Section 28.3, Operational Flow Orders, of the GT&C of this Statement of Operating Conditions. The penalty provided in such Operational Controls section shall be in addition to the Unauthorized Overrun charges herein.
- c. GENERAL RATE SCHEDULE ADJUSTMENT. With respect to Service Agreements providing Interruptible Transportation Service, the Usage Charge assessed pursuant to Sections 5.2(a) of this Rate Schedule shall be adjusted to reflect recovery of the GRSA for Rate Schedule ITS set forth in the Statement of Rates in this Statement of Operating Conditions, as revised from time to time. The percentage adjustment of the GRSA is addressed in Section 21.1, General Rate Schedule Adjustment (GRSA), of

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the GT&C of this Statement of Operating Conditions.

- 5.3. LATE PAYMENT CHARGES. Any amounts billed to a Shipper that are not paid timely shall be subject to the late payment charges described in Section 5.10, Late Charges, of the GT&C of this Statement of Operating Conditions.
 - 5.4. THIRD PARTY CHARGES. Shipper may, on a not unduly discriminatory basis, be required to pay Transporter, if applicable, any charges incurred by Transporter from a third party in providing service to Shipper under this Rate Schedule. In no event shall such charges billed to Shipper exceed the amount incurred and paid by Transporter for the applicable service.
 - 5.5. OTHER RATES, CHARGES AND FEES. Transporter shall add to the Shipper's monthly bill any other rates, charges, fees or assessments that the Transporter is authorized to charge the Shipper under this Statement of Operating Conditions, including reimbursement of any banking fees related to insufficient payment of bills.
 - 5.6. FORCE MAJEURE AND BILLING. In the event of a force majeure occurrence as defined in Section 23.1, Force Majeure, of the GT&C of this Statement of Operating Conditions, the Shipper shall not be relieved of its obligations to make payment of amounts then due or which become due hereunder.
 - 5.7. GRANDFATHERED INTERRUPTIBLE CONTRACTS – STATEMENT OF RATES ITS-1 – OFF-SYSTEM INTERRUPTIBLE SERVICE AGREEMENTS. Grandfathered Interruptible Contracts are subject to Statement of Rates ITS-1. Notwithstanding any provision of this Statement of Operating Conditions, Transporter shall continue to bill a Shipper receiving Off-System service under a Grandfathered Interruptible Contract's Rate Schedule ITS Service Agreement at the rates provided for either in the Service Agreement or in an associated Discounted Rate Agreement applicable to such service; provided, however, that (a) Transporter shall be permitted to convert the rates set forth in the Service Agreement or in an associated Discounted Rate Agreement from a volumetric basis to a thermal basis; (b) Transporter may not charge the monthly administrative fee provided for in Colorado PUC No. 4 even if provided for in the Discounted Rate Agreement; and (c) Transporter shall terminate the Service Agreement and/or Discounted Rate Agreement at the earliest practicable date permitted by the agreement. The thermal conversion shall be evaluated on an annual basis coinciding with the anniversary date of the agreement.
 - 5.8. IMBALANCE MANAGEMENT. In the event Transporter and Shipper are unable to resolve the Imbalance Quantities arising under the Rate Schedule ITS Service Agreement, the Imbalance Management resolution provisions of Section 26, Imbalance Management, of the GT&C of this Statement of Operating Conditions shall apply.
6. FUEL, LOST AND UNACCOUNTED-FOR GAS ("FL&U") REIMBURSEMENT QUANTITY
- 6.1. Transporter shall be entitled to retain Gas from each Shipper hereunder equal to the FL&U Reimbursement Quantity as specified in this Statement of Operating Conditions. ~~Unless otherwise agreed to in writing,~~ Shipper shall pay the applicable FL&U Reimbursement Quantity specified on the Statement of Rates of this Statement of Operating Conditions. The FL&U Reimbursement Quantity will be stated as a percentage of Gas received by

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Transporter at the Receipt Point(s). Title to the FL&U Reimbursement Quantity shall rest in Transporter upon receipt at the Receipt Point(s) at no cost and free and clear of all adverse claims.

- 6.2. Transporter shall recalculate and re-determine its FL&U Reimbursement Quantity at least once annually using the prior twelve months of available data based on actual experience, as adjusted for reasonable changes. Such redetermination shall be filed with the applicable regulatory authority.
- 6.3. Transporter shall be entitled to make additional in-kind deductions of Gas received from a Shipper as allowed by this Statement of Operating Conditions.
7. COMMINGLING OF GAS. Transporter shall have the unqualified right to commingle the Shipper's Gas with other Gas in the Company's pipeline system.
8. DELEGATION. By a contract ("Agency Agreement"), a Shipper may delegate to any third party ("Agent") responsibility for submitting and receiving invoices, notices, and confirmations, submitting Nominations and/or performing other administrative duties required by this ITS Service Agreement, subject to Section 27, Agency (Delegation) Agreements, of the GT&C of this Statement of Operating Conditions.
9. GENERAL TERMS AND CONDITIONS. The applicable GT&C of this Statement of Operating Conditions are hereby incorporated in and made a part of this Rate Schedule. To the extent that said GT&C are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

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1. AVAILABILITY

- 1.1. This Rate Schedule is available to any Shipper and provides for Interruptible Gas Parking, Gas Loaning, Gas Wheeling and Title Tracking Transfer (“TTT”) Services at and/or between a Park Point and Loan Point, subject to available operational flexibility and Capacity, when Shipper desires Parking, Loaning, Wheeling and/or TTT Service, and when:
- a. Shipper has requested service under this Rate Schedule by submitting to the Company a Request for Service using the form set forth in this Statement of Operating Conditions.
 - b. Transporter has the operational flexibility to provide the Interruptible Rate Schedule MCS Service without detriment or disadvantage to system operational needs and to its Shippers using other services.
 - c. Shipper has completed, executed and submitted to Transporter a Rate Schedule MCS Master Service Agreement (“MCS Master Agreement”) using the form of Service Agreement contained in this Statement of Operating Conditions.
 - d. Shipper has completed, executed and submitted to Transporter a Rate Schedule MCS Transaction Request (“MCS Transaction Request” or “Transaction Request”) in the form included in this Statement of Operating Conditions which request, upon acceptance by Transporter, is attached as an exhibit attachment to the Rate Schedule MCS Master Agreement. Park Transaction Requests must be entered into separately from Loan Transaction Requests. No single Transaction Request may provide for both Park activity and Loan activity.
 - e. Shipper has met the creditworthiness conditions specified in Section 3, Creditworthiness, Related Deposits, and Other Credit Assurances, of the GT&C of this Statement of Operating Conditions for the financial obligations of the Transaction Request quantities, including the completion of a Credit Application in the form included in this Statement of Operating Conditions. For purposes of credit requirements, the Rate Schedule MCS Master Agreement shall list a Maximum Credit quantity and Transporter may limit Shipper’s ability to schedule Parked Gas or Loaned Gas if the maximum credit quantity has been exceeded. Transporter may require the Shipper to provide a service deposit or other credit assurance to Transporter as provided in Section 3.4, Requirement of Deposit or Other Credit Assurance, of the GT&C of this Statement of Operating Conditions.

2. APPLICABILITY AND CHARACTER OF SERVICES

- 2.1. This Rate Schedule shall apply to Parking, Loaning, Wheeling and TTT service rendered by the Transporter to Shipper on an Interruptible basis subject to the limitations set forth in the Rate Schedule MCS Master Agreement, the MCS Transaction Request, this MCS Rate Schedule and the GT&C of this Statement of Operating Conditions.
- a. Parking, Loaning and Wheeling Services are subject to Interruption at any time and such Interruptions may be in effect for extended periods of time. Interruptions may include decreasing, temporarily suspending or discontinuing the Receipt or Delivery of

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Rate Schedule MCS Gas if Transporter, ~~in Transporter's sole and reasonable judgment,~~ determines that such action is necessary to maintain system integrity or when a higher priority service so requires.

- b. The Rate Schedule MCS Master Agreement shall state a total quantity that may be Parked or Loaned at any one time under the sum total of all Rate Schedule MCS Transaction Requests.
 - c. Each Rate Schedule MCS Transaction Request shall state a maximum and minimum Daily Park Quantity or a maximum and minimum Daily Loan Quantity associated with such request, the maximum and minimum Total Accumulated Park Quantity or Total Accumulated Loan Quantity, the maximum and minimum daily Unpark Quantity or Loan Redelivery Quantity, the term, timing and duration of the Park or Loan, the Park Point or the Loan Point and the Unpark Point or the Loan Redelivery Point and the rate(s) for each request.
- 2.2. All Park Points or Loan Points eligible for Rate Schedule MCS Service shall be listed in the Informational Postings section of Transporter's EBB.
- 2.3. Parking, Loaning, Wheeling and TTT Services available under this Rate Schedule include:
- a. Parking Service – Parking Service shall consist of (1) the Receipt of Gas by Transporter (when Nominated by a Shipper) at a Park Point, the holding of the Parked Quantity for the Shipper's account for a specified period of time and (2) the Un-parking (when Nominated by Shipper) of the Parked Quantities to Shipper by Transporter at the original Park Point, including treating the un-parking as a nominated delivery at the Park Point. Requests to Unpark Parked Quantities at a point other than the original Part Point shall be treated as Wheeling and must be agreed to simultaneously with the Park transaction.
 - b. Loaning Service – Loaning Service shall consist of, the advancement of Gas by Transporter (when Nominated by a Shipper) at a Loan Point, for the Shipper's account for a specified period of time and, the Loan Payback or Loan Redelivery (when Nominated by Shipper) of the Loan Quantity(s) to Transporter by Shipper at the original Loan Point, including treating the Loan Payback or Loan Redelivery as a nominated receipt at the Loan Point. Requests to Redeliver Loaned Quantities at a point other than the original Loan Point shall be treated as Wheeling and must be agreed to simultaneously with the Loan transaction.
 - c. Wheeling Service – Wheeling Service shall allow the Unparked or Loan Redelivery Quantity to occur at a system location other than the original Park Point or Loan Point, by exchange or displacement and subject to operational flexibility, as detailed in the Transaction Request. The Wheeling Service must be agreed to at the time of the initial request and any later request to use a system location other than the original Park Point or Loan Point shall be considered Transportation and must be accomplished by Nomination and scheduling under a Rate Schedule FTS or ITS Service Agreement.
 - d. TTT Service – TTT Service shall consist of the transfer of Parked or Loaned Quantities between Rate Schedule MCS Shippers from one Shipper's MCS Transaction Request

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account to another Shipper's Rate Schedule MCS Transaction Request account, prior to the time the quantities are Unparked or Redelivered.

- 2.4. Service rendered under a Rate Schedule MCS Transaction Request under this Rate Schedule shall be provided for a minimum one (1) Day term.
 - a. The Rate Schedule MCS Master Agreement term shall be set forth in the Rate Schedule MCS Master Agreement.
 - b. The term of each MCS Transaction shall also be set forth in each Rate Schedule MCS Transaction Request.
- 2.5. In the event that Park Quantities have not been returned to the Shipper or Loan Quantities have not been returned to Transporter at the termination date of the Rate Schedule MCS Transaction Request, Transporter and Shipper may mutually agree to an extended time frame and/or modified terms including the rate(s), by amending the existing MCS Transaction Request or by executing a new Rate Schedule MCS Transaction Request to permit Shipper to payback or Transporter to return such quantities.
 - a. In the event any Parked Quantity has not been redelivered to Shipper by the Transaction Request termination date and no mutually agreed extension has occurred, the Parked Quantity shall become the property of the Transporter at no cost to Transporter free and clear of any and all adverse claims.
 - b. In the event any Loan Quantity has not been redelivered to Transporter by the Transaction Request termination date and no mutually agreed extension has occurred, the Loan Quantity shall be cashed out at the highest of the following and shall be invoiced at the next billing cycle. The locations included in the Daily Cash Out Index are defined in Section 26, Imbalance Management, of the GT&C of this Statement of Operating Conditions.
 - (1) The Daily Cash Out Index Price on the date(s) the Loan occurred.
 - (2) The Daily Cash Out Index Price on the termination date of the Rate Schedule MCS Transaction Request.
 - (3) The Daily Cash Out Index Price on the date Transporter made replacement purchases for the Loan amount.
 - (4) The average Daily Cash Out Index Price for the Month in which the Loan occurred.
 - (5) The average Daily Cash Out Index Price for the Month in which the Rate Schedule MCS Transaction Request terminated.

3. MARKET CENTER SERVICES CHARGE

- 3.1. APPLICABLE BASIC RATES. The applicable basic rates, including surcharges, for services under this Rate Schedule are set forth on the Statement of Rates of this Statement of Operating Conditions, as revised from time to time.

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- a. The rate(s) may be discounted between the stated maximum and minimum rate(s) on a not unduly discriminatory basis. Any discounted rate(s) shall be at or above the minimum rate(s) and at or below the maximum rate(s) and shall be stated in the Rate Schedule MCS Transaction Request and effective upon acceptance by Transporter
 - b. Shipper may elect to prepay the anticipated charges for service under this Rate Schedule at any time.
- 3.2. The maximum daily service charge may have up to four rate components. Each component may be discounted to zero but the sum of the four components for any Day shall not be less than the minimum rate. The daily charges may include:
- a. A Daily Charge for the amount Parked or Loaned on that Day.
 - b. A Daily Charge for the amount Unparked or Loan Payback or Redelivery on that Day.
 - c. A Daily Charge for the Accumulated Total Park Quantity or Accumulated Total Loan Quantity as determined at the end of each Gas Day at each Park Point or Loan Point for Shipper's account. Separate quantities resulting from separate Parking Transaction Requests and Loan Transaction Requests shall not be netted in determining this charge.
 - d. A Daily Charge for the amount transferred by TTT or exchanged or displaced by Wheeling on that Day.
- 3.3. Surcharges that may be applicable to this Rate Schedule are set forth on the Statement of Rates of this Statement of Operating Conditions.
- 3.4. FL&U shall not be assessed with respect to service rendered under this Rate Schedule.
- 3.5. Shipper shall not redeliver more than the quantity Loaned and shall not unpark more than the quantity Parked under the Rate Schedule MCS Transaction Request. In the event Shipper fails to adhere to any of the terms described in the MCS Transaction Request, Shipper shall be charged up to the maximum allowable rate for the service and quantity outside the parameters set forth in the MCS Transaction Request. Shipper may request to amend its MCS Transaction; such request shall be accepted ~~at the sole and reasonable discretion of Transporter~~ in a not unduly discriminatory manner.
- 3.6. If on any Day Transporter cannot accept a nomination for an Unpark Quantity or a Loan Redelivery Quantity, the daily charge on the Total Accumulated Park Quantity or Total Accumulated Loan Quantity for that Day shall be \$0.000, ~~unless otherwise agreed~~. Further, the term of the Rate Schedule MCS Transaction Request may be extended Day-for-Day by the number of Days for which such Unpark Nominations or Loan Redelivery Nominations were not accepted, if such extension has been mutually agreed.

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4. SCHEDULING OF MCS SERVICES

4.1. Shipper shall nominate Rate Schedule MCS service under this Rate Schedule in accordance with the Nomination procedures set forth in Section 16.1, Nomination Procedures and Deadlines, of the GT&C of this Statement of Operating Conditions. Rate Schedule MCS service shall be the last quantities scheduled on the system and shall be scheduled in priority by total revenue over the term of the Rate Schedule MCS Transaction Request.

4.2. Transporter may, but is not required to, post on its EBB, by nine (9) a.m., Mountain Clock Time, the amount of available Parking or Loan Rate Schedule MCS quantities. If Transaction Requests for the Day exceed the amount of posted Rate Schedule MCS availability, the requests shall be filled and scheduled proportionally in accordance with Section 15, Scheduling Principles for, and Determination of, Receipts and Deliveries, of the GT&C of this Statement of Operating Conditions.

5. COMMINGLING OF GAS. Transporter shall have the unqualified right to commingle the Shipper's gas with other gas in the Transporter's system and storage field.

6. DELEGATION. Shipper may delegate to any third party agent the responsibility for managing Shipper's service under the MCS Service Agreement through the execution of Transporter's form of Agency Agreement included in this Statement of Operating Conditions.

7. ASSIGNMENT PROVISIONS

7.1. The Rate Schedule MCS Service Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge its Rate Schedule MCS Service Agreement rights and obligations under the provisions of any mortgage, deed or trust, indenture or other instrument as security for indebtedness; otherwise, neither Transporter nor Shipper shall assign any of its right, title and interest without first having obtained formal written consent of the other(s). Such consent shall not be unreasonably withheld.

8. GENERAL TERMS AND CONDITIONS. The applicable GT&C of this Statement of Operating Conditions, except as modified in the Agreement, are hereby incorporated in and made a part of this Rate Schedule. To the extent that said GT&C are inconsistent with the provisions of this Rate Schedule, the provisions of this Rate Schedule shall govern.

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1. APPLICABILITY

The following General Terms and Conditions set forth the rules and regulations under which Gas transportation service is supplied and govern all classes of service under this Statement of Operating Conditions. They are subject to termination, change, or modification, in whole or in part, at any time, as allowed by the rules and regulations of the Federal Energy Regulatory Commission or as otherwise required by law.

2. CONDITIONS FOR REFUSAL OF OR DISCONTINUANCE OF SERVICE

2.1. The Company may terminate a Service Agreement or otherwise refuse to provide service under this Statement of Operating Conditions to a Shipper or applicant for any of the following reasons:

- a. Subject to the notice requirement set forth below, the Shipper or applicant for service has an outstanding unpaid bill with the Transporter. Transporter may elect to resume Service when the Shipper satisfies any credit requirements imposed by the Transporter, and pays the outstanding bill in full or enters into a satisfactory written payment arrangement. In the event the amount is in dispute, the Transporter may require the Shipper to make a special deposit in the amount of the disputed amount, and service will be rendered promptly. Upon settlement of the dispute, any amount owed the Shipper will be promptly refunded.
 - (1) Transporter shall provide to Shipper ten (10) Days' notice after a bill becomes delinquent that service may be discontinued unless full payment is received or unless another payment arrangement has been made. Transporter may discontinue service for unpaid bills at any time after the conclusion of such notice period.
- b. The Shipper's or applicant's credit history indicates a significant probability that the applicant will not pay (1) its bills for service provided by the Transporter, (2) its bills for any penalty charges or fees, and/or (3) any bills for any fees and charges related to Imbalance Quantities or Imbalance Management and the applicant or Shipper has not complied with the performance assurance requirements imposed by Transporter in accordance with these GT&C.
- c. The failure by the Shipper or applicant to satisfy Company's credit requirement or to post a deposit as required under Section 3, Creditworthiness, Related Deposits, and Other Credit Assurances, of these GT&C.
- d. The Company determines, in its best judgment, (1) that it does not have adequate facilities to render the service applied for and the Shipper or applicant has declined to make an additional facilities payment as provided in Section 4, System Access Policy and Additional Facilities Policies and Payments, of these GT&C; or (2) that the desired service is of a character that is likely to adversely affect service to another Shipper.
- e. The existence of a dangerous condition on or about the Shipper's or applicant's premises, as determined by the Company.
- f. The Shipper or applicant causes, permits, or benefits from an unauthorized use, interference with, or a diversion of service on or about the Shipper's or applicant's premises, after documentation and notification to the Shipper or applicant
- g. The Shipper or applicant causes or permits glycol impurities, or other foreign substances

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or materials to be included in gas received or transported by Transporter which affects the quality, safety, health, gas composition, or continuity of service to Shipper's other parties, processing facilities, or interconnecting pipelines..

- h. The Shipper or applicant is responsible for misuse of Gas supply which causes or may cause an unsatisfactory condition affecting the quality, safety, health or continuity of service to the Shipper or applicant or other parties.
 - i. Failure by the Shipper to comply with the terms and conditions of its Service Agreement(s), with any of the GT&C set forth in this Statement of Operating Conditions, or with applicable approved rate schedules, as amended from time to time.
 - j. Failure by the Shipper to comply with Operational Flow Orders (including Curtailment orders) issued by the Company.
 - k. Obtaining service by subterfuge.
 - l. After notification by the Company and during normal working hours (except in an emergency), the Shipper refuses to allow authorized Company personnel onto the Shipper's premises for purposes of examining the piping and other equipment relating to the Company's service; ascertaining connected loads; and in one of the following situations:
 - i. the Company is responding to a request for service;
 - ii. the Company has reasonable knowledge of a safety problem on the premises and has documented that knowledge; or
 - iii. the Company is obligated under this Statement of Operating Conditions to perform a service (such as switching out a meter), or complete an inspection where the service or inspection requires that the Company representative be on the premises;
 - m. Tampering with or destroying Company facilities, in which case Transporter may charge for repairs or replacements or corrections associated with such tampering.
 - n. Any other reason where authority is specifically granted by statute or rule of the applicable regulatory agency.
- 2.2. CONDITIONS NOT SUFFICIENT FOR DISCONTINUANCE OF SERVICE. The following conditions are not to be considered sufficient cause to discontinue service:
- a. Failure to pay for services not governed by this Statement of Operating Conditions or otherwise regulated by the applicable regulatory agency.
 - b. Failure of the Shipper or applicant to pay any or all portions of a bill which is in dispute, provided that the Shipper or applicant pays that portion of the bill which is not in dispute.
 - c. There is money owed as a result of the Company's meter reading error or billing error and the Shipper enters into and complies with a written payment arrangement.

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2.3. TRANSFER OR NETTING OF ACCOUNT BALANCES. In the event of discontinuance of service, the Company may transfer or net any unpaid balance to another account of the Shipper. If a Shipper has an unpaid bill for service provided by the Company in Colorado, the Company may transfer the unpaid balance to any successive service account opened by the Shipper for the same or different class of service, and the Company may discontinue service, after proper notice, for the nonpayment of the transferred amount.

3. CREDITWORTHINESS, RELATED DEPOSITS, AND OTHER CREDIT ASSURANCES

3.1. Transporter shall not be required to commence service or to continue to perform service under this Statement of Operating Conditions for any Shipper who fails to demonstrate creditworthiness as reasonably determined by Transporter. In order for Transporter to make that determination, Shipper must complete, execute and submit to Transporter the Form of Credit Application included in this Tariff. Transporter's determination of creditworthiness shall be based upon a review of Shipper's financial statements, bank references, trade references, placement on any credit-watch lists, trend analysis of financial ratios, any bankruptcy, insolvency, liquidation or debt reduction proceedings, and such information relating to Shipper's financial status, financial obligations including any recently filed substantial litigation, payment history and other relevant factors as may be necessary to satisfy Transporter that Shipper is creditworthy.

3.2. Upon Shipper's request, Transporter shall provide a written explanation of any credit limitation applied to Shipper.

3.3. Transporter may permit another entity, such as a corporate parent or affiliated company of the Shipper, (a) to guarantee the Shipper's obligations in writing using said entity's credit quality factors, (b) to prepay at the entity's election the Shipper's estimated bills for the next six months, (c) to guarantee the Shipper's obligations by issuance of an irrevocable letter of credit, or (d) to guarantee the Shipper's obligations by an acceptable cash deposit.

3.4. REQUIREMENT OF DEPOSIT OR OTHER CREDIT ASSURANCE. In accordance with the authorization granted by the applicable regulatory agency, the Company may require any Shipper that fails to provide adequate evidence of creditworthiness to pay in to the Company a cash deposit, or to provide a letter of credit or other agreed upon corporate guarantee. Shipper shall be required to guarantee the payment in an amount ~~equal to~~ equal up to six-three (63) months of estimated average bills applicable to the service provided to Shipper; provided that the Transporter may waive or modify the requirement on a non-discriminatory basis that evidence of creditworthiness be provided where the Shipper's bill payment history with Transporter makes the credit risk acceptable ~~in Transporter's sole judgment~~. Transporter may require additional credit assurance in association with system expansion projects. A deposit or other credit assurance also will be required if (1) the Shipper has any outstanding but undisputed invoices for past service or (2) the Shipper has had two delinquent or untimely payments in the previous twelve (12) month period. The Company may, either at the time of the request for service, or at any time thereafter upon a minimum of five (5) Days' written notice, request such a deposit or other credit assurance from Shipper. The credit assurances required by this Section are in addition to any credit assurances required from a Shipper in connection with the installation of additional facilities under Section 4, System Access Policy and Additional Facilities Policies and Payments, of these GT&C.

3.5. CALCULATION OF AMOUNT OF DEPOSITS OR OTHER CREDIT ASSURANCE. The amount of a required security deposit or other credit assurance shall not exceed the amount of an estimated ~~sixthree (36)~~ sixthree (36) months' bill of the Shipper, except for instances associated with new

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facilities or system expansion, in which case Transporter may require additional credit assurance. For purposes of establishing deposits or other credit assurance and estimating monthly bills, the Transporter shall take into account factors relevant to the Shipper including but not limited to the term of the Service Agreement, the level of contract entitlements under the Service Agreement, the level of volumes transported by Shipper on Transporter's System, past consumption history of the applicable End-User, if any, service history of comparable companies and any applicable provisions of this Statement of Operating Conditions and of the rules and regulation of the applicable regulatory authority. Transporter may estimate anticipated Imbalance Quantities including possible Cash Out of such quantities in estimating such bills. Transporter may estimate Parking and Loaning quantities including an estimate of possible Cash Out requirements related to such Parking and Loaning quantities. Transporter may require an increased deposit or other credit assurance from the Shipper if it is determined subsequent to the original deposit request that the estimate, upon which the original deposit amount was based, for whatever reason, was low.

3.6. REMITTANCE OF DEPOSITS OR OTHER CREDIT ASSURANCE. When it becomes necessary for Transporter to demand a deposit or other credit assurance, or an increased deposit or other increased credit assurance, Transporter may require the Shipper to pay the full cash deposit or other credit assurance prior to service commencing or continuing. Alternatively, Transporter may accept any acceptable credit assurance, including but not limited to a guarantor, a prepayment of estimated bills, a surety bond or letter of credit in lieu of a deposit. Failure to provide the required security deposit or other credit assurance shall subject the Shipper to suspension and/or termination of service.

3.7. DISPOSITION OF CASH DEPOSIT OR OTHER CREDIT ASSURANCE.

- a. Transporter may refund a cash deposit or other credit assurance to a Shipper at any time that the Company determines, ~~in its sole discretion~~, that the deposit is no longer necessary to provide adequate assurance that the Shipper's bills will be paid.
- b. Upon termination of a Service Agreement, Transporter shall refund the amount of the cash deposit or other credit assurance less the amount of any unpaid bills due Transporter. If the Transporter cannot return the deposit due to a lack of knowledge of the Shipper's whereabouts, the Transporter may retain the cash deposit subject to the escheatment laws of the State of Colorado and any applicable regulations of the applicable regulatory authority.
- c. ~~Unless otherwise agreed to by the Transporter in writing, c~~Cash deposits or other credit assurance shall not be transferable from one Shipper to another Shipper.

3.8. RETAINING REFUNDS. Transporter ~~and Customer~~ may ~~agree to apply~~retain any ~~required~~rate or service refunds as partial credit assurance for Customer's benefit.

4. SYSTEM ACCESS POLICY AND ADDITIONAL FACILITIES POLICIES AND PAYMENTS

- 4.1. Transporter will provide access to its system in a manner that is not unduly discriminatory.
- 4.2. Transporter will determine the facilities, if any, which are necessary to provide access to its system. The nature, extent, and timing of the addition of required facilities shall be determined in the Company's reasonable discretion, subject to the requirement that the addition of facilities can be reasonably and safely accomplished without adversely impacting the existing Firm

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service of another Shipper, subject to the conditions set forth in this Section of the GT&C. Except as otherwise provided in this Statement of Operating Conditions, or as otherwise agreed to in writing by Transporter and a Shipper, the Company will install, assume ownership of, and provide maintenance for, all facilities added to provide access to its system.

- 4.3. Transporter under no circumstances shall be obligated to add any facilities or to expand the Capacity of its pipeline system in any manner in order to provide service under this Statement of Operating Conditions; however, the Company is willing to add facilities upon request of a Shipper or an applicant for service, subject to full cost reimbursement by said Shipper or applicant for service, whenever such facilities are deemed, in the Company's reasonable judgment, to be economically, operationally, and technically feasible, subject to the following conditions:
- a. The Company has received acceptable assurances of the financial reliability of the Shipper(s) or the applicant(s) for service requesting the additional facilities. Transporter and Shipper may mutually agree to enter into an agreement to provide for an Aid in Construction to provide, in whole or in part, a measure of financial assurance to Transporter.
 - b. When Transporter agrees with the Shipper(s) or the applicant(s) for service to construct or acquire new facilities, in order to provide service to the Shipper(s) or applicant(s) for service, Transporter shall require Shipper or applicant(s) for service to agree to one or more of the following provisions:
 - (1) To make a facilities reimbursement payment, including, if requested by Transporter, a gross-up for applicable state and federal income tax expense associated with such facilities;
 - (2) To pay for the additional facilities in one lump sum payment, or in installment payments as agreed, to be completed no later than the expiration of the initial term of the Service Agreement, as negotiated by the parties;
 - (3) To agree to a reimbursement schedule setting forth the terms, rates and conditions for reimbursement for the additional facilities charge, including an obligation to reimburse Transporter, upon demand, for any unauthorized capital charges, under a lump sum or agreed upon amortization schedule, which may remain if the Transporter's service to the Shipper or the applicant(s) for service is terminated prior to the end of the amortization period;
 - (4) To agree to a Service Agreement(s) where the Shipper's commitments, including term, contract quantity and charges for service, provide an adequate economic basis for the connection and related facilities or otherwise create commercial opportunities or other benefits for Transporter's operations such that Transporter reasonably determines that it is appropriate for the costs to be borne in Transporter's general system costs for rate making purposes.
- 4.4. If the Company, in its reasonable judgment, agrees in writing that a Shipper(s) or an applicant(s) for service can satisfactorily install, operate and maintain any measuring equipment which the Shipper(s) or the applicant(s) for service desires to install, maintain or operate, pursuant to the specifications set forth in Section 7, Measurement Equipment, of these GT&C, the Company shall not be obligated to install such measuring equipment and the Shipper(s) or the applicant(s) for service shall be relieved of any obligation to reimburse the Company for the costs related thereto.

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5. BILLING AND PAYMENT

5.1. BILLING PERIOD. Bills will be rendered by Transporter on or about the twelfth (12th) Business Day following the conclusion of each Monthly Billing Period. Bills can be made available, at Transporter's election, by posting of the bills on the EBB or by other electronic means, or by regular mail. All bills for service shall be rendered at the applicable maximum Rates shown on the Statement of Rates in this Statement of Operating Conditions, ~~unless otherwise agreed~~ in the Service Agreement, or in a Discounted Rate Agreement applicable to the Service Agreement. Bills or invoices shall be due and payable on the due date shown on the bill, which shall be no earlier than ten (10) Days subsequent to the issuance of the bills. Bills not paid within twenty-five (25) Days of said bill issuance date shall be considered delinquent and subject to a late payment charge.

- a. As determined on a not-unduly discriminatory basis, Transporter may issue an out-of-cycle invoice to bill a Shipper at any time during the Month if the Shipper has exceeded the credit assurance limit.

5.2. SHIPPER OBLIGATIONS CONCERNING METER READINGS AND OTHER BILLING INFORMATION.

- a. When information necessary for billing purposes is in the control of the Shipper, such information shall be made available to Transporter by the Shipper on or before the eighth (8th) Business Day of the Month following the Month which most closely corresponds to the Monthly Billing Period in which the service was provided.
- b. Where Shipper operates the measurement facilities and such facilities include EFM equipment or where a third party tenders Gas for the account of Shipper, Shipper or its Agent shall electronically submit via email, or other acceptable means, to Transporter on or before 8:00 a.m. Mountain Clock Time of each Day the dry Dth and Btu of Gas received by Transporter at the Point(s) of Receipt during the preceding Day.
- c. In the event dry Dth and Btu measured Gas quantities are not available in a timely manner, the interstate pipeline, intrastate pipeline, gatherer, producer, point operator, or other third party in control of measurement at the meter shall provide an estimated quantity on or before the eighth (8th) Business Day of the Month following the Month associated with the Billing Period. Such estimated measurement data shall be identified as estimated and actual measurement shall be provided within fifteen (15) days. Transporter may invoice based on the estimated measurement to be supplied by such third party.

5.3. ESTIMATED AND/OR PARTIAL BILLS.

- a. Transporter may estimate the Shipper's service quantities for a Monthly Billing Period, and bill accordingly, under estimating procedures established by the Transporter, in any situation where Transporter cannot ascertain, with reasonable certainty, the Shipper's actual service quantities for the Monthly Billing Period. Transporter may use check measurement data, scheduled quantities, or other data sources to estimate service quantities on bills until actual data is available.
- b. When Transporter issues a billing based on estimated usage, it will maintain accurate records concerning such estimates, indicate on the bill that the usage was estimated, and make any appropriate adjustments upon subsequent receipt of actual service quantities

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that differ from the estimated service quantities underlying the estimated bill. A bill based upon service quantities provided by the Shipper shall not be deemed to be an estimated bill for purposes of this provision.

- c. Transporter may invoice for reservation charges or other fixed charges and fees in circumstances where actual usage data and/or imbalance quantities are not fully available at the billing invoice date due to computer or other data issues and Transporter elects to issue a partial bill in lieu of an estimated bill. In such cases, Transporter will include the charges for estimated or actual usage on a subsequent bill.
- 5.4. CONTENTS OF BILL. Among other information, the Shipper's bill will show the service type; the contract number; the receipt and/or delivery quantity transported or stored or otherwise served during the Monthly Billing Period for which the bill is rendered, if applicable; Dth billing data, as applicable; the date of the bill; contract entitlements as appropriate and as used for billing; the amount of total tax due, if any; the amount of any additional charges; installment payments, and other utility charges authorized by this Statement of Operating Conditions or applicable regulatory authority rule; and the net amount of the bill. Where necessary information is available, the Shipper's Imbalance Quantity statement will be rendered with the bill or invoice and any Cash Out balance will also be billed in an accompanying invoice. Bills provided to Transportation Service Shippers also will show the unit billing rate for each service charge type as provided for in the Rate Schedules of this Statement of Operating Conditions and will display the amount of FL&U reimbursement quantity associated with each rate schedule. As available from Transporter from time to time, the current bill may also report any outstanding balances including balance by invoice number.
- 5.5. ADJUSTED BILLS.
- a. All adjusted bills shall show adjusted charges due from the Shipper and/or the credit due to the Shipper for amounts paid, or shall show the balance due and payable. A credit may be applied against subsequent billings
 - b. UNDER-BILLING. In the event of under-billings not provided for under these GT&C and caused by a change in data from an interconnecting pipeline or Operator, the Transporter may charge for the period during which the under-billing occurred, with such period not exceeding the bill adjustment period established in the tariff of the applicable interconnecting pipeline or Operator, if any, ~~unless otherwise agreed to in writing by Transporter and Shipper~~. Shipper may agree to pay the under-billing in a lump-sum or over a period equal in length to the period in which the under-billing lasted, and such under-billing shall not be subject to interest.
 - c. OVER-BILLING. In the event of over-billings not provided for under these GT&C and caused by a change in data from an interconnecting pipeline or Operator, Transporter shall refund for the period during which the over-billing occurred, with such period not exceeding the bill adjustment period established in the tariff of the interconnecting pipeline or Operator, if any, ~~unless otherwise agreed to in writing by Transporter and Shipper~~. The Shipper may elect to receive the refund as a credit to future billings or as a one-time lump-sum payment and such over-billing shall not be subject to interest.
- 5.6. PARTIAL PAYMENTS FOR REASONS OTHER THAN DISPUTED BILLS. ~~Unless otherwise agreed to by Transporter in writing,~~ The Shipper shall remit payment in full, and shall reimburse Transporter for any amount billed. If, despite this requirement, a Shipper makes a partial

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payment on the bill, the Transporter shall credit the partial payment to the oldest outstanding balance(s) due from Shipper until the payment allocation is exhausted. In the event that Shipper fails to pay undisputed bills in full by the due date, Shipper may be subject to discontinuance of service under Section 2, Conditions for Refusal of or Discontinuance of Service, of these GT&C or to a deposit request or additional deposit request or other credit assurances under Section 3, Creditworthiness, Related Deposits, and Other Credit Assurances, of these GT&C.

5.7. DISPUTED BILLS.

- a. When the Shipper advises the Transporter prior to the proposed date for discontinuance that all or any part of a bill is in dispute by both e-mail and regular mail, the Shipper shall clearly state why the discontinuance of service is invalid. The Transporter shall record the date, time, and place that the Shipper gave notice of a dispute and postpone discontinuing service until a prompt and full investigation is completed.
- b. Transporter and the Shipper shall attempt to informally resolve the dispute to their mutual satisfaction. The Shipper shall advise the Transporter that a bill is in dispute in any reasonable manner, including but not limited to, mailed written notice, notice in person, notice by telephone, through pre-arranged meetings, formal or informal hearings or on-site visits with Transporter's personnel. In the event the dispute is not informally resolved, the Transporter shall advise the Shipper of the formal and informal procedures available before the applicable regulatory authority. Discontinuance of service shall occur after any required notice has been given to the Shipper.

5.8. ACCESS TO BOOKS. Transporter and the Shipper shall have the right to examine at reasonable times those books, records and charts of the other to the extent necessary to verify the accuracy of any billing statement, charge or computation made under or pursuant to any of the provisions of this Statement of Operating Conditions.

5.9. BILLS AND FAILURE TO RECEIVE BILLS. Upon request, the Transporter shall advise the Shipper of its approximate billing date each Month. Failure to receive a bill shall not relieve the Shipper of its obligation to make payment as provided in this Statement of Operating Conditions.

5.10. LATE CHARGES. Should Transporter fail to receive all invoiced amounts when due, Shipper shall pay Transporter a late charge on the unpaid and undisputed balance. Such late charge shall be billed at the stated interest rate published by the Federal Energy Regulatory Commission multiplied by the unpaid amount on a bill. Transporter may elect to waive late charges in a manner that is not unduly discriminatory.

5.11. CORRECTIONS. The time period for Shipper to notify Transporter or Transporter to notify Shipper of required corrections to a bill, or to invoice or statement data shall be six (6) months from the date of the initial bill with a three (3) month rebuttal period. Except as provided in Section 10, Correction of Metering Errors, of these GT&C, corrections will be limited to the six (6) production months immediately preceding the last day of the Monthly Billing Period applicable to the contested bill. This limitation does not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact, and this limitation shall not diminish the Party(s) other obligations or contractual rights. If there is a deliberate omission or misrepresentation of fact, there will be no time limit on correction of the bill. If there has been a mutual mistake of fact, no corrections will be made for an invoice error unless the Party gives notice thereof within twelve (12) months after the error was committed.

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- 5.12. PREPAYMENT OF CHARGES. Upon a firm Shipper's election, such Shipper may, at any time, prepay estimated charges under the Agreement(s). If the Shipper elects to prepay such charges and the Agreement is subsequently discontinued or terminated in accordance with the terms of the Agreement and this Statement of Operating Conditions, Transporter shall refund to the Shipper any portion of the prepayment which applies to the post-termination period so long as the prepayment has not been applied against any amounts owed to Transporter. Transporter shall submit to Shipper a reconciliation of application of prepayment amounts.
- 5.13. RETAINING REFUNDS. Transporter may retain any required rate or service refunds to offset any unpaid bills.

6. MEASUREMENT

- 6.1. MEASUREMENT STANDARDS. All meters (including Ultrasonic, orifice, turbine, rotary and diaphragm type) shall be installed in accordance with the following standards, where applicable:
- a. Measurement of Gas by Multipath Ultrasonic Meters – AGA 9;
 - b. Orifice Metering of Natural Gas – AGA 3; Parts 1-4;
 - c. Orifice Metering of Natural Gas – Natural Gas Applications – AGA 3; Part 3;
 - d. Measurement of Gas by Turbine Meters – AGA 8;
 - e. Compressibility and Super-compressibility for Natural Gas and other Hydrocarbon Gases – AGA 8;
 - f. Table of Physical Constants of Paraffin Hydrocarbons and other Components of Natural Gas – GPA 2145;
 - g. Flow Measurement Using Electronic Metering Systems – Section 1 Electronic;
 - h. Gas Measurement – API 21.1;
 - i. Rotary-Type Gas Displacement Meters – AGA 7 and ANSI B109;
 - j. Diaphragm-Type Gas Displacement Meters – AGA 7 and ANSI B109.
- 6.2. UNIT OF MEASUREMENT AND METERING BASE. The volumetric measurement base shall be one (1) Cubic Foot of Gas at a pressure base of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 p.s.i.a.), at a temperature base of sixty degrees Fahrenheit (60°F), and without adjustment for water vapor except as described in Section 7.5(b) of these GT&C.
- 6.3. ATMOSPHERIC PRESSURE. For the purpose of measurement, calculations, and meter calibration, the average absolute atmospheric (barometric) pressure shall be based on the actual elevation of each Point of measurement irrespective of variations in natural atmospheric pressure from time-to-time.
- 6.4. TEMPERATURE. The temperature of the Gas shall be determined at the Points of measurement by means of a properly installed recording thermometer or continuous electronic temperature transducer, or temperature-compensated meter.

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6.5. DETERMINATION OF GAS COMPOSITION, TOTAL HEATING VALUE AND SPECIFIC GRAVITY.

- a. The Thermal (Total Energy) Content shall be the number of Btus per Cubic Foot of Gas at the base condition of 14.73 p.s.i.a. and 60°F dry. The Btu value will be determined utilizing the complete actual composition of the Gas according to the methods in GPA Standard 2172-02, titled "Calculation of Gross Heating Value, Relative Density and Compressibility Factor for Natural Gas Mixtures from Compositional Analysis," and corrected to the base conditions. For reporting purposes, Btu conversion factors will be reported to not less than three (3) decimal places and pressure base conversion factors will be reported to not less than six (6) decimal places. For calculation purposes, not less than six (6) decimal places will be used for both conversion factors.
- b. The Gas composition, Heating Value and specific gravity of the Gas may be determined by spot samples, continuous samples, or an on-line chromatograph. In the event a continuous Gas sampling device is used, intervals mutually agreed upon should not be less than once every Month. For conventional chart measurement, the arithmetical average of the Gas composition, hourly heating value and specific gravity recorded during periods of flow each Day by an on-line chromatograph, if installed, shall be considered as the Heating Value and specific gravity of the Gas Delivered during each Day. In the event electronic flow computer measurement is used, the determination of Total Heating Value and specific gravity from a chromatograph shall input continuously into the EFM for volume calculations. Such inputs also may be used in the measurement system to recalculate volume and energy at other meters subjected to the same Gas quality. In the event a continuous Gas sampler is installed, then the Heating Value and specific gravity shall be determined in the laboratory by chromatograph. Such determinations shall be considered as the Heating Value and specific gravity of all Gas Delivered during the applicable period of sampling. All Heating Value and specific gravity determinations made with a chromatograph shall use physical Gas constants for Gas compounds as outlined in GPA Standard 2145-00, Rev 2 Table of Physical Constants of Paraffin Hydrocarbons and Other Components of Natural Gas, with any subsequent amendments or revisions which Company may adopt in exercise of its reasonable judgment. The calculations (for Btu) shall be based on dry Gas if the Gas at the measurement Points contains less than seven (7) pounds of water per MMcf. If the Gas at the measurement Points contains more than seven (7) pounds of water per MMcf, the Btu value may be corrected for the water vapor of the flowing Gas based upon actual flowing conditions.

7. MEASUREMENT EQUIPMENT. ~~Unless otherwise agreed upon,~~ Transporter will install, maintain and operate or cause to be installed, maintained and operated, measuring stations equipped with flow meters and other necessary metering and measuring equipment by which the quantities of Gas received and equivalent quantities delivered hereunder shall be determined. Shipper may install check measuring equipment at its own cost and expense; provided such equipment shall be so installed as not to interfere with the operations of Transporter. Transporter and Shipper, in the presence of each other, shall have access to the other's measuring equipment at all reasonable times but the reading, calibrating and adjusting of electronic computer components and/or mechanical recording instruments thereof and the changing of charts shall be done only by the equipment owner or such owner's representative, unless another party is otherwise mutually agreed upon to perform the foregoing activities. Both Transporter and Shipper shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment; provided, however, failure of either Transporter or Shipper to witness such an operation shall not affect the validity of such operation in any way. The records from such measuring equipment

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shall remain the property of its owner, but upon request, each will submit within ten (10) Days to the other its records and charts, together with calculations therefrom, for inspection. The measurement equipment of Shipper shall be for check purposes only and, except as expressly provided herein, shall not be used in the measurement of Gas for purposes hereof.

8. NEW MEASUREMENT TECHNIQUES. If, at any time, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted by Transporter in exercise of its reasonable judgment. Transporter shall promptly inform all Shippers of any new techniques adopted.
9. CALIBRATION AND TEST OF METERS.
 - 9.1. TESTING:
 - a. The accuracy of all measuring equipment shall be verified by Transporter with meter testing equipment on site at reasonable intervals, and if requested, in the presence of representatives of Shipper, but neither Shipper nor Transporter shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) Day period. If either Party at any time desires a special test of any measuring equipment, it will promptly notify the other, and the Party(s) shall then cooperate to secure a prompt verification of the accuracy of such equipment.
 - b. Calibration and testing shall include: (1) verification of configuration; (2) verification of the accuracy of pressure transducers using certified deadweights or certified high accuracy gauges; (3) verification of temperature transducers using a high accuracy digital thermometer; (4) verification of the accuracy of the differential transducer using certified dead weights or certified high accuracy gauges for orifice meters; (5) verification of the rotor spin times for turbine meters; and (6) verification of the speed of sound for ultrasonic meters.
 - 9.2. METER TESTING EQUIPMENT – Transducers on meters shall be tested using certified dead weights or high accuracy certified gauges, as applicable.
 - a. At least once every three years, all devices used to test and/or calibrate any custody transfer measurement equipment shall be recertified at a Company approved laboratory.
 - b. All devices used to test and/or calibrate any custody transfer measurement equipment shall be recertified at a Company-approved laboratory that, at a minimum, meets the National Institute of Standards and Technology specifications or tested against an industry standard at least annually during the interim two years between laboratory certifications as provided for in subsection (a) above.
 - c. At least annually, all devices used as secondary standards shall be recertified at a Company-approved laboratory that, at a minimum, meets the National Institute of Standards and Technology specifications verifying that the accuracy of the device meets the industry secondary reference standards and that the device meets the appropriate standards of the National Institute of Standards and Technology.
 - 9.3. Where applicable, adjustments to meters shall be made as required by the applicable regulatory authority's Rules Regulating Gas Utilities and Pipeline Operators.

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10. CORRECTION OF METERING ERRORS. If, upon any test, any measuring equipment operated by the Company is found to be inaccurate, such equipment shall be adjusted immediately to measure accurately. If, upon any test, the measuring equipment in the aggregate is found to be inaccurate by two percent (2%) or more at a recording corresponding to the average hourly rate of Gas flow for the period since the last preceding test, any payments based thereon shall be corrected at the rate of such inaccuracy for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one-half (1/2) of the time elapsed since the date of the last test. Measurement data corrections should be processed within six (6) Months of the production Month with a three (3) Month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.
- 10.1. FAILURE OF MEASURING EQUIPMENT. In the event any measuring equipment is out of service, or is found registering inaccurately and the error is not determinable by test, or by previous recordings, Receipts or Deliveries through such equipment shall be estimated and agreed to by the Parties upon the first of the following methods which is feasible, but in no event for a period longer than six (6) months prior to the date the meter was removed from service for testing; ~~unless otherwise agreed to~~ by the parties:
- a. By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation, or if this approach is not feasible;
 - b. By using the registration of any check meter or meters, if installed and accurately registering; or if neither approach is feasible, then,
 - c. By estimating the quantity of Receipt or Delivery based on Receipts or Deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.
- 10.2. PRESERVATION OF RECORDS. Shipper and Company shall preserve for a period of at least three (3) Years, or for such longer period as may be required by appropriate authority, all test data, charts, applicable EFM data and other similar records.
11. PRESSURE AND DELIVERY CONDITIONS
- 11.1. RECEIPT POINT PRESSURE. Shipper shall tender Gas to Transporter at the pressure prevailing in Company's System at the Receipt Point, sufficient to enter Transporter's system but in no event at a pressure in excess of the maximum pressure specified for that Receipt Point as stated either in the Service Agreement(s) or posted in the Informational Postings section of Transporter's EBB.
- 11.2. DELIVERY POINT PRESSURE. Transporter shall Deliver Gas to Shipper at the Delivery Point at the pressure available in Company's pipeline at such point or as stated in a Service Agreement(s).
- 11.3. MUTUAL AGREEMENT. If mutually agreed upon in the Agreement, Transporter may make minimum and/or maximum Receipt Point and/or Delivery Point pressure commitments to Shipper on a basis that is not unduly discriminatory, provided there is no adverse effect on Transporter's system. Transporter will not enter into a minimum and/or maximum Receipt Point or Delivery Point pressure that will render it unable to meet its existing firm obligations.

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12. QUALITY OF GAS. All Gas received by Company shall conform to the following specifications:
- 12.1. HEAT CONTENT. The Gas Delivered at each Receipt and Delivery Point shall contain a Gross Heating Value of not less than nine hundred fifty (950) Btus per cubic foot nor more than 1150 Btu per cubic foot at a base pressure of 14.73 p.s.i.a. and a base temperature of 60°F.
- 12.2. FREEDOM FROM OBJECTIONABLE MATTER. Except as provided in Section 13.4 below, the Gas which Company Delivers to Shipper and the Gas which Shipper Delivers to Company for transport shall be of merchantable quality and shall comply with the following requirements:
- a. Shall be commercially free from dust, gums, gum-forming constituents, dirt, impurities or other solid or liquid matter that might cause injury to or interference with proper operation of the pipelines, regulators, meters, or other equipment of Company;
 - b. Shall not contain more than 0.25 grain of hydrogen sulfide per one hundred (100) cubic feet of Gas;
 - c. Shall not contain more than five (5) grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) cubic feet;
 - d. Shall not contain more than one (1) grain of mercaptans per one hundred (100) cubic feet;
 - e. Shall not at any time have an oxygen content in excess of ten parts per million (10 ppm) by volume, and the parties hereto shall make every reasonable effort to keep the Gas free of oxygen;
 - f. Shall be Delivered at a temperature not in excess of one hundred twenty degrees Fahrenheit (120°F) or less than twenty degrees Fahrenheit (20°F). However, if the Company is required to dehydrate the Gas at the Receipt Point, then the temperature of such Gas shall not exceed ninety degrees Fahrenheit (90°F);
 - g. Shall not contain water vapor in excess of seven (7) pounds per million cubic feet of Gas from any individual receipt point on an absolute basis;
 - h. Shall not contain a Hydrocarbon Dew Point exceeding twenty five degrees Fahrenheit (25°F) at pressure between 100 p.s.i.a. and the maximum available operating pressures of Company's pipeline, as calculated from the Gas composition from any single Receipt Point; and
 - i. Shall not contain inert substances (carbon dioxide, nitrogen, helium or any other diluent compound) of more than five percent (5%) by volume of which not more than three percent (3%) by volume shall be carbon dioxide.
- 12.3. TESTING OF QUALITY OF GAS. Shipper agrees to supply or cause its designee to supply to Transporter upon demand, at any time and from time-to-time, a sample of liquids removed from the Gas stream at any Receipt Point or at any other point up to and including any Delivery Point for analysis at a laboratory of Transporter's choosing. If at any time substances or chemicals that Transporter deems hazardous, not merchantable or in any way unsafe for transportation are found in the liquid samples supplied to Transporter by Shipper or such samples are otherwise not in compliance with the requirements of this Section, Transporter may ~~in its sole discretion~~ immediately cease the Receipt of such Gas and any associated liquids through its facilities and reserves the right to treat or otherwise dispose of all such substances or chemicals in any

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reasonable commercial manner at Shipper's ~~sole~~ expense. Upon proof that such substances or chemicals are no longer present at levels deemed hazardous, not merchantable or unsafe by Transporter, Transporter shall restore service to Shipper at the affected Receipt Point.

12.4. NON-CONFORMING GAS.

- a. Waiver of Quality Specifications at Receipt Points. Transporter, in its reasonable discretion and judgment, may waive, on a non-discriminatory basis, the Gas quality specifications at any Receipt Point to accept Gas that does not conform to the quality specifications set forth in this section, if Transporter determines that such acceptance will not interfere with Transporter's ability to: (1) maintain prudent and safe operation of part or all of Transporter's pipeline System, (2) ensure that such Gas does not adversely affect Transporter's ability to provide service to others, and (3) ensure that such Gas does not adversely affect Transporter's ability to tender Gas for delivery to a downstream pipeline or end-user.
- b. Waiver of Quality Specifications at Delivery Points. Transporter, in its reasonable discretion and judgment, may waive, on a not unduly discriminatory basis, the Gas quality specifications at any Delivery Point other than On-System Delivery Points to deliver Gas that does not conform to the quality specifications set forth in this Section, if Transporter determines that such acceptance will not interfere with Transporter's ability to: (1) maintain prudent and safe operation of part or all of Transporter's pipeline system; (2) ensure that such Gas does not adversely affect Transporter's ability to provide service to others, and (3) ensure that such Gas does not adversely affect Transporter's ability to tender Gas for delivery to a downstream pipeline or end-user. With respect to On-System Delivery Points, Transporter may waive Gas quality specifications to permit deliveries of non-specification Gas only if (a) all of the criteria previously listed in this paragraph are met, and (b) all Shippers that will be affected by the waiver consent to the waiver in writing.
- c. Notwithstanding the provisions above, Transporter shall not be required to receive Gas at any Receipt Point which is of a quality inferior to that required by Transporter as set forth in this Statement of Operating Conditions or to Receive Gas that may be rejected by a connecting pipeline or third party at any Delivery Point. In such circumstances and as allowed by the applicable Rate Schedule under which service is being provided and the scheduling processes in Section 15, Scheduling Principles for, and Determination of, Receipts and Deliveries, of these GT&C, Shipper shall have the option to nominate service at other Secondary Points, subject to Capacity availability. Transporter shall not be liable to Shipper, a connecting pipeline or any third party for any damages incurred as a result of Transporter's refusal to receive Gas as a result of this Section 12.

- 12.5. FAILURE TO MEET REQUIREMENTS. Should any Gas tendered by Shipper(s) to Transporter hereunder fail at any time to conform to any of the requirement of this section, Transporter shall notify the Shipper(s) of any such failure, and Transporter may suspend all or a portion of the Receipt of any such Gas or treat or otherwise dispose of any such Gas which may jeopardize Transporter's ability to meet its obligations to its other Shippers, render its Gas not merchantable for processing or delivery to a facility or point of interconnect or that may endanger the safe operation and integrity of Transporter's System. Transporter shall be relieved of its obligations hereunder to the extent of rightful suspension, treatment or disposal for the duration of such time as such non-conforming Gas tendered by such Shipper(s) does not meet the requirements of this section; provided, however, such suspension, treatment or disposal by Company shall not relieve Shipper(s) of its/their payment obligations under this Statement of Operating Conditions. Upon receipt of notice by Transporter, Shipper(s) shall, at its/their expense, make a diligent effort

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to correct such failure by treatment, cooling, dehydration or any other action consistent with prudent operation so as to tender Gas conforming to the requirements of this section, and Shippers(s) shall reimburse Transporter for any loss of revenue or damages incurred, as determined solely by Transporter, as a result of Shipper's(s') delivery of such non-conforming Gas.

- 12.6. The Transporter reserves the right to extract or retain, or permit the extraction of, gasoline, hydrocarbon liquids or any other substance whatsoever from, or to otherwise process or treat or cause to be processed or treated (without impairing its merchantability), the Natural Gas received from Shippers for transportation under this Statement of Operating Conditions, provided however Transporter will Deliver to Shipper thermally equivalent quantities equal to Receipt quantities less the FL&U Reimbursement Quantity, ~~unless otherwise agreed to in writing by Shipper~~. Title to all extracted liquid and liquefiable hydrocarbons and other products, including any methane lost or removed in the extraction process or required for fuel, shall pass to the Transporter, ~~unless otherwise agreed to in writing by Transporter~~, at no cost, and the Shipper shall hold the Transporter harmless and free and clear of adverse claims with respect to the same. On a basis that is not unduly discriminatory, Transporter may enter into an agreement with a Shipper(s) or other Party which provides for processing fees or for the disposition of revenues generated by the sale of any extracted liquids and liquefiable hydrocarbons or other products extracted from Gas transported under this Statement of Operating Conditions. Should any Natural Gas tendered by Shipper(s) to Transporter in connection with this provision fail at any time to conform to any of the requirements of this section, Transporter, ~~in its sole discretion~~, may refuse to Deliver to Shipper(s) such thermally equivalent quantities and/or to pay Shipper(s) for such Natural Gas and/or for any extracted liquids and liquefiable hydrocarbons or other products extracted from such Natural Gas, and Shipper(s) shall reimburse Transporter for any loss of revenue or damages incurred, as determined solely by Transporter, as a result of Shipper's(s') delivery of such non-conforming Natural Gas.
- 12.7. COMMINGLING. Gas Delivered by Shipper will be commingled with the Gas of other Shippers in the System. Accordingly, Shipper's Gas shall be subject to such changes in Thermal Content and other specifications as may result from such commingling.

13. POSSESSION OF, TITLE TO, AND WARRANTY OF GAS

- 13.1. POSSESSION OF GAS. Shippers shall be deemed to be in exclusive control and possession of Gas to be transported under this Statement of Operating Conditions until such has been Received by the Company at the Receipt Point(s). The Company shall be deemed to be in possession of the Gas delivered by the Shipper only from the time it is Received by the Company for transportation at the Receipt Point(s) until it is Delivered to the Shipper at the Delivery Point(s). The Shipper shall be deemed to be in possession of such Gas prior to such Receipt and after such Delivery. The Company shall have no responsibility with respect to such Gas before Receipt by it or after Delivery to the Shipper. The Shipper shall have no responsibility with respect to such Gas while it is deemed to be in the Company's possession.
- 13.2. TITLE TO GAS. With the exception of the quantities retained by the Transporter for the FL&U Reimbursement Quantity and other allowable in-kind deductions, and except as provided in Section 12.6 of these GT&C, title, or the right to acquire title, to all Gas Delivered by the Shipper to Transporter for Transportation under this Statement of Operating Conditions shall be held by the Shipper. Except as provided in this Statement of Operating Conditions, Transporter shall not take title to the Gas transported or stored pursuant to a Service Agreement.

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13.3. WARRANTY OF GAS. The Shipper warrants that Gas received by the Transporter at a Receipt Point(s) for Shipper's account for transportation under this Statement of Operating Conditions is free and clear of all liens, encumbrances, and claims whatsoever. By tendering Gas to the Company for transportation, the Shipper further warrants and represents that it will pay and satisfy, or make provision for the payment and satisfaction of, any taxes now or hereafter assessed upon the Gas so tendered as well as all claims of every nature whatsoever in, to, or in respect of Gas, Delivered or Received by it; and the Shipper agrees to defend at its cost and, when notified by the Company, to indemnify, and defend if requested by the Company, the Company against all suits, judgments, liens, encumbrances, claims, demands, causes of action, costs, losses, and expenses, including reasonable attorneys' fees, arising out of or in any way connected to the Gas Delivered to the Company. The Company assumes no obligation whatsoever to any royalty owner or to the owner of any other interest of any kind in any Gas delivered at the Point(s) of Receipt, and the Shipper or its designee shall pay all such royalties or other interests upon or with respect to such Gas. The Company agrees to indemnify and hold harmless the Shipper against any loss or cost incurred by the Shipper on account of liens, encumbrances or claims resulting from any possession or Transportation Service by the Transporter.

14. ELECTRONIC BULLETIN BOARD (EBB)

14.1. DESCRIPTION OF EBB.

- a. Transporter maintains a web site, known as Transporter's EBB, which is available for use by Shippers and other interested parties upon request. The EBB has both secure and non-secure regions. Information of a general nature is included in the non-secure region, whereas confidential, Shipper-specific data is accessible only through the secure region which requires a logon identification and password. Daily back-up records of information displayed or entered through these web pages are archived and non-secure information is accessible to Shippers on a non-discriminatory basis. The data will be kept for a three (3) year period, inclusive of both current and archived data.
- b. The non-secure information is primarily comprised of informational postings, including listings of On-System and Off-System Delivery Points. Transporter, ~~at its sole option,~~ may add informational sections to these web pages in order to facilitate timely and complete communications with Shippers. The secure region provides access to nomination, confirmation, allocation and related Gas imbalance quantities and billing data. Logon identifications and passwords required to enter the secure region of the EBB may be obtained per the procedures outlined in Section 14.2, Access to EBB, of these GT&C.

(1) INFORMATIONAL POSTINGS AND PLANNING TOOLS.

The types of information available through the Informational Postings section of the EBB may include: (a) information on construction and maintenance projects impacting Capacity; (b) information on construction and maintenance projects impacting Capacity; (c) Imbalance Quantities including those available for transfer or trading among Shippers prior to Cash Out; (d) Firm and Interruptible rates and FL&U reimbursement percentages; (e) a catalog of currently active Receipt and Delivery Points delineated by On-System and Off-System categories and indicating which Point is available to which Rate Schedule; (f) minimum or maximum pressures at Point(s); and (g) general announcements and

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procedures, including notice of Critical Operating Conditions and Operational Flow Orders.

(2) NOMINATIONS.

This feature allows for submittal of all Nominations for service under Rate Schedules in this Statement of Operating Conditions, as applicable.

(3) GAS QUANTITY INQUIRY. This feature provides access to reports detailing quantities of total Gas flows and allocated flows, by Point and identifier level for contracted point(s). The timing for reporting daily operational allocations after the Gas has flowed is typically within two (2) or three (3) Business Days 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.

(4) CONTRACT REQUEST PROCESSING. Potential Shippers must submit requests for new agreements to Transporter, using the Standard Form of Request for Service provided in this Statement of Operating Conditions.

(5) IMBALANCE TRADING OR TRANSFER. This feature provides information of Imbalance Quantities available for trade and/or Park or Loan Quantities available for transfer. If the EBB feature is enabled, Shippers can submit requests for or offers to trade or transfer, subject to Transporter approval.

14.2. ACCESS TO EBB. "Subscribers" are Shippers and other interested parties who obtain access to the interactive transactional web pages by contacting a representative of Transporter's Shipper Services Department. Logon identifications, passwords and access instructions will be supplied upon request under the EBB access agreement and following terms and conditions as set forth in Section 14.3 through 14.13, below. The EBB can be found in the pipeline section on the Company's website. Subscribers must execute the EBB access agreement and individual user agreement forms or Transporter may deny the Party access to the EBB.

14.3. AUTHORITY. Users of the EBB shall be deemed to have agreed and admitted that any employee permitted by Subscriber to access the EBB 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.

14.4. INSTALLATION. Each Subscriber shall purchase and ensure that lawful installation of the designated commercially available Internet Browser software occurs for each personal computer (PC) from where the EBB is accessed.

14.5. CONFIDENTIALITY. Certain information contained on the EBB is confidential. A Subscriber shall not reproduce, disclose or otherwise make available confidential information contained therein to any other company, corporation, individual, or partnership.

14.6. RELIANCE BY TRANSPORTER. Transporter 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 the EBB. Transporter may correct errors in information entered into this

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web site by a Subscriber promptly after receiving notice of the corrections or may require Subscribers to enter the corrections directly into the EBB.

- 14.7. ACCESS TO CONFIDENTIAL INFORMATION. Should a Subscriber require access to confidential information (such as Points, Nominations, Gas quantities, Service Agreements, or other Shipper-specific information deemed to be of a confidential nature requiring controlled access), Transporter will require the Subscriber to provide fully completed EBB forms and may require a written request and officer level approval, or other delegated authority, for issuance of a company-level computer access (logon) identification code and password. Upon receipt of such request, Transporter will ensure return of a confidential logon code and password within one (1) business day.
- 14.8. LOGON. A Subscriber's logon identification and password are confidential and are used to identify that Subscriber. A Subscriber shall keep its 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 the EBB on Subscriber's behalf. A Subscriber and the Subscriber's employees and agents will not disclose the Subscriber's logon and password to anyone. To ensure such confidentiality is not breached, requests from Subscriber employees or agents for information regarding Subscriber logon identification and password made subsequent to issuance of the original logon identification and password may not be honored without receipt by Transporter of additional authorization from Subscriber. Subscriber shall be responsible for and accepts liability for any security breach that is traced to Subscriber's logon identification and password.
- 14.9. BREACH OF SECURITY. A Subscriber shall promptly notify Transporter if there is any indication that a security breach has occurred with regard to Subscriber's logon identification and password. This includes, but is not limited to: (a) loss of confidentiality of logon identification and password; (b) termination of employment of any authorized employee; or (c) loss of authority to access the EBB by any authorized employee. Such notification shall be made to Transporter's Shipper Services Department.
- 14.10. 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.
- 14.11. LIMITS OF RESPONSIBILITY. Transporter shall not be responsible for an omission or failure by Transporter to act or perform any duty requested by a function accessed via the EBB 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 Transporter's computer system, power failures, failure of backup systems, or any other event beyond the reasonable control of Transporter.
- 14.12. RESERVATION. Transporter reserves the right to add, modify or terminate EBB functions at any time subject to compliance with the rules and regulations of the applicable regulatory agency.
- 14.13. AGREEMENT. Any Subscriber who is not a Shipper under one of the Rate Schedules of this Statement of Operating Conditions, but has an operating interest will be required, as a precondition of access to the EBB, to sign an agreement with Transporter pursuant to which the Subscriber agrees to be bound by the provisions of this Section.

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15. SCHEDULING PRINCIPLES FOR, AND DETERMINATION OF, RECEIPTS AND DELIVERIES

- 15.1. The order for scheduling Gas quantities shall be as follows, with the point of restriction to be reviewed for primary or alternate/secondary rights both on a point and path basis progressively evaluating the point(s) of restriction from Receipt Point to path to Delivery Point.
- a. Rate Schedule FTS at Primary Points and/or Primary paths, depending on the point of restriction at any point(s) or on any path(s) (scheduled pro rata based on Nominations);
 - b. Transporter's operational purchases and sales and injection or withdrawal of Transporter's retained storage inventory;
 - c. Rate Schedule FTS at Secondary Receipt Point(s), at Secondary path and/or at Secondary Delivery Point(s), depending on the point of restriction at any Point(s) or on any path(s) (scheduled pro rata based on highest daily reservation rate to lowest daily reservation rate where daily reservation rate equals monthly rate multiplied by 12 and divided by 365 rounded to the fourth decimal place, i.e. divided by 30.4167);
 - d. Rate Schedule ITS (scheduled pro rata based on highest daily rate to lowest daily rate);
 - e. Rate Schedule FTS authorized overruns (scheduled pro rata based on highest daily rate to lowest daily rate);
 - f. Rate Schedule MCS service (scheduled pro rata based on highest transaction value to lowest transaction value).

16. NOMINATION AND SCHEDULING PROCEDURES

16.1. NOMINATION PROCEDURES AND DEADLINES. If a Shipper desires transportation or storage service under this Statement of Operating Conditions, on any Day, the Shipper shall comply with the following Nomination procedures. Nominating Parties will submit Nominations to Transporter in accordance with the procedures and conditions set forth in this Section 17. Any Nominations received after a Nomination deadline will be scheduled after Nominations received before that Nomination deadline. All Nominations must be submitted electronically unless an alternate method is expressly pre-authorized by Transporter. Transporter reserves the right to waive the deadline specified herein as posted on Transporter's EBB, provided that no Shipper will be disadvantaged by such waiver.

- a. Nomination Communications.
 - (1) Transporter shall accept Nominations twenty-four (24) hours a Day via electronic communication. Transporter's EBB will contain after-hours and emergency contacts in the event communication is required beyond normal business hours.
 - (2) Shipper shall provide to Transporter the appropriate after-hours and emergency contacts for Shipper.
 - (3) Transporter shall not be liable to Shipper under any circumstances for any damages or losses that may occur as a result of Transporter's inability to communicate with Shipper.
- b. Nomination Data Elements.

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- (1) Submitted Nominations are original Nominations. If the Shipper desires to change such Nomination, original Nominations should be overwritten with replacement Nominations. When a Nomination for a date range is received, each Day within that range is an original Nomination. When a subsequent Nomination is received for one or more Days within that range, the previous Nomination is superseded by the subsequent Nomination only to the extent of the Days specified. The Days of the previous Nomination outside of the range of the subsequent Nomination are unaffected. Nominations have a prospective effect only.
 - (2) Certain Nomination data elements are identified as “key” fields and define the basis of a unique Nomination record. Changes to non-key data elements will cause a previous Nomination containing the same key elements to be replaced. Data elements shall conform to the requirements of general industry data dictionary standards.
 - (3) Transporter’s key Nomination data fields are composed of: (1) Shipper name and business party identifier, (2) transaction type, (3) upstream or downstream Party(s), (4) service requestor contract number (to include type of service indicator), (5) the daily quantity of Gas in Dth to be received by the Company (including the Shipper’s Transportation Quantities), (6) Daily Authorized Overrun Quantities, must be, Nominated as a separate transaction, (7) any Park, Unpark, Loan or Loan Payback quantities, (8) the FL&U Reimbursement Quantity at each specified Receipt Point, (9) Receipt Points, (10) the Daily quantity of Gas in Dth to be Delivered by the Company at each specified Delivery Point on the desired Day, (11) Shipper defined beginning and ending dates, and (12) upstream and downstream pipeline contract and/or business party numbers, if applicable. For the nomination data fields to be successfully entered, the total receipt nominations less the FL&U Reimbursement Quantity and other in-kind deductions must equal the equivalent Dth quantity of delivery Nominations.
 - (4) Nominations must specify a beginning and ending date. Such dates must be no earlier than the effective date and no later than the termination date of the Service Agreement. Each Day, all Nominations for the next Day which have been received by Transporter at or prior to the Nomination deadline shall be processed pursuant to the GT&C of this Statement of Operating Conditions.
 - (5) All Nominations, including Intra-Day Nominations, shall be based on a Daily quantity. Intra-Day Nominations shall include an effective date and cycle. The Interconnected Parties shall agree on the hourly flows of the Intra-Day Nomination, as needed.
- c. Timing of Nominations and Confirmations. Transporter will support the industry standard five (5) nomination cycles.
- (1) First of the Month Service. The Shipper submits a Nomination by 12:00 noon, Mountain Clock Time (“MCT”), and such Nomination shall be received by Transporter by 12:15, MCT, one (1) Business Day prior to the first Day of the Month.
 - (2) Next Day Service (also known as the Timely Nomination Cycle). The Day before the Shipper desires to receive service, the Shipper submits a Nomination by 12:00

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noon, MCT; and such Nomination shall be received by the Company by 12:15p.m., MCT; 3:30 p.m. for receipt of Confirmations by Transporter from upstream and downstream parties: 4:00 p.m. for Transporter to provide Confirmed Quantities to affected Shippers and point operators, and to provide Confirmed Quantities to Bumped parties. Gas flow period is one Gas Day which begins at 8:00 a.m. MCT the Day following Confirmations of the Nominations.

- (3) Intra-Day Nomination Requirements. For services that provide for Intra-Day Nomination and scheduling, there is no limitation as to the number of Intra-Day Nominations (i.e. line items) which a Shipper may submit at any one standard nomination cycle or in total across all standard Nomination cycles. Intra-Day Nominations are to be submitted in full-Day quantities. Firm Intra-Day Nominations shall be scheduled ahead of previously scheduled Interruptible Nominations in the evening, Intra-Day 1 and Intra-Day 2 Cycles. Application of this provision will result in such Interruptible Nominations being Bumped.
- (4) When a previously confirmed and scheduled quantity is altered, notification of such alteration should be provided to all of the following parties that are affected: (1) confirmation requester, (2) confirming upstream or downstream Party, and (3) service requester or their agent.
- (5) Intra-Day Nominations shall be considered complete upon Transporter's receipt of a valid Nomination and the corresponding up and/or downstream confirmations.
- (6) Each Day, a Shipper may submit Intra-Day nomination(s).
- (7) Intra-Day Nominations may be used to request increases or decreases in total flow, changes to Receipt Points or changes to Delivery Points of scheduled Gas.
- (8) Intra-Day service nominations may be accepted at "qualified points" only. The criteria for a Receipt Point or Delivery Point to qualify as a "qualified point" are as follows:
 - (i) Electronic flow measurement availability with communications capability to the Company's measurement system;
 - (ii) Location capable of flow adjustment verifiable by the Company and upstream and downstream Transporting Pipelines;
 - (iii) 24 hour telephone contact for upstream and downstream Transporting Pipelines;
 - (iv) The Shipper must advise upstream and downstream Transporting Pipelines to contact the Company.

The Company may refuse to Confirm an Intra-Day Nomination relative to a qualified point if the Nomination requires Confirmation from an upstream or downstream Interconnecting Pipeline(s) that is not providing Timely Confirmations.

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- (9) Evening Nomination Cycle. For Evening Nomination Cycle service the Shipper submits a Nomination after 12:00 noon, MCT, but before 5:00 p.m., MCT, the Day before the Shipper desires service; 7:30 p.m., MCT, for receipt of completed confirmations by Transporter from upstream and downstream Parties, 8:00 p.m., MCT, for Transporter to provide Scheduled Quantities to affected Shippers and Point Operators and to provide Scheduled Quantities to Bumped parties. Scheduled Quantities resulting from Evening Cycle Nominations are effective for Gas flow beginning at 8:00 a.m. MCT the Day following Confirmations of the Nominations.
- (10) Intra-Day 1 Nomination Cycle: 9:00 a.m., MCT, for receipt of Nominations by Transporter; 11:30 a.m., MCT, for receipt of completed Confirmations by Transporter from upstream and downstream parties; 12:00 noon, MCT, for Transporter to provide Scheduled Quantities to affected Shippers and Point Operators and to provide scheduled quantities to Bumped parties. Scheduled Quantities resulting from Intra-Day 1 Nominations are effective at 4:00 p.m. MCT on the Gas Day.
- (11) Intra-Day 2 Nomination Cycle: 1:30 p.m., MCT, for receipt of Nominations by Transporter; 4:00 p.m., MCT, for receipt of completed Confirmations by Transporter from upstream and downstream parties; 4:30 p.m., MCT, for Transporter to provide Scheduled Quantities to affected Shippers and Point Operators and to provide scheduled quantities to Bumped parties. Scheduled Quantities resulting from Intra-Day 2 Nominations are effective at 5:00 p.m. MCT on the Gas Day.
- (12) Intra-Day 3 Nomination Cycle: 6:00 p.m., MCT, for receipt of Nominations by Transporter; 8:30 p.m., MCT, for receipt of completed Confirmations by Transporter from upstream and downstream parties; 9:00 pm, MCT, for Transporter to provide Scheduled Quantities to affected Shippers and Point Operators and to provide Scheduled Quantities to Shippers. Scheduled Quantities resulting from intra-Day 3 Nominations are effective at 9:00 p.m., MCT, on the Gas Day.
- (13) Chart Depicting Scheduling Cycles (all times shown in MCT):

Gas Day affected by Intra-Day Nomination begins	Timely for Next Gas Day*	Evening for Next Gas Day*	Intra-Day 1 for Current Gas Day*	Intra-Day 2 for Current Gas Day*	Intra-Day 3 for Current Gas Day**
Nom Period Ends	12:00 noon	5:00 p.m.	9:00 a.m.	1:30 p.m.	6:00 p.m.
Noms received by Transporter	2:15 p.m.	5:15 p.m.	9:15 a.m.	1:45 p.m.	6:15 p.m.
Completion of Upstream and Downstream interconnect Confirmations	3:30 p.m.	7:30 p.m.	11:30 a.m.	4:00 p.m.	9:00 p.m.

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Posting of Report of Confirmed Noms and Notice to Bumped Parties	4:30 p.m.	8:00 p.m.	12:00 noon	4:30 p.m.	9:00 p.m.
Nomination Effective Time	8:00 a.m.	8:00 a.m.	1:00 p.m.	5:00 p.m.	

*bumpable

**no bump

- d. Content of Nominations. The Shipper shall include in any Nomination the key Nominations fields included in this GT&C including: (1) the daily quantity of Gas to be received by the Company (including the Shipper’s transportation volumes), (2) daily overrun volumes, must be Nominated as a separate transaction, (3) the FL&U Reimbursement Quantity at each specified Receipt Point, (4) Receipt Points (Primary and/or Secondary), (5) the daily quantity to be Delivered by the Company at each specified Delivery Point (Primary and/or Secondary) on the desired Day, (6) Shipper defined beginning and ending dates, and (9) upstream and downstream pipeline contract and/or business party numbers, if applicable. The total receipt Nominations less the FL&U Reimbursement Quantity and other deductions must equal the equivalent thermal quantity of delivery nominations.
- e. Nominations Flow Rate and Rollover Options. All nominations, including Intra-Day Nominations, shall be based on daily quantity, thus, an Intra-Day nominator need not submit an hourly Nomination. Intra-Day Nominations shall include an effective date. All Nominations, excluding Intra-Day Nominations, have rollover options. Specifically, Shippers have the ability to Nominate for several Days or for an entire Month, provided the Nomination begin and end dates are within the term of the Shipper’s Service Agreement. Intra-Day Nominations do not rollover and they do not replace the remainder of a standing Nomination.
- f. Confirmation of Nominations Received. The Shipper is obligated to view Confirmed Nominated quantities by accessing Shipper’s account on Transporter’s EBB.
- g. Confirmation by Interconnecting Party(s). The Transporter will initiate Confirmation of all Nominations with upstream and downstream interconnecting Party(s). The Company shall receive Confirmations for first of the Month and next Day service from all upstream and downstream interconnecting Party(s) by 3:30 p.m., MCT, on the Day Nominations are due. The Company shall receive Confirmations for Intra-Day service from all upstream and downstream interconnecting Parties as provided for in these GT&C.
- h. Confirmation by Transporter. Nominations submitted in accordance with this Section 16 shall not become effective until Transporter has confirmed the nominated Receipt and Deliveries with upstream and downstream parties. With respect to each of the five (5) currently effective NAESB nomination cycles, as may be revised from time to time, at a Receipt Point or Delivery Point, the lesser of Transporter’s or the Interconnecting Party’s confirmed quantities will be the confirmed quantity.
- i. Confirmed and Scheduled Quantities. The Transporter will schedule Gas flow quantities on a daily basis consistent with the priorities established in Section 16.2, Scheduling Principles for, and Determination of, Receipts and Deliveries, of these GT&C of this Statement of

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Operating Conditions. The Company shall provide Scheduled Quantities for first of Month and next Day nominations by 4:00 p.m., MCT, on the Day before Gas flow to the Shipper and Point Operator. By the end of each Gas Day, the Company shall make available to the Shipper information containing scheduled quantities, including scheduled Intra-Day nominations and any other scheduling changes. For evening, Intra-Day 1 and Intra-Day 2 scheduling cycles, previously Confirmed quantities may be Bumped by a transaction of higher scheduling priority, as provided for in Section 16.1, Nomination Procedures and Deadlines, of these GT&C. An Intra-Day 3 service Nomination for Interruptible services will not be Confirmed if it would curtail Gas that is already flowing, regardless of the rate schedule the Gas is flowing under.

- j. Inaccurate Nominations. Based upon the information that the Company has available concerning the quantity of Gas actually Received from and Delivered to the Shipper, or for the Shipper's account, if actual Receipts or Deliveries on any Day are more than five (5) percent over or under Nominations, or if actual Receipts differ from actual Deliveries on any Day by more than five (5) percent, Transporter may, by means of the telephone, electronic mail message or Company's EBB, notify the Shipper that it has a specified time in which to bring actual Receipts or Deliveries and Nominations more closely into agreement; provided that Transporter shall issue said notice within a reasonable period after the inaccurate Nomination condition becomes evident to the Transporter, but no later than one (1) hour before the last Intra-Day Nomination deadline established in the tariff(s) of interconnecting Party(s). In said notice, the Transporter shall inform the Shipper whether actual net Receipts need to be equal to or greater than actual Deliveries, or actual Deliveries need to be equal to or greater than actual net Receipts. Notwithstanding any provision of the Rate Schedules and these GT&C of this Statement of Operating Conditions, a Shipper receiving notice under this paragraph will be permitted to submit an Intra-Day Nomination to the Transporter on or before the deadline for the last Intra-Day Nomination permitted in the tariff(s) of interconnecting Party(s) and the Transporter shall process and schedule said Nomination; provided that the Nomination is submitted for the purpose of complying with the directive contained within the notice provided to said Shipper. If the discrepancy is not brought within the five (5) percent tolerance within the specified time, the Transporter may adjust deliveries to compensate for the inaccurate Nominations. The action allowed by this paragraph is in addition to the Company's right to assess Authorized Overrun Quantity charges or Unauthorized Overrun Quantity charges, or any Imbalance charges, pursuant to the terms of this Statement of Operating Conditions.
- 16.2. DELIVERY OF GAS. Based upon the daily quantity scheduled and such information as Transporter has available concerning the quantity of Gas actually Received, and subject to these GT&C, Transporter shall make daily Deliveries of the Shipper's Confirmed Nominations quantity. Both Shipper and Transporter shall make every best commercial effort to make certain the Daily Deliveries of Gas at the Delivery Point(s) shall be approximately equal to Daily Receipts of Gas by the Transporter at Receipt Point(s) for transportation, less the FL&U Reimbursement Quantity and any other allowable in-kind deductions.
- 16.3. For purposes of billing a Shipper, the order of services through a particular Delivery Point on any Gas Day, unless otherwise determined under these GT&C, will be:
- a. Nominated Rate Schedule FTS;
 - b. Rate Schedule NNS when quantities are nominated and scheduled;

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- c. Transfer of prior Gas Day accumulated APAL quantities to Shipper's Rate Schedule NNS account;
 - d. Rate Schedule NNS when quantities are not nominated and scheduled;
 - e. Nominated Rate Schedule ITS;
 - f. Authorized overrun deliveries;
 - g. Rate Schedule MCS;
 - h. Rate Schedule APAL for the current Gas Day; and
 - i. Unauthorized overrun deliveries.
- 16.4. The allocation of Gas quantities through any Receipt Point or Delivery Point will be the allocation supplied by the interconnecting pipeline or Operator, or, if none, as reported by the Point Operator of the delivering facilities, or, if not so reported, then according to the following formula.
- a. If the quantity of Gas available is equal to or greater than the total quantity of the daily Nominations at a point, Gas will be allocated pro rata to all services through the point, based on Confirmed and Scheduled Nominations.
 - b. If insufficient Gas is available to satisfy Firm Nominations, the available Gas will be allocated pro rata to all services through the point based on Confirmed and Scheduled Nominations.

Notwithstanding the foregoing, the Company may, ~~at its sole discretion~~, enter into pre-determined allocation agreements with upstream or downstream interconnecting Parties to accommodate allocation methodologies different from those outlined in this section. The allocation methodology types which the Company may agree to are (1) ranked, (2) pro rata, and (3) percentage; provided that only one methodology can be applied during an allocation period. The Party responsible for custody transfer (the Party performing the measurement function) may provide the allocation. The upstream interconnecting Party(s) providing the point confirmation may submit the pre-determined allocation to the Company after or during Confirmation and before the start of the Day.

17. ALLOCATION OF CAPACITY

- 17.1. Capacity availability is determined by using Company's engineering analysis.
- 17.2. The Company may, but is not obligated to, list available point and/or path segment Capacity on its EBB.
- 17.3. NEW SERVICE REQUESTS. Transporter may grant requests for Off-System service under Rate Schedules FTS and ITS, in a manner that is not unduly discriminatory, within the following time periods and subject to the listed conditions so long as no facility modifications are required: (a) For service with a term of one (1) year or longer, the service must be requested to begin no later than three (3) months from the date the request is granted, (b) For service with a term greater than three (3) months but less than one (1) year, the service must be requested to begin no later than one (1) month from the date the request is granted, (c) For service with a term of three (3)

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months or less, the service must be requested to begin no later than ten (10) Business Days from the date the request is granted.

- 17.4. Transporter may, but is not required to, hold future open seasons from time to time with respect to Off-System Transportation and/or Storage Capacity, if applicable then available for Transportation or Storage Service on its system, or any portion thereof, during which the Company will solicit bids, either binding or non-binding at Transporter's election, for the Capacity specified in the open season notice posted in the Informational Postings section of Transporter's EBB. Transporter may establish minimum terms and conditions for acceptable bids. All bids for the posted Capacity that are received during the period established for the open season shall be deemed to have been received at the same time. Transporter may award the Capacity offered through the open season process to the bidder offering the highest sufficient economic value as determined by a net present value calculation and credit evaluation. Transporter may weigh various economic factors and shall post such weighting process before bids are accepted. In the event that bids of equal value are received, the Capacity will be offered to the winning bidders pro rata based on the respective level of Capacity requested by each of said bidders. In the event a system expansion is proposed, the timing of the new service requests will be determined by the terms of such expansion.
- 17.5. The Company under no circumstances shall be obligated to sell Capacity on its system at a total rate less than the sum of the maximum rates set forth in this Statement of Operating Conditions for the applicable Rate Schedule.
18. THIRD PARTY CAPACITY. Transporter may enter into transportation and/or storage agreements with upstream and/or downstream entities, including interstate and intrastate pipelines and storage providers ("third party capacity"). In the event Transporter acquires such third party capacity, Transporter shall use such capacity for operational reasons or to render service for its Shippers on the third party capacity. If Transporter acquires capacity from a third party for a Shipper's use, Shipper shall be required to pay Transporter the rates and charges Transporter is obligated to pay such third Party(s) for the third party capacity.
19. RATE DISCOUNTING
- 19.1. On a not unduly discriminatory basis, Transporter reserves the right to adjust at any time any of the rates applicable to any individual Shipper without adjusting any other rate(s) for that Shipper or for any other Shipper, provided that such adjusted rate(s) shall not exceed the applicable maximum rate(s) and shall not be less than the applicable minimum rate(s) as such rate(s) are set forth in the Statement of Rates in this Statement of Operating Conditions. All discounts shall be stated in the Service Agreement(s) or in a Discounted Rate Agreement pertaining to the Service Agreement and the discount from the maximum rate(s) shall be for a specified term. Acceptable forms of discounts include, but are not limited to:
- a. Discounted rates applicable to specified service entitlements under the Service Agreement;
 - b. Discounted rates that apply, in whole or in part, only if specified minimum and/or maximum quantity levels are transported under the Service Agreement(s), on a monthly or annual basis, or over another specified term;
 - c. Discounted rates that apply to transportation or storage of production reserves committed by the Shipper;

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- d. Discounted rates that apply only during specified time periods;
- e. Discounted rates that apply only to service using specified Points of Receipt or Points of Delivery or to specified transportation paths;
- f. Discounted rates that apply only in a specified relationship to quantities actually delivered (i.e. a discount arrangement under which rates can be adjusted on a scale in a specified relationship to quantities actually delivered, so long as the adjustment to a rate does not exceed the applicable maximum rate(s) or fail to meet the applicable minimum rate(s) set forth in the Statement of Rates of this Statement of Operating Conditions);
- g. Discounted rates for Firm service stated on a daily unit reservation basis instead of a monthly unit reservation basis;
- h. Discounted rates that apply only on a specified usage quantity.

19.2. Transporter shall provide notice, by means of an EBB posting or by e-mail to Shippers, of On-System discounts given to firm On-System Rate Schedule FTS Shippers.

20. FUEL, LOST AND UNACCOUNTED-FOR GAS (FL&U) REIMBURSEMENT MECHANISM

20.1. At least once annually, Transporter shall compute a reimbursement percentage(s) for FL&U to compensate Transporter for the FL&U experienced in its operations. Shipper shall be responsible for providing FL&U Reimbursement at each Receipt Point on a pro rata basis based on the quantities received on any Day. Transporter shall apply the deduction for the applicable reimbursement percentage(s) to Receipt Point quantities and Transporter shall have full title to such Gas following such reimbursement.

~~20.2. Transporter shall have the right to discount its FL&U reimbursement percentage in a not unduly discriminatory manner.~~

~~20.3.~~20.2. APPLICABILITY OF REIMBURSEMENT PERCENTAGES. Transporter may post to the Informational Postings section of its EBB those locations or those Receipt and Delivery combinations that are not subject to the FL&U Reimbursement Quantity percentage (i.e. no-fuel paths and locations). All Receipts will be subject to the FL&U Reimbursement Quantity percentage, unless discounted.

~~20.4.~~20.3. FL&U Reimbursement Quantity calculations shall be rounded to the nearest Dth for each Nomination transaction.

~~20.5.~~20.4. FL&U Reimbursement quantities have the same scheduling priority as the related transportation or storage transaction.

21. OTHER COST ADJUSTMENTS AND SURCHARGES

21.1. GENERAL RATE SCHEDULE ADJUSTMENT (GRSA). The charges for gas service calculated under the Company's maximum rate Reservation, Commodity, Injection and Withdrawal charges, as applicable, for gas service calculated under FTS and ITS Rate Schedules shall be increased by 0.00%.

22. CONTINUOUS SERVICE. Transporter will exercise reasonable diligence and care to furnish continuous service to its Shippers, and to avoid any Interruptions or Curtailments of that service. The Shipper has

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been advised of, and has recognized before utilizing Transporter's service, the hazards of continuity of service. Transporter shall not be liable for Interruptions or Curtailments, or any loss or damage of any kind occasioned thereby, including consequential and punitive damages, to any Shipper, On-System Contract Assignee, End-User, or other entity if the same is caused by accident, acts of God, floods, fire, strikes, riots, earthquake, avalanche, war, or any other cause or contingency beyond its control.

23. LIMITATIONS ON OBLIGATIONS

23.1. FORCE MAJEURE.

- a. The Company shall not be liable on any account whatsoever to a Shipper for any failure, Interruption, or diminution in delivery of Gas hereunder, or any act, omission or circumstance occasioned by, or in consequence of, accident to, or breakage of, pipelines, equipment, or machinery, explosions, landslides, earthquakes, fires, lightning, floods, washouts, freezing, storms, the elements, the making of repairs, alterations or replacements, unscheduled maintenance, strikes, lockouts, or other industrial disturbances, riots, insurrections, civil disturbances, pestilence, acts of God or the public enemy, war, legal interferences, orders or requirements of any court of competent authority, or government agency, depletion or destruction of Gas wells or fields, diminution or failure of, or interference, partial or entire, with the Company's Gas supply or pipeline system, or, and without limitation by the foregoing, any other causes beyond the reasonable control of Transporter. In every case, Transporter shall exercise diligence to remove any such interference with its delivery of Gas and shall resume such delivery at the earliest practicable time.
- b. The Shipper shall not be liable on any account whatsoever to the Transporter for any failure to receive Gas hereunder when occasioned by, or in consequence of, accident to, or breakage of, pipelines, equipment, or machinery, explosions, landslides, earthquakes, fires, lightning, floods, washouts, freezing, storms, the elements, the making of repairs, alterations or replacements, strikes, lockouts, or other industrial disturbances, riots, insurrections, civil disturbances, pestilence, acts of God or the public enemy, war, legal interferences, orders or requirements of any court of competent authority, or government agency, or, and without limitation by the foregoing, any other causes beyond the reasonable control of the Shipper. Any such cause or contingency exempting the Shipper from liability for non- performance (excepting where prevented by valid orders or requirements of Federal, State, or other governmental regulatory bodies having jurisdiction in the premises) shall not relieve the Shipper of its obligation to pay demand charges or reservation charges or any other amounts owed in accordance with the provisions of this Statement of Operating Conditions or Service Agreement(s). In every case, the Shipper shall exercise diligence to remove any such interference with its receipt of Gas and shall resume such receipt at the earliest practicable time.

23.2. CAPACITY CURTAILMENT. Whenever the capability of Transporter's system, due to any cause whatsoever, is such that Transporter is unable to Receive, transport, and/or Deliver the quantity of Gas contracted on a firm basis, including from injection into or withdrawal from storage, then Receipts, transportation and Deliveries will be Curtailed to the extent practicable as specified in this Section of these GT&C. Transporter will use reasonable efforts to provide at least four hours' notice in advance of the time Curtailment is required to commence except that, when due to an event of force majeure or to address a Critical Operating Condition, Transporter will give such notice as may be practicable under the circumstances.

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- 23.3. In the event that a Receipt, transportation, or Delivery capability limitation is applicable only to a specific pipeline or area of the Transporter's system and the only Receipt, transportation and Delivery reduction required relates to that pipeline or specific area, then the reductions prescribed in this Section of these GT&C may be limited to such pipeline or area.
- 23.4. The order of service priorities for purposes of Curtailment, from lowest to highest but only impacting those categories required is as follows:
- a. Rate Schedule MCS;
 - b. Rate Schedule FTS Authorized Overruns;
 - c. Rate Schedule ITS;
 - d. Rate Schedule FTS at Secondary Receipt Point(s), at Secondary path and/or Secondary Delivery Point(s);
 - e. Transporter's Operational Purchases and Sales and Injection or Withdrawal; and
 - f. Rate Schedule FTS at Primary Point(s).

Whenever the Capacity of all or a portion of Transporter's system or system segment, due to any cause, is such that Transporter is unable to serve all Interruptible Transportation Service Shippers within priority letters (a) through (c), Shippers delivering to On-System Delivery Points will be curtailed last and Shippers delivering to Off-System Delivery Points receiving service at a lower rate, or transaction value for Rate Schedule MCS, will be curtailed before those Shippers receiving service to Off-System Delivery Points at a higher rate, or transaction value for Rate Schedule MCS. Should any Shippers have equal priority based on the rate paid, or transaction value for Rate Schedule MCS, available Capacity shall be allocated pro rata based on quantities scheduled (i.e., Confirmed Nominations).

Whenever the Capacity of all or a portion of the Transporter's system or system Segment, due to any cause, is such that the Transporter is unable to serve all firm service Shippers within priority letter (d), Shippers receiving service at a lower rate will be curtailed before those Shippers receiving service at a higher rate. Should any Shippers have equal priority based on the rate paid, available Capacity shall be allocated pro rata based on quantities schedule (i.e. Confirmed Nominations).

Whenever the Capacity of all or a portion of Transporter's system or system segment, due to any cause, is such that Transporter is unable to serve all firm service Shippers within priority letter (f), available Capacity shall be reduced pro rata based on Nominations.

24. LIABILITY

- 24.1. ~~It is expressly understood by the Shipper that the Transporter cannot in all instances enforce the Curtailment orders issued pursuant to this Section of the GT&C.~~ If service under this Statement of Operating Conditions is Curtailed, Transporter shall not be liable for damages of any kind, including consequential or punitive damages, to any Shipper, End-User or other entity on account of the unauthorized usage of Gas by another in violation of a Curtailment order issued pursuant to this section.
- 24.2. The Transporter shall have the right, without liability to any Shipper or End-User, to Curtail the Transportation or storage of Gas when necessary to test, alter, modify, expand, enlarge or repair

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any facility or property compromising a part of, or appurtenant to, its pipeline system, or otherwise related to its operation thereof.

25. OPERATIONS BY TRANSPORTER AND SHIPPERS AND IMBALANCE MANAGEMENT

25.1. Upon Transporter's request, a Shipper shall furnish to Transporter, as far in advance as operations permit, estimates of expected hourly, daily, monthly and annual quantities of Gas to be transported by Transporter for or on the behalf of Shipper.

25.2. Each Party shall use best commercial efforts to Deliver or take or cause to be Delivered or taken, Gas at reasonably uniform hourly and daily rates of flow, unless otherwise provided for in the Rate Schedule. However, either Party may request the other to change the rates of delivery or, if applicable, receipt. The Party requesting to make such changes will do so to the extent that it can without adversely affecting its deliveries of Gas to any other Shipper and/or without adversely affecting the Transporter's operations.

25.3. Transporter shall Deliver Gas quantities for a Shipper's account concurrently with the Receipt of such Gas quantities at a Receipt Point(s) to the extent practicable. The Parties recognize that they may be unable to control exactly the quantities Received or Delivered on any Day and that the quantities received by the Company may vary from the quantities Delivered on any Day. Variations shall be kept to a minimum and shall be balanced as soon as practicable. Daily and monthly activity and cumulative net variations may result in the application of charges or Cash Out of quantities as provided in Transporter's Rate Schedules and these GT&C. The Shipper and the Transporter shall manage Receipts and Deliveries so that the difference between the Receipt quantities and the Delivery quantities shall be kept as near zero as practicable, taking into account the FL&U Reimbursement Quantity and other allowable in-kind deductions. Transporter shall be under no obligation to accept from the Shipper more Gas at any Receipt Point than the Confirmed Nomination for such Shipper for the Receipt Point for that Day.

25.4. Transporter is not responsible for eliminating any Imbalances in Gas quantities between the Shipper and any third parties. Transporter is not obligated to deviate from its standard operating and accounting procedures in order to reduce or eliminate any such third party imbalances.

26. IMBALANCE MANAGEMENT. Shipper shall balance daily and monthly Receipt Quantities (less FL&U Reimbursement Quantities) and Delivery Quantities as closely as possible using commercial and best efforts. If Imbalance Quantities are not resolved pursuant to Shipper's Transportation and, if applicable, Storage Services, then such quantities will be cashed out as described herein.

26.1. IMBALANCE QUANTITIES. For purposes of this Statement of Operating Conditions, Imbalance Quantities shall mean the daily and cumulative difference between Receipt Quantities less FL&U reimbursement quantities and other allowable in-kind deductions, if any, and the quantities Delivered to Shipper at the Point of Delivery, resulting from current month activity plus any unresolved prior month activity.

26.2. As provided in this Statement of Operating Conditions, Off-System Shipper(s) may request that Transporter transfer an Imbalance Quantity to a Rate Schedule MCS Transaction Request at any time, within a current calendar month.

26.3. By the ninth (9th) Business Day of the month following the end of the month, the Transporter will make available to the Shipper, in the Imbalance Statements on Transporter's EBB, the production month-end Imbalance for said monthly billing period. Imbalance Quantities may be traded among

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a Shipper's Service Agreements or between the like-kind Service Agreement of another Shipper as long as the trade offsets, in whole or in part, the Imbalance Quantities with respect to the affected Service Agreements. Said trades among a Shipper's own agreements or between the like kind Service Agreements of trading Shippers will be subject to validation for the like-kind trades (i.e., Off-System FTS/ITS with Off-System FTS/ITS). Shippers will enter such trades on Transporter's EBB. The Shipper may request a transfer of the end of month Imbalance Quantity to, or from, as applicable, a Rate Schedule MCS Service Agreement and, if available, Transporter shall confirm and schedule such transfer.

- 26.4. If a Shipper is unable to fully cure its Imbalance hereunder through the procedures set forth in Section 26.2 and 26.3, a charge or credit, as the case may be, for such Imbalance will be added to the Shipper's next monthly bill according to the following schedule:

Under-Deliveries as Percentage of Actual Deliveries	Under-Delivery Charge as Percentage of Index or cost of <u>Transporter's</u> operational purchases <u>of 3rd Party supply</u> (*)
<u>Under-Deliveries</u> 0% - 5%	100% <u>Charge as described below</u>
<u>Under-Deliveries</u> Greater than 5%	125% <u>Charge as described below</u>

The greater of (a) the mean of the highest of the Cash Out Index Price (highest of the Daily Price Survey, Midpoint Price (Flow Date) as published by Platts Gas Daily for the "Spot Gas Prices Delivered to Pipelines" relative to CIG Rockies, NW S of Green River, and El Paso San Juan, Questar Rockies), for the period of time starting with the first day of the month that the imbalance was incurred and ending with the ninth (9th) business Day of the second month following the month the imbalance was incurred; or (b) the Company's cost of operational purchase Gas for said Month if higher.

Over-Deliveries as Percentage of Actual Deliveries	Over-Delivery Credit as Percentage of Index or cost of operational purchases (*) <u>of Shipper's Over-Delivery of gas supply</u>
<u>Over-Deliveries</u> 0% - 5%	100% <u>Credit as described below</u>
<u>Over-Deliveries</u> Greater than 5%	75% <u>Credit as described below</u>

The lesser of (a) the mean of the lowest of the Cash Out Index Price (lowest of the Daily Price Survey, Midpoint Price (Flow Date) as published by Platts Gas Daily for the "Spot Gas Prices Delivered to Pipelines" relative to CIG Rockies, NW S of Green River, and El Paso San Juan, Questar Rockies), for the period of time starting with the first day of the month that the imbalance was incurred and ending with the ninth (9th) business Day of the second month following the month the imbalance was incurred; or (b) the Company's cost of operational sales Gas for said Month if lower.

When a Shipper's Imbalance includes a prior period adjustment (i.e., an increase or decrease in the most recent Monthly Billing Period's Imbalance that represents an adjustment to the Shipper's Imbalance for a previous Monthly Billing Period), the Shipper will be allowed to cure the Imbalance associated with the prior period adjustment through the procedures set forth in this Section 27. Any such Imbalance associated with the prior period adjustment that is not fully cured under said

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procedures shall be cashed out at 100% of the price established by this Section 27 as calculated for the Monthly Billing Period to which the prior period adjustment relates.

27. AGENCY (DELEGATION) AGREEMENTS. Transporter shall permit a Shipper, using the form of Agency Agreement set forth in this Statement of Operating Conditions, to designate an agent responsible for performing specified tasks on behalf of Shipper with respect to a Service Agreement providing for service under a Rate Schedule included in this Statement of Operating Conditions. Such Agency Agreements will designate Transporter as a third party beneficiary of the agency agreement. The Shipper designating an Agent will be fully liable for all payments required under this Statement of Operating Conditions for the service provided to the Shipper, and also is responsible for ensuring compliance with all obligations of the Shipper applicable to the service provided under this Statement of Operating Conditions.
28. OPERATIONAL CONTROLS. When the Company reasonably determines that its projected deliverability or operational integrity, in whole or by Segment, including the ability to provide any Shipper Firm service entitlement, is threatened or compromised, Transporter shall be authorized to take action to correct such situation as described below. In such event, Transporter shall to the extent practicable, seek to remedy the situation as provided below; provided, however, that nothing herein shall preclude Transporter from bypassing one or more of the steps described below, if, in the Transporter's reasonable judgment, the situation so requires:
- 28.1. Transporter may install remote-controlled flow control equipment at any Delivery Point at any time if, in Transporter's reasonable operational judgment, the equipment supports the reliability and flexibility of the pipeline system. Further, if any Shipper has received more than six (6) Shipper-specific OFOs over any twenty-four (24) month period, Transporter may invoice such Shipper for up to 100% of the cost of installation of such remote-controlled flow control equipment.
- 28.2. OPERATIONAL NOTICES. Transporter may issue and/or post to its EBB operational notices including but not limited to Critical Notices and a Critical Condition alert, consisting of the following, as applicable:
- a. A description of the affected portion(s) of the system.
 - b. A description of the condition(s) to be corrected and/or designation of the Shipper(s) to whom the Operational Notice is addressed.
 - c. A list of remedial measures which can be voluntarily undertaken by the Shipper(s) or any other entities affecting the system to correct the situation. Remedial measures may include, but is not limited to the following:
 - (1) Changing Receipt Points or Delivery Points;
 - (2) Switching to alternate fuels or other changes in usage;
 - (3) Changing Shipper reliance on storage service or services from other pipelines;
 - (4) Utilizing existing voluntary arrangements for diversions of Gas between Shippers and/or other Parties;
 - (5) Correction of and/or required Cash Out of current and/or historical imbalance quantities; and/or

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- (6) Performing any other voluntary action which would tend to alleviate or forestall the situation.
 - d. Any other information, terms and/or conditions which the Company deems appropriate.
 - e. Upon issuance of an Operational Notice including a Critical Operating Condition Alert, Transporter may also take such actions as are within its control and discretion to alleviate or forestall the situation, including invoking the provisions of Section 29.3, Operational Flow Orders, of these GT&C. Shipper shall be notified of Operational Notices via telephone, fax, e-mail and/or posting on Transporter's interactive EBB and this shall constitute notice that issuance of an Operational Flow Order may be imminent.
- 28.3. OPERATIONAL FLOW ORDERS. An Operational Flow Order ("OFO") is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the Transporter's system or a portion of the Transporter's system or to alleviate conditions to maintain operations required to provide efficient and reliable service.
- a. Transporter shall have the right to issue OFOs as specified in this section if such action is required in order to:
 - (1) Alleviate conditions which in the Transporter's judgment threaten the integrity of any Segment(s) of Transporters system;
 - (2) Maintain pipeline operations at the pressures required to provide efficient and reliable Firm transportation and storage services;
 - (3) Correct Imbalance quantities including immediate required cash Out of such accumulated or daily quantities;
 - (4) Maintain service to all Firm Shippers and for all Firm services;
 - (5) Maintain the system in balance for the foregoing purposes; and/or
 - (6) In one of the following situations:
 - i. In the event that Receipts in a Segment of the Transporter's system exceed scheduled Receipts so that high system pressures back off scheduled Receipt Quantities, the Company may issue an OFO to all Shippers in the affected Segment of the system stating that a high pressure condition exists. All such Shippers will be required to review their Receipt quantities at Receipt Points on the affected portion of the system. Those Shippers who are receiving more than their scheduled quantities, or who are otherwise responsible, in whole or in part, for the high pressure condition, will have four (4) hours in which to make needed adjustments, or be subject to the penalty specified in this section. An OFO issued pursuant to this paragraph will be canceled by the Transporter when the high pressure condition has been corrected and the system imbalances created by the high pressure condition have been reasonably resolved.
 - ii. If, in the Transporter's judgment, impending operating conditions will cause the delivery pressure to one or more Shippers to drop to a level which could jeopardize system integrity, Transporter may immediately issue an OFO pursuant to this paragraph requiring that Deliveries under Transportation

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Service be made at a uniform hourly flow rate effective three (3) hours after issuance of the OFO. Failure to comply with such order on a timely basis will subject non-complying Shippers to the penalty specified in this section. If only one Segment of the Transporter's system is affected by low pressure, the OFO shall be limited to that Segment of the system. For the duration of the OFO, increases in Scheduled Delivery Quantities within affected Segments of the Transporter's system will be made on a prospective basis only.

- iii. In the event there is a need for the Transporter to engage in routine and normal maintenance of the system, to undertake repairs and replacements of lines of pipe, to schedule Department of Transportation compliance activities, to install taps, to make pig runs, to test equipment, or to engage in similar actions affecting the Capacity of any portions of the system, the Company may issue an OFO(s) pursuant to this paragraph, without the existence of a force majeure event, which will contain an estimate of the time, duration, and impact of the activity. This provision is in addition to Section 23, Limitations on Obligations, of these GT&C, as an event of force majeure may affect Deliveries without triggering the need for an OFO. An order issued pursuant to this paragraph shall be canceled when such planned maintenance or other activities have been completed.
- iv. Transporter may, on a not unduly discriminatory basis, issue such other reasonable OFOs as may be required for the purposes set forth in this section in order to provide the services contemplated in this Statement of Operating Conditions.

Before issuing a general system or limited segment OFO, Transporter will attempt to identify a specific Shipper(s) causing a problem, will then issue a Shipper-specific OFO and will attempt to remedy those problems. Where operationally feasible, service to Interruptible Shippers will be suspended prior to issuing an OFO Curtailing service to Firm Shippers.

- b. The Transporter will endeavor to notify affected Shippers by telephone, fax or e-mail and/or through the Transporter's EBB at least twenty-four (24) hours prior to the implementation of an OFO; provided, however, that a shorter notice period may be given where action must be taken to protect the integrity of the system. Such notice shall include, but not be limited to:
 - (1) Identification of the Shippers or Interconnected Parties subject to the OFO;
 - (2) The time the OFO will become effective;
 - (3) The estimated duration of the OFO;
 - (4) The triggering Statement of Operating Conditions provision which is the basis for the OFO;
 - (5) Whether the Transporter's system or segment is over-Delivered or under-Delivered;
 - (6) Whether actual net Receipts need to be equal to or greater than actual Deliveries, or actual Deliveries need to be equal to or greater than actual net Receipts;
 - (7) Whether authorized overruns are acceptable; and

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- (8) A 24 hour contact number for Transporter during the duration of the OFO.

Where an OFO is issued pursuant to this section and made effective on less than twenty-four (24) hours' notice, Transporter will provide affected Shippers with a detailed explanation, with all relevant information specific to the individual situation, to justify issuance of the OFO.

- c. Upon issuing an OFO, Transporter shall endeavor to notify all affected Shippers by telephone and on Transporter's internet website. Shippers must notify the Transporter of the name, email address, fax number and telephone number of a person who will be available on a 24-hour basis to receive notice of the issuance of an OFO. Transporter will give a twenty-four (24) hour phone number in the notice.
- d. If an OFO is issued, Transporter will direct one or more Shippers to adjust Receipts and/or Deliveries at specific Point(s) on the Transporter's system. Transporter reserves the right to request holders of Firm Capacity under Rate Schedule FTS of this Statement of Operating Conditions to use their Primary Receipt Point(s) or Primary Delivery Point(s) to maintain the integrity of the system.
- e. On any Day that an OFO is in effect, all quantities tendered or all quantities not tendered on an individual Service Agreement basis to the Transporter by a Shipper and/or taken by a Shipper on a daily basis in violation of the Transporter's OFO shall constitute unauthorized Receipts or Deliveries for which a charge of \$25.00 per Dth shall be assessed unless the quantities are otherwise cured under the terms of the Rate Schedules of this Statement of Operating Conditions. With respect to quantities tendered or taken on a daily basis in violation of an OFO, the Shipper also shall be assessed a charge equal to the highest Cash Out Price as defined in Section 26.4, Imbalance Management, of these GT&C of this Statement of Operating Conditions for the Day that the unauthorized deliveries occurred; provided that said unauthorized deliveries shall be excluded from the determination of an offending Shipper's Imbalance for the Monthly Billing Period. Shippers will be exempt from penalties on imbalances that result from complying with an OFO. Imbalances accrued as a result of compliance with an OFO will be cashed out at 100% of the index price as noted above, and such amount of Imbalance will be excluded from the monthly cash out provisions. Upon an OFO becoming effective, as specified in the OFO or as provided in this section, Shippers, Transporting Pipelines, and other Parties shall be permitted the time stated in the OFO, or such lesser time as is required to protect the integrity of the transporter's system, to make adjustments in compliance with the OFO(s). If the Shipper, Transporting Pipeline, or other Party adjusts its tenders or takes within such notice period, then no charge, as provided for herein, shall be assessed.
- f. Compliance with OFOs and the other terms and conditions of this Statement of Operating Conditions is essential to provide Deliveries and services under all Rate Schedules. A failure by one or more Shippers to comply with an OFO may affect the Transporter's ability to provide such deliveries and services. Shippers failing to comply with an OFO may be held accountable, either directly or as a third party defendant, for any damages so caused to other Shippers and/or to the Transporter. In such event, and in addition to other remedies available under this Statement of Operating Conditions and applicable law, the Transporter shall have no liability or responsibility for its inability to provide services under the affected rate schedules or Service Agreements and will be indemnified and held harmless by the offending Shipper(s) against any claim relating to such failure to provide deliveries and services. Payment of any penalties pursuant to this Statement of Operating Conditions for such non-compliance shall

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not be construed in any way to entitle the Shipper to engage in such actions, nor shall such payments be considered as relieving such Shipper of its responsibilities under this section.

- 28.4. UNAUTHORIZED GAS. Unauthorized Gas is Gas which has not been Nominated by the Shipper and scheduled and confirmed by the Transporter at a Receipt or Delivery Point. The Transporter will notify the Point Operator by approximately the fifteenth (15th) Day of each Month of their level of unauthorized Gas for the preceding Month.
- a. Unauthorized Receipts. Any Unauthorized Gas received onto the Company's system shall become the property of the Company immediately. Unauthorized Gas is any gas received onto the system without a corresponding Service Agreement nomination in place.
 - b. Unauthorized Deliveries. When Unauthorized Gas is taken from the Company's system by a Point Operator without a Service Agreement, such Gas shall be treated as an Unauthorized Delivery. Unauthorized Delivered Gas treated as an Operator overrun will be deemed to have used the Transporter's facilities. The Operator shall be deemed to have purchased the Gas at a price equal to 150% of the "Cash Out Index Price", as defined in Section 276.4, Imbalance Management, of these GT&C of this Statement of Operating Conditions for the month in which the Operator overrun Gas is taken, ~~unless otherwise agreed to in writing.~~
 - c. If Point Operator receives Unauthorized Gas during an OFO period, in addition to the provisions set forth above in Section 28.4(b), the Point Operator will be subject to unauthorized deliveries charges as contained in Section 28.3, Operational Flow Orders, of these GT&C in addition to this Section, if applicable.

29. OPERATIONAL PURCHASES AND/OR SALES.

29.1. Transporter may buy and/or sell Gas to the extent necessary (a) to maintain system pressure and line pack, (b) to balance FL&U Reimbursement Quantities, (c) to implement any required cash out activity as provided for in the GT&C of this Statement of Operating Conditions, (d) to provide storage base gas or retained storage gas working inventory, and (e) to perform other operational functions of Transporter in connection with transportation, storage and other Statement of Operating Conditions services.

29.2. Transporter may, at its discretion, post quantities it has available for operational purchases or sales on Transporter's EBB to facilitate the ability of Shippers to provide bids for such quantities.

30. COMPANY PROPERTY. All lines of pipe, apparatus, instruments, meters, regulators and related equipment and material supplied and owned by the Transporter will be and remain the property of the Transporter. Except in emergencies where immediate action is needed to preserve life or property, Transporter's property shall not be worked upon, tampered with, modified, altered, or otherwise interfered with by the Shipper, or any agents, employees, licensees or contractors of the Shipper, without prior authorization from the Transporter.

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31. OPERATOR-OWNED FACILITIES

- 31.1. All Gas piping, appurtenant facilities and Gas-burning appliances or equipment located upstream or downstream of Transporter's Facilities, at or within the Shipper's property or premises shall be owned, maintained, and controlled in a good and safe condition solely by the Shipper, the Operator of the property or premises and/or the premises' owner in accordance with municipal regulation, the National Fuel Gas code, the Company's rules, Statement of Operating Conditions, terms, regulations, and other applicable laws and regulations as amended from time to time. Except as otherwise required by law, Transporter does not undertake to, or assume the obligation for, the inspection, testing, maintenance, or repair of equipment or facilities not owned by the Transporter. Transporter may refuse to connect or continue service until the Shipper remedies or corrects faults or defects involving Shipper-owned facilities.
- 31.2. Shipper shall be responsible for all costs relating to maintenance of Shipper-owned piping and facilities. The owner of the piping and/or facilities shall be responsible for arranging and paying for any required maintenance and repair of said piping and/or facilities and all materials, installation and work performed must comply with all applicable laws and regulations. The owner of the piping and/or facilities shall provide the Company with an assurance acceptable to the Company that all materials, installation and work performed comply with all applicable specifications, laws and regulations before Gas service will be restored or continued. The Company shall have no duty to inspect work performed by anyone other than that Company.
- 31.3. LIABILITY. The private owner of any Piping and/or facility not owned by Transporter shall be **solely** responsible for the loss or escape of any Gas from said Piping and/or facility, and shall be responsible for any resulting fire, explosion, injury or damage caused thereby.
- 31.4. Nothing in this rule, in any other Statement of Operating Conditions provision, or in regulations shall be construed to impose any liability on the Company for the loss or escape of Gas from any of the facilities of a Shipper or Interconnection Party or other third party, or for any injury or damage caused thereby or otherwise related to any piping or facility owned or operated by such parties.

32. INSPECTION BY COMPANY

- 32.1. The Shipper or Point Operator, when notified in advance, at reasonable hours, and pursuant to this section, shall permit authorized employees and inspectors of the Company, when properly identified, to enter upon and into the Shipper's premises for the purpose of inspecting, installing, relocating, or repairing the Transporter's facilities and piping, conducting leak and cathodic protection surveys, ascertaining connected loads and making other safety tests or inspections required by state or federal regulations.
- 32.2. If a Shipper, Point Operator or applicant for service refuses to allow the Transporter onto the premises, in the situation delineated in this section, the Company may, at its discretion, and pursuant to Section 2, Conditions for Refusal of or Discontinuance of Service, of these GT&C, discontinue or refuse service to the Shipper, Point Operator, or applicant.

33. RELOCATION OF FACILITIES. Notwithstanding any provision contained within this Statement of Operating Conditions, the Shipper will bear the cost of relocating facilities used in the provision of Gas service to the Transporter when necessary to comply with applicable legal requirements or to mitigate potential or existing safety hazards. The Transporter may assess a charge not to exceed a commercially acceptable charge for all work performed, plus equipment charges and materials. If the work must be

APPENDIX E

GENERAL TERMS AND CONDITIONS

performed outside of normal business hours, either due to exigent circumstances or at the Shipper's request, the Company may reasonably reflect a charge applicable to such after-hours service calls.

34. DISCONNECTION FOR DANGEROUS CONDITION FOUND ON SHIPPER'S PREMISES. The Shipper shall install and maintain the Gas piping on the Shipper's premises either in accordance with the ordinances of the city in which the Shipper is located or in accordance with the Company's standards. Transporter may terminate service to the Shipper immediately and, if said termination occurs, shall give written notice of any defective Shipper-owned facility or unsafe conditions which may impair service or may result in injury or damage to any person or property.

35. LIABILITY

35.1. Transporter assumes no responsibility for the inspection and/or repair of defects in Shipper's piping or other facility(s) on the Shipper's premises and will not be responsible for any injury, loss, or damage resulting from such defects or improper installation, except where such loss, damage, or injury is the result of the Transporter's ~~sole~~-active gross negligence or willful misconduct.

35.2. Transporter shall not be liable for injury to persons or damage to the Shipper's property caused by accident, acts of God, fires, floods, strikes, riots, earthquakes, avalanches, war or any other cause or contingency beyond its control.

35.3. The Shipper shall be responsible for any damage to, or loss of, Transporter's property located upon the Shipper's premises caused by or arising out of carelessness, negligence, misuse, or interference by the Shipper, the Shipper's Agents or employees, or other persons not authorized by Transporter. The cost of making good such loss or repairing such damage shall be paid by the Shipper.

35.4. The Shipper shall hold Transporter harmless and indemnify it against all liability for injury to persons or damage to property occurring on the Shipper's side of the Point of Delivery except where such injury or damage is the result of the Transporter's gross negligence or willful misconduct. In such event, liability will be apportioned between the Transporter and the Shipper, in accordance with the degree of fault of each.

35.5. In no event shall the Transporter be liable for consequential or punitive damages.

36. REMEDIES. In addition to the specific remedies set forth in this Statement of Operating Conditions, Transporter or the Shipper may assert any other remedy it may have at law or in equity.

37. STATEMENT OF OPERATING CONDITIONS SUBJECT TO REVISION. This Statement of Operating Conditions, and all of its rates, charges, fees, Rate Schedules, terms and conditions and other provisions, shall at all times be subject to modification (whether additions, revisions or deletions) by order of the applicable regulatory authority, upon notice and hearing and a finding of good cause therefor, or otherwise as allowed by operation of law. Either the Company or the Shipper may at any time request that the applicable regulatory authority modify the rates, charges, fees, Rate Schedules, terms and conditions and other provisions of this Statement of Operating Conditions. The Parties to any agreement or service under this Statement of Operating Conditions shall be bound by any such authorized modifications from and after the effective date of such modifications.

38. GOVERNMENTAL REGULATIONS (DULY CONSTITUTED AUTHORITIES). This Statement of Operating Conditions, including the rates and other charges and fees, Rate Schedules, and the terms and conditions

APPENDIX E

GENERAL TERMS AND CONDITIONS

of service and any contracts or agreements executed pursuant hereto, is subject to valid current and future laws, orders, rules and regulations of duly constituted authorities having jurisdiction. Each Party's obligations under this Statement of Operating Conditions, and under any contracts or agreements executed pursuant hereto, are conditioned upon obtaining authorization from the appropriate governmental authorities.

39. ALTERATION OF RULES AND REGULATIONS. No agent or employee of the Company has the right to modify or alter the rates, Rate Schedules, terms, conditions, rules or regulations, or forms of agreements contained within this Statement of Operating Conditions or to make any promises or representations not contained in this Statement of Operating Conditions, or supplements thereto and revisions thereof.
40. GENERAL AND SPECIFIC WAIVERS AND NON-WAIVER OF FUTURE DEFAULT
- 40.1. Transporter's failure to exercise any right or rights under this Statement of Operating Conditions shall not be considered a waiver of such right or rights in the future, nor shall Transporter's waiver of any one or more defaults by the Shipper in the performance of any of the provisions of this Statement of Operating Conditions operate as a waiver of any other existing or future default or defaults, whether of a like or different character.
- 40.2. Any waivers granted by the Transporter shall be granted in a not unduly discriminatory manner.
- 40.3. Transporter may waive, in a not unduly discriminatory manner, a Shipper's charges, penalties, gas quality requirements or other service obligations under this Statement of Operating Conditions. Transporter will maintain a log of any such waivers and will post any such waivers on its EBB if considered material ~~in Transporter's sole judgment~~. Transporter may also waive certain of its Statement of Operating Conditions obligations such as timely billing provided such waiver is posted on the EBB.
41. NOTICES. Except as otherwise provided in this Statement of Operating Conditions or the Agreement, operational communications may be made by telephone, EBB posting or e-mail message or other mutually agreeable means, provided that the Transporter shall retain all such related operational e-mails and EBB postings for a period of no less than 3 years. Any notice, request, demand, statement or bill provided for in this Statement of Operating Conditions, or any notice which either the Transporter or the Shipper may desire to give to the other, may be in writing and shall may be considered as duly Delivered when deposited in the United States mails, postage prepaid and registered, addressed to the Post Office address of the Company or the Shipper, or at such other address as either shall designate by formal written notice, except that routine communications (including monthly statements and payments) shall may be considered as duly delivered when mailed by either registered or ordinary mail or by e-mail delivery, and except that notices pursuant to (a) the unauthorized daily overrun provisions of Rate Schedules FTS and ITS, (b) Limitations on Obligations, of Section 24, Limitations on Obligations, of these GT&C, and (c) Operational Controls, of Section 28, Operational Controls, of these GT&C may be given orally or by facsimile or by e-mail message or by EBB posting.
42. EXECUTION OF AGREEMENTS. For all agreements in this Tariff executed by Transporter and Shipper, Transporter and Shipper may execute such agreements electronically or by signing a paper agreement.

**STANDARD FORM OF REQUEST FOR SERVICE ON
ROCKY MOUNTAIN NATURAL GAS**

Date: _____

Complete Legal Name of Shipper: _____

Complete Legal Name of Requestor (if different than Shipper): _____

SHIPPER INFORMATION

State of Incorporation: _____

DUNS #: _____

Address:

Phone: _____

Fax: _____

E-Mail: _____

Billing (if different):

Phone: _____

Fax: _____

E-Mail: _____

For Notices:

Contact Name: _____

Address: _____

Phone: _____

E-Mail: _____

Fax: _____

**STANDARD FORM OF REQUEST FOR SERVICE ON
ROCKY MOUNTAIN NATURAL GAS
(Continued)**

REQUESTOR INFORMATION (if different from Shipper)

State of Incorporation: _____

DUNS #: _____

Address:

Phone: _____

Fax: _____

E-Mail: _____

Billing (if different):

Phone: _____

Fax: _____

E-Mail: _____

For Notices:

Contact Name: _____

Address: _____

Phone: _____

E-Mail: _____

Fax: _____

Existing Service:

- Firm Transportation (On System locations)
- Firm Transportation (Off System locations)
- Interruptible Transportation
- None

Requested Service (check all that apply):

- Rate Schedule FTS – Seasonal Rate Option (On System Delivery Points) (To include the related service of Rate Schedule APAL, and as applicable, Rate Schedule NNS – Seasonal Rate Option)
- Rate Schedule FTS – Standard Rate option (On System Delivery Points) (To include the related service of Rate Schedule APAL, and as applicable, Rate Schedule NNS – Standard Rate Option)
- Rate Schedule FTS (Off System locations)
- Rate Schedule ITS Off System
- Rate Schedule MCS

**STANDARD FORM OF REQUEST FOR SERVICE ON
ROCKY MOUNTAIN NATURAL GAS LLC
(Continued)**

Requested Firm Volume as applicable:

MDTQ: _____ MDRQ: _____ MDDQ: _____
MAC: _____ MDWQ: _____ MDIQ: _____

Locations: (*If multiple, designate requested firm primary and secondary points as applicable.)

Receipt Location(s)*: _____

Delivery Location(s)*: _____

Requested Date to Commence Service: _____

Requested Date to Terminate Service: _____

Requested Credit Limit(s), if applicable: _____

Shipper has executed request for credit:
 Yes **Date** _____
 No

Transportation under Section 311 of the NGPA: If transportation is pursuant to Section 311 of the NGPA, Shipper shall designate the "on-behalf-of party" and shall attach a completed "on behalf-of letter" if required.

Certification Statement: Shipper has, or will have, at the time Gas is transported, title to the gas to be tendered to the Transporter or Shipper has, or will have, at the time Gas is transported, a legal right to tender gas to Transporter.

Yes
 No

The individual signing this Agreement on behalf of Requestor represents and warrants that he or she is an officer of the Requestor or otherwise possesses the requisite authority to do so and thereby bind the Requestor to this Agreement, and agrees to indemnify and hold harmless Rocky Mountain Natural Gas LLC from any claim that such authority did not exist.

Signature of Requestor: _____

Title: _____

Signature of Requestor (if different from Shipper):

Title: _____

FORM OF CREDIT APPLICATION
Transportation and Market Center Services

Shipper Information:

Legal Name & Address: _____

State of Incorporation: _____
DUNS Number: _____

Phone: _____
Fax: _____
E-Mail: _____
Point of Contact: _____

Type of Entity:

- Corporation Partnership Limited Liability Corporation
 Limited Partnership Sole Proprietorship Other / Specify

Number of Years in Business: _____

Three Principal owners, stockholders, partners, or officers of Shipper:

Name: _____	Name: _____
Title: _____	Title: _____
Address: _____	Address: _____
Phone: _____	Phone: _____

Name: _____
Title: _____
Address: _____
Phone: _____

If Shipper is a wholly-owned subsidiary, please list name and address of parent company:

Is parent company responsible for subsidiary debt?

- Yes No

If yes, furnish documentation

FORM OF CREDIT APPLICATION
Transportation and Market Center Services
(Continued)

Please furnish one bank reference:

Name: _____
Address: _____
Phone: _____
Contact: _____

Fax: _____
Account Type: _____
Account #: _____

Please furnish two business credit references:

Name: _____
Address: _____
Phone: _____
Contact: _____

Fax: _____
Account Type: _____
Account #: _____

Name: _____
Address: _____
Phone: _____
Contact: _____

Fax: _____
Account Type: _____
Account #: _____

Is Shipper:

- | | | |
|---|------------------------------|-----------------------------|
| Operating Under Federal Bankruptcy Laws? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Operating Subject to pending liquidation or Regulatory proceedings which would cause a substantial deterioration of Shippers' financial position? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Operating Subject to any collection lawsuits or outstanding judgments which would affect Shipper's ability to remain solvent? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Owing any overdue amount to Black Hills Colorado Gas, Inc. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| On a credit watch list of any credit rating agency | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Electing to Prepay Reservation Service Charges? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

FORM OF CREDIT APPLICATION
(Continued)

Please attach copies of your financial Statements (to include, at least two most recent years on an annual basis and three most recent monthly or quarterly statements).

Please attach copies of your two most recent annual SEC Form 10-K, if applicable.

Amount of Total Credit Requested: _____. Shipper acknowledges that Transporter may refuse to schedule quantities under an executed agreement that exceed the approved credit limit

Net Worth: _____

Requested Service (check all that apply):

- Rate Schedule FTS – Seasonal Rate Option (On System Delivery Point) (To include the related service of Rate Schedule APAL, and as applicable, Rate Schedule NNS – Seasonal Rate Option)
- Rate Schedule FTS – Standard Rate Option (On System Delivery Points) (To include the related service of Rate Schedule APAL, and as applicable, Rate Schedule NNS – Standard Rate Option)
- Rate Schedule FTS (Off System locations)
- Rate Schedule ITS Off System
- Rate Schedule MCS

Please provide anticipated commencement date for requested service(s): _____

If the service being requested or the service associated with this credit request is interruptible in nature, please indicate the maximum credit limit being requested by Shipper for such interruptible service. Shipper acknowledges that Transporter may refuse to schedule quantities which exceed the approved credit limit.

Although the tariff provides that Shipper will take all reasonable and best commercial efforts to minimize Imbalance Quantities, Shipper may incur an imbalance (a difference in the amount of Gas tendered to Transporter and the amount of gas taken from Transporter at the Point(s) of Delivery) from time to time. Please indicate the maximum credit limit being requested by Shipper related to such Imbalance Quantities (the tariff quantifies the natural Gas commodity pricing that Transporter may use to determine credit limits). Shipper acknowledges that Transporter may refuse to schedule quantities under a transportation or storage service agreement if the shipper has imbalance quantities which exceed the approved credit limit.

FORM OF CREDIT APPLICATION
(continued)

Maximum credit limit requested by Shipper related to Imbalance Quantities: \$ _____.

Shipper acknowledges that Transporter may refuse to schedule quantities under an executed agreement if Shipper has Imbalance Quantities that exceed the approved credit limit.

Incomplete applications shall be declined.

The Shipper is responsible for becoming familiar with Transporter's General Terms and Conditions of this Statement of Operating Conditions, including the Billing and Payment section.

The undersigned applicant certifies that the information on this credit application is accurate and correct as of the date of the application. Once this application is signed, it authorizes Transporter to obtain or exchange any credit or financial information that may be requested with the applicants listed and credit references. Shipper has the obligation to inform Transporter of a material change in Shipper's credit quality.

If credit is approved by Transporter, payment terms will be indicated in the GT&C of Transporter's Statement of Operating Conditions. Invoices which are not paid within these terms may result in Shipper being placed on a cash advance basis and /or having transactions suspended until the entire balance is paid. Transporter reserves the right to require an irrevocable letter of credit, other credit assurance or deposit before extending credit to a Shipper; Shipper will be notified if such an instrument is required. To avoid delays, be sure your credit is approved before any transactions are scheduled. Information provided on this application will be held in the strictest of confidence and will be used only by Transporter in making a credit evaluation.

All invoices not paid in accordance with the Statement of Operating Conditions may be assessed a late payment service charge of the maximum amount allowed by the Statement of Operating Conditions or applicable law. In the event the applicant becomes delinquent in the payment of invoices, the applicant agrees to reimburse the company for all collection costs, legal fees & court costs, if not prohibited by law, that are incurred in the collection process. State law may forbid the disclosure of financial information by a firm without the written consent of its Shipper. Therefore the following consent is provided: I hereby authorize disclosure of financial information by all references listed on the credit application to Transporter. The applicant has read and agrees to all terms and conditions appearing on this form.

The individual signing this Agreement on behalf of Shipper represents and warrants that he or she is an officer of the Shipper or otherwise possesses the requisite authority to do so and thereby bind the Shipper to this Agreement, and agrees to indemnify and hold harmless Transporter from any claim that such authority did not exist.

Shipper Name: _____

Signature: _____

Title: _____

Date: _____

**FORM OF TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO FIRM AND INTERRUPTIBLE
TRANSPORTATION SERVICE RATE SCHEDULE)**

This Transportation Service Agreement ("Agreement") is made and entered into between Rocky Mountain Natural Gas LLC ("Transporter") and the party identified as Shipper in this Agreement.

In consideration of the premises and of the mutual covenants herein contained, the parties do covenant and agree as follows:

1. **SCOPE OF AGREEMENT:** This Agreement and all its rates, terms and conditions as set out in this Agreement and as set out in the applicable FTS or ITS Rate Schedule and General Terms and Conditions of this Statement of Operating Conditions provisions which are incorporated into this Agreement by reference, shall at all times be subject to modification by order of the applicable regulatory authority upon notice and hearing and a finding of good cause therefore. In the event that any party to this Agreement requests the applicable regulatory authority to take any action which could cause a modification in the conditions of this Agreement, the party shall provide written notice to the other parties at the time of filing the request with the applicable regulatory authority.
2. **TERM OF AGREEMENT:** This Agreement shall become effective and continue in effect as set forth herein.
3. **RATE SCHEDULE:** Shipper shall pay Transporter for all services rendered hereunder at rates stated in Appendix A to this Agreement. The rates to be charged Shipper for services under this Agreement shall be the maximum rate filed under Transporter's Rate Schedule FTS or Rate Schedule ITS, as applicable, and as the same may be revised or changed for that service unless Shipper and Transporter have otherwise agreed in writing. The rates charged Shipper for transportation hereunder shall not be more than the maximum rate applicable to such service, nor less than the minimum rate for such service, provided however that the form of the rate may be modified as provided in the Statement of Operating Conditions.

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's FTS and ITS Rate Schedules and of Transporter's General Terms and Conditions on file with the applicable regulatory authority or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded. The Rate Schedules and General Terms and Conditions are by this reference made a part hereof.

**FORM OF TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO FIRM AND INTERRUPTIBLE
TRANSPORTATION SERVICE RATE SCHEDULE)
(Continued)**

4. **RECEIPT POINT(S) AND DELIVERY POINT(S):** On a primary basis, Natural gas to be received by Transporter for the account of Shipper hereunder shall be received at or near the point(s) of receipt as set forth on Appendix A.

Natural gas to be delivered by Transporter for the account of Shipper on a primary basis, hereunder shall be delivered on the outlet side of the measuring station(s) at or near the point(s) specified in Appendices B and C.

Additional information concerning receipt and delivery points, including the use of secondary or alternate receipt and delivery points, is set forth in the Statement of Operating Conditions or on Appendices A, B and C to this Agreement, which are incorporated herein by reference.

5. **QUALITY:** ~~Unless otherwise agreed to in writing between the parties, a~~All natural gas tendered for transportation to Transporter for the account of Shipper at the Receipt Point(s) shall conform to the quality specifications set forth in the General Terms and Conditions, as revised from time to time. Transporter may refuse to receive, on a not unduly discriminatory basis, any gas for transportation, which does not meet such quality specifications.
6. **PROCESSING:** ~~Unless otherwise agreed to in writing between the parties,~~Transporter shall have the right to process, or cause to be processed, gas received from Shipper, and title to all extracted liquid and liquefiable hydrocarbons and other products, including any methane lost or removed in the extraction process or required for fuel, shall pass to Transporter at no cost, and Shipper shall hold Transporter harmless and free and clear of adverse claims.
7. **ASSIGNMENT:** This Agreement shall be binding upon and inure to the benefit of any successor(s) to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations under the provisions of any mortgage, deed or trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, neither Transporter nor Shipper shall assign this Agreement or any of its rights hereunder without first having obtained formal written consent of the other(s). Such consent shall not be unreasonably withheld.
8. **INTERPRETATION AND MODIFICATION:** The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Colorado.
9. **JURISDICTION OF APPLICABLE REGULATORY AUTHORITY:** This agreement, and all its rates, terms and conditions as set out in this agreement and as set out in the Statement of Operating Conditions provisions which are incorporated into this agreement by reference shall at all times be subject to modification by order of the applicable regulatory authority upon notice and hearing and a finding of good cause therefore. In the event that any party to this agreement requests the applicable regulatory authority to take action which could cause a modification in the conditions of this agreement, the party shall provide written notice to the other parties at the time of filing the request with the applicable regulatory authority.

**FORM OF TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO FIRM AND INTERRUPTIBLE
TRANSPORTATION SERVICE RATE SCHEDULE)
(Continued)**

- 10. AGENCY AGREEMENTS:** As required by regulation of the applicable regulatory authority, this Agreement contains the following provision: "If the end-use Shipper uses a marketing broker for nomination, gas purchases, and balancing, the end-use Shipper shall provide the utility with an agency agreement." The Agent and Shipper shall be jointly and severally liable for all payments due and owing Transporter for all services provided under this Agreement.
- 11. AGREEMENTS BEING SUPERSEDED:** When this Agreement becomes effective it shall supersede and cancel any other Transportation Service Agreements between the parties for the same service.
- 12. CERTIFICATIONS:** By executing this Agreement, Shipper certifies that: (1) Shipper has title to, or a current contractual right to acquire such title to, the gas to be transported by Transporter; (2) Shipper has, or will have, entered into all arrangements necessary for the commitment of deliveries to Transporter; and, for, Off System Deliveries, (3) Shipper has a sales and, as applicable, a transportation contract(s) or will enter into such sales and, as applicable, a transportation contract(s) with the party ultimately receiving the gas, prior to the commencement of service.
- 13. SPECIFIC INFORMATION:** Transportation Service Agreement between Rocky Mountain Natural Gas LLC ("Transporter") and _____ ("Shipper").

Type of Transportation Service: FTS – Seasonal Rate Option (On-System Delivery Points)
 FTS – Standard Rate Option (On-System Delivery Points)
 FTS (Off-System Delivery Points)
 ITS

Contract Date: _____

Contract #: _____

Associated Contract #: _____ / Type: _____

Primary Term: _____

Contract Renewal Term: Month to month
 Other: _____

Termination Notice: _____

**FORM OF TRANSPORTATION SERVICE AGREEMENT
(APPLICABLE TO FIRM AND INTERRUPTIBLE
TRANSPORTATION SERVICE RATE SCHEDULE)
(Continued)**

ASSIGNMENT:

Transporter: Rocky Mountain Natural Gas LLC
1515 Arapahoe Street, Suite 1200
Denver, CO 80202
Attn: Shipper Services
Telephone: 800.232.1850
Email: bhuhgasscheduling@blackhillscorp.com

Shipper: Name: _____
Address: _____
City, State, Zip: _____
Attn: _____
Telephone: _____
Fax: _____

WAIVERS:

Quality Waivers: None Other: _____
Gas Processing Waivers: None Other: _____

Effective Date: _____

Shipper Confirmation and Transporter Acceptance / Authorization: Shipper shall confirm Shipper's agreement to the terms and conditions of this Agreement by returning two executed originals of this Agreement to Transporter. This Agreement shall be accepted and authorized upon Transporter's counter execution of this Agreement and Transporter shall communicate acceptance of this Agreement by sending a copy of the fully executed Agreement to Shipper.

IN WITNESS WHEREOF, The individual signing this Agreement on behalf of Shipper represents and warrants that he or she is an officer of the Shipper or otherwise possesses the requisite authority to do so and thereby bind the Shipper to this Agreement, and agrees to indemnify and hold harmless Transporter from any claim that such authority did not exist.

Transporter: Rocky Mountain Natural Gas LLC

By: _____
Title: _____

Shipper: _____

By: _____
Title: _____

**FORM OF TRANSPORTATION SERVICE AGREEMENT
APPENDIX A**

Transportation Service Agreement between Rocky Mountain Natural Gas LLC ("Transporter") and _____ ("Shipper").

Contract #: _____

Associated Contract #s: _____

MDRQ:

Point of Receipt (Primary or Secondary)	Meter #	Maximum Daily Receipt Quantity (MDRQ)
		Dth/d

This Appendix A supersedes and cancels any previously effective Appendix A to this Transportation Service Agreement.

Effective Date: _____

Other Terms and Conditions (if applicable):

FORM OF TRANSPORTATION SERVICE AGREEMENT
APPENDIX A
(Continued)

Shipper Confirmation and Transporter Acceptance / Authorization: Shipper shall confirm Shipper's agreement to the terms and conditions of this Appendix by returning two executed originals of this Appendix to Transporter. This Appendix shall be accepted and authorized upon Transporter's counter execution of this Appendix and Transporter shall communicate acceptance of this Appendix by sending a copy of the fully executed Appendix to Shipper.

The individual signing this Agreement on behalf of Shipper represents and warrants that he or she is an officer of the Shipper or otherwise possesses the requisite authority to do so and thereby bind the Shipper to this Agreement, and agrees to indemnify and hold harmless Transporter from any claim that such authority did not exist.

Transporter: Rocky Mountain Natural Gas LLC

By: _____

Title: _____

Shipper: _

By: _____

Title: _____

**FORM OF TRANSPORTATION SERVICE AGREEMENT
APPENDIX B**

Transportation Service Agreement between Rocky Mountain Natural Gas LLC ("Transporter") and _____ ("Shipper").

Contract #: _____

Associated Contract #s: _____

MDDQ:

Point of Delivery (Primary or Secondary)	Meter #	Maximum Daily Delivery Quantity (MDDQ)
		Dth/d

MDTQ: _____ Dth/d

This Appendix B supersedes and cancels any previously effective Appendix B to this Transportation Service Agreement.

Effective Date: _____

Other Terms and Conditions (if applicable):

**FORM OF TRANSPORTATION SERVICE AGREEMENT
APPENDIX B
(Continued)**

Shipper Confirmation and Transporter Acceptance / Authorization: Shipper shall confirm Shipper's agreement to the terms and conditions of this Appendix by returning two executed originals of this Appendix to Transporter. This Appendix shall be accepted and authorized upon Transporter's counter execution of this Appendix and Transporter shall communicate acceptance of this Appendix by sending a copy of the fully executed Appendix to Shipper.

The individual signing this Agreement on behalf of Shipper represents and warrants that he or she is an officer of the Shipper or otherwise possesses the requisite authority to do so and thereby bind the Shipper to this Agreement, and agrees to indemnify and hold harmless Transporter from any claim that such authority did not exist.

Transporter: Rocky Mountain Natural Gas LLC

By: _____

Title: _____

Shipper:

By: _____

Title: _____

**FORM OF TRANSPORTATION SERVICE AGREEMENT
APPENDIX C**

Transportation Service Agreement between Rocky Mountain Natural Gas LLC ("Transporter") and _____
_____ ("Shipper").

Contract #: _____

Associated Contract #s: _____

PRIMARY TRANSPORTATION PATH SEGMENT MDTQs:

Segment Number	Upstream Segment Number	Flow Direction (F)orward Haul or (B)ack Haul	Maximum Daily Transportation Quantity (MDTQ)

This Appendix C supersedes and cancels any previously effective Appendix C to this Transportation Service Agreement.

Effective Date: _____

Other Terms and Conditions (if applicable):

**FORM OF TRANSPORTATION SERVICE AGREEMENT
APPENDIX C
(Continued)**

Shipper Confirmation and Transporter Acceptance / Authorization: Shipper shall confirm Shipper’s agreement to the terms and conditions of this Appendix by returning two executed originals of this Appendix to Transporter. This Appendix shall be accepted and authorized upon Transporter’s counter execution of this Appendix and Transporter shall communicate acceptance of this Appendix by sending a copy of the fully executed Appendix to Shipper.

The individual signing this Agreement on behalf of Shipper represents and warrants that he or she is an officer of the Shipper or otherwise possesses the requisite authority to do so and thereby bind the Shipper to this Agreement, and agrees to indemnify and hold harmless Transporter from any claim that such authority did not exist.

Transporter: Rocky Mountain Natural Gas LLC

By: _____

Title: _____

Shipper: _____

By: _____

Title: _____

**FORM OF RATE SCHEDULE MARKET CENTER SERVICES (MCS) MASTER SERVICE AGREEMENT
("MCS MASTER AGREEMENT")
(APPLICABLE TO RATE SCHEDULES MCS)**

MCS Master Agreement #: _____

By and between

Rocky Mountain Natural Gas LLC (a Colorado Limited Liability Company)

And

(Shipper or requestor)

State of Incorporation: _____

Effective Date: _____

Primary Term Ending: _____; and then month to month thereafter unless terminated by either party, upon a minimum of thirty (30) days written notice. Each Rate Schedule MCS Transaction Request as discussed more fully herein and in the Rate Schedule of the Statement of Operating Conditions will also state its own separate primary term.

Credit Application Received _____ Approved _____

Pre-granted Credit Quantity and/ or Amount: _____. Transporter may not allow any quantities to be Parked or Loaned or Wheeled or TTT under any Rate Schedule MCS Transaction Request once such Credit Amount has been exhausted.

1. SERVICE HEREUNDER: Upon Shipper's request, Transporter may on any day and on an interruptible basis (a) hold (Park) the quantity nominated from Shipper at the Park Point(s), hold the nominated Parked quantity for the specified period and Unpark such quantity at the original Park Point(s) or at a Wheeling or Transfer Point(s) as specified in the Rate Schedule MCS Transaction Request or (b) advance (Loan) the quantity nominated from Shipper at the Loan Point(s), and accept Loan Payback of such quantity at the original Loan Point(s) or at Transfer Point(s) as specified in the Rate Schedule MCS Transaction Request.

2. RATES:

2.1 Shipper shall pay Transporter for all services rendered hereunder at the rates specified in the Exhibit(s) to the MCS Master Agreement incorporated hereunder or, if no rates are specified in such Exhibit(s) then Shipper shall pay Transporter for all services rendered hereunder at the maximum rates for such services set forth in this Statement of Conditions.

2.2 The rates to be charged Shipper for services under this Agreement shall be the maximum rate filed under Transporter's Rate Schedule MCS and as the same may be revised or changed for that service unless Shipper and Transporter have otherwise agreed in writing.

2.3 The rates charged Shipper for services hereunder shall not be more than the maximum rate applicable to such service, nor less than the minimum rate for such service.

2.4 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's Rate Schedule MCS and of Transporter's General Terms and Conditions of its Statement of Operating Conditions on file with the Federal Energy Regulatory Commission or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded. The Rate Schedules and General Terms and Conditions are by this reference made a part hereof.

FORM OF RATE SCHEDULE MARKET CENTER SERVICES (MCS) MASTER SERVICE AGREEMENT
(“MCS MASTER AGREEMENT”)
(APPLICABLE TO RATE SCHEDULES MCS)
(Continued)

- 3. POINTS OF RECEIPT AND DELIVERY:** Shipper may nominate from the Park or Loan Point or pool which shall be listed on shipper’s MCS Transaction Request.
- 4. TRANSACTION REQUEST:** The MCS Master Agreement will be supplemented with a Rate Schedule MCS Transaction Request for each individual Parking, Loaning, Wheeling or TTT action. Each Rate Schedule MCS Transaction Request will be posted as a new Exhibit to the MCS Master Agreement and such transaction will not require any amendment to the MCS Master Agreement. Each Rate Schedule MCS Transaction Request will include the stated quantity to be Parked, Loaned, Wheeled, Transferred, Unparked or Loan Paybacked, the point of Parking, Loaning, Wheeling or TTT, the Transaction Rate(s) including specificity on each associated rate type and the primary term of the Parking or Loaning Transaction Request period.
- 5. CERTIFICATIONS:** By executing this Agreement, Shipper certifies that: (1) Shipper has title to, or a current contractual right to acquire such title to, the gas to be Parked, Loaned, TTT or Wheeled by Transporter; (2) Shipper has, or will have, entered into all arrangements necessary for the commitment of deliveries to Transporter or deliveries from Transporter.
- 6. BILLING AND PAYMENT:** Bills will be rendered, and payments shall be due in accordance with Section 6 of General Terms and Conditions.
- 7. NOTICES AND COMMUNICATION:** All notices and communications with respect to this Rate Schedule MCS Agreement shall be in writing by mail, e-mail, fax, or by telephone or other means agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to.
- 8. DEFAULT:** If either party shall fail to perform any of the covenants or obligations imposed upon it by this Agreement, then in such event the other party may, at its option, terminate this Agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default, stating specifically the cause for terminating this Agreement, and declaring it to be the intention of the party giving the notice to terminate the same; thereupon, the party in default shall have thirty (30) calendar days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the termination notice, and if within said thirty (30) calendar days the party in default does so remove and remedy said cause or causes and fully indemnifies the party not in default for any and all consequences of such breach, then such notice shall be withdrawn and this entire Agreement shall continue in full force and effect. In the case the party in default does not remedy and remove the cause or causes or does not indemnify the party giving the notice for any and all consequences of such breach, within said period of thirty (30) calendar days, then this Agreement shall become null and void from and after the expiration of said period.
- 9. ASSIGNMENT:** This Agreement shall be binding upon and inure to the benefit of any successor(s) to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations under the provisions of any mortgage, deed or trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, neither Transporter nor Shipper shall assign this Agreement or any of its rights hereunder without first having obtained formal written consent of the other(s). Such consent shall not be unreasonably withheld.
- 10. MISCELLANEOUS:** No waiver by either party to this Rate Schedule MCS Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.
- 11. GOVERNING LAW AGREEMENT:** Any controversy between the parties arising under this Rate Schedule MCS Agreement and not resolved by the parties shall be determined in accordance with the laws of the State of Colorado.

**FORM OF RATE SCHEDULE MARKET CENTER SERVICES (MCS) MASTER SERVICE AGREEMENT
("MCS MASTER AGREEMENT")
(APPLICABLE TO RATE SCHEDULES MCS)
(Continued)**

Shipper Confirmation and Transporter Acceptance / Authorization: Shipper shall confirm Shipper's agreement to the terms and conditions of this Agreement by returning two executed originals of this Agreement to Transporter. This Agreement shall be accepted and authorized upon Transporter's counter execution of this Agreement and Transporter shall communicate acceptance of this Agreement by sending a copy of the fully executed Agreement to Shipper.

AGREED TO BY:

The individual signing this Agreement on behalf of Shipper represents and warrants that he or she is an officer of the Shipper or otherwise possesses the requisite authority to do so and thereby bind the Shipper to this Agreement, and agrees to indemnify and hold harmless Transporter from any claim that such authority did not exist.

Transporter:

Rocky Mountain Natural Gas LLC
1515 Arapahoe Street, Suite 1200
Denver, CO 80202

Shipper: (Shipper's Name and Address)

Attn: _____

By: _____

By: _____

Title: _____

Title: _____

**FORM OF RATE SCHEDULE MARKET CENTER SERVICES (MCS) MASTER SERVICE AGREEMENT
("MCS MASTER AGREEMENT")
(APPLICABLE TO RATE SCHEDULES MCS
EXHIBIT No. _____**

Shipper must execute or have previously executed a currently effective MCS Master Agreement and a completed Credit Application with Transporter before this Exhibit has any legal effect. Once executed, this Exhibit shall be made a part of and be subject to all terms and conditions of the MCS Master Agreement executed by and between Transporter and Shipper, and service hereunder shall be rendered in accordance with the terms of Rate Schedule MCS or any superseding rate schedule, and all applicable Transporter conditions which are in effect during the term of this Exhibit.

Each Transaction Request requires a separate Exhibit Number.

Service under Rate Schedule MCS is only available to Shippers when Transporter posts its availability on interactive Electronic Bulletin Board (EBB) and only so long as Shipper has available credit, as determined by Transporter.

Each Transaction Request Exhibit may be displayed in chart or spreadsheet format.

Shipper Name: _____ **Master MCS #:** _____

Transaction Date: _____ **Transaction Confirmation #:** _____

- Transaction Type:** Park
 Loan
 Wheel
 Transfer

Park or Loan Period as applicable: _____ to _____.

If gas is not unparked or loan payback or transferred as agreed with Transporter's Shipper by this end date, Transporter shall exercise its rights to this gas, under General Terms and Conditions.

Applicable Rate Schedule: _____

Total Transaction Quantity: _____ Minimum _____ Maximum

Other Terms and Conditions: _____

**FORM OF RATE SCHEDULE MARKET CENTER SERVICES (MCS) MASTER SERVICE AGREEMENT
 (“MCS MASTER AGREEMENT”)
 (APPLICABLE TO RATE SCHEDULES MCS
 EXHIBIT No. _____**

(Continued)

Dates of Service		Daily Quantity (Dth)					
		Park or Loan Point			Unpark or Loan Payback Point		
From	Through	Point	Minimum	Maximum	Point	Minimum	Maximum

Rates (indicate each as applicable to Transaction Request negotiation):

On Daily Ending Balance: _____ (1)

On Daily Park, Unpark, Loan, Loan Payback or Transfer Transaction Activity: _____ (1)

Note (1): If applicable to discounted contract rates, although the discounted contract rates are stated individually above, the agreement provides for a total effective MCS unit charge and resulting associated amount based on the Transaction Request volume and the Transaction Request term. At any time during the Transaction Request Term, Transporter may adjust the stated rate component(s) as required, so long as the component change results in maintaining value of the original agreement and so long as each modified rate component remains within the minimum and maximum posted rates set forth in Appendix A of the Statement of Operating Conditions.

Shipper Electronic Confirmation and Transporter Acceptance / Authorization:

Shipper will confirm Shipper’s agreement to the terms and conditions described in the Exhibit by emailing this completed Exhibit to Transporter. The transaction described in this Exhibit will be accepted and authorized upon Transporter’s counter execution of this Exhibit and Transporter shall communicate acceptance of this by sending an email verification of the Transaction Request to Shipper.

**FORM OF RATE SCHEDULE MARKET CENTER SERVICES (MCS) MASTER SERVICE AGREEMENT
("MCS MASTER AGREEMENT")
(APPLICABLE TO RATE SCHEDULES MCS
EXHIBIT No. _____**

(Continued)

AGREED TO BY:

The individual signing this Transaction Request on behalf of Shipper represents and warrants that he or she is an officer of the Shipper or otherwise possesses the requisite authority to do so and thereby bind the Shipper to this Transaction Request, and agrees to indemnify and hold harmless Transporter from any claim that such authority did not exist.

Transporter:

Rocky Mountain Natural Gas LLC
1515 Arapahoe Street, Suite 1200
Denver, CO 80202

By: _____

Title: _____

Shipper: (Shipper's Name and Address)

Attn: _____

By: _____

Title: _____

FORM OF AGENCY AGREEMENT

The undersigned, by and on behalf of _____
 (Shipper), having a mailing address of _____,
 hereby designates _____ (Agent), having a
 mailing address of _____,
 as its Agent, with full authority to act on its behalf in managing gas transportation on Rocky Mountain Natural Gas LLC (Company), as specified below, for the transportation of gas supplies from Company's Receipt Points to the Primary Delivery Point(s) as shown in the Service Agreements.

- Firm Transportation Service (Rate Schedule FTS)
 Agreement No. _____, dated _____, _____

- Interruptible Transportation Service (Rate Schedule ITS)
 Agreement No. _____, dated _____, _____

- Firm No-Notice Storage Service (Rate Schedule NNS)
 Agreement No. _____, dated _____, _____

- Interruptible Automatic Park and Loan Load-Following Service (Rate Schedule APAL)
 Agreement No. _____, dated _____, _____

- Master Market Center Services (MCS) Agreement No. _____, dated _____, _____

- Agent for point operator – Meter No(s). _____

- Other (Specify) _____

Shipper authorizes Agent to act on its behalf in managing the following functionalities of Shipper's service(s) on Company's system under the above referenced Agreement(s):

Select all requested levels of functionality that shall apply:

Description	View	Update	None
Nominations			
Notices			
Invoices			
Imbalance and In-Ground Storage Trading			
Park, Loan, Wheel, and Title Transfer (MCS) Activity			
Request Amendment of above-referenced Agreement(s)			
Allocated Quantity Inquiry under Agreement(s)			
Request Rates and Other Terms and Provisions			
Location Measurement (for point operator agents only)			
Location Confirmation (for point operator agents only)			

FORM OF AGENCY AGREEMENT
(Continued)

In the event that Agent or Shipper fails to make timely payment for service(s) provided by the Transporter in accordance with the above-referenced Agreement(s), or otherwise is in default under Transporter's Tariff, this Agency Agreement may be revoked by Transporter and all service(s) provided shall be subject to termination in accordance with Transporter's Tariff. If such termination of service is a result of Agent's failure to make payment, Shipper shall not be entitled to continued service, regardless of whether Shipper has made payment to Agent, until Transporter receives full and complete payment or satisfactory payment arrangements between Shipper and Transporter have been made as determined by Transporter. Shipper shall be solely liable for all payments due and owing to Transporter for all services provided by Transporter under the above-referenced Agreement(s). Upon termination of this Agency Agreement, Shipper shall make arrangements to resume nominations to ensure appropriate quantities are nominated and scheduled under the above-referenced Agreement(s).

Transporter may rely on communication from Agent for all purposes. Communications by Transporter to Agent shall be deemed notice to Shipper.

Agent and Shipper acknowledge and agree that this Agency Agreement may be revoked by Transporter or the above-referenced Agreement(s) between Transporter and Shipper may be suspended or terminated by Transporter in accordance with Transporter's Tariff. Regardless of such revocation, suspension or termination, Shipper shall continue to honor any commitments made by Agent to Transporter on its behalf for the period that the Agency Agreement was in effect. Any Imbalances attributable to Shipper upon such revocation, suspension or termination shall be determined and resolved in accordance with Transporter's Tariff.

All obligations of Shipper and Agent to Transporter herein with respect to the service(s) provided by Transporter under the above-referenced Agreement(s) shall survive termination of this Agency Agreement.

Agent and Shipper acknowledge and agree that Transporter is a third party beneficiary to this Agency Agreement. Transporter shall provide consent to this Agency Agreement as is indicated by the signature(s) below.

**FORM OF AGENCY AGREEMENT
(Continued)**

This Agency Agreement shall become effective on _____, 20 _____, and shall end on _____, 20 _____. The minimum term of this Agency Agreement shall be a term of one (1) Month ("Minimum Term"). This Agency Agreement must start on the first Day of a Month and must end on the last Day of a Month. If no end date is specified herein, then upon expiration of the Minimum Term, this Agency Agreement shall automatically renew for successive one (1)- Month periods, unless either party provides the other party with at least thirty (30) calendar days' written notice of its intent not to renew.

This Agency Agreement is made and entered into this _____ day of _____, 20 ____.

AGREED TO BY:

The individual signing this Agreement on behalf of Shipper represents and warrants that he or she is an officer of the Shipper or otherwise possesses the requisite authority to do so and thereby bind the Shipper to this Agreement, and agrees to indemnify and hold harmless Company from any claim that such authority did not exist.

(Shipper)

(Shipper's Agent)

(Print name)

(Print name)

Title: _____

Title: _____

CONSENTED TO BY TRANSPORTER:

Rocky Mountain Natural Gas LLC
1515 Arapahoe Street, Suite 1200
Denver, CO 80202

By: _____

Title: _____