

Table of Contents

Tariff Second Revised Volume No. 1

Part 1 Table of Contents

Part 2 Preliminary Statement

Part 3 Map

Part 4 Statements of Rates

1. Forward Haul Rates
2. Backhaul Rates
3. Firm Lateral Service Rates
4. Park and Loan Rates
5. Title Transfer Tracking Rates
6. Fuel Retainage Percentages
7. Reserved for Future Use

Part 5 Rate Schedules

1. Rate Schedule MN365
2. Reserved for Future Use
3. Reserved for Future Use
4. Reserved for Future Use
5. Rate Schedule MNLFT
6. Rate Schedule MNIT

**Maritimes & Northeast Pipeline, L.L.C.
Second Revised Volume No. 1
Tariff**

7. Rate Schedule MNPAL
8. Rate Schedule MNTTT
9. Rate Schedule MNTABS

Part 6 General Terms and Conditions

1. Definitions
2. Electronic Communication
3. Service Requests and Contracting for Service
4. Allocation of Capacity Entitlements
5. Service Nomination Procedure
6. Service Scheduling
7. Interconnecting Facility Gas Flow Allocation Methods
8. Curtailment
9. Capacity Release
10. Action Alerts and Operational Flow Orders
11. Balancing
12. Quality of Gas
13. Pressure
14. Measurement and Measurement Equipment
15. Invoices and Payments
16. Termination for Default
17. Policy on Fees and Construction of New Facilities
18. Possession of Gas
19. Warranty of Title to Gas

**Maritimes & Northeast Pipeline, L.L.C.
Second Revised Volume No. 1
Tariff**

20. Fuel Retainage Quantity
21. Annual Charge Adjustment Clause
22. Periodic Rate Adjustments
23. Initial Rate Adjustments
24. Negotiated Rates
25. Standards of Conduct Compliance Procedures
26. Force Majeure
27. Discount Terms
28. Discretionary Waivers
29. Descriptive Headings
30. Governmental Regulations
31. Reports with Respect to Tariff
32. North American Energy Standards Board
33. Interruptible Revenue Sharing Mechanism
34. Off-system Pipeline Capacity
35. Assignments
36. Nonrecourse Obligation of LLC, Managing Member and Operator
37. Non-Conforming Service Agreements
38. Permitted Sharing of Non-public Information

Part 7 Forms of Service Agreement

1. Form of Service Agreement for Rate Schedule MN365
 - 1.1 Exhibit A to the MN365 Service Agreement
 - 1.2 Exhibit B to the MN365 Service Agreement

Maritimes & Northeast Pipeline, L.L.C.
Second Revised Volume No. 1
Tariff

- 1.3 Exhibit C to the MN365 Service Agreement
- 2. Reserved for Future Use
 - 2.1 Reserved for Future Use
 - 2.2 Reserved for Future Use
 - 2.3 Reserved for Future Use
- 3. Reserved for Future Use
 - 3.1 Reserved for Future Use
 - 3.2 Reserved for Future Use
 - 3.3 Reserved for Future Use
- 4. Reserved for Future Use
 - 4.1 Reserved for Future Use
 - 4.2 Reserved for Future Use
 - 4.3 Reserved for Future Use
- 5. Form of Service Agreement for Rate Schedule MNLFT
 - 5.1 Exhibit A to the MNLFT Service Agreement
 - 5.2 Exhibit B to the MNLFT Service Agreement
 - 5.3 Exhibit C to the MNLFT Service Agreement
- 6. Form of Service Agreement for Rate Schedule MNIT
- 7. Form of Service Agreement for Rate Schedule MNPAL
 - 7.1 Exhibit A to the MNPAL Service Agreement
- 8. Form of Service Agreement for Rate Schedule MNTTT
- 9. Form of Service Agreement for Rate Schedule MNTABS
- 10. Capacity Release Umbrella Agreement

**Maritimes & Northeast Pipeline, L.L.C.
Second Revised Volume No. 1
Tariff**

10.1 Addendum to the Capacity Release Umbrella Agreement

11. Form of Service Agreement for the LINK System

12. Operational Balancing Agreement

12.1. Exhibit 1 to Operational Balancing Agreement

FERC GAS TARIFF
SECOND REVISED VOLUME NO. 1
(Supersedes First Revised Volume No. 1)
of
MARITIMES & NORTHEAST PIPELINE, L.L.C.
FILED WITH
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff
Should Be Addressed to:

Janice K. Devers, Director, Tariffs
M&N Management Company, LLC
5400 Westheimer Court
Houston, Texas 77056
Telephone Number: (713) 627-6170
Facsimile Number: (713) 627-5041

TABLE OF CONTENTS

Second Revised Volume No. 1

Description/Title

Part 2 - Preliminary Statement

Part 3 - Map

Part 4 - Statements of Rates (Index)

1. Forward Haul Rates
2. Backhaul Rates
3. Firm Lateral Service Rates
4. Park and Loan Rates
5. Title Transfer Tracking Rates
6. Fuel Retainage Percentages
7. [Reserved for Future Use]

Part 5 - Rate Schedules (Index)

1. Rate Schedule MN365 - 365 Day Firm Transportation Service
2. [Reserved for Future Use]
3. [Reserved for Future Use]
4. [Reserved for Future Use]
5. Rate Schedule MNLFT - Firm Transportation Service on Lateral Line
6. Rate Schedule MNIT - Interruptible Transportation Service
7. Rate Schedule MNPAL - Park and Loan Service
8. Rate Schedule MNTTT - Title Transfer Tracking Service
9. Rate Schedule MNTABS - Transportation Aggregation Balancing Service

Part 6 - General Terms and Conditions (Index)

1. DEFINITIONS
2. ELECTRONIC COMMUNICATION
3. SERVICE REQUESTS AND CONTRACTING FOR SERVICE
4. ALLOCATION OF CAPACITY ENTITLEMENTS
5. SERVICE NOMINATION PROCEDURE
6. SERVICE SCHEDULING
7. INTERCONNECTING FACILITY GAS FLOW ALLOCATION METHODS
8. CURTAILMENT
9. CAPACITY RELEASE
10. ACTION ALERTS AND OPERATIONAL FLOW ORDERS
11. BALANCING
12. QUALITY OF GAS
13. PRESSURE
14. MEASUREMENT & MEASUREMENT EQUIPMENT

15. INVOICES AND PAYMENTS
16. TERMINATION FOR DEFAULT
17. POLICY ON FEES AND CONSTRUCTION OF NEW FACILITIES
18. POSSESSION OF GAS
19. WARRANTY OF TITLE TO GAS
20. FUEL RETAINAGE QUANTITY
21. ANNUAL CHARGE ADJUSTMENT CLAUSE
22. PERIODIC RATE ADJUSTMENTS
23. INITIAL RATE ADJUSTMENTS
24. NEGOTIATED RATES
25. STANDARDS OF CONDUCT COMPLIANCE PROCEDURES
26. FORCE MAJEURE
27. DISCOUNT TERMS
28. DISCRETIONARY WAIVERS
29. DESCRIPTIVE HEADINGS
30. GOVERNMENTAL REGULATIONS
31. REPORTS WITH RESPECT TO TARIFF
32. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB")
33. [RESERVED FOR FUTURE USE]
34. OFF-SYSTEM PIPELINE CAPACITY
35. ASSIGNMENTS
36. NONRECOURSE OBLIGATION OF LLC, MANAGING MEMBER AND OPERATOR
37. NON-CONFORMING SERVICE AGREEMENTS
38. PERMITTED SHARING OF NON-PUBLIC INFORMATION

Part 7 - Forms of Service Agreement (Index)

1. Form of Service Agreement for Rate Schedule MN365
2. [Reserved for Future Use]
3. [Reserved for Future Use]
4. [Reserved for Future Use]
5. Form of Service Agreement for Rate Schedule MNLFT
6. Form of Service Agreement for Rate Schedule MNIT
7. Form of Service Agreement for Rate Schedule MNPAL
8. Form of Service Agreement for Rate Schedule MNTTT
9. Form of Service Agreement for Rate Schedule MNTABS
10. Capacity Release Umbrella Agreement
11. Form of Service Agreement for the LINK® System

PRELIMINARY STATEMENT

This Federal Energy Regulatory Commission (FERC) Gas Tariff is filed by Maritimes & Northeast Pipeline, L.L.C. (Maritimes & Northeast) in compliance with Part 154, Subchapter E, Chapter 1, Title 18, of the Code of Federal Regulations. This FERC Gas Tariff is in compliance with Order No. 636 and sets forth the terms and conditions of the transportation rendered by Maritimes & Northeast. Maritimes & Northeast is a natural gas company engaged in the business of transporting natural gas in interstate commerce under authorization granted by and subject to the jurisdiction of the FERC. M & N Operating Company shall act as physical operator of the Maritimes & Northeast pipeline system. Nothing in this Tariff is intended to inhibit the development of, or discriminate against the use of, Title Transfer Tracking services or Imbalance Management Services provided by third parties or Maritimes & Northeast's Customers. Any party interested in providing Title Transfer Tracking services or Imbalance Management Services must coordinate with Maritimes & Northeast.

The facilities owned by Maritimes & Northeast consist of the following: 1) a pipeline system wholly owned by Maritimes & Northeast which extends from a point near Woodland, Maine, at the international border between Canada and the United States to Westbrook, Maine; 2) a pipeline jointly owned with the Portland Natural Gas Transmission System which extends from Westbrook, Maine through the State of New Hampshire to a terminus near Dracut, Massachusetts; and 3) a pipeline wholly owned by Maritimes & Northeast which extends from a point near Methuen, Massachusetts, to a terminus in the Beverly/Salem, Massachusetts area. The capacity rights of Maritimes on the jointly owned facilities are described in those certain Definitive Agreements approved by Commission Order issued November 4, 1997 in Docket Nos. CP97-238-001 and CP96-178-004 (81 FERC ¶ 61,166 (1997)). Maritimes & Northeast interconnects at the international border with Maritimes & Northeast Pipeline Limited Partnership, a pipeline system that connects to a plant in Country Harbour, Nova Scotia, Canada and transports natural gas from the Sable Offshore Energy Project through Nova Scotia and New Brunswick for deliveries to Customers in Canada and to the international border between Canada and the United States.

The transportation of natural gas is undertaken by Maritimes & Northeast only under written contract acceptable to Maritimes & Northeast after consideration of its commitments to others, delivery capacity and other factors deemed pertinent by Maritimes & Northeast. If any such contract is to become operative only upon performance of certain precedent conditions, Maritimes & Northeast reserves the right to require a separate written agreement specifying the conditions which must be satisfied before the contract for the transportation of gas becomes operative.

MAP

The system map may be displayed and downloaded at the Internet Web site below.

<https://linkwc.spectraenergy.com/SystemMaps/MNUSSystemMap.pdf>

STATEMENTS OF RATES
INDEX

Description/Title

1. Forward Haul Rates
2. Backhaul Rates
3. Firm Lateral Service Rates
4. Park and Loan Rates
5. Title Transfer Tracking Rates
6. Fuel Retainage Percentages
7. [Reserved for Future Use]

FORWARD HAUL RATES
(All rates in \$/Dth)

Rate Schedule	MN365	MNIT
MAXIMUM		
Reservation	\$14.9042	
MES Reservation Charge	\$0.4900	
Usage Charge Within Tolerances	\$0.0050	\$0.4950*
Usage Charge Outside Tolerances	\$0.4950	\$0.4950*
MINIMUM		
Reservation	\$0.0000	
MES Reservation Charge	\$0.0000	
Usage Charge Within Tolerances	\$0.0050	\$0.0050
Usage Charge Outside Tolerances	\$0.0050	\$0.0050

The following adjustment(s) apply to all Rate Schedules:

ACA SURCHARGE TO APPLICABLE CUSTOMERS: PURSUANT TO SECTION 21 OF THE GT&C.

FUEL RETAINAGE PERCENTAGE: PURSUANT TO SECTION 20 OF THE GT&C.

- * The Usage Charge within Tolerances or outside Tolerances, as applicable, for MNIT service on a portion of Pipeline's system designated as an Incremental Lateral shall be the 100 percent load factor equivalent of the applicable rate specified for the applicable Incremental Lateral on the currently effective Statement of Rates for Rate Schedule MNLFT.

BACKHAUL RATES
(All rates in \$/Dth)

Rate Schedule	MN365	MNIT
MAXIMUM		
Reservation	\$14.9042	
Usage Charge Within Tolerances	\$0.0050	\$0.4950*
Usage Charge Outside Tolerances	\$0.4950	\$0.4950*
MINIMUM		
Reservation	\$0.0000	
Usage Charge Within Tolerances	\$0.0050	\$0.0050
Usage Charge Outside Tolerances	\$0.0050	\$0.0050

The following adjustment(s) apply to all Rate Schedules:

ACA SURCHARGE TO APPLICABLE CUSTOMERS: PURSUANT TO SECTION 21 OF THE GT&C.

FUEL RETAINAGE PERCENTAGE: PURSUANT TO SECTION 20 OF THE GT&C.

* The Usage Charge within Tolerances or outside Tolerances, as applicable, for MNIT service on a portion of Pipeline's system designated as an Incremental Lateral shall be the 100 percent load factor equivalent of the applicable rate specified for the applicable Incremental Lateral on the currently effective Statement of Rates for Rate Schedule MNLFT.

Rate Schedule MNLFT
Firm Lateral Service
(All rates in \$/Dth)

	BaseTariff Rate 1/	Adj.	Total Rate
VEAZIE LATERAL			
Reservation Charge:			
Maximum	\$0.3437	-	\$0.3437
Minimum	\$0.0000	-	\$0.0000
Usage Charge:			
within Tolerances			
Maximum	\$0.0000	-	\$0.0000
Minimum	\$0.0000	-	\$0.0000
Usage Charge:			
outside Tolerances			
Maximum	\$0.0113	-	\$0.0113
Minimum	\$0.0000	-	\$0.0000

1/ The Base Tariff is the effective rate on file with the Commission excluding adjustments approved by the Commission.

ACA Surcharge will apply if the MNLFT Customer has not paid an ACA Surcharge for the same gas volumes transported under another rate schedule. The ACA Surcharge is pursuant to Section 21 of the GT&C.

	Base Tariff Rate 1/	Adj.	Total Rate
NEWINGTON LATERAL			
Reservation Charge:			
Maximum	\$0.2068	-	\$0.2068
Minimum	\$0.0000	-	\$0.0000
Usage Charge:			
within Tolerances			
Maximum	\$0.0000	-	\$0.0000
Minimum	\$0.0000	-	\$0.0000
Usage Charge:			
outside Tolerances			
Maximum	\$0.0068	-	\$0.0068
Minimum	\$0.0000	-	\$0.0000
WESTBROOK LATERAL			
Reservation Charge:			
Maximum	\$2.9991	-	\$2.9991
Minimum	\$0.0000	-	\$0.0000
Usage Charge:			
within Tolerances			
Maximum	\$0.0000	-	\$0.0000
Minimum	\$0.0000	-	\$0.0000
Usage Charge:			
outside Tolerances			
Maximum	\$0.0986	-	\$0.0986
Minimum	\$0.0000	-	\$0.0000

1/ The Base Tariff is the effective rate on file with the Commission excluding adjustments approved by the Commission.

ACA Surcharge will apply if the MNLFT Customer has not paid an ACA Surcharge for the same gas volumes transported under another rate schedule. The ACA Surcharge is pursuant to Section 21 of the GT&C.

	Base Tariff Rate 1/	Adj.	Total Rate
BANGOR GAS/BUCKSPORT LATERAL			
Reservation Charge:			
Maximum	\$0.1582	-	\$0.1582
Minimum	\$0.0000	-	\$0.0000
Usage Charge:			
within Tolerances			
Maximum	\$0.0000	-	\$0.0000
Minimum	\$0.0000	-	\$0.0000
Usage Charge:			
outside Tolerances			
Maximum	\$0.0052	-	\$0.0052
Minimum	\$0.0000	-	\$0.0000
HAVERHILL LATERAL			
Reservation Charge:			
Maximum	\$0.4441	-	\$0.4441
Minimum	\$0.0000	-	\$0.0000
Usage Charge:			
within Tolerances			
Maximum	\$0.0000	-	\$0.0000
Minimum	\$0.0000	-	\$0.0000
Usage Charge:			
outside Tolerances			
Maximum	\$0.0146	-	\$0.0146
Minimum	\$0.0000	-	\$0.0000

1/ The Base Tariff is the effective rate on file with the Commission excluding adjustments approved by the Commission.

ACA Surcharge will apply if the MNLFT Customer has not paid an ACA Surcharge for the same gas volumes transported under another rate schedule. The ACA Surcharge is pursuant to Section 21 of the GT&C.

**Rate Schedule MNPAL
Park and Loan Service**

	Base Tariff Rate 1/	\$/DTH Adj.	Total Rate
Daily MNPAL Usage Charge:			
Maximum	\$0.4950	-	\$0.4950
Minimum	\$0.0050	-	\$0.0050

1/ The Base Tariff Rate is the effective rate on file with the Commission excluding adjustments approved by the Commission.

Rate Schedule MNTTT
Title Transfer Tracking Service

	Base Tariff Rate 1/	Adj.	\$/Transaction Total Rate
TTT Service Charge:			
Maximum	\$5.0700	-	\$5.0700
Minimum	\$0.0000	-	\$0.0000

1/ The Base Tariff Rate is the effective rate on file with the Commission excluding adjustments approved by the Commission.

FUEL RETAINAGE PERCENTAGES

FUEL RETAINAGE PERCENTAGE: PURSUANT TO SECTION 20 OF THE GT&C

Winter Period (November 1 - March 31)	0.81%
Non-Winter Period (April 1 - October 31)	0.89%

This Section 7 of the Statements of Rates and all of its subsections (7.1 through 7.9) are reserved for future use.

RATE SCHEDULES
INDEX

Description/Title

1. Rate Schedule MN365 - 365 Day Firm Transportation Service
2. [Reserved for Future Use]
3. [Reserved for Future Use]
4. [Reserved for Future Use]
5. Rate Schedule MNLFT - Firm Transportation Service on Lateral Line
6. Rate Schedule MNIT - Interruptible Transportation Service
7. Rate Schedule MNPAL - Park and Loan Service
8. Rate Schedule MNTTT - Title Transfer Tracking Service
9. Rate Schedule MNTABS - Transportation Aggregation Balancing Service

RATE SCHEDULE MN365

365 DAY FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any party, hereinafter called ("Customer"), which has requested firm transportation service pursuant to Section 3 of the GT&C of Pipeline's Tariff and, after review and acceptance of such Request by Pipeline, has entered into a Service Agreement with Pipeline for firm service under this Rate Schedule. Notwithstanding the immediately preceding sentence, this Rate Schedule is not available for service on any portion of Pipeline's system designated as an Incremental Lateral.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Service hereunder is available on any Day during a Service Year, and will be firm, except as provided herein, in the effective Service Agreement and in Pipeline's GT&C.

2.2 Pipeline will receive for Customer's account for transportation hereunder daily quantities of gas up to Customer's Maximum Daily Transportation Quantity ("MDTQ"), plus an amount reflecting a Fuel Retainage Quantity as determined in GT&C Section 20, and, on a cumulative basis in any Service Year, up to Customer's Maximum Annual Transportation Quantity ("MATQ"), plus amounts reflecting the Fuel Retainage Quantity, at the Point(s) of Receipt on Pipeline's system available to Customer pursuant to the effective Service Agreement and the GT&C. Such MDTQ and MATQ shall be specified in the effective Service Agreement. Pipeline will transport and deliver for Customer's account such daily quantities tendered to Pipeline, on a daily basis up to Customer's MDTQ, and, on a cumulative basis, up to Customer's MATQ, at the Point(s) of Delivery on Pipeline's system available to Customer pursuant to the effective Service Agreement and the GT&C.

2.3 Pipeline shall not be obligated to add any facilities to expand its capacity in any manner in order to provide new service pursuant to this Rate Schedule; provided, however, Pipeline may, at its option, and with Customer's consent, add facilities or expand capacity to provide such service, pursuant to Section 17 of the GT&C and provided further Pipeline is obligated to maintain its facilities in a manner that will allow it to provide certificated service or make appropriate filings with the Commission, such as for abandonment authorization or to idle facilities.

3. RATES

3.1 The applicable unit recourse rates for service hereunder are set forth in the currently effective Statement of Rates for Rate Schedule MN365 of this Tariff and

are hereby incorporated herein. The rates in this Rate Schedule are subject to adjustment pursuant to Sections 20, 21, 22, 23, and 24 of the GT&C and to change pursuant to the effective Service Agreement. Unless Pipeline and Customer agree in writing upon a rate for service provided hereunder, the rate applicable to Customer for service hereunder shall be the applicable maximum rate(s) as set forth on the effective Statement of Rates for Rate Schedule MN365. In the event that the Pipeline and Customer agree in writing to a rate pursuant to Section 24 of the General Terms and Conditions, Pipeline shall identify the rate on the applicable Statement of Negotiated Rates.

3.2 Effective as of the Date of Commencement of Service, as provided for in the effective Service Agreement, Pipeline shall charge and Customer shall pay Pipeline for mainline transportation service, including Backhaul service, under this Rate Schedule each applicable Month during the twelve (12) Month Service Year, the sum of the following amounts:

(A) Reservation Charge, as determined pursuant to Section 3.1 herein, consisting of the following:

- (1) The Reservation Charge, as set forth on the Statement of Rates for Rate Schedule MN365 or the Statement(s) of Negotiated Rates, as applicable, multiplied by the MDTQ.
- (2) For each Day of the applicable Month, the MES Reservation Charge, as set forth on the Statement of Rates for Rate Schedule MN365 or the Statement(s) of Negotiated Rates, as applicable, multiplied by the Customer MES Reservation Quantity for the Day.

(B) Monthly Usage Charge consisting of the sum of the following daily charges:

- (1) The Usage Charge within Tolerances, as set forth on Statement of Rates for Rate Schedule MN365 or the Statement(s) of Negotiated Rates, as applicable, multiplied by that portion of the total quantity of gas deliveries on any Day pursuant to the effective Service Agreement, which is not in excess of the lesser of 110% of scheduled service levels for such Day or 102% of MDTQ.
- (2) The Usage Charge outside Tolerances, as set forth on Statement of Rates for Rate Schedule MN365 or the Statement(s) of Negotiated Rates, as applicable, multiplied by that portion of the total quantity of gas deliveries on any Day pursuant to the effective Service Agreement, which is in excess of the lesser of 110% of scheduled service levels for such Day or 102% of MDTQ.

- (3) If total quantity of gas deliveries is less than 90% of the scheduled service levels for such Day, then the Usage Charge outside Tolerances, as set forth on Statement of Rates for Rate Schedule MN365 or the Statement(s) of Negotiated Rates, as applicable, multiplied by the difference between 90% of the scheduled service levels and the total quantity of gas deliveries for such Day pursuant to the effective Service Agreement.

Any revenue collected by Pipeline pursuant to this Section 3.2(B)(3) will be credited, net of costs, to each Customer that did not incur such penalties in the Month for which such penalty revenues were received ("Non-Offending Customer") based on the ratio of the actual volumes taken by the Non-Offending Customer to the actual volumes taken by all Non-Offending Customers. Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31st of each year, and will be included on the Non-Offending Customer's invoice for the Month of October.

4. POINTS OF RECEIPT AND DELIVERY

- 4.1 The Primary Point(s) of Receipt at which Pipeline shall receive gas for transportation hereunder shall be specified in an exhibit to the Service Agreement between Pipeline and Customer, which exhibit may be superseded by a new exhibit to add or delete specific points or make other changes thereto the parties deem appropriate. Pipeline shall not accept any proposed Primary Point of Receipt if to do so would, in Pipeline's sole judgment, impair Pipeline's ability to satisfy existing firm obligations or to receive Company Use Gas at maximum deliverability levels or if the resulting aggregate MDRO's would exceed Customer's MDTQ. Notwithstanding the foregoing, all interconnections (which, if they were Primary Point(s) of Receipt for Customer, would not result in an increase in the applicable maximum Reservation Charge) between the facilities of Pipeline and facilities of other operators shall be available as Secondary Point(s) of Receipt, pursuant to Sections 6.1 and 8.2 of the General Terms and Conditions of this FERC Gas Tariff.
- 4.2 The Primary Point(s) of Delivery at which Pipeline shall deliver gas for Customer's account under this Rate Schedule shall be specified in an exhibit to the Service Agreement between Pipeline and Customer which exhibit may be superseded by a new exhibit to add or delete specific points or make other changes thereto the parties deem appropriate. Pipeline shall not accept any proposed Primary Point(s) of Delivery or quantity at any Primary Point(s) of Delivery, or change in quantities among Primary Point(s) of Delivery if the resulting aggregate MDDOs at all of Customer's Primary Point(s) of Delivery

would exceed Customer's MDTQ. Notwithstanding the foregoing, all interconnections (which, if they were Primary Point(s) of Delivery for Customer, would not result in an increase in the applicable maximum Reservation Charge) between the facilities of Pipeline and the facilities of other operators shall be available for use by Customer as Secondary Points of Delivery. Customer's Secondary Delivery Right at a Secondary Point of Delivery shall be equal to the capacity of Pipeline's facilities at such Point of Delivery or Customer's MDTQ, whichever is less, pursuant to Sections 6.1 and 8.2 of the General Terms and Conditions of this FERC Gas Tariff.

4.3 [Reserved for Future Use]

4.4 Notwithstanding anything to the contrary in Sections 4.1 and 4.2 of this Rate Schedule, no point of interconnection between the facilities of Pipeline and the facilities of another operator that is located on any portion of Pipeline's system designated as an Incremental Lateral (other than point(s) of interconnection between Pipeline's mainline and any Incremental Lateral) shall be available under this Rate Schedule as a Primary or Secondary Point of Receipt or a Primary or Secondary Point of Delivery.

5. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Customer desires transportation of natural gas on any Day under this Rate Schedule, Customer must nominate service in accordance with Sections 5 and 6 of the GT&C.

6. IMBALANCES

Imbalances are defined in Section 11.1 of the GT&C. Resolution of imbalances between receipts and deliveries associated with transportation under this Rate Schedule and Service Agreements under this Rate Schedule are governed by and resolved pursuant to Section 11 of the GT&C.

7. RESERVATIONS

Pipeline reserves the right to take actions as may be required to preserve the integrity of Pipeline's system, including maintenance of service to other Customers.

8. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Pipeline has filed or in which Pipeline has agreed to participate.

9. MN365 ENHANCEMENT SERVICE

- 9.1 Notwithstanding any other provision of this Rate Schedule, this Section 9 shall apply only to Customers receiving service under this Rate Schedule on capacity subscribed under a Service Agreement with a primary term of one (1) year or longer or to Customers who have obtained such capacity under Section 9 of the General Terms and Conditions. In addition to service under this Rate Schedule up to Customer's MDTQ, Customer shall have the right, as described in this Section 9, to receive service under this Rate Schedule on Customer's pro rata portion of the capacity available on Pipeline's system for MN365 Enhancement Service ("MES"), as such pro rata portion is defined in Section 9.2 of this Rate Schedule. Pipeline shall determine the capacity available for MES ("System MES Quantity") based upon Pipeline's determination from time to time of the difference between (i) the capacity available at the relevant time on Pipeline's system at the discharge side of the Baileyville compressor station, and (ii) the greater of (aa) the quantity of design capacity at the discharge side of the Baileyville compressor station reflected in Pipeline's most recent mainline certificate application on file with the Commission ("MN365 Design Capacity") or (bb) the total quantity of capacity subscribed under Pipeline's firm rate schedules at the relevant time on the segment of Pipeline's system immediately downstream of the Baileyville compressor station. Pipeline shall post on its Web site the capacity available each Day for MES at least one (1) hour prior to the start of the timely nomination cycle for the Day.
- 9.2 Customer's pro rata portion of MES ("Customer's MES Quantity") on any given Day shall be equal to (i) Customer's firm entitlement under its Service Agreement at the beginning of the Day on the segment of Pipeline's system immediately downstream of the Baileyville compressor station, multiplied by (ii) the System MES Percentage on such Day. The System MES Percentage for any given Day shall be equal to (x) the System MES Quantity for the Day divided by (y) the MN365 Design Capacity for the Day.
- 9.3 Solely for the purpose of ensuring that Customer's MES Quantity is available to Customer each Day, Pipeline's LINK® System will gross up the quantities associated with applicable contractual rights (such as MDROs, MDDOs and segment entitlements), to the extent necessary, by the System MES Percentage for the applicable Day. Customer's right to utilize Customer's MES Quantity shall be limited to service that is (i) nominated from a Primary Point of Receipt (within the applicable MDRO) upstream of Pipeline's Baileyville compressor station to a Primary Point of Delivery (within the applicable MDDO) at either Pipeline's interconnection with Tennessee Gas Pipeline Company in Dracut, Massachusetts or Pipeline's interconnection with Algonquin Gas Transmission, LLC in Beverly, Massachusetts, and (ii) qualifies for the highest scheduling priority pursuant to Section 6.1 of the General Terms and Conditions.
- 9.4 Subject to the other requirements of this Section 9, in the event that Customer desires to utilize its Customer's MES Quantity on any Day, Customer shall notify

Pipeline of such desire by submitting a nomination pursuant to Section 4 of Pipeline's GT&C that references MES. Notwithstanding any provision to the contrary in Section 4 of Pipeline's GT&C, Pipeline shall schedule each nomination by Customer under this Section 9 pursuant to the relevant scheduling priorities for this Rate Schedule without regard to whether the relevant upstream connected party has confirmed the nomination; provided, the nomination will be rejected if Pipeline is unable to obtain such confirmation by the deadline for the Intraday 1 Nomination Cycle.

10. GENERAL TERMS AND CONDITIONS

All of the GT&C of Pipeline's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or a Service Agreement under this Rate Schedule shall control.

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RATE SCHEDULE MNLFT
FIRM TRANSPORTATION SERVICE ON LATERAL LINE

1. **AVAILABILITY**

This Rate Schedule is available to any party, hereinafter called ("Customer"), which has requested firm transportation service pursuant to Section 3 of the GT&C of Pipeline's Tariff on a portion of Pipeline's system designated as an Incremental Lateral, which will extend from a point on Pipeline's existing interstate natural gas pipeline system and, after review and acceptance of such Request by Pipeline, has entered into a Service Agreement with Pipeline for firm service under this Rate Schedule.

2. **APPLICABILITY AND CHARACTER OF SERVICE**

2.1 Service hereunder is available on any Day during a Service Year once Pipeline has placed the Incremental Lateral in service, and will be firm, except as provided herein, in the effective Service Agreement and in Pipeline's GT&C.

2.2 Pipeline will receive for Customer's account for transportation hereunder daily quantities of gas up to Customer's Maximum Daily Transportation Quantity ("MDTQ"), and, on a cumulative basis in any Service Year, up to Customer's Maximum Annual Transportation Quantity ("MATQ"), at the Point(s) of Receipt on Pipeline's system available to Customer pursuant to the effective Service Agreement and the GT&C. Such MDTQ and MATQ shall be specified in the effective Service Agreement. Pipeline will transport and deliver for Customer's account such daily quantities tendered to Pipeline, on a daily basis up to Customer's MDTQ, and, on a cumulative basis, up to Customer's MATQ, at the Point(s) of Delivery on Pipeline's system available to Customer pursuant to the effective Service Agreement and the GT&C.

2.3 Pipeline shall not be obligated to add any facilities to expand its capacity in any manner in order to provide new service pursuant to this Rate Schedule; provided, however, Pipeline may, at its option, and with Customer's consent, add facilities or expand capacity to provide such service, pursuant to Section 17 of the GT&C and provided further Pipeline is obligated to maintain its facilities in a manner that will allow it to provide certificated service or make appropriate filings with the Commission, such as for abandonment authorization or to idle facilities.

3. **RATES**

3.1 The applicable unit recourse rates for service hereunder are set forth in the currently effective Statement of Rates for Rate Schedule MNLFT of this Tariff and are hereby incorporated herein. The rates in this Rate Schedule are subject to adjustment pursuant to Sections 21, 22, 23, and 24 of the GT&C and to change pursuant to the effective Service Agreement. Unless Pipeline and Customer agree

in writing upon a rate for service provided hereunder, the rate applicable to Customer for service hereunder shall be the applicable maximum rate(s) as set forth on the effective Statement of Rates for Rate Schedule MNLFT. In the event that Pipeline and Customer agree in writing to a rate pursuant to Section 24 of the General Terms and Conditions, Pipeline shall identify the rate on the applicable Statement of Negotiated Rates. Such negotiated rates shall be applicable for the period agreed upon by Customer and Pipeline.

3.2 Effective as of the Date of Commencement of Service, as provided for in the effective MNLFT Service Agreement, Pipeline shall charge and Customer shall pay Pipeline for Incremental Lateral line transportation service under this Rate Schedule each applicable Month during the twelve (12) Month Service Year, the sum of the following amounts:

(A) Reservation Charge:

The Reservation Charge, as determined pursuant to Section 3.1 herein, multiplied by the MDTQ; and

(B) Monthly Usage Charge consisting of the sum of the following daily charges:

(1) The Usage Charge within Tolerances, as set forth on the effective Statement of Rates for Rate Schedule MNLFT or the Statement(s) of Negotiated Rates, as applicable, multiplied by that portion of the total quantity of gas deliveries on any Day pursuant to the effective Service Agreement, which is not in excess of the lesser of 110% of scheduled service levels for such Day or 102% of MDTQ.

(2) The Usage Charge outside Tolerances, as set forth on the effective Statement of Rates for Rate Schedule MNLFT or the Statement(s) of Negotiated Rates, as applicable, multiplied by that portion of the total quantity of gas deliveries on any Day pursuant to the effective Service Agreement, which is in excess of the lesser of 110% of scheduled service levels for such Day or 102% of MDTQ.

(3) If the total quantity of gas deliveries is less than 90% of the scheduled service levels for such Day, then the Usage Charge outside Tolerances, as set forth on the effective Statement of Rates for Rate Schedule MNLFT or the Statement(s) of Negotiated Rates, as applicable, multiplied by the difference between 90% of the scheduled service levels and the total quantity of gas deliveries for such Day pursuant to the effective Service Agreement.

Any revenue collected by Pipeline pursuant to this Section 3.2(B)(3) will be credited, net of costs, to each Customer that did not incur such penalties in the Month for which such penalty revenues were received ("Non-Offending Customer") based on the ratio of the actual volumes taken by the Non-Offending Customer to the actual volumes taken by all Non-Offending Customers. Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31st of each year, and will be included on the Non-Offending Customer's invoice for the Month of October.

4. POINTS OF RECEIPT AND DELIVERY

- 4.1 The Primary Point(s) of Receipt at which Pipeline shall receive gas for transportation hereunder shall be specified in an exhibit to the MNLFT Service Agreement between Pipeline and Customer, which exhibit may be superseded by a new exhibit to add or delete specific points or make other changes thereto the parties deem appropriate. Pipeline shall not accept any proposed Primary Point of Receipt if to do so would, in Pipeline's sole judgment, impair Pipeline's ability to satisfy existing firm obligations. Notwithstanding the foregoing, all interconnections (which, if they were Primary Point(s) of Receipt for Customer, would not result in an increase in the applicable maximum Reservation Charge) between the Incremental Lateral facilities of Pipeline and facilities of other operators shall be available as Secondary Point(s) of Receipt for service on the Incremental Lateral, pursuant to Sections 6.1 and 8.2 of the General Terms and Conditions of this FERC Gas Tariff.
- 4.2 The Primary Point(s) of Delivery at which Pipeline shall deliver gas for Customer's account under this Rate Schedule shall be specified in an exhibit to the MNLFT Service Agreement between Pipeline and Customer which exhibit may be superseded by a new exhibit to add or delete specific points or make other changes thereto the parties deem appropriate. Pipeline shall not accept any proposed Primary Point(s) of Delivery or quantity at any Primary Point(s) of Delivery, or change in quantities among Primary Point(s) of Delivery if the resulting aggregate MDDOs at all of Customer's Primary Point(s) of Delivery would exceed Customer's MDTQ. Notwithstanding the foregoing, all interconnections (which, if they were Primary Point(s) of Delivery for Customer, would not result in an increase in the applicable maximum Reservation Charge) between the Incremental Lateral facilities of Pipeline and the facilities of other operators shall be available for use by Customer as Secondary Points of Delivery for service on the Incremental Lateral. Customer's Secondary Delivery Right at a Secondary Point of Delivery shall be equal to the capacity of Pipeline's facilities at such Point of Delivery or Customer's MDTQ, whichever is less, pursuant to Sections 6.1 and 8.2 of the General Terms and Conditions of this FERC Gas Tariff.

5. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Customer desires transportation of natural gas on any Day under this Rate Schedule, Customer must nominate service in accordance with Sections 5 and 6 of the GT&C.

6. IMBALANCES

Imbalances are defined in Section 11.1 of the GT&C. Resolution of imbalances between receipts and deliveries associated with transportation under this Rate Schedule and Service Agreements under this Rate Schedule are governed by and resolved pursuant to Section 11 of the GT&C.

7. RESERVATIONS

Pipeline reserves the right to take actions as may be required to preserve the integrity of Pipeline's system, including maintenance of service to other Customers.

8. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Pipeline has filed or in which Pipeline has agreed to participate.

9. GENERAL TERMS AND CONDITIONS

All of the GT&C of Pipeline's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or a Service Agreement under this Rate Schedule shall control.

RATE SCHEDULE MNIT
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any party, hereinafter called ("Customer"), which has requested interruptible transportation service pursuant to Section 3 of the GT&C of Pipeline's Tariff and, after review and acceptance of such Request by Pipeline, has entered into a Service Agreement with Pipeline for interruptible service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Service hereunder is available on any Day during a Service Year, and will be interruptible as provided herein, in the effective Service Agreement and in Pipeline's GT&C.

2.2 Pipeline will receive for Customer's account for transportation hereunder daily quantities of gas up to Customer's Maximum Daily Transportation Quantity ("MDTQ"), plus an amount reflecting the Fuel Retainage Quantity as determined in GT&C Section 20, and, on a cumulative basis in any Service Year, up to Customer's Maximum Annual Transportation Quantity ("MATQ"), plus amounts reflecting the Fuel Retainage Quantity, at the Point(s) of Receipt on Pipeline's system available to Customer pursuant to the effective Service Agreement and the GT&C. Such MDTQ and MATQ shall be specified in the effective Service Agreement. Pipeline will transport and deliver for Customer's account such daily quantities tendered to Pipeline, on a daily basis up to Customer's MDTQ, and, on a cumulative basis, up to Customer's MATQ at the Point(s) of Delivery on Pipeline's system available to Customer pursuant to the effective Service Agreement and the GT&C.

2.3 Pipeline shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Customer pursuant to this Rate Schedule. Pipeline is free to contract at any time with other parties for new transportation services (whether firm or interruptible) without liability to Customer for any resulting interruption or reduction of transportation service hereunder.

3. RATES

3.1 The applicable unit recourse rates for service hereunder are set forth in the currently effective Statement of Rates for Rate Schedule MNIT of this Tariff and are hereby incorporated herein. The rates in this Rate Schedule are subject to adjustment pursuant to Sections 20, 21, 22, and 23 of the GT&C and to change pursuant to the effective Service Agreement. Unless Pipeline and Customer agree

in writing upon a rate for service provided hereunder, the rate applicable to Customer for service hereunder shall be the applicable maximum rate(s) as set forth on the Statement of Rates for Rate Schedule MNIT. In the event that the Pipeline and Customer agree in writing to a rate pursuant to Section 24 of the General Terms and Conditions, Pipeline shall identify the rate on the applicable Statement of Negotiated Rates. The negotiated rates shall be applicable for the period agreed upon by Customer and Pipeline.

3.2 Effective as of the Date of Commencement of Service as provided for in the Service Agreement, Pipeline shall charge and Customer shall pay Pipeline for mainline transportation service or transportation service on any portion of Pipeline's system designated as an Incremental Lateral, as applicable, including Backhaul service, under this Rate Schedule each applicable Month during the twelve (12) Month Service Year the sum of the following amounts:

(A) Monthly Usage Charge consisting of the sum of the following daily charges:

- (1) The Usage Charge within Tolerances, as set forth on the effective Statement of Rates for Rate Schedule MNIT or the Statement(s) of Negotiated Rates, as applicable, multiplied by that portion of the total quantity of gas deliveries on any Day pursuant to the effective Service Agreement, which is not in excess of the lesser of 110% of scheduled service levels for such Day or 102% of MDTQ.
- (2) The Usage Charge outside Tolerances, as set forth on the effective Statement of Rates for Rate Schedule MNIT or the Statement(s) of Negotiated Rates, as applicable, multiplied by that portion of the total quantity of gas deliveries on any Day pursuant to the effective Service Agreement, which is in excess of the lesser of 110% of scheduled service levels for such Day or 102% of MDTQ.
- (3) If total quantity of gas deliveries is less than 90% of the scheduled service levels for such Day, then the Usage Charge outside Tolerances, as set forth on the effective Statement of Rates for Rate Schedule MNIT or the Statement(s) of Negotiated Rates, as applicable, multiplied by the difference between 90% of the scheduled service levels and the total quantity of gas deliveries for such Day pursuant to the effective Service Agreement.

Any revenue collected by Pipeline pursuant to this Section 3.2(A)(3) will be credited, net of costs, to each Customer that did not incur such penalties in the Month for which such penalty revenues were received ("Non-Offending Customer") based on the ratio of the actual volumes taken by the Non-Offending Customer

to the actual volumes taken by all Non-Offending Customers. Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31st of each year, and will be included on the Non-Offending Customer's invoice for the Month of October.

4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Customer desires transportation of natural gas on any Day under this Rate Schedule, Customer must nominate service in accordance with Sections 5 and 6 of the GT&C.

All Point(s) of Receipt and Point(s) of Delivery at which Pipeline receives and delivers gas, respectively, shall be available as Point(s) of Receipt and Point(s) of Delivery under this Rate Schedule, pursuant to Sections 6.1 and 8.2 of the General Terms and Conditions of this FERC Gas Tariff.

5. IMBALANCES

Imbalances are defined in Section 11.1 of the GT&C. Resolution of imbalances between receipts and deliveries associated with transportation under this Rate Schedule and Service Agreements under this Rate Schedule are governed by and resolved pursuant to Section 11 of the GT&C.

6. RESERVATIONS

Pipeline reserves the right to take actions as may be required to preserve the integrity of Pipeline's system, including maintenance of service to other Customers.

7. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Pipeline has filed or in which Pipeline has agreed to participate.

8. GENERAL TERMS AND CONDITIONS

All of the GT&C of Pipeline's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or a Service Agreement under this Rate Schedule shall control.

**RATE SCHEDULE MNPAL
PARK AND LOAN SERVICE**

1. AVAILABILITY

This Rate Schedule is available for parking and loaning of natural gas on an interruptible basis by Pipeline for any party (hereinafter called "Customer"), when:

- a. Customer has made a valid Request for Park and Loan (MNPAL) Service pursuant to Section 3 of the General Terms and Conditions ("GT&C") of this FERC Gas Tariff ("Tariff") of which this Rate Schedule is a part;
- b. After review and acceptance of such Request by Pipeline, Customer has entered into a MNPAL Service Agreement with Pipeline for service under this Rate Schedule; and
- c. Customer has executed a Service Agreement under any of Pipeline's open-access transportation Rate Schedules which provide for the transportation of gas quantities to or from the Point(s) of Transaction; provided however, that no transportation Service Agreement is required if gas to be parked and/or loaned pursuant to this Rate Schedule is not transported by Pipeline. Such Service Agreements shall be in the form contained in this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Park and Loan Service shall be interruptible, as provided herein, in the effective MNPAL Service Agreement and in Pipeline's GT&C. Individual Park and/or Loan Services provided under this rate schedule shall be provided for a minimum of one (1) Day or such longer period as agreed to by Customer and Pipeline, as specified in Exhibit(s) A to the Customer's MNPAL Service Agreement. Services shall be properly nominated pursuant to Section 5 of the GT&C and such nominations shall include, without limitation, the term of the transaction, the quantity to be parked or loaned, as applicable, the Point(s) of Transaction, and all other information required for a nomination under the GT&C. Service under this Rate Schedule does not constitute "no-notice" service as that term is used in Order No. 636.
- 2.2 Park Service is an interruptible service pursuant to which Pipeline will: (a) receive quantities of gas for a Customer's account, at the nominated Point(s) of Transaction, as defined in Section 7 of this Rate Schedule, (b) hold such parked quantities, and (c) return such quantities of gas to the Customer at the Point(s) of Transaction where Pipeline received the gas. The maximum quantity of gas in Customer's account as Park Service on any Day shall not exceed the Maximum Parked Quantity ("MPQ") shown in Exhibit(s) A to the Customer's MNPAL Service Agreement.

- 2.3 Loan Service is an interruptible service pursuant to which Pipeline will: (a) deliver quantities of gas for a Customer's account, from the nominated Point(s) of Transaction, and (b) subsequently receive such quantities of gas at the Point(s) of Transaction where Pipeline delivered the gas. The maximum quantity of gas in Customer's account as Loan Service on any Day shall not exceed the Maximum Loaned Quantity ("MLQ") shown in Exhibit(s) A to the Customer's MNPAL Service Agreement.
- 2.4 Service under this Rate Schedule will be made available on a first come, first served basis, to any Customer willing to pay maximum rates or such other rate mutually agreed upon by Customer and Pipeline, as specified in Exhibit(s) A to the Customer's MNPAL Service Agreement, subject to all applicable provisions of the GT&C of which this Rate Schedule is a part.
- 2.5 Interruptible parking and loaning of natural gas under this Rate Schedule shall be provided when and to the extent that Pipeline determines, using its reasonable discretion, that capacity is available on its existing facilities and that it has the operational flexibility to provide the service without detriment or disadvantage to Pipeline's firm obligations or other interruptible services during the transaction period as specified in Exhibit(s) A to the Customer's MNPAL Service Agreement. Existing quantities of gas parked or loaned cannot be bumped by new requests for park and/or loan service.
- 2.6 Pipeline shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide Park Service and/or Loan Service to Customer pursuant to this Rate Schedule. Pipeline is free to contract at any time with other parties for new transportation services (whether firm or interruptible) and/or new services under this Rate Schedule without liability to Customer for any resulting interruption or reduction of service hereunder.

3. RATE

- 3.1 The applicable recourse rates for service hereunder are set forth in the currently effective Statement of Rates for Rate Schedule MNPAL of this FERC Gas Tariff and such Statement of Rates is hereby incorporated herein by reference. The rates in this Rate Schedule are subject to adjustment pursuant to Section 22 of Pipeline's GT&C. Unless Pipeline and Customer agree in writing upon a rate for service provided hereunder, the rate applicable to a Customer for service hereunder shall be the applicable maximum rate(s) as set forth on the effective Statement of Rates for Rate Schedule MNPAL. In the event that Pipeline and Customer agree in writing to a rate pursuant to Section 24 of the General Terms and Conditions, Pipeline shall identify the rate on the applicable Statement of Negotiated Rates. Such negotiated rates shall be applicable for the period agreed upon by Customer and Pipeline.

3.2 Customer shall pay Pipeline a Monthly Charge for MNPAL services consisting of the sum of the Daily Charges. The Daily Charges shall be the product of the quantities of gas in Customer's MNPAL account (inclusive of quantities subject to Park Service and quantities subject to Loan Service) for each separate transaction and the maximum or mutually agreed upon rate for each Day during the applicable Month that service is provided by Pipeline.

4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

4.1 If Customer desires parking and loaning service of natural gas on any Day under this Rate Schedule, Customer shall submit a nomination to Pipeline in accordance with Section 5 of Pipeline's GT&C. Customer shall nominate the agreed upon park or loan quantities and term at the Point(s) of Transaction specified in Exhibit(s) A to the Customer's MNPAL Service Agreement. Such nominated quantities shall be subject to confirmation by Pipeline. The confirmed quantity shall be deemed the scheduled quantity. Pipeline shall schedule the quantities nominated hereunder in accordance with Section 6 of Pipeline's GT&C.

4.2 The park or loan quantity of gas in Customer's account on any Day shall not exceed the MPQ and/or the MLQ set forth in Exhibit(s) A to the Customer's MNPAL Service Agreement, as applicable. Pipeline shall reject any nomination if Customer nominates quantities when the balance(s) in Customer's account exceeds the specified MPQ and/or the MLQ or when giving effect to the nomination would result in a balance(s) in Customer's account in excess of the specified MPQ and/or the MLQ.

4.3 MNPAL services will be provided on an interruptible basis. Interruption of MNPAL services may include decreasing, temporarily suspending, or discontinuing the receipt or delivery of gas if Pipeline in its reasonable discretion determines that such decrease, suspension, or discontinuance is necessary to prevent the impairment of reliable service or when a higher priority service so requires. Nothing in this Rate Schedule shall limit Pipeline's right to take action pursuant to Sections 6 and 10 of the GT&C.

4.4 Commingling of Gas. From the time the natural gas is received by Pipeline at the Point(s) of Transaction, Pipeline shall have the unqualified right to commingle such natural gas with other gas in Pipeline's system.

5. OTHER OPERATING CONDITIONS

5.1 Customer shall make all necessary arrangements with other parties at or upstream of the Point(s) of Transaction where Customer delivers gas to Pipeline for Park Service or where Customer delivers gas to decrease the balance in its account for Loan Service, and at or downstream of the Point(s) of Transaction where Pipeline

delivers gas to decrease the balance in Customer's account for Park Service or where Pipeline delivers gas to Customer for Loan Service, and such arrangements must be compatible with Pipeline's system operations.

- 5.2 To the extent that any upstream entity involved in handling Customer's gas refuses or is unable to deliver gas to Pipeline, Pipeline shall not be required to continue to receive gas on behalf of Customer as contemplated in Section 5.1 of this Rate Schedule. To the extent that any downstream entity involved in handling Customer's gas refuses or is unable to receive gas from Pipeline, Pipeline shall have the right to reduce an equal quantity of the deliveries of gas on behalf of Customer as contemplated in Section 5.1 of this Rate Schedule.

6. DETERMINATION OF RECEIPTS AND DELIVERIES

The quantity of gas delivered to or received by Pipeline pursuant to Section 2 of this Rate Schedule shall be deemed to be delivered or received uniformly by Pipeline, and will be deemed delivered or received by Pipeline to the extent such service quantities are delivered or received hereunder for further service on Pipeline's system under one or more of Pipeline's other rate schedules.

7. POINT(S) OF TRANSACTION

Any physical or accounting point that exists from time to time on Pipeline's system shall be available for use by Customer under Rate Schedule MNPAL ("Point of Transaction"). Pipeline shall permit an MNPAL Customer to park quantities of gas at the Point(s) of Transaction specified in Exhibit(s) A of Customer's MNPAL Service Agreement, and/or Pipeline shall loan gas to Customer at the Point(s) of Transaction specified in Exhibit(s) A of Customer's MNPAL Service Agreement, the quantity specified in Exhibit(s) A of Customer's MNPAL Service Agreement.

Customer shall provide a nomination, in accordance with Section 5 of the GT&C, for each transaction identified in Exhibit(s) A of Customer's MNPAL Service Agreement.

8. IMPAIRMENT OF RECEIPTS AND DELIVERIES

- 8.1 If Pipeline, on any Day, is unable to receive and/or deliver the total requests of all Customers on Pipeline's system, Pipeline shall limit receipts and/or deliveries of gas hereunder in accordance with Sections 8 and 26 of Pipeline's GT&C.
- 8.2 For purposes of restricting MNPAL services, Pipeline will give priority to MNPAL transactions based on net present value, with the transaction yielding the highest value receiving a higher priority than other transactions yielding lower values.

- 8.3 Customer may be required, upon notification from Pipeline, to suspend or reduce receipts or deliveries for the agreed upon Park Service and/or the agreed upon Loan Service. Further, Customer may be required, upon notification from Pipeline, to remove quantities of gas previously provided to Pipeline under the Park service, or return quantities of gas previously loaned to Customer under the Loan service. Notwithstanding anything to the contrary in Section 2 of Pipeline's GT&C, such notification shall be provided to affected parties through the affected party's choice of Electronic Notice Delivery mechanism(s).
- 8.4 Should Pipeline notify Customer to remove or return quantities of gas pursuant to Section 8.3, Pipeline's notification shall specify the time frame, which shall be no less than twenty-four (24) hours, within which Park service quantities shall be removed, or Loan service quantities shall be returned. Such notifications shall be consistent with Pipeline's operating conditions, unless Pipeline and Customer mutually agree to a different specific time. The obligation of Customer to comply with the issued notification shall continue until such time as Pipeline is able to recommence the MNPAL services. In the event that Customer does not comply with Pipeline's notice, the parked balance or the loaned balance will be resolved in accordance with Sections 8.6 and 8.7, as applicable, of this Rate Schedule MNPAL.

To the extent that Customer is unable to comply with Pipeline's notice either to remove parked quantities or to return loaned quantities because Pipeline is not able to schedule Customer's nomination for such transactions, the MNPAL penalties set forth in Sections 8.6 and 8.7, as applicable, shall not be assessed for those quantities that Pipeline is unable to schedule during such period in accordance with nominations submitted by Customer in an effort to comply with the requirements of this Section 8.4.

- 8.5 If Customer requests delivery of parked quantities and Pipeline is unable to return the gas to Customer, then Customer has the option to: (i) suspend the Daily Charge and extend the term of the transaction until Pipeline is able to return the gas to Customer; or (ii) trade the balance with another Customer that has an offsetting loan balance at the same Point of Transaction. The Daily Charges will be reinstated when pipeline system conditions allow the receipt or delivery of these quantities.

If Customer requests to return loaned quantities to Pipeline and Pipeline is unable to accept such receipts, then Customer has the option to: (i) suspend the Daily Charge and extend the term of the transaction until Pipeline is able to accept such receipts from Customer; or (ii) trade the balance with another Customer that has an offsetting park balance at the same Point of Transaction. The Daily Charges will be reinstated when pipeline system conditions allow the receipt or delivery of these quantities.

- 8.6 Parked quantities shall become the property of Pipeline at no cost to Pipeline, free and clear of any adverse claims, in the event that any of the following situations occur:
- (a) Pipeline's operating conditions require Pipeline to notify Customer that receipts of parked quantities must be suspended or reduced, and Customer fails to comply with such notification within the specified time frame; and/or
 - (b) Pipeline's operating conditions require Pipeline to notify Customer that all or a part of Customer's parked quantities must be removed, and Customer fails to comply with such notification within the specified time frame; and/or
 - (c) the MNPAL account reflects a balance at the termination date of the associated Exhibit A to the Customer's MNPAL Service Agreement or at the end of any mutually agreed upon extension of the termination date, and Pipeline's operating conditions require the removal of the parked quantities.

If Pipeline notifies Customer, pursuant to Sections 8.3 and/or 8.6(a) herein, that receipts of parked quantities must be suspended or reduced, only those quantities parked by the Customer in violation of the notification shall become the property of Pipeline at no cost to Pipeline, free and clear of any adverse claims.

Pipeline shall credit the Fuel Retainage Quantity Deferred Account as provided in Section 20 of the GT&C with the value of the gas retained pursuant to this Section 8.6. The value of the gas retained by Pipeline shall be determined based on the net proceeds from the sale of such gas retained pursuant to Section 11.7A of the GT&C and the proceeds shall be credited to the Fuel Retainage Quantity Deferred Account at the time of the sale.

- 8.7 Title to loaned quantities shall be transferred to Customer and Customer shall be obligated to pay for each Dekatherm of such gas at a price equal to 150% of the average of the Gas Daily postings for the Midpoint Price for the Tennessee, zone 6 del. posting for the seven-Day period beginning three Days before the Day on which the loan occurred, in the event that any of the following situations occur:
- (a) Pipeline's operating conditions require Pipeline to notify Customer that deliveries of Customer's loaned quantities must be suspended or reduced, and Customer fails to comply with such notification; and/or
 - (b) Pipeline's operating conditions require Pipeline to notify Customer that all or a part of Customer's loaned quantities must be returned to Pipeline, and Customer fails to comply within the specified time frame; and/or

- (c) The PAL account reflects a balance at the termination date of the associated Exhibit A to the Customer's MNPAL Service Agreement or at the end of any mutually agreed upon extension of the termination date.

If Pipeline notifies Customer, pursuant to Sections 8.3 and/or 8.7(a) herein, that deliveries of Customer's loaned quantities must be suspended or reduced, only those quantities taken by the Customer in violation of the notification shall be transferred to Customer and Customer shall be obligated to pay for each Dekatherm of such gas at a price calculated as described in this Section 8.7. Pipeline shall credit the Fuel Retainage Quantity Deferred Account as provided in Section 20 of the GT&C, with the net proceeds from the operation of this Section 8.7.

9. GOVERNMENTAL AUTHORIZATIONS

Park and Loan Services under executed MNPAL Service Agreements shall be implemented pursuant to any applicable self-implementing authorization or program of the Commission for which Pipeline has filed or in which Pipeline has agreed to participate.

10. BALANCES

- 10.1 All MNPAL balance quantities reside at the Point of Transaction at which the original park or loan quantity was nominated, and must be resolved at that Point of Transaction by taking delivery of the park balance or returning the loan balance to Pipeline, as applicable. Balances incurred under this Rate Schedule MNPAL shall be resolved via in-kind balancing during the remaining term of the transaction, which term is specified in Exhibit(s) A to the Customer's MNPAL Service Agreement. Customer may resolve park and/or loan balances by transporting such balances between Points of Transaction. The transportation shall be accomplished by Customer's submission of a nomination under Customer's executed transportation Service Agreement and the subsequent scheduling and confirmation processes pursuant to Sections 5 and 6 of the GT&C.

Customer shall be required to reduce to zero each park and/or loan quantity of gas at each Point of Transaction no later than the termination date of the Exhibit(s) A to the Customer's MNPAL Service Agreement, or prior to any mutually agreed upon extension of that term, applicable to that quantity. Any balances remaining upon the termination date of the Exhibit(s) A to the Customer's MNPAL Service Agreement, or any mutually agreed upon extension of that term, shall be resolved in accordance with Sections 8.6 and 8.7, as applicable, of this Rate Schedule MNPAL.

Pipeline shall debit or credit, as appropriate, the Fuel Retainage Quantity Deferred Account as provided in Section 20 of the GT&C, with the net proceeds, from the operation of this Section 10.

- 10.2 If Customer's MNPAL account reflects a park balance at the termination date of the associated Exhibit A to Customer's MNPAL Service Agreement or at the end of any mutually agreed upon extension of the termination date, and the balance has not been resolved pursuant to Section 8.6(c) of this Rate Schedule MNPAL, the term of the transaction will be extended until the earlier of (i) such time as the balance is reduced to zero, or (ii) operating conditions require the removal of the balance pursuant to Section 8.6(c) of this Rate Schedule MNPAL. For any balance remaining beyond such agreed upon period set forth for an MNPAL transaction in Exhibit A of Customer's MNPAL Service Agreement, the applicable maximum rate(s) as set forth on the effective Statement of Rates for Rate Schedule MNPAL shall be applied on a daily basis until the balance is reduced to zero.

11. GENERAL TERMS AND CONDITIONS

The GT&C applies to this Rate Schedule and is made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or a Service Agreement under this Rate Schedule shall control.

RATE SCHEDULE MNTTT
TITLE TRANSFER TRACKING SERVICE

1. AVAILABILITY

- 1.1 This Open-access Rate Schedule is available to any party (hereinafter called "TTT Party") which has requested Title Transfer Tracking ("TTT") Service pursuant to Section 3 of Pipeline's General Terms and Conditions and, after review and acceptance of such Request by Pipeline, has entered into a Service Agreement with Pipeline for service under Rate Schedule MNTTT. Such Service Agreement shall be in the form contained in Pipeline's FERC Gas Tariff of which this Rate Schedule MNTTT is a part. In addition, this Rate Schedule is available to any Third Party Account Administrator ("3PAD") who has either (i) been designated as an agent for a TTT Party, or (ii) executed a Service Agreement with Pipeline for service under this Rate Schedule MNTTT. For the purposes of this rate schedule, the term "TTT Party" shall also refer to a 3PAD.
- 1.2 Title Transfer Tracking Service will be made available pursuant to the scheduling provisions of Sections 5 and 6 of the General Terms and Conditions of this FERC Gas Tariff, to any TTT Party that is willing and able to pay either the maximum rates hereunder or another rate to which Pipeline and TTT Party mutually agree, in accordance with the General Terms and Conditions. Pipeline is not required to provide any requested TTT service under this Rate Schedule for which Pipeline determines that administrative capability is not available, or that would interfere with Pipeline's performance of its firm service obligations.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to quantities of natural gas for which Pipeline provides TTT service on behalf of TTT Party, subject to an executed MNTTT Agreement that conforms to the form of Agreement contained in this Tariff. TTT service is an administrative service, under which Pipeline provides TTT Party with the ability to submit nominations for Title Transfer Tracking transactions at any receipt location on Pipeline's system, provided that the point is covered by an active Operational Balancing Agreement. These receipt locations shall be referred to in this Rate Schedule TTT as "TTT Points". Upon receipt of a nomination from the TTT Party, Pipeline will process the nomination at the TTT Point as directed by the TTT Party.
- 2.2 TTT Party or its customers must arrange for transportation service in accordance with Pipeline's FERC Gas Tariff under separate transportation Service Agreements (the "Subject Service Agreements"), for physical delivery of natural gas quantities subsequent to Title Transfers that are tracked pursuant to nominations under this Rate Schedule, or for additional TTT service under

separate TTT Service Agreements. This Rate Schedule does not entitle TTT Party to transportation service under Pipeline's FERC Gas Tariff separate from the entitlements under the Subject Service Agreements, nor does it entitle TTT Party to maintain imbalances on Pipeline's system.

- 2.3 Physical deliveries of the quantities of gas for which the title was tracked pursuant to this Rate Schedule shall be performed in accordance with provisions of the Subject Service Agreements and the terms of this FERC Gas Tariff. Quantities nominated under the TTT Service Agreement shall have the same scheduling priority as the Subject Service Agreement(s) used to physically transport the gas away from the TTT Point.
- 2.4 Nothing herein shall limit Pipeline's right to take action as may be required to adjust receipts of gas in order to alleviate conditions which threaten the integrity of its system, or the ability of Pipeline to transport firm quantities scheduled by any Customer, including actions taken pursuant to Sections 5 and 6 of the General Terms and Conditions.

3. RATES

The applicable recourse rates and charges for service provided to TTT Party under this Rate Schedule shall include those uniform rates set forth in the currently effective Statement of Rates for Rate Schedule MNTTT of this FERC Gas Tariff. These rates and charges are incorporated herein by reference. Unless Pipeline and TTT Party agree in writing upon a rate for service provided hereunder, the rate applicable to a TTT Party for service hereunder shall be the applicable maximum rate(s) set forth on the effective Statement of Rates for Rate Schedule MNTTT. In the event that Pipeline and Customer agree in writing to a rate pursuant to Section 24 of the General Terms and Conditions, Pipeline shall identify the rate on the applicable Statement of Negotiated Rates. Such negotiated rates shall be applicable for the period agreed upon by Pipeline and TTT Party.

4. MONTHLY BILL

- 4.1 For TTT service provided under this Rate Schedule, TTT Party shall pay Pipeline each Month the sum of the following:
 - A. TTT Service Charge. A charge for each transaction nominated and scheduled for TTT service;
 - B. Any other applicable rates, charges and penalties as set forth in the General Terms and Conditions of this FERC Gas Tariff.
- 4.2 Notwithstanding the general provisions of Sections 3 and 4.1, above, if Pipeline and TTT Party mutually agree to negotiated rates for service hereunder, then such

negotiated rates shall apply in lieu of the otherwise applicable charges identified in Section 4.1.A of this Rate Schedule.

5. TTT POINTS

Any physical receipt point located on Pipeline's system ("TTT Point"), provided that the point is covered by an active Operational Balancing Agreement, can be utilized for the nomination of TTT service. Pipeline will permit TTT Party to nominate Title Transfers of quantities of natural gas at any of the TTT Points, subject to the existence of adequate corresponding transportation rights under Subject Service Agreement(s) to transport the quantities away from the TTT Point.

Pipeline shall provide one meter identification number to correspond to each location at which Title Transfer Tracking services for that location can be effected. This meter identification will be used exclusively for nominations of transactions related to Title Transfer Tracking service on Pipeline's system. Pipeline shall post the meter identification numbers on its Internet Web site.

6. TITLE TRANSFER TRACKING PROCEDURES

6.1 General Procedure.

A. For any Day on which a TTT Party desires to utilize the TTT service to track a Title Transfer for TTT Party's account under this Rate Schedule, such TTT Party shall provide a nomination to Pipeline in accordance with Section 5 of the General Terms and Conditions, specifying:

- (1) the quantity of gas for which title is to be transferred,
- (2) the upstream party participating in the TTT transaction, and the upstream party's associated upstream contract identifier,
- (3) the downstream party participating in the TTT transaction, and the downstream party's associated downstream contract identifier,
- (4) the meter identification number that corresponds to the physical receipt location at which the TTT service is being performed, and
- (5) such other information as may be required by Pipeline to effect the TTT service.

B. When TTT Party's nomination is confirmed as required by the General Terms and Conditions and subject to the limitations set forth in this Rate Schedule, such quantity shall constitute a TTT Scheduled Quantity at that TTT Point.

6.2 TTT Party is required to ensure that quantities transferred to the transferee(s) of TTT Party and scheduled under a Subject Service Agreement or another TTT

Service Agreement equal the quantities received from TTT Party's transferor(s) at each TTT Point on each Day.

- 6.3 On or before the nomination deadlines applicable to Pipeline's service under the Subject Service Agreement(s), TTT Party shall provide nomination data to Pipeline consistent with the requirements of Section 5 of the General Terms and Conditions, for each of TTT Party's TTT Points. Pipeline shall confirm that the nomination data received from TTT Party is equivalent to valid nominations under another TTT Service Agreement(s) or under Subject Service Agreements that will physically transport the quantities away from the TTT Point(s). The quantities determined through this process shall be referred to as the "TTT Scheduled Quantities."
- 6.4 After confirmation and scheduling, any changes to TTT Scheduled Quantities shall be effective only if a corresponding nomination change has been made under a Subject Service Agreement and the change has been confirmed by Pipeline, the affected point operator(s) and any other affected TTT Party.
- 6.5 If any nominated service under a Subject Service Agreement fails to be scheduled for any reason, then Pipeline shall notify TTT Party, and TTT Party shall revise the nomination data on a prospective basis to reflect the revised TTT Quantities.
- 6.6 TTT Party shall make personnel available to Pipeline at all times, for purposes of the nomination and confirmations to be performed hereunder.
- 6.7 With respect to the TTT service, Maritimes shall be entitled to rely upon the information set forth in the nomination of a TTT Party made in accordance with Section 5 of the General Terms and Conditions, and Maritimes shall have no obligation to verify the accuracy of such information.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's FERC Gas Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. For purposes of the applicable General Terms and Conditions of Pipeline's FERC Gas Tariff, references to Customer shall refer to the TTT Party.

**RATE SCHEDULE MNTABS
TRANSPORTATION AGGREGATION BALANCING SERVICE**

1. AVAILABILITY

This Rate Schedule is available to any party (hereinafter called "the TABS Party") which has requested transportation aggregation balancing service ("TABS") pursuant to Section 3 of the General Terms and Conditions of Pipeline's Tariff and, after review and acceptance of such Request by Pipeline, has entered into a Service Agreement with Pipeline for service under this Rate Schedule MNTABS. Such Service Agreement shall be in the form contained in Pipeline's FERC Gas Tariff of which this Rate Schedule MNTABS is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Service hereunder is available on any Day during a Service Year. This Rate Schedule permits the TABS Party to assume the primary responsibility of matching the tender and receipt of Gas by Pipeline with scheduled quantities pursuant to a nomination under Pipeline's applicable transportation Rate Schedules. Deliveries into points identified on Pipeline's Internet Web site as available for service under Rate Schedule MNTABS ("TABS Point") can be made only by a nomination on the TABS Party's Service Agreement(s) under Rate Schedule MNTABS or by a nomination on the TABS Party's Service Agreement(s) under Rate Schedule MNPAL; receipts out of a TABS Point must be made on a transportation or park and loan Service Agreement(s) pursuant to transportation or park and loan Rate Schedule(s) contained in Pipeline's Tariff. In addition, the TABS Party assumes the responsibility of assuring compliance with all terms and conditions governing the receipt of Gas by Pipeline and Customer's obligations with respect thereto.

2.2 Pipeline shall permit the TABS Party to aggregate supply pursuant to this Rate Schedule MNTABS from any or all of the Point(s) of Receipt located on Pipeline's mainline system and/or on laterals in which service is not provided under Rate Schedule MNLFT within segments of Pipeline's system corresponding to the available TABS Point(s) identified on Pipeline's Internet Web site.

2.3 Pipeline shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide service to Customer pursuant to this Rate Schedule. Pipeline is free to contract at any time with other parties for new transportation services (whether firm or interruptible) without liability to Customer for any resulting interruption or reduction of service hereunder.

3. NOMINATIONS AND SCHEDULING

- 3.1 Nominations to deliver Gas into a TABS Point must be submitted by the TABS Party on such TABS Party's Service Agreement under Rate Schedule MNTABS or on such TABS Party's Service Agreement under Rate Schedule MNPAL in accordance with Sections 5 and 6 of the General Terms and Conditions of Pipeline's Tariff.
- 3.2 Nominations to receive Gas out of a TABS Point must be submitted by Customer using the Customer's transportation and/or park and loan Service Agreement(s) pursuant to transportation and/or park and loan Rate Schedule(s) contained in Pipeline's Tariff and shall be scheduled in accordance with Section 6 of the General Terms and Conditions of Pipeline's Tariff.
- 3.3 The TABS Party shall specify a ranking for each transaction nominated into and out of its TABS Point. In the event that Pipeline needs to balance quantities of Gas for any Gas Day to ensure that quantities of Gas scheduled into and out of the TABS Points are in balance ("force-balance"), Pipeline shall utilize the most recent rankings provided by TABS Party for such Gas Day; if the TABS Party did not provide such rankings for all affected transactions, Pipeline will reduce quantities of Gas on a prorate basis according to the nominated quantities for such Gas Day.

4. IMBALANCE RESOLUTION

- 4.1 Shippers may maintain an imbalance in their TABS pools throughout the Gas Day at the sole discretion of the Pipeline. Pipeline has the right to force-balance the TABS Party's TABS Point within a specified tolerance as determined by the Pipeline at any time during the Gas Day and/or at the end of the Gas Day. Customers will be notified of the reduction set forth above.
- 4.2 If an imbalance exists between quantities of Gas delivered into the TABS Point and the quantities of Gas delivered out of the TABS Point at any time during the Gas Day, the TABS Party shall, prior to the nomination deadline for the applicable NAESB standard cycle described in Section 5.4 of the General Terms and Conditions or the end of such Gas Day, as applicable, submit such nomination(s) as are necessary to adjust its scheduled quantities in order to ensure that the quantities of Gas scheduled into and out of the TABS Point under the TABS Party's Service Agreement for such Gas Day are balanced. Subject to Pipeline's approval, all or a portion of such imbalance quantity may be nominated as a park or a loan transaction. Without limiting Pipeline's right to force-balance as provided in Section 4.1, Pipeline shall also have the right to force-balance TABS Party's TABS Point during the applicable NAESB standard nomination cycle or at the end of the Gas Day in accordance with Section 3.2 of this Rate Schedule.

4.3 Any monthly imbalance remaining after the operation of this Section 4 will be resolved in accordance with Section 11 of the General Terms and Conditions.

5. RESERVATIONS

Pipeline reserves the right to take actions as may be required to preserve the integrity of Pipeline's system, including maintenance of service to other Customers. This MNTABS service is being offered in light of the single mainline transportation zone on Pipeline's system and the configuration of the system, and Pipeline reserves the right to make any changes to this service it deems necessary if there are changes in the future to mainline rate design or configuration.

6. GOVERNMENTAL AUTHORIZATIONS

Service under this Rate Schedule and effective Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Pipeline has filed or in which Pipeline has agreed to participate.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Pipeline's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the specific provisions of this Rate Schedule or a Service Agreement under this Rate Schedule shall control. For purposes of the applicable General Terms and Conditions of Pipeline's FERC Gas Tariff, references to Customer shall refer to the TABS Party.

GENERAL TERMS AND CONDITIONS INDEX

Description/Title

1. DEFINITIONS
2. ELECTRONIC COMMUNICATION
3. SERVICE REQUESTS AND CONTRACTING FOR SERVICE
4. ALLOCATION OF CAPACITY ENTITLEMENTS
5. SERVICE NOMINATION PROCEDURE
6. SERVICE SCHEDULING
7. INTERCONNECTING FACILITY GAS FLOW ALLOCATION METHODS
8. CURTAILMENT
9. CAPACITY RELEASE
10. ACTION ALERTS AND OPERATIONAL FLOW ORDERS
11. BALANCING
12. QUALITY OF GAS
13. PRESSURE
14. MEASUREMENT & MEASUREMENT EQUIPMENT
15. INVOICES AND PAYMENTS
16. TERMINATION FOR DEFAULT
17. POLICY ON FEES AND CONSTRUCTION OF NEW FACILITIES
18. POSSESSION OF GAS
19. WARRANTY OF TITLE TO GAS
20. FUEL RETAINAGE QUANTITY
21. ANNUAL CHARGE ADJUSTMENT CLAUSE
22. PERIODIC RATE ADJUSTMENTS
23. INITIAL RATE ADJUSTMENTS
24. NEGOTIATED RATES
25. STANDARDS OF CONDUCT COMPLIANCE PROCEDURES
26. FORCE MAJEURE
27. DISCOUNT TERMS
28. DISCRETIONARY WAIVERS
29. DESCRIPTIVE HEADINGS
30. GOVERNMENTAL REGULATIONS
31. REPORTS WITH RESPECT TO TARIFF
32. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB")
33. [RESERVED FOR FUTURE USE]
34. OFF-SYSTEM PIPELINE CAPACITY
35. ASSIGNMENTS
36. NONRECOURSE OBLIGATION OF LLC, MANAGING MEMBER AND OPERATOR
37. NON-CONFORMING SERVICE AGREEMENTS
38. PERMITTED SHARING OF NON-PUBLIC INFORMATION

1. **DEFINITIONS**

"Backhaul" shall mean movement of gas from a Point of Receipt to a Point of Delivery such that the contractual direction of movement on the mainline is at all times and at all points along the path in a direction opposite to the design flow of gas in the pipeline.

"Backstop Agreement" shall mean (i) that certain Agreement for Purchase of Unsubscribed Firm Capacity and Rate Agreement for Rate Schedule MN365 dated June 26, 1998, between Pipeline and Mobil Natural Gas Inc. and (ii) that certain Backstop Service Agreement for Rate Schedule MN365 dated June 26, 1998, between Pipeline and Mobil Natural Gas Inc., both of which were filed on January 22, 1999 with the Commission as part of Pipeline's amendment application in Docket No.CP96-809.

"British thermal unit (Btu)" shall mean the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 58.5° Fahrenheit to 59.5° Fahrenheit at a constant pressure of 14.73 dry psia.

"Business Day" shall mean Monday through Friday excluding Federal Banking Holidays for transactions in the U.S. and similar holidays for transactions occurring in Canada and Mexico.

"Cash-out Party" shall mean any Customer or other contractually liable entity who has an imbalance under any agreement with Pipeline, which imbalance will be resolved in accordance with Sections 11.1 through 11.6 of the General Terms and Conditions. For the purposes of Sections 11.1 through 11.6, the term "Cash-out Party" shall include the "Cash-out OBA Party."

"Cash-out OBA Party" shall mean any OBA Party who has executed an Operational Balancing Agreement which provides for the resolution of imbalances on such agreement pursuant to the imbalance resolution procedures (netting, trading and cash-out) set forth in Sections 11.1 through 11.6 of the General Terms and Conditions. If an OBA Party is not a Cash-out OBA Party, then notwithstanding anything to the contrary in the General Terms and Conditions, Sections 11.1 through 11.6 will not apply to such OBA Party.

"Commission" and "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory authority having jurisdiction over Pipeline under the Natural Gas Act or successor or replacement legislation.

"Company Use Gas" shall mean the amount of gas used for fuel, including compressor and heater fuel; gas used for maintenance; gas lost as a result of Force Majeure events, the ownership of which cannot be reasonably identified; and unaccounted for gas. Changes in Company Use Gas shall be tracked pursuant to GT&C Section 20.

"Contract Path" shall mean the firm transportation path defined by the daily contract capacity rights from the Primary Point of Receipt to the Primary Point of Delivery.

"CT" shall mean Central Clock Time, which includes the recognition of Daylight Savings Time, whereas "CST" shall mean Central Standard Time.

"Cubic Foot" shall mean the volume of gas which occupies one Cubic Foot of space, measured according to Boyle's and Charles' Law for the measurement of gas under varying pressures with deviation therefrom as provided in Section 14 of these GT&C and on the measurement basis likewise specified in Section 14.

"Customer" shall mean an entity that has executed a Service Agreement in the form contained in this Tariff, providing for the transportation of gas by Pipeline.

"Customer's MES Quantity" shall have the meaning provided in Section 9.2 of Rate Schedule MN365.

"Customer MES Reservation Quantity" shall mean the lower of a) the highest quantity of MES service nominated by Customer for the applicable Day that is processed through a LINK® System batch validation procedure and that meets the requirements of Section 9.3 of rate Schedule MN365 and 2) the Customer's MES Quantity for the Day.

"Date of Commencement of Service" shall mean the date on which Pipeline is ready, willing and able to provide service and all contractual conditions to the commencement of service have been satisfied.

"Day" or "Gas Day" shall mean 9 a.m. to 9 a.m. (Central Clock Time).

"Dekatherm" or "Dth" shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One "Dekatherm" of gas shall mean the quantity of gas which contains one Dekatherm of heat energy.

"Discount Confirmation" shall mean an electronic mail (e-mail) message sent by Pipeline to Customer to confirm the terms of the discount granted pursuant to Section 27 of the GT&C.

"Elapsed Prorata Capacity" shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.

"GT&C" shall mean the General Terms and Conditions of Pipeline's FERC Gas Tariff, as effective from time to time.

"Imbalance Management Services" shall mean the options available to Customers for resolution of imbalances prior to the application of the cash-out mechanism set forth in Section 11 of the General Terms and Conditions. These options include: TABS, Park and Loan, OBA (where applicable) and Imbalance Netting and Trading.

"Incremental Lateral" shall mean incremental pipeline facilities including a pipeline lateral and appurtenant facilities which extend from a point on Pipeline's existing mainline to a point of interconnection with the facilities of other parties for the benefit of only one or a limited number of customers.

"Intraday Nomination" shall mean a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day.

"Joule" shall mean the unit of energy in the metric system, equal to the work done by a force of 1 Newton with a displacement of 1 meter in the direction of the force.

"LINK® System" shall mean the LINK® Customer Interface System.

"Long Term Service Agreement" shall mean a Service Agreement with a primary term of one year or more from the effective date of the Service Agreement.

"Managing Member" shall mean M&N Management Company, LLC or such other entity as the Maritimes & Northeast Pipeline, L.L.C. may designate.

"Maritimes & Northeast Pipeline Limited Partnership" shall mean the New Brunswick Limited Partnership that will own the pipeline system extending from Country Harbour, Nova Scotia, Canada to the international border between Canada and the United States where it interconnects with Maritimes & Northeast Pipeline, L.L.C.

"Maximum Annual Transportation Quantity" and "MATQ" shall mean the maximum quantity of natural gas in Dth which Pipeline is willing to receive for transportation for the account of Customer during any Service Year at all Point(s) of Receipt specified in an effective Service Agreement, exclusive of any applicable Fuel Retainage Quantity. The MATQ under any Service Agreement that provides for an MATQ that is equal to 365 times the MDTQ shall be increased by 1/365 during any leap year. For all other agreements, the MATQ shall be increased during any leap year by an amount equal to the MATQ multiplied by the quotient derived by dividing the MDTQ by the MATQ.

"Maximum Daily Delivery Obligation" and "MDDO" shall mean the maximum quantity of gas Pipeline is obligated to deliver to Customer, or for Customer's account, on any given Day at a point of delivery as set forth in Customer's Service Agreement.

"Maximum Daily Receipt Obligation" and "MDRO" shall mean the maximum quantity of gas Pipeline is obligated to receive for Customer's account on any given Day at a Point of Receipt as set forth in Customer's Service Agreement, exclusive of any applicable Fuel Retainage Quantity.

"Maximum Daily Transportation Quantity" and "MDTQ" shall mean the maximum daily quantity of gas exclusive of the Pipeline's Fuel Retainage Quantity that (a) Customer may tender for transportation in the aggregate to all Points of Receipt, and (b) Pipeline is required to deliver to all Points of Delivery; provided, however, Pipeline shall not be obligated to deliver gas at rates in excess of a uniform hourly rate unless agreed to otherwise by Pipeline and Customer.

"Maximum Loaned Quantity" and "MLQ" shall mean the maximum quantity of gas permitted to be in Customer's account on any Day as Loan Service under Rate Schedule MNPAL.

"Maximum Parked Quantity" and "MPQ" shall mean the maximum quantity of gas permitted to be in Customer's account on any Day as Park Service under Rate Schedule MNPAL.

"Mcf" shall mean one thousand (1,000) cubic feet of gas.

"MMBtu" shall mean one million Btu. One MMBtu equals one Dekatherm.

"MN365 Design Capacity" shall have the meaning provided in Section 9.1 of Rate Schedule MN365.

"Month" shall mean the period beginning at 9:00 a.m. CT, on the first Day of a calendar Month, and ending at the same hour on the first Day of the next succeeding calendar Month.

"NEB" shall mean the Canadian National Energy Board.

"Netting" is the term used to describe the process of resolving imbalances for a Customer within an Operational Impact Area. There are two types of Netting:

- a. Summing is the accumulation of all imbalances above any applicable tolerances for a Customer or agent.
- b. Offsetting is the combination of positive and negative imbalances above any applicable tolerances for a Customer or agent.

For Pipeline, the definition in (a) above is applicable to the Imbalance Netting provisions set forth in Section 11.5 of the General Terms and Conditions.

"Nomination Period" shall mean a period of time that Customer includes in a nomination for gas service.

"OBA Party" shall mean the party that operates natural gas facilities which interconnect with Pipeline's facilities and who has executed an Operational Balancing Agreement with Pipeline.

"Operational Balancing Agreement" shall mean an agreement between Pipeline and an OBA Party that specifies the procedures to manage variances between scheduled quantities and actual quantities at an interconnection between the parties.

"Operational Impact Area" shall describe a Transportation Service Provider's designation of the largest possible area(s) on its system in which imbalances have a similar operational effect. For Pipeline, the entire pipeline system shall comprise a single Operational Impact Area.

"Operator" shall mean M&N Operating Company, LLC or such other entity as Maritimes & Northeast Pipeline, L.L.C. may designate.

"Pipeline" shall mean the Maritimes & Northeast Pipeline, L.L.C. The term "Pipeline" expressly excludes any of the individual members of Pipeline, and any entity with which any member is affiliated except for the Maritimes & Northeast Pipeline, L.L.C.

"Posted Point of Restriction" shall mean any point or segment on Pipeline's system for which Pipeline has posted on its Web site a reduction of scheduled capacity notice, a notice that the point or segment is scheduled at its capacity for the Day, or a notice of expected restrictions due to weather, operating conditions or maintenance.

"Primary Point of Delivery" shall mean a Point of Delivery specified in a Service Agreement under a firm transportation rate schedule, at which Pipeline has a firm MDDO.

"Primary Point of Receipt" shall mean a Point of Receipt specified in a Service Agreement under a firm transportation service rate schedule, at which Pipeline has a firm MDRO.

"Quick Response" shall mean the NAESB WGQ EDI/EDM response used to communicate validation errors/warnings to a transaction submitted via the corresponding NAESB WGQ EDI/EDM transaction.

"Rate Default" shall describe, for index-based capacity release transactions, the non-biddable rate specified in Releasing Customer's Notice to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor shall serve as the Rate Default.

"Rate Floor" shall describe, for index-based capacity release transactions, the lowest rate specified in Releasing Customer's Notice in dollars and cents that is acceptable to Releasing Customer. The Rate Floor may not be less than Pipeline's minimum reservation rate or zero cents where there is no stated minimum reservation rate.

"Request" shall mean a request for service which meets the requirements of Section 3 of the GT&C.

"Request Date" shall mean the date on which a Request is deemed valid under Section 3 of the GT&C.

"ROFR Agreement" shall mean (i) a firm Service Agreement under one of Pipeline's open-access rate schedules contracted for service for twelve (12) consecutive Months or more at the applicable maximum rate for that service; (ii) a firm Service Agreement under one of Pipeline's open-access rate schedules contracted for service for a term of more than one (1) year which is not available for twelve (12) consecutive Months; or (iii) a firm Service Agreement under one of Pipeline's open-access rate schedules that is subject to a negotiated or discounted rate agreement that Pipeline agrees, on a not unduly discriminatory basis, shall qualify as a ROFR Agreement, in which case such negotiated or discounted rate agreement shall expressly provide that the applicable firm Service Agreement qualifies as a ROFR Agreement.

"Service Agreement" shall mean the Service Agreement executed by the Customer and Pipeline or otherwise made effective and any exhibits, attachments and/or amendments thereto.

"Service Year" shall mean the period commencing on November 1 of any given calendar Year and ending the following October 31.

"Short Term Service Agreement" shall mean a Service Agreement with a primary term of less than one year from the effective date of the Service Agreement.

"System MES Percentage" shall have the meaning provided in Section 9.2 of Rate Schedule MN365.

"System MES Quantity" shall have the meaning provided in Section 9.1 of Rate Schedule MN365.

"Tariff" shall mean Pipeline's FERC Gas Tariff, including but not limited to Statements of Rates, rate schedules, General Terms and Conditions and forms of service agreement, as may be revised and effective from time to time.

"Third Party Account Administrator" or "3PAD" shall mean a Title Transfer Tracking Service Provider other than Pipeline.

"Title Transfer" shall mean the change of title to gas between parties at a location.

"Title Transfer Tracking" shall mean the process of accounting for the progression of title changes from party to party that does not effect a physical transfer of the gas.

"Title Transfer Tracking Service Provider" shall mean a party conducting the Title Transfer Tracking activity.

The terms "Tolls" and "Rates" as used in this Tariff and the Canadian tariff should be considered synonymous.

"Total Heating Value" shall mean the number of British Thermal Units produced by the complete combustion with air, of one dry Cubic Feet of gas at a constant pressure of 14.73 psia, and a temperature of 60 degrees Fahrenheit when the products of combustion are cooled to the initial temperature, and the water formed by combustion is condensed to the liquid state.

"Web site" shall mean Pipeline's HTML site accessible via the Internet's World Wide Web located at [http:// link.spectraenergy.com](http://link.spectraenergy.com).

2. ELECTRONIC COMMUNICATION

2.1. System Description

- (a) Pipeline provides for interactive electronic communications with its Customers and other parties through the LINK® Customer Interface System (hereinafter called the "LINK® System"). The LINK® System shall be available on a nondiscriminatory basis to any party (such party is referred to herein as the "LINK® System Subscriber"), provided that such party (i) has a currently effective Valid Service Agreement, has executed a LINK® System Agreement prior to March 11, 2009, or has executed a LINK® System Agreement electronically via the LINK® System on or after March 11, 2009, (ii) has established its business entity in the LINK® System by submitting Contact Information pursuant to Section 2.4(a) below, (iii) has designated a Local Security Administrator pursuant to Section 2.3 below, and (iv) if such party desires to transmit information to or receive information from Pipeline via electronic data interchange, has a trading partner agreement along with a related exhibit and worksheet (collectively referred to as the "Trading Partner Agreement") that was executed prior to September 1, 2013, or has requested and executed a Trading Partner Agreement electronically via the LINK® System on or after September 1, 2013. A party to a LINK® System Agreement or a Trading Partner Agreement is responsible for ensuring that the individual executing such agreement on its behalf has the appropriate authority. Use of the LINK® System by such individual is acknowledgement of that authority. Pipeline shall not be responsible for verifying the authority of an individual to execute a LINK® System Agreement or a Trading Partner Agreement on behalf of a party. For purposes of this Section 2 and the form of LINK® System Agreement only, a "Valid Service Agreement" includes any Service Agreement pursuant to any of Pipeline's Rate Schedules and/or a capacity release umbrella agreement.

For parties with a LINK® System Agreement dated prior to September 22, 2004, such LINK® System Agreement is hereby superseded by the provisions of this Section 2.

By accessing the LINK® System, LINK® System Subscriber agrees to comply with the procedures for access to and use of the LINK® System as set forth in this Section 2.

Pipeline reserves the right to implement enhancements to the LINK® System at its sole discretion; provided however, all such enhancements when fully operational shall be available to all LINK® System Subscribers. Pipeline will exercise due diligence to ensure the LINK® System operates correctly and will provide timely and non-discriminatory

access to on-line LINK® System help features and to any information available on the LINK® System that LINK® System Subscriber is entitled to access.

- (b) The LINK® System provides on-line help, a search function that permits a LINK® System Subscriber to locate information concerning a specific transaction, and menus that permit LINK® System Subscribers to separately access notices of available capacity, records in the transportation Request log, and standards of conduct information. The LINK® System will permit a LINK® System Subscriber to electronically download information on transactions from the LINK® System and to separate extremely large documents into smaller files prior to such download. Pipeline shall maintain and retain daily back-up records of the information displayed on the LINK® System and the Web site and through electronic data interchange for three years and shall permit LINK® System Subscriber to review those records upon request. Completed transactions will remain on the LINK® System for at least ninety Days after completion and will then be archived. Archived information will be made available by Pipeline if possible within two weeks after receipt of a Customer's request for such information. Information on the most recent entries will appear ahead of older information.
- (c) Customers' Notices pursuant to Section 9 of the General Terms and Conditions shall be submitted electronically and, in addition, posted electronically by the Customer via the LINK® System. Electronic communications may also be transmitted, where applicable, via electronic data interchange, which will be available on a nondiscriminatory basis to any LINK® System Subscriber, provided such LINK® System Subscriber has entered into a Trading Partner Agreement with Pipeline pursuant to Section 2.1(a) above. Specifically, a LINK® System Subscriber has the option of utilizing the LINK® System for purposes of:
- (1) requesting service under Pipeline's Rate Schedules set forth in Volume No. 1 of Pipeline's FERC Gas Tariff;
 - (2) executing, tracking and amending certain Service Agreements under Pipeline's rate schedules set forth in Volume No. 1 of Pipeline's FERC Gas Tariff;
 - (3) providing nominations and viewing allocations and operational imbalances under all rate schedules as a Customer of Pipeline pursuant to the applicable rate schedule and the General Terms and Conditions;
 - (4) exercising its rights as a Customer of Pipeline pursuant to Section 9 of the General Terms and Conditions or submitting a bid as a Replacement Customer of Pipeline under such section;

- (5) exercising its rights as a Customer of Pipeline pursuant to Section 9 of the General Terms and Conditions (which, if submitted utilizing the LINK® System, will be posted at that time) or submitting a bid as a Replacement or Prearranged Customer of Pipeline pursuant to such section, or posting a Capacity Request for capacity release pursuant to such section;
- (6) viewing and downloading operational data for any Gas Day on the second subsequent Gas Day;
- (7) viewing Pipeline's notice of an OFO as contemplated by Section 10 of the General Terms and Conditions;
- (8) effectuating Imbalance Netting and Trading pursuant to Sections 11.4 and 11.5 of the General Terms and Conditions;
- (9) requesting a discount of the maximum recourse rate(s) for service under Pipeline's Open-access Rate Schedules or viewing such discounts previously granted;
- (10) such other functions as may be available on the LINK® System from time to time; and
- (11) viewing a list of the holders of MNTABS Service Agreements.

2.2 Information. Pipeline shall post at least four times a day on the LINK® System and the Web site information relevant to the availability of firm and interruptible capacity at Points of Receipt, on the mainline, and at Points of Delivery. The LINK® System and the Web site will indicate whether the capacity is available from Pipeline directly or through Pipeline's capacity release mechanism as set forth in Section 9 of the General Terms and Conditions. The LINK® System and the Web site shall provide the best available information about imbalances on an hourly and a daily basis. The LINK® System and the Web site also include information allowed or required to be posted thereon by other provisions of the Tariff including Section 9, information that Pipeline is required to post pursuant to the Commission's regulations, or other information Pipeline chooses to post in furtherance of the operation of its system. Pipeline shall maintain on the LINK® System a Master Location List containing the following information for each Point of Receipt and Point of Delivery on Pipeline's system.

- (1) Name of the point;
- (2) Meter Number of the point;
- (3) Location (legal description) of the point;
- (4) Operator name and phone number to the extent available; and
- (5) Whether there is an Operational Balancing Agreement in effect at the point.

Such information shall be updated promptly whenever Point(s) of Receipt or Delivery are added to Pipeline's system.

2.3. Local Security Administrators

- (a) LINK® System Subscriber shall designate one or more persons to perform certain security functions on the LINK® System ("Local Security Administrator") by submitting for each such person the Local Security Administrator Designation information via the LINK® System using the applicable on-line form, as such form is amended from time to time in the LINK® System. LINK® System Subscriber shall update Local Security Administrator Designation information via the LINK® System as such information changes.
- (b) The Local Security Administrator shall, via the LINK® System, be responsible for (1) identifying those persons who are duly authorized by LINK® System Subscriber to use the LINK® System to perform one or more of the functions available on the LINK® System ("LINK® System User"); (2) providing LINK® System Users with individualized USERIDs and passwords; (3) maintaining LINK® System Users' account information; (4) adding and terminating LINK® System Users immediately upon a change in status requiring such addition or termination; (5) creating and modifying security rights for LINK® System Users; (6) approving or terminating Designation of Affiliated Companies information and Designation of Agency information pursuant to Sections 2.5 and 2.6, respectively; and (7) ensuring that USERIDs are used only as appropriate and as contemplated by these General Terms and Conditions and the LINK® System Agreement.
- (c) Pipeline shall be entitled to rely upon the representation of LINK® System Subscriber's Local Security Administrator that the LINK® System User(s) identified by the Local Security Administrator may (i) transmit information to Pipeline; (ii) view information posted on the LINK® System; and/or (iii) perform the LINK® System contracting function in accordance with the security rights granted by Local Security Administrator.

2.4. Authorized Use of LINK® System; Confidentiality

- (a) LINK® System Subscriber shall submit Contact Information to Pipeline via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System. In addition, LINK® System Subscriber shall be required to submit updated Contact Information to Pipeline via the LINK® System as such information changes. Such revised information shall supersede in its entirety any Contact Information previously submitted to Pipeline.

- (b) LINK® System Subscriber shall not disclose to persons other than Local Security Administrator and LINK® System Users that are employed by LINK® System Subscriber, or properly designated affiliates or agents of LINK® System Subscriber, and shall otherwise keep confidential, all USERIDs and passwords issued by Local Security Administrator. In addition, LINK® System Subscriber shall cause Local Security Administrator and LINK® System User(s) to refrain from disclosing to any other person, whether or not employed by LINK® System Subscriber, and shall otherwise keep confidential, the individualized USERID and password issued to each such LINK® System User.
- (c) LINK® System Subscriber shall be solely responsible for any unauthorized or otherwise improper use of USERIDs and passwords issued by or for its Local Security Administrator, including, but not limited to, the use of such USERIDs and passwords by LINK® System Users who are not within LINK® System Subscriber's employment or control.
- (d) Pipeline reserves the right to disable for due cause any USERID issued to any LINK® System User. Pipeline shall provide notice to LINK® System Subscriber, LINK® System User and/or Local Security Administrator, as applicable, at the time that the USERID is disabled by Pipeline. In addition, upon thirty (30) days prior notice to the LINK® System User and the Local Security Administrator, Pipeline will disable any USERID that has not been used to access the LINK® System for fifteen (15) consecutive months.
- (e) LINK® System Subscriber shall immediately notify Pipeline of the desire to delete a Local Security Administrator of LINK® System Subscriber by (i) e-mail to link-help@spectraenergy.com, or (ii) submission via the LINK® System using the applicable on-line form of revised Local Security Administrator Designation information for such Local Security Administrator indicating the desire for termination. Such revised information shall supersede in its entirety any Local Security Administrator Designation information previously submitted to Pipeline for such Local Security Administrator. LINK® System Subscriber shall be solely responsible for any unauthorized actions of Local Security Administrator due to LINK® System Subscriber's failure to so notify Pipeline of the need to delete such Local Security Administrator.
- (f) Pipeline warrants that, without the express consent of LINK® System Subscriber or as otherwise provided in this FERC Gas Tariff, no Pipeline employee or agent will disclose to any third party any non-public information regarding research performed through the use of the LINK® System by LINK® System Subscriber.

- (g) Any manual forms received by Pipeline prior to September 1, 2007 related to Contact Information, Designation of Agency, or Designation of Affiliated Companies, and any Local Security Administrator Designation Forms received by Pipeline prior to March 11, 2009, shall remain in full force and effect until the earlier of (i) termination by the LINK® System Subscriber or (ii) receipt of superseding information submitted pursuant to this Section 2.

2.5 LINK® System Subscriber; Affiliated Companies

- (a) If LINK® System Subscriber belongs to a group of affiliated companies and requires LINK® System access on behalf of one or more of said affiliates, LINK® System Subscriber (i) shall, or shall cause one of the affiliates of LINK® System Subscriber to, submit to Pipeline via the LINK® System the Designation of Affiliated Companies information, and (ii) shall cause all other parties included in the affiliation to approve the Designation of Affiliated Companies information via the LINK® System. The Designation of Affiliated Companies information shall be submitted and approved via the applicable on-line form, as such form is updated from time to time in the LINK® System. The submission pursuant to item (i) herein shall be deemed to be the submitting party's approval of the Designation of Affiliated Companies information.
- (b) When Designation of Affiliated Companies information changes, the LINK® System Subscriber shall cause revised Designation of Affiliated Companies information to be submitted and approved pursuant to Section 2.5(a) above. Such revised information shall supersede in its entirety any Designation of Affiliated Companies information previously submitted to Pipeline. LINK® System Subscriber warrants that access consistent with any Designation of Affiliated Companies information submitted and approved by LINK® System Subscriber and its affiliates in accordance with Section 2.5(a) above or manually submitted prior to September 1, 2007, pursuant to Section 2.4(g) above is appropriate and authorized. Determining the propriety of such access is the responsibility of LINK® System Subscriber and/or its affiliates, but Pipeline reserves the right to reject such Designation of Affiliated Companies information if it determines that granting such designation would violate any contractual, legal, or regulatory responsibility of Pipeline.
- (c) In order for LINK® System Users of LINK® System Subscriber to access the LINK® System on behalf of LINK® System Subscriber's affiliates designated pursuant Section 2.5(a) above, LINK® System Subscriber and each designated affiliate of LINK® System Subscriber must meet the

requirements of a LINK® System Subscriber set forth in Section 2.1(a) of these General Terms and Conditions.

- (d) It is the obligation of the LINK® System Subscriber to notify Pipeline via the LINK® System when a company affiliation terminates, either by (i) submitting a request to terminate a company affiliation via the applicable on-line form, as such form is updated from time to time in the LINK® System, or (ii) submitting and approving superseding Designation of Affiliated Companies information in accordance with Section 2.5(a). An affiliate may request a termination of the company affiliation by submitting such request via the LINK® System. A request to terminate a company affiliation will be processed by Pipeline without consent from the non-requesting party.

2.6. LINK® System Subscriber; Agency

- (a) If LINK® System Subscriber desires to designate one or more persons or entities to act as an agent on behalf of LINK® System Subscriber ("Agent"), then for each such Agent, the LINK® System Subscriber (i) shall, or shall cause the Agent to, submit to Pipeline via the LINK® System the Designation of Agency information specifying the rights granted to the Agent and (ii) shall cause the other party to the agency relationship to approve the Designation of Agency information. The Designation of Agency information shall be submitted and approved via the applicable on-line form, as such form is updated from time to time in the LINK® System. The submission pursuant to item (i) herein shall be deemed to be the submitting party's approval of the information. Pipeline may require that LINK® System Subscriber provide additional documentation to confirm that LINK® System Subscriber desires Agent to act on its behalf.
- (b) In order for LINK® System Users of an Agent designated pursuant to Section 2.6(a) above to access the LINK® System on behalf of LINK® System Subscriber, such Agent must meet the requirements of a LINK® System Subscriber set forth in Section 2.1(a) of these General Terms and Conditions.
- (c) Pipeline may accept and fully rely upon Designation of Agency information submitted and approved in accordance with Section 2.6(a) above or manually submitted prior to September 1, 2007, in accordance with Section 2.4(g) above. Pipeline may fully rely upon all communications received from and direction given by Agent with respect to all actions indicated in the approved Designation of Agency information for which Agent is authorized to act on behalf of LINK® System Subscriber. Pipeline may grant Agent access to LINK® System

Subscriber's data contained in the LINK® System as necessary to perform the functions identified in the approved Designation of Agency information. LINK® System Subscriber will defend, indemnify and hold harmless Pipeline from and against any and all claims, demands, liabilities and/or actions, and/or any and all resulting loss, costs, damages, and/or expenses (including court costs and reasonable attorney's fees) of any nature whatsoever, that may be asserted against or imposed upon Pipeline by any party associated with Pipeline's reliance on Designation of Agency information provided pursuant to this Section 2.6.

- (d) The rights specified in the approved Designation of Agency information having the latest commencement date shall supersede all prior rights granted by LINK® System Subscriber to Agent. In no event can an agency right granted to one Agent be simultaneously granted to another Agent.

It is the obligation of the LINK® System Subscriber to notify Pipeline when an agency relationship changes or terminates, either by (i) specifying a termination date in the approved Designation of Agency information, (ii) submitting a request to terminate an agency relationship via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System, or (iii) submitting and approving superseding Designation of Agency information in accordance with Section 2.6(a). The Agent may request a termination of the agency relationship by submitting such request via the LINK® System. A request to terminate an agency relationship will be processed by Pipeline without consent from the non-requesting party.

LINK® System Subscriber and Agent must re-approve existing Designation of Agency information via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System, on an annual basis. If, during this annual re-approval process, either the LINK® System Subscriber or the Agent desires a change to the Designation of Agency information, new Designation of Agency information must be submitted and approved in accordance with Section 2.6(a) above. Pipeline shall remove the security rights granted to all LINK® System Users of Agent pertaining to access granted by LINK® System Subscriber pursuant to the Designation of Agency information if LINK® System Subscriber and Agent do not re-approve the existing Designation of Agency information or submit and approve updated Designation of Agency information on an annual basis.

- (e) Agent is authorized to act on behalf of LINK® System Subscriber under any or all of LINK® System Subscriber's Service Agreements with Pipeline as such Service Agreements are effective from time to time, or

with respect to any or all meter locations as available from time to time, respectively, as specified in the Designation of Agency information, until LINK® System Subscriber properly notifies Pipeline that the agency relationship is terminated or superseded in accordance with Section 2.6(d). The designation of an Agent by a LINK® System Subscriber does not provide for an assignment of the rights and obligations of any Service Agreement between Pipeline and LINK® System Subscriber.

2.7. Liability

- (a) Pipeline shall not be liable to LINK® System Subscriber nor any other party in damages for any act, omission or circumstance related to the LINK® System occasioned by or in consequence of an event of Force Majeure as defined in Section 26 of these General Terms and Conditions, that is not within the control of Pipeline and which by the exercise of due diligence Pipeline is unable to prevent or overcome. To the extent the information displayed on the LINK® System is originated solely by Pipeline and such information is subsequently determined to be inaccurate, LINK® System Subscriber shall not be subject to any penalties otherwise collectable by Pipeline based on Customer conduct attributable to such inaccuracy during the period the inaccurate information was displayed on the LINK® System.
- (b) LINK® System Subscriber shall defend, indemnify and hold harmless Pipeline from and against any and all claims, demands and/or actions, and/or any and all resulting loss, costs, damages, and/or expenses (including court costs and reasonable attorney's fees) of any nature whatsoever, that may be asserted against or imposed upon Pipeline by any party as a result of the unauthorized or otherwise improper use of any USERID and/or password issued to or by LINK® System Subscriber and/or Local Security Administrator or any other unauthorized or improper use of the LINK® System by any LINK® System User or LINK® System Subscriber unless such improper use is the result of Pipeline's negligence or willful misconduct, including, but not limited to, distribution of USERIDs or passwords to persons that are not employed by, or agents or affiliates of, LINK® System Subscriber.

- 2.8 Electronic Mail (E-mail) Notification. For system-wide notices of general applicability, any provisions of this FERC Gas Tariff requiring that these matters be written or in writing are satisfied by Pipeline utilizing electronic transmission through the LINK® System in accordance with the procedures for utilization of the LINK® System or through electronic data interchange as provided for in Commission-approved or permitted data sets. Critical system-wide notices will be in a separate category from notices that are not critical. Pipeline will use electronic mail (e-mail) in order to facilitate certain notifications to Customers as

required by this FERC Gas Tariff. Customer shall provide Pipeline with at least one e-mail address to which these notifications can be sent, and shall be responsible for updating such information as necessary. In addition to the requirement specified in Sections 8 and 10 of these General Terms and Conditions to post notices on the LINK® System, Pipeline shall provide such notifications via e-mail communication to those Customers that have provided such e-mail address information and have requested, via the LINK® System, e-mail notification of critical notices issued by Pipeline. Customer shall be responsible for providing accurate e-mail notification information to Pipeline, including timely updates to such information as necessary. All other provisions, including Service Agreement-specific notices, requiring items or information to be written or in writing remain unchanged unless otherwise agreed by Pipeline and Customer.

- 2.9. Rights to LINK® System. Pipeline or an affiliate of Pipeline is the exclusive proprietor of the programming that generates the LINK® System and of all the copyrights and proprietary interests therein, except insofar as any third party (whose materials are made available in the files of the LINK® System under license to Pipeline or an affiliate of Pipeline) possesses a copyright or proprietary interest in such materials, but not of the files of and the information displayed on the LINK® System. A LINK® System Subscriber will not by virtue of this Section 2 or the executed LINK® System Agreement acquire any proprietary interests in the programming that generates the LINK® System.

3. SERVICE REQUESTS AND CONTRACTING FOR SERVICE

Specific requests for information concerning service(s) should be directed to:

Maritimes & Northeast Pipeline, L.L.C.
Attention: Marketing Department
P.O. Box 1642
Houston, Texas 77251-1642
Telephone: 1-800-827-LINK, or in Houston (713) 989-LINK

Pipeline shall provide the requested information orally, or in writing, as appropriate.

3.1 Requests for Service.

- (a) Persons desiring a new service or an amendment to existing service under one of Pipeline's Rate Schedules set forth in Volume No. 1 of Pipeline's FERC Gas Tariff or desiring to execute an Operational Balancing Agreement in the form contained in Pipeline's FERC Gas Tariff must be a LINK® System User pursuant to Section 2 of these General Terms and Conditions and must submit a Request for service electronically via the LINK® System.
- (b) A Request for a new service or an amendment to an existing service shall contain the information identified on the Request for Service Information List posted on Pipeline's public Web site, as such list may be amended from time to time. Requests to amend existing service that will affect a Customer's financial obligations to Pipeline, without regard to the impact of any applicable discount or negotiated rates, are referred to as Billing Amendments. Requests to amend existing service that will not affect a Customer's financial obligations to Pipeline, without regard to the impact of any applicable discount or negotiated rates, are referred to as Non-Billing Amendments. A Customer requesting a new service or an amendment to existing service shall also provide the following to Pipeline:
 - (1) Either at the time of the Request for new service or an amendment to existing service is submitted to Pipeline or at the time of execution of the Service Agreement, such other information (if any), in writing, as may be required to comply with regulatory reporting or filing requirements; and
 - (2) Within ten (10) Business Days of the submittal of the Request for new service or a Request for a Billing Amendment, any credit information required to be provided pursuant to Section 3.3 of the General Terms and Conditions.

- (c) Neither a Request for new service nor a Request that would result in a Billing Amendment shall be deemed to have been received by Pipeline until Customer has submitted such Request online via the LINK® System and Pipeline has received the information required or requested pursuant to this Section 3.1 and Section 3.3 of the General Terms and Conditions. A Request that would result in a Non-Billing Amendment shall be deemed to have been received on the date such Request is submitted in the LINK® System. If Pipeline requests additional information or assurance in accordance with this Section 3.1, and such additional information or assurance is received within ten (10) Business Days of Pipeline's Request, Customer's Request for service shall be deemed to have been received on the date on which Customer's additional financial information is received by Pipeline; otherwise, Customer's Request for service shall be rejected by Pipeline.
- (d) If Customer does not submit the information required in Section 3.1(b) above within the required timeframes, the Request for service shall be rejected by Pipeline. In addition, Pipeline shall reject any Request for service created in the LINK® System by Customer, but not submitted to Pipeline within ninety (90) days of Customer's creation of such Request.
- (e) Persons desiring service under Pipeline's Rate Schedule MNTABS are required to submit the information specified in Section 3.1(b) above to the extent applicable and necessary to effectuate such Request for service.

3.2 All firm transportation Requests shall be subject to the following conditions:

- (a) No Request for transportation from a Primary Point of Receipt or to a Primary Point of Delivery shall be considered valid or be granted if to do so would impair Pipeline's ability to render existing services pursuant to Pipeline's firm service rate schedules.
- (b) Subject to the provisions of (a) above, any amendment to any firm Service Agreement or exhibit to add or change Primary Point(s) of Receipt or Primary Point(s) of Delivery that requires additional capacity pursuant to an applicable firm rate schedule will be addressed in accordance with Sections 3.5 and 4.1(a) of these General Terms and Conditions.
- (c) In certain situations, Pipeline may use an accounting meter number to represent a physical location on its pipeline system. A Primary Point of Receipt and/or a Primary Point of Delivery identified on Customer's executed Service Agreement(s) may be designated in the LINK® System by means of an accounting meter number and description that differs from the physical meter number and description specified on the Service Agreement. The same rights and obligations exist for both Pipeline and

Customer regardless of whether a location is identified in Customer's executed Service Agreement by means of a physical meter number or an accounting meter number.

- 3.3 Execution of Service Agreement and Amendments. A Service Agreement and/or an amendment to an existing Service Agreement shall be executed, as specified in this Section 3.3, by Customer and Pipeline following the completion of the approval process.
- (a) All interruptible Service Agreements, all interruptible Service Agreement amendments, all Operational Balancing Agreements and all amendments to Operational Balancing Agreements that are executed in the form contained in this FERC Gas Tariff, all firm Service Agreements with a term of two (2) years or less, and all amendments for firm Service Agreements with a term of two (2) years or less shall be executed electronically via the LINK® System by Customer and Pipeline; any agreement that is executed in full utilizing electronic transmission through the LINK® System is a valid and enforceable contract that is binding on all parties. All firm Service Agreements with a term of more than two (2) years, all amendments to firm Service Agreements with a term of more than two (2) years, and all Operational Balancing Agreements and all amendments to Operational Balancing Agreements that are executed in a form other than the form contained in this FERC Gas Tariff shall be executed in writing. A Service Agreement shall be executed and, if executed in writing returned to Pipeline, within fifteen (15) days of the tender of a Service Agreement by Pipeline.
 - (b) For each of Pipeline's firm Rate Schedules, the Service Agreement executed in writing or electronically via the LINK® System, as applicable, by Customer and Pipeline, the Exhibit(s) executed by Customer and Pipeline, the applicable rate schedule, the General Terms and Conditions of this FERC Gas Tariff, and any applicable negotiated rate or discount agreement will comprise the entire agreement between Customer and Pipeline.
 - (c) For each of Pipeline's interruptible Rate Schedules, the Service Agreement executed electronically via the LINK® System by Customer and Pipeline, the Exhibit(s) executed by Customer and Pipeline, the applicable rate schedule, the General Terms and Conditions of this FERC Gas Tariff, and any applicable negotiated rate or discount agreement will comprise the entire agreement between Customer and Pipeline.
- 3.4 Extension of Service Agreements. Prior to the expiration of the term of a Part 284 Service Agreement and prior to Pipeline's posting the availability of capacity under Pipeline's Right of First Refusal provisions, if applicable, Pipeline and

Customer may mutually agree to an extension of the term of the Service Agreement (the exact length of which is to be negotiated on a case-by-case basis, in a not unduly discriminatory manner).

3.5 Prospective Sale of Available Capacity and Minimum Terms of Any Awards.

- (a) Unless otherwise agreed to by Pipeline, Customer may request available capacity for service to commence at a future date only within the following timeframes:
 - (1) For service with a primary contract term of less than ninety (90) Days, the requested service shall commence no later than five (5) Days from the date the capacity is awarded;
 - (2) For service with a primary contract term equal to or longer than ninety (90) Days but less than one (1) year, the requested service shall commence no later than thirty (30) Days from the date the capacity is awarded;
 - (3) For service with a primary contract term of one (1) year or longer, the requested service shall commence no later than one hundred and eighty (180) Days from the date the capacity is awarded.
- (b) Pipeline may consider, on a not unduly discriminatory basis, a request for firm service outside the time periods specified in Section 3.5(a) above, if the request involves any of the following circumstances:
 - (1) The request is for capacity pursuant to an open season initiated by Pipeline;
 - (2) The request involves capacity that is available due to the termination of an existing contract or the reduction of contracted volume under an existing contract; or
 - (3) The request involves the modification or construction of facilities or the issuance of any necessary certificate authorization.

In the event that Pipeline allows a variation from the time periods specified in Section 3.5(a) above, in accordance with the circumstances described in Sections 3.5(b)(1) through 3.5(b)(3) above or otherwise, the details of the variation will be included in the notice of the open season. In addition, unless otherwise agreed to by Pipeline, all awards of capacity must be for continuous service at a constant MDTQ and at maximum rates for the entire term of the service. Any deviations from the time periods

specified in Section 3.5(a) above shall only be done in a not unduly discriminatory manner consistent with Commission regulations.

3.6 [Reserved for Future Use]

3.7 Pipeline shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of Customer/Interconnecting Party's overall financial condition. Such credit appraisal and any further or ongoing credit appraisal as may be necessary shall be based upon the following information and criteria:

- (a) Customer/Interconnecting Party shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Customer/Interconnecting Party's financial status; a list of all corporate affiliates, parent companies and subsidiaries; and any reports from credit reporting and bond rating agencies which are available. Pipeline shall determine the acceptability of the Customer/Interconnecting Party's overall financial condition.
- (b) A Customer/Interconnecting Party requesting long-term firm transportation service with a primary term of over one (1) year must (i) demonstrate that the Customer's senior, unsecured non-credit enhanced long-term debt is rated by Moody's Investors Service, Inc. as Baa3 or higher, by Standard & Poor's BBB- or higher, by Dominion Bond Rating Service as BBB or higher, or by Canadian Bond Rating Service as B++ or higher; provided that, if such Customer's senior, unsecured, non-credit enhanced long-term debt is rated by two or more such agencies, at least two of the assigned ratings shall meet such credit standards; or (ii) provide a guarantee of payment by another entity whose senior unsecured, non-credit enhanced long-term debt meets the test in clause (i). A Customer requesting short-term firm transportation service with a primary term of one (1) year or less or interruptible service of any term and which does not meet the tests for long-term transportation service set forth above must provide a letter of credit, guaranty or other reasonable financial support commensurate with the term and type of service (firm or interruptible) requested, satisfactory to Pipeline, if requested by Pipeline.
- (c) If a Customer requesting long-term firm transportation service with a primary term of over one (1) year is not rated by a recognized rating agency, Customer must demonstrate an equivalent rating acceptable to Pipeline based on the financial rating methodology, criteria and ratios for the industry of the Customer as published by the above rating agencies from time to time.

- (d) Customer/Interconnecting Party shall confirm in writing that neither Customer nor (if applicable) Customer's guarantor is operating under any chapter of the bankruptcy laws or is subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception may be made upon Pipeline's approval for a Customer or (if applicable) Customer's guarantor who is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction.
 - (e) Customer/Interconnecting Party shall confirm at the time of the Request in writing for the benefit of Pipeline that Customer is not aware of any change in business conditions which would cause a substantial deterioration in its or (if applicable) its guarantors financial condition, a condition of insolvency, or the inability to exist as an ongoing business entity.
 - (f) Customer/Interconnecting Party with an ongoing business relationship with Pipeline shall have no delinquent balances outstanding for services made previously by Pipeline, and each Customer must have (i) paid its account according to the established terms and (ii) not made deductions or withheld payment for claims not authorized by contract.
 - (g) Customer/Interconnecting Party shall confirm at the time of the Request in writing for the benefit of Pipeline that no significant claims, lawsuits, or judgments are outstanding which would materially affect Customer's or (if applicable) its guarantor's ability to remain solvent as a business entity.
- 3.8 Upon notification by Pipeline that Customer/Interconnecting Party has failed to satisfy the credit criteria for a Long Term Service Agreement, or subsequently during the term of a Long Term Service Agreement if Customer no longer satisfies such credit criteria in which case Customer shall notify Pipeline that Customer or (if applicable) Customer's guarantor fails to continue to satisfy the credit criteria set forth in Section 3.7, immediately upon becoming aware of such failure, such Customer may still obtain credit approval by Pipeline if it elects to provide one of the following:
- (a) an advance deposit in the amount specified below;
 - (b) a standby irrevocable letter of credit from a financial institution acceptable to the Pipeline in the amount specified below;
 - (c) security interest in collateral satisfactory to Pipeline; or

- (d) a guaranty, acceptable to Pipeline, by another person or entity which satisfies the credit appraisal criteria set forth in Section 3.7.

If Customer/Interconnecting Party provides an advance deposit or other credit instrument and then subsequently satisfies or obtains a guaranty from an entity that satisfies the credit criteria set forth in Section 3.7, Pipeline shall return to Customer/Interconnecting Party any such advance deposit or credit instrument with interest where applicable at the same rate as prescribed for pipeline refunds as set forth in Section 154.501(d) of the Commission's Regulations under the Natural Gas Act.

The advance deposit or standby irrevocable letter of credit should at all times equal the amount equal to twelve (12) Months of transportation at a 100% load factor of the requested MDTQ at the maximum applicable unit rate hereunder. Customer/Interconnecting Party shall continue to provide such advance deposit or letter of credit for a period of twelve (12) Months following the termination of service, unless Customer/Interconnecting Party pays all of the amounts of any invoices for service as reasonably determined by Pipeline prior to that time. If security or a deposit is not tendered in a timely manner as reasonably determined by Pipeline, then Pipeline is not required to continue service. If Customer/Interconnecting Party or (if applicable) Customer's guarantor is unable to maintain credit approval by satisfying the requirements of Section 3.7 or Section 3.8 as applicable, the executed Service Agreement shall terminate as of the first Day of the Month following written notice from Pipeline to Customer/Interconnecting Party.

- 3.9 It is a condition precedent to project financing that Pipeline enter into firm Service Agreements for a minimum quantity of capacity with Customers (or assignees or Replacement Customers) that meet the credit criteria in Section 3.7(b) or 3.7(c) above.

4. ALLOCATION OF CAPACITY ENTITLEMENTS

4.1 Pipeline will allocate available firm pipeline capacity in accordance with the terms and conditions set forth in this Section 4..

(a) Open Season for Available Capacity.

- (1) Upon receipt of a valid request for firm service pursuant to Section 3.5 with a term greater than thirty (30) Days for which Pipeline determines capacity is available to satisfy any such request, Pipeline shall post notices for solicitation of bids in an open season for service to start immediately or in the future. For valid requests for firm service pursuant to Section 3.5 with a term of thirty (30) Days or less for which Pipeline determines capacity is available to satisfy any such request, Pipeline shall have the right, but shall not be obligated, to post notices for solicitation of bids in an open season on such capacity. In addition, Pipeline shall post notices for solicitation of bids in an open season for significant mainline or lateral capacity expansion projects on its system; provided, however, that an open season shall not be required for minor or auxiliary facilities, additions of receipt and/or delivery facilities or facility modifications which do not significantly alter the operational characteristics of the pipeline system.
- (2) For any open season conducted pursuant to this Section 4.1(a) for service with a term of less than ninety (90) Days, the open season will be conducted for a minimum of one (1) Business Day. For an open season under this Section 4.1(a) for service with a term equal to or greater than ninety (90) Days that is not otherwise associated with an expansion project, the open season will be conducted for a minimum of (i) five (5) Business Days from the posting of the notice of request for service for the capacity or (ii) seven (7) Business Days from the date the capacity in question was first posted as being available for contracting, whichever is the later calendar date. In no event shall the open season be for a period greater than one (1) calendar month. All open seasons shall end at 2:00 p.m. CT not less than one (1) Business Day prior to the date service would be available. The open season may include generally available unsubscribed capacity; capacity under expiring or terminating Service Agreements, to the extent such agreements do not have a right of first refusal or the subject Customer does not exercise the right of first refusal; and/or capacity resulting from one or more expansion projects. Pipeline will post available capacity on the LINK® System before it provides such information to any potential customer.

- (3) The open season notice will include the following information:
- (i) the location of the capacity or proposed expansion;
 - (ii) the total quantity, unless such quantity is not known or knowable;
 - (iii) the date capacity is available or proposed to be available; and
 - (iv) the dates on which the open season begins and ends.

Pipeline will attempt to structure any such open season posting pursuant to this Section 4.1(a) so as not to identify specifically the Customer or potential customer submitting the request and/or the specific location of the market(s) to be served.

- (4) Bidders who desire service to be provided in whole or in part by the capacity posted pursuant to this Section 4.1(a) must submit bids for such capacity in accordance with the instructions in the open season notice. To be a valid bid, a bid must comply with the bid requirements set forth in Section 4.1(a)(5) below.
- (5) To be a valid bid, the bidder must provide all information and data required by Sections 3.1, 3.7 and 3.8 of these General Terms and Conditions. Pipeline reserves the right to reject any bid that (i) is less than the applicable maximum rate, (ii) may adversely affect the operational integrity of Pipeline's system, (iii) does not satisfy all the terms of the applicable posting, and/or (iv) that contains terms and conditions other than those provided for in Pipeline's FERC Gas Tariff. If Pipeline rejects any request for available capacity posted pursuant to this Section 4.1(a), Pipeline will notify the bidder via e-mail of its reason(s) for such rejection.
- (6) All requests received during an open season for existing capacity remain binding on the requesting party through the end of the open season, unless withdrawn by the requesting party prior to the close of the open season; provided, however, a requesting party may withdraw its previous request and submit a request with a higher net present value during the open season, but neither the requesting party nor an affiliate thereof may submit a request with a lower net present value during the open season.
- (7) Determination of the Best Bid. At the close of the bidding period for any open season held pursuant to this Section 4.1(a), Pipeline shall select from among all valid bids the "best bid," as determined pursuant to this Section 4.1(a)(7). Pipeline shall review all bids

received from bidders that have not been rejected by Pipeline pursuant to Section 4.1(a)(5) above, to determine which bid is the "best bid." For purposes of this Section 4.1(a), the "best bid" shall be the bid which yields to Pipeline the highest net present value. Net present value shall be calculated on the basis of the present value of the Reservation Charge per unit to Pipeline except that under a negotiated rate agreement with a minimum quantity, the net present value evaluation shall also include the fixed cost component of the usage revenue at the minimum quantity. In making the determination of net present value, Pipeline shall apply the rate, as of the date of the review, stated in accordance with Section 154.501(d) of the Commission's Regulations, to all bids. In determining the highest net present value in connection with a Customer paying a negotiated rate higher than the applicable maximum rate, such negotiated rate Customer paying a rate higher than the applicable maximum rate will be deemed to be paying a rate equal to the applicable maximum rate.

In determining the "best bid," any request to add or change a Primary Point of Receipt and/or Primary Point of Delivery will be considered to have a net present value of zero (0) when comparing such requests to other requests for service and awarding capacity unless the Customer has agreed in conjunction with its request to (i) increase its MDTQ, (ii) increase the rate Customer is currently paying to Pipeline, if such rate is less than the applicable maximum rate, and/or (iii) extend the term of its firm Service Agreement in which case Pipeline shall consider the terms of such MDTQ increase, rate increase and/or contract extension when calculating the net present value. In the event that a request to add or change a Primary Point of Receipt and/or a Primary Point of Delivery results in a bid(s) that yields a net present value that is greater than zero ("Positive NPV Bid"), Pipeline shall award the capacity to the bid which yields to Pipeline the highest net present value. In the event that no Positive NPV Bid(s) is received by Pipeline or point capacity remains after Pipeline has awarded capacity to or among the Positive NPV Bid(s), Pipeline shall award the remaining point capacity to the firm Customer whose request to change its primary point(s) was received first-in-time by Pipeline.

If the winning bid is submitted by the requesting party and the requesting party has complied with the requirements of Sections 3.1, 3.8 and 3.9 of these General Terms and Conditions, such winning bid shall be binding on the requesting party and a Service Agreement shall be executed pursuant to the requirements of Section 3.3 of these General Terms and Conditions. In the event

Customer does not execute the Service Agreement pursuant to Section 3.3, Customer shall nonetheless be bound by the terms of its winning bid and the provisions of such Service Agreement as though it had been fully executed.

In the event the winning bidder is not the requesting party, the winning bidder must submit a request for service and the winning bidder shall be required to comply with the provisions of Section 3 of the General Terms and Conditions; if the winning bidder does not execute the Service Agreement as required by Section 3.3, such winning bidder shall nonetheless be bound by the terms of its winning bid and the provisions of such Service Agreement as though it had been fully executed. If Pipeline is unable to approve the winning bidder's request for service, the capacity shall be awarded to the party that submits the next highest bid for the posted capacity, subject to the requirements of Sections 3.8 and 3.9, unless, within one (1) Business Day of notification of the award of capacity, such party provides Pipeline with written notification that it rejects such award.

- (8) In the event Pipeline receives two (2) or more bids that qualify as the "best bid" (i.e., two (2) or more bids that produce an equivalent net present value), capacity subject to the open season will be allocated between or among such requests pro rata based on the MDTQ requested; provided, however, if one or more party(ies) is offered capacity on a prorata basis pursuant to this Section 4.1(a)(8) and any party declines, by notifying Pipeline via the LINK® System within one (1) Business Day, to enter into a Service Agreement for such capacity, such party's request shall be rejected by Pipeline and the capacity will be reallocated among any remaining requests which produce an equivalent net present value.
- (9) Within twenty-four (24) hours after an award of capacity under this Section 4.1(a), Pipeline shall post on the LINK® System the best bid(s), showing the net present value for such best bid(s). In the event the best bid is a discounted rate that is less than the applicable maximum tariff rate and Pipeline accepts a bid at less than the maximum rate as the winning bid, then the bidder must submit a discount request online via the LINK® System and Pipeline must approve such discount request pursuant to the provisions of Section 27 of these General Terms and Conditions in order for such rate to become effective.
- (10) To the extent Pipeline has (i) available capacity or (ii) capacity under expiring or terminating Service Agreements where such

capacity is not subject to a right of first refusal or shipper does not exercise its right of first refusal, Pipeline reserves the right, but shall not be obligated, to reserve such capacity for a future expansion project. Pipeline may reserve capacity for a future expansion project for which an open season has been held or will be held within twelve (12) months of the date that Pipeline posts such capacity as being reserved. Any capacity reserved pursuant to this Section 4.1(a)(10) must first be posted as available capacity on Pipeline's Web Site for at least five (5) Business Days. Any minimum terms and conditions imposed in an open season for capacity to be reserved must not materially differ so as to be more restrictive than the terms and conditions imposed in the expansion project open season. In the event that a subsequent expansion project open season imposes minimum terms and conditions that are materially different from the minimum terms and conditions imposed for the reserved capacity open season, Pipeline shall hold another open season for the reserved capacity that uses the same minimum terms and conditions as were imposed for the expansion project open season. Any capacity reserved under this Section 4.1(a)(10) may be reserved for up to twelve (12) months prior to the time Pipeline files for certificate approval for proposed construction of a related project and thereafter until all expansion facilities are placed into service. Any capacity reserved under this Section 4.1(a)(10) shall be made available, pursuant to the provisions of Section 4.1(b) of these General Terms and Conditions, for transportation service on an interim basis up to, but not including, the in-service date of the related expansion project(s). For such interim service, Pipeline reserves the right to limit any Customer's renewal rights that might otherwise apply to such service, including Customer's right of first refusal, if applicable. Any capacity reserved for a future expansion project that does not go forward for any reason shall be reposted as generally available within thirty (30) days of the date the capacity becomes available.

- (b) Interim Service. Capacity that is under contract for a future period pursuant to Section 3.5(b), Section 4.1(a)(10) or this Section 4.1(b) may be made available on an interim basis up to the service commencement date of such contract for a future period ("Interim Capacity") and will be sold pursuant to the provisions of Section 4.1(a) above. The availability of Interim Capacity, including any limitations on the renewal rights for such capacity, will be posted on Pipeline's LINK® System in accordance with Section 4.1(a)(3) above. Any party desiring to submit a bid for such Interim Capacity must submit its bid online via the LINK® System in accordance with the provisions of Sections 4.1(a)(4) and 4.1(a)(5) above.

Such Interim Capacity shall be available for bidding for at least one (1) Business Day, as set forth in Section 4.1(a)(2) above. Pipeline shall award the Interim Capacity and post a notice of the winning bid(s) on the LINK® System, in accordance with Sections 4.1(a)(7) through 4.1(a)(9). The right of first refusal will not be applicable to any Service Agreement entered into pursuant to this Section 4.1(b).

4.2 PREGRANTED ABANDONMENT AND RIGHT OF FIRST REFUSAL

Except as provided below in this Section 4.2, Pipeline shall have all necessary abandonment authorizations under the Natural Gas Act upon the (i) expiration of the contractual term, or (ii) the partial reduction of MDTQ levels pursuant to either any contractual right for such reduction or a right of first refusal under this Section 4.2, or (iii) upon termination of the Service Agreement under an open-access rate schedule.

At the time that Customer provides to Pipeline a notice to terminate all or a portion of a ROFR Agreement pursuant to the applicable provision of such agreement, or at any time during the right of first refusal process set forth in this Section 4.2, Customer may, at its sole option, notify Pipeline that it shall not exercise its right to match the “best bid(s)” as determined pursuant to Section 4.2(e) herein. In the event that such notice is provided by Customer prior to the date on which the capacity is posted pursuant to Section 4.2(b) below, the right of first refusal process shall not be applicable to such capacity and the capacity shall be posted on Pipeline’s Informational Postings Website as available capacity and marketed pursuant to Section 4.1 of these General Terms and Conditions. If such notice is provided by Customer subsequent to the posting of the ROFR capacity and prior to the deadline for the submission of bids, as set forth in Sections 4.2(b) and 4.2(c), respectively, the right of first refusal process will continue to be applicable to such capacity, but Customer shall not have the right to match the best bid(s).

- (a) If Customer satisfies the bid matching requirements of this Section 4.2, such Customer may retain its capacity with respect to any capacity under a Service Agreement which qualifies as a ROFR Agreement and which is to be unsubscribed as a result of (i) the expiration of the contractual term, (ii) the partial reduction of MDTQ levels, either pursuant to any contractual right for such reduction or pursuant to this Section 4.2, or (iii) the termination by either Customer or Pipeline of the Service Agreement in a manner consistent with the provisions of the Service Agreement and applicable provisions of the Tariff, and continue to receive firm service under a new Service Agreement.
- (b) Eleven (11) months prior to the effective date of the partial reduction of MDTQ levels pursuant to a ROFR Agreement or the termination of a

ROFR Agreement, Pipeline shall post on the LINK® System and the Web site the following information:

- (1) the specific quantity available under the Service Agreement to be terminated,
 - (2) the applicable Primary Point(s) of Receipt and Primary Point(s) of Delivery,
 - (3) the date of expiration, and
 - (4) the current maximum recourse rate applicable to the Service Agreement to be terminated.
- (c) Any party that desires service to be provided in whole or in part by the capacity posted pursuant to Section 4.2(b) ("ROFR Bidder") must submit bids online via the LINK® System for such capacity as described in the applicable posting no later than the last Day of the fourth Month following the Month in which Pipeline posts an applicable notice pursuant to Section 4.2(b). To be a valid bid, a bid must comply with the bid requirements set forth in Section 4.2(d). At the close of such bidding period, Pipeline shall select among the valid bids the "best bid(s)", as determined pursuant to Section 4.2(e), and shall relay the relevant terms of such "best bid(s)" to the Customer whose capacity has been posted pursuant to Section 4.2(b) within 3 Business Days of the close of such bidding period. If Customer elects to match, as determined by Section 4.2(f), the "best bid(s)", the Customer shall notify Pipeline of such election online via the LINK® System and shall be entitled to retain its capacity and continue to receive firm service under a new Service Agreement which reflects the matching of the relevant contractual provisions of the "best bid(s)". If Customer does not match the "best bid(s)", then Customer's right of first refusal for the capacity shall terminate and Pipeline shall have all necessary abandonment authorization under the Natural Gas Act. In the event there is no "best bid(s)" for Customer to match, Section 4.2(g) shall determine whether Customer shall be entitled to retain its capacity and continue to receive service.
- (d) To be a valid bid, the ROFR Bidder must provide all information and data required by Sections 3.1 and 3.7 of the GT&C. Pipeline may reject all bids which would require Pipeline to discount below a specified rate and/or for a discount period not agreeable to Pipeline. If Pipeline rejects any bid(s) submitted pursuant to this Section 4.2, Pipeline will notify the ROFR Bidder(s) via email of the reason(s) for such rejection. In the event Pipeline agrees to accept such a discounted rate that is less than the applicable maximum tariff rate, Customer must submit a discount request online via the LINK® System and Pipeline must approve such request pursuant to the provisions of Section 27 of the GT&C in order for such rate to become effective.

- (e) Pipeline shall review all bids from Bidders received pursuant to Section 4.2(c), which have not been rejected by Pipeline, to determine which bid is the "best bid(s)". For purposes of this Section 4.2, the "best bid(s)" shall be the bid(s) which yields to Pipeline the highest net present value. Net present value shall be calculated on the basis of the present value of the Reservation Charge per unit to Pipeline, except that under a negotiated rate agreement with a minimum quantity, the net present value evaluation shall also include the fixed cost component of the usage revenue at the minimum quantity. In making the determination of net present value, Pipeline shall apply the interest rate, as of the date of the review, stated in accordance with Section 154.501(d) of the Commission's regulations, to all bids.
- (f) Upon receipt from Pipeline of the "best bid(s)", Customer shall have the right for a thirty (30) Day period to notify Pipeline online via the LINK® System that Customer is willing to match the "best bid(s)" for the capacity in whole or in part, made available by (i) the termination of such ROFR Agreement, (ii) expiration of the contract term by its own terms, or (iii) partial reduction pursuant to contractual right or the reduction of the MDTQ level pursuant to a right of first refusal. Failure to submit a matching bid pursuant to this subsection (f) constitutes a non-revocable waiver of Customer's right to match the "best bid(s)" and termination of the right of first refusal for the capacity and Pipeline shall have all necessary abandonment authorization under the Natural Gas Act. In order to match the "best bid(s)", Customer must agree to a rate, up to the maximum rate, and contract term that provide Pipeline with at least the same net present value, for an equivalent amount of capacity, as the valid "best bid(s)" submitted by the ROFR Bidder(s); provided, however, the maximum rate a Customer must match is the maximum rate Pipeline can charge for delivery to the Customer's Point(s) of Delivery under the ROFR Agreement which is subject to the Customer's right to match the "best bid". Notwithstanding any provision of this Section 4.2(f), Pipeline shall not be obligated to accept any matching bid by the Customer that includes a rate that is lower than the rate set forth in the best bid or, if applicable, the minimum rate established by Pipeline in accordance with Section 4.2(d).
- (g) In the event Pipeline does not receive any bids pursuant to Section 4.2(c) or Pipeline rejects all bids received due to the fact that such bids were premised on rate discount levels or rate discount periods unacceptable to Pipeline, Pipeline and Customer may mutually agree upon the terms and conditions under which Customer shall be entitled to retain its capacity and continue to receive service. In no event shall Pipeline and Customer agree upon terms which yield to Pipeline a net present value less than any

bid received pursuant to Section 4.2(c) and rejected by Pipeline, and in no event shall Pipeline be obligated to sell capacity at less than the maximum lawful price for such capacity. In the event Pipeline and Customer have not reached agreement on the terms and conditions under which service will be extended, at Customer's election, such election to be exercised prior to the date which is five months before the termination date, Pipeline shall tender and Customer shall execute, within 20 Days of receipt, a new Service Agreement reflecting service for all or part of the contractual quantity, so long as such Customer agrees to pay the maximum rate; provided, however, if Pipeline and Customer mutually agree to a lower rate which yields to Pipeline a net present value equal to or greater than any bid received pursuant to Section 4.3 and rejected by Pipeline, the Customer does not have to pay the maximum rate to retain the capacity. The new Service Agreement must meet all the requirements of the definition of ROFR Agreement for Customer to continue to have the right of first refusal pursuant to Section 4.2.

- (h) In the event Pipeline and Customer do not execute a new Service Agreement pursuant to the provisions of this Section 4.2, Pipeline shall have all necessary pregranted abandonment authorization as to any part of the contractual quantity which is not covered by a new Service Agreement.

- 4.3 Capacity which is not subject to the right of first refusal claim pursuant to Section 4.2 shall be posted as available capacity on Pipeline's Website and shall be marketed in accordance with Section 4.1 of Pipeline's GT&C.

5. SERVICE NOMINATION PROCEDURE

- 5.1 Customer shall furnish or cause to be furnished to Pipeline via the LINK® System, unless another method of submittal has been mutually agreed upon by Customer and Pipeline, nominations showing the quantity of Gas to be received and delivered by Pipeline, by individual Point of Receipt and individual Point of Delivery, for each Day of the Nomination Period as required below:
- (a) Such nomination shall reflect Customer's contract number; Customer defined beginning and ending dates of the period for which the deliveries are desired, provided the nomination beginning and ending dates are within the term of Customer's contract; the Quantity of Gas to be received, including Fuel Retainage Quantity and other fuel where applicable, at each Point of Receipt; the Quantity of Gas to be delivered at each Point of Delivery on Pipeline; and whether Customer elects to pay the applicable maximum recourse rate in accordance with Sections 6.1(d) and 8.2 of these General Terms and Conditions. All nominations excluding Intraday Nominations shall have roll-over options. Customers shall have the right to nominate for several Days, Months or Years, provided the nomination begin and end dates are within the term of Customer's Service Agreement. All nominations, including Intraday Nominations, shall be based on a daily quantity; thus an intraday nominator need not submit an hourly nomination. Intraday Nominations shall include an effective date and time. The interconnected parties shall agree on the hourly flows of the Intraday Nomination. To the extent Customer desires to change its nomination for any Day(s) within the Nomination Period, Customer must submit a new nomination for such Day(s). When a nomination for a date range is received, each Day within that range is considered 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 the range of the subsequent nomination are unaffected. Nominations have a prospective effect only. A nomination made through electronic data interchange shall include all mandatory Commission-approved data elements.
 - (b) The sum of the Quantities nominated at Point(s) of Receipt less applicable Fuel Retainage Quantities shall equal the sum of the Quantities of Gas nominated at Point(s) of Delivery during the Month. In addition, the Quantity of Gas nominated at each Primary Point(s) of Receipt shall not exceed the MDRO plus applicable Fuel Retainage Quantity, and the Quantity of Gas nominated at each Primary Point of Delivery shall not exceed the MDDO.

5.2 Initial Nominations. The nomination of deliveries under all rate schedules to commence on the first Day of any Nomination Period shall be submitted to Pipeline no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to Pipeline, prior to the first Day of the Nomination Period. Such nomination shall specify the quantity to be scheduled for each Day of the Nomination Period.

Pipeline shall support the following standard nomination cycle (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17):

The Timely Nomination Cycle
On the day prior to gas flow:

1:00 p.m.	Nominations leave control of the Customer;
1:15 p.m.	Nominations are received by Pipeline (including from Title Transfer Tracking Service Providers (TTTSPs));
1:30 p.m.	Pipeline sends the Quick Response to the Customer;
4:30 p.m.	Pipeline receives completed confirmations from confirming parties;
5:00 p.m.	Customer and point operator receive scheduled quantities from Pipeline.

Scheduled quantities resulting from Timely Nominations shall be effective at the start of the next Gas Day.

Should Customer fail to provide this nomination as specified above, Pipeline may deem Customer's nomination to be zero. Pipeline shall have the right to refuse to receive or deliver any Gas not timely and properly nominated. Pipeline shall not be liable to Customer or any other person as a direct or indirect consequence of such refusal and Customer shall indemnify Pipeline from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of such refusal unless such refusal was due to Pipeline's gross negligence, undue discrimination or willful misconduct.

5.3 Subsequent Nominations

(a) Prior notice nominations. Subsequent to the first Day of the Nomination Period, Customer may alter its nominations provided that the nomination given by Customer to Pipeline for deliveries on any Day shall be submitted to Pipeline no later than the time specified in the nomination timeline above in Section 5.2, or such lesser period as is acceptable to Pipeline, prior to the commencement of such Day. Any scheduling nomination submitted after the initial scheduling nomination shall contain Customer's anticipated service requirements for the remainder of the Nomination Period.

- (b) Intraday Nominations under firm rate schedules. Pipeline shall allow Customer to revise Customer's nomination under any firm Rate Schedule any time prior to the end of the Gas Day being scheduled, provided the requirements contained in Section 5.3(d) herein may be met, in Pipeline's reasonable judgment; such revision is not inconsistent with any term or conditions of applicable firm Rate Schedules and related Service Agreements; and such change can be confirmed in a timely manner with Customer's upstream operator and downstream operator and other operators of connecting facilities and supplies. There are two types of Intraday Nominations: (i) a nomination received during the Gas Day for the same Gas Day, and (ii) a nomination received after the nominations deadline for the following Gas Day. At least one (1) Intraday Nomination can be submitted 4 hours prior to gas flow. Within four (4) hours of an Intraday Nomination, Pipeline will notify affected Customer(s) and point operator(s) of changes in scheduled quantities. Such a change in nominated and scheduled quantities shall be processed after timely nominations have been scheduled and shall be made prospectively only. Pipeline shall not be obligated to deliver the quantities of gas attributable to a revision of Customer's nomination other than at a uniform hourly rate, or such greater hourly rate as may be acceptable to Pipeline. Any scheduling nomination submitted after the initial scheduling nomination shall contain Customer's anticipated service requirements for one Gas Day only and shall include the effective date and time. If Customer revises Customer's nomination prior to the end of the Gas Day being scheduled, Customer shall submit an hourly schedule of takes for the remainder of the Gas Day, if requested by Pipeline. Intraday Nominations do not roll over. Intraday Nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an Intraday Nomination modifies an existing nomination. The interconnected parties shall agree to the hourly flows for the Intraday Nomination.
- (c) Intraday Nominations under interruptible rate schedules. Pipeline may allow, but shall not be obligated to allow, Customer to revise its nominations on a prospective basis under any interruptible Rate Schedule any time prior to the end of the Gas Day being scheduled, provided that, in Pipeline's reasonable judgment, Pipeline may implement such revision under existing system operating conditions and such revision shall cause no detriment to any other firm or interruptible service. There are two types of Intraday Nominations: (i) a nomination received during the Gas Day for the same Gas Day, and (ii) a nomination received after the nominations deadline for the following Gas Day. At least one (1) Intraday Nomination can be submitted 4 hours prior to gas flow. Within four (4) hours of an Intraday Nomination, Pipeline will notify affected Customer(s) and point operator(s) of changes in scheduled quantities. Any scheduling

nomination submitted after the initial scheduling nomination shall contain Customer's anticipated service requirements for one Day only and shall include the effective date and time. Nominations received after the nomination deadline shall be scheduled after the nominations received before the nomination deadline. If Customer revises Customer's nomination prior to the end of the Gas Day being scheduled, Customer shall submit an hourly schedule of takes for the remainder of the Day, if requested by Pipeline. Intraday Nominations do not roll over. Intraday Nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an Intraday Nomination modifies an existing nomination. The interconnected parties shall agree to the hourly flows for the Intraday Nomination.

- (d) Once all or a portion of a Customer's nomination is accepted and scheduled during any Nomination Period, such scheduled service shall not be interrupted unless: (1) such capacity is required to provide a higher priority firm service prior to the Intraday 3 Nomination Cycle as described in Section 5; or (2) curtailment is necessary pursuant to the provisions of Section 8 of these General Terms and Conditions.
- (e) Elapsed Prorated Scheduled Quantity. With respect to Intraday Nominations for reductions in previously scheduled quantities, Pipeline will accept, subject to the limitations set forth in Sections 5.3(b) and 5.3(c), any explicitly confirmed quantity, down to and including zero, for such Intraday Nomination; provided, however, if such Intraday Nomination requires confirmation from an upstream and/or downstream interconnected pipeline then any Intraday Nomination to reduce previously scheduled quantities will be subject to, and limited to, the reduced quantity confirmed by such upstream and/or downstream interconnected pipeline.

5.4 Minimum NAESB Nomination Standards. In the event the more flexible nomination procedures set forth in Section 5.3 above are inapplicable for any reason, nominations shall be submitted and processed in accordance with the minimum standards set forth in this Section 5.4. Pipeline shall support the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17):

- (a) The Timely Nomination Cycle
On the day prior to gas flow:
 - 1:00 p.m. Nominations leave control of the Customer;
 - 1:15 p.m. Nominations are received by Pipeline (including from Title Transfer Tracking Service Providers (TTTSPs));
 - 1:30 p.m. Pipeline sends the Quick Response to the Customer;

- 4:30 p.m. Pipeline receives completed confirmations from confirming parties;
- 5:00 p.m. Customer and point operator receive scheduled quantities from Pipeline.

Scheduled quantities resulting from Timely Nominations shall be effective at the start of the next Gas Day.

(b) The Evening Nomination Cycle

On the day prior to gas flow:

- 6:00 p.m. Nominations leave control of the Customer;
- 6:15 p.m. Nominations are received by Pipeline (including from TTTSPs);
- 6:30 p.m. Pipeline sends the Quick Response to the Customer;
- 8:30 p.m. Pipeline receives completed confirmations from confirming parties;
- 9:00 p.m. Pipeline provides scheduled quantities to the affected Customers and point operators, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations shall be effective at the start of the next Gas Day.

(c) The Intraday 1 Nomination Cycle

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the Customer;
- 10:15 a.m. Nominations are received by Pipeline (including from TTTSPs);
- 10:30 a.m. Pipeline sends the Quick Response to the Customer;
- 12:30 p.m. Pipeline receives completed confirmations from confirming parties;
- 1:00 p.m. Pipeline provides scheduled quantities to the affected Customers and point operators, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations shall be effective at 2:00 p.m. on the current Gas Day.

(d) The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the Customer;

- 2:45 p.m. Nominations are received by Pipeline (including from TTTSPs);
- 3:00 p.m. Pipeline sends the Quick Response to the Customer;
- 5:00 p.m. Pipeline receives completed confirmations from confirming parties;
- 5:30 p.m. Pipeline provides scheduled quantities to the affected Customers and point operators, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations shall be effective at 6:00 p.m. on the current Gas Day.

(e) The Intraday 3 Nomination Cycle
On the current Gas Day

- 7:00 p.m. Nominations leave control of the Customer;
- 7:15 p.m. Nominations are received by Pipeline (including from TTTSPs);
- 7:30 p.m. Pipeline sends the Quick Response to the Customer;
- 9:30 p.m. Pipeline receives completed confirmations from confirming parties;
- 10:00 p.m. Pipeline provides scheduled quantities to the affected Customers and point operators.

Scheduled quantities resulting from Intraday 3 Nominations shall be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

- (f) For purposes of subsections (b), (c), (d), and (e) above, the word “provides” shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

6. **SERVICE SCHEDULING**

Service is deemed scheduled after Customer submits a nomination in accordance with Section 5 of the GT&C and Pipeline confirms the nominated receipt of gas into the system and the nominated delivery of gas to Customer, or for Customer's account. Until Pipeline has informed Customer that its nomination is confirmed, such gas quantities will not be deemed scheduled.

6.1 The quantities nominated for transportation by Customer shall be scheduled by Pipeline for receipt and delivery in the following order:

- (a) Prorata among firm service Customers utilizing Primary Points of Receipt and Primary Points of Delivery;
- (b) Prorata among firm service Customers utilizing a Secondary Point or Points, which points are wholly within the Contract Path and the nominated quantity does not exceed the firm contractual entitlement(s) for any pipeline segment as described in subsection (g) below; provided, however, that if Pipeline is restricting service at a particular receipt or delivery point then a Customer utilizing that point as a Primary Point, regardless of the status at the corresponding delivery or receipt point, should have priority over a Customer using that constrained point as a Secondary Point.
- (c) Prorata among firm service Customers utilizing a Secondary Point or Points with at least one of such points being outside the Contract Path or the nominated quantity being in excess of the firm contractual entitlement(s) for any pipeline segment as described in subsection (g) below; provided, however, that if Pipeline is restricting service at a particular receipt or delivery point then a Customer utilizing that point as a Primary Point, regardless of the status at the corresponding delivery or receipt point, should have priority over a Customer using that constrained point as a Secondary Receipt or Delivery Point. Within this subsection (c), quantities of gas requested to flow through a Posted Point of Restriction located within the Contract Path shall have priority over quantities of gas requested to flow through a Posted Point of Restriction located outside of the Contract Path.
- (d) All interruptible service Customers, excluding Park and Loan Customers, in sequence starting with the Customer paying the highest rate. A Customer with agreements for rates less than the applicable maximum recourse rate may elect to pay the applicable maximum recourse rate at the time Customer submits its nomination in accordance with Section 5 of the GT&C. In the event Customer's nomination is for service at a rate less than the applicable maximum recourse rate and Pipeline determines that

the aggregate quantity of all nominations exceeds available interruptible capacity, Customer making such election will be required to pay the applicable maximum recourse rate to the extent interruptible capacity is available to satisfy all or a portion of Customer's nomination, as determined by Pipeline. Such election shall be a one-time election effective for the remainder of the Nomination Period. In the event a tie for capacity exists among category (d) Customers, quantities will be scheduled pro rata on the basis of Customer's nominated quantities.

- (e) Prorata among Pipeline's Customers scheduling receipts or deliveries for the purpose of resolving a prior imbalance in scheduled receipts or deliveries up to but not in excess of the applicable contractual entitlement of such Customer.
 - (f) Park and loan service Customers requesting quantities of gas to be scheduled for park and loan service under Rate Schedule MNPAL based on net present value, with the transaction yielding the highest net present value receiving priority over transactions yielding a lower net present value. Net present value shall be calculated on the basis of the present value of the daily MNPAL charge per Dth to Pipeline for the term of the transaction. In making the determination of net present value, Pipeline shall apply the rate, as of the date of the review, stated in accordance with Section 154.501(d) of the Commission's regulations, to all bids.
 - (g) For the purposes of determining whether points are located within the Contract Path, Pipeline shall consider a movement of gas from a Point of Receipt to a Point of Delivery which is counter to the gas flow contemplated by the Primary Point(s) of Receipt and Primary Point(s) of Delivery specified in the Service Agreement as being outside of the Customer's Contract Path. In addition, for any movement of gas that traverses a segment(s) in which the total nominated quantity for that contract exceeds the firm contractual entitlement, the quantity in excess of the contractual entitlement shall be deemed to be outside of the Customer's Contract Path.
- 6.2 To the extent that lateral line service is dependant on Pipeline's mainline service and Pipeline is unable to schedule on any Day the total of all requested quantities, Pipeline will reduce the scheduled quantity for the lateral line service in the same quantity as the related mainline service.
- 6.3 [Reserved for Future Use]
- 6.4 Should Customer be unable to accept the quantities of Gas tendered at the Points of Delivery on any Day, then Pipeline may refuse to receive Gas at the Points of Receipt on such Day. Should Customer be unable to tender Quantities of Gas at

the Points of Receipt on any Day, then Pipeline may refuse to deliver Gas at the Points of Delivery on such Day.

- 6.5 Pipeline shall have the unqualified right to commingle Gas transported hereunder with Gas from other sources, and to treat and handle all such Gas as under its possession and control. It is recognized that Gas delivered by Pipeline may not be the same molecules as those received at the Points of Receipt.
- 6.6 For purposes of the scheduling provisions, a Customer paying a Negotiated Rate is subject to the provisions of Section 24.
- 6.7 Customer shall have the right to segment its firm capacity for scheduling purposes, subject to this Section 6 and to the following restrictions. Pipeline shall not have the obligation to schedule Customer's firm capacity in segments if, in Pipeline's discretion, scheduling such segments (a) will impair Pipeline's ability to provide reliable service to any other firm Customer, (b) will impair the safe operation of Pipeline's system, and/or (c) will result in the combined nominations of Customer and any Replacement or Prearranged Customer who has obtained all or a portion of Customer's original capacity through capacity release to exceed Customer's original MDTQ on any segment of capacity on Pipeline's system. If Pipeline denies a request to segment capacity, it shall provide the requesting Customer with an explanation of the specific reason(s) for the denial within two (2) hours following the denial (if Pipeline received the request between 6:30 A.M. CT and 4:00 P.M. CT on a Business Day). For requests received between 6:30 A.M. CT and 4:00 P.M. CT on a non-Business Day or after 4:00 P.M. on any Day, Pipeline shall provide such explanation by 8:30 A.M. CT on the next Business Day.

For the purpose of determining whether any overlapping transactions exceed, in the aggregate (based on all relevant Customer utilization) the contract entitlements of the original firm contract in any segment or at any point (including, without limitation, the MDTQ or segment entitlements), a transaction that involves movement of gas in the same direction as that contemplated by the Primary Point(s) of Receipt and the Primary Point(s) of Delivery on the firm Service Agreement and a transaction that involves movement of gas that is counter to the direction contemplated by the Primary Point(s) of Receipt and the Primary Point(s) of Delivery on the firm Service Agreement that are nominated to the same delivery point for the same gas flow date and time shall not be deemed to be an overlap at that delivery point; provided, however, in no event shall Pipeline be obligated to deliver on a primary firm basis at that delivery point a quantity in excess of the MDDO applicable to that delivery point. For the purpose of determining whether any overlapping nominations in a segment exceed, in the aggregate (based on all relevant Customer utilization) the contract entitlements of the original firm contract in any segment or at any point (including, without limitation, the MDTQ or segment entitlements), a transaction

that involves movement of gas in the same direction as that contemplated by the Primary Point(s) of Receipt and the Primary Point(s) of Delivery on the firm Service Agreement and a transaction that involves movement of gas that is counter to the direction contemplated by the Primary Point(s) of Receipt and the Primary Point(s) of Delivery on the firm Service Agreement that are nominated on the same segment for the same gas flow date and time shall be deemed to be an overlap on that segment.

Unless the point at which gas is received or to which gas is delivered is designated in Customer's Service Agreement as having an MDRO or MDDO, and the quantity received or delivered is within the applicable contractual limits, such point shall be a Secondary Point. The scheduling and curtailment priority of such receipts and deliveries shall be set forth in Section 6.1 above.

6.8 Secondary Points.

In addition to the Primary Point(s) of Receipt and/or Delivery available under Customer's MN365 and MNLFT Service Agreement(s), a Customer under Rate Schedules MN365 and MNLFT may schedule and tender/deliver any quantity of gas at (i) any secondary Point(s) of Receipt on Pipeline's system or (ii) any secondary Point(s) of Delivery on Pipeline's system, including in excess of the MDRO and MDDO stated in the executed Service Agreement (but capped at the original firm contract holder's total MDTQ, with the exception that a transaction that involves movement of gas in the same direction as that contemplated by the Primary Point(s) of Receipt and the Primary Point(s) of Delivery on the firm Service Agreement and a transaction that involves movement of gas that is counter to the direction contemplated by the Primary Point(s) of Receipt and the Primary Point(s) of Delivery on the firm Service Agreement that are nominated to the same delivery point for the same gas flow date and time shall not be deemed to be an overlap of the MDTQ at that delivery point); provided, however, that Pipeline shall not be obligated to deliver a total quantity in excess of the total MDDO on a primary firm basis.

7. INTERCONNECTING FACILITY GAS FLOW ALLOCATION METHODS

- 7.1 For all natural gas to be received by Pipeline, Customer shall cause the operating party of the facilities immediately upstream of Pipeline's Points of Receipt to provide a predetermined allocation methodology acceptable to Pipeline to be used in allocating said gas through the Points of Receipt.
- 7.2 In addition, for all natural gas to be delivered to Customer, Customer shall cause the operating party of the facilities immediately downstream of Pipeline's Points of Delivery to provide a predetermined allocation methodology acceptable to Pipeline to be used in allocating said gas through the Points of Delivery.
- 7.3 The allocation methodology shall be provided to Pipeline prior to the start of the Gas Day and shall prescribe the methodology for all Service Agreements for which quantities have been scheduled at such Points of Receipt and Points of Delivery.
- 7.4 Parties may agree upon one of the following allocation methodologies: ranked, pro rata, percentage, swing and operator provided value. Pipeline will accept such allocation methodology if operationally and administratively feasible. In the event no methodology acceptable to Pipeline is provided, Pipeline shall allocate the actual quantities received or delivered by Pipeline among Customers pro rata, based on the ratio of each scheduled quantity to the total scheduled quantities of gas at such Points of Receipt or Points of Delivery applied to the total quantity actually received or delivered by Pipeline.
- 7.5 Changes to the daily allocation methodology may be made. Such changes must be submitted and confirmed in advance of the effective date and shall be effective prospectively. No retroactive reallocation of any transaction shall be permitted.
- 7.6 Pipeline shall not have any liability to any Customer as a result of Pipeline's reliance on any allocation methodology described herein, and Customer shall indemnify Pipeline from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of Pipeline's reliance on such allocation methodology.

8. CURTAILMENT

- 8.1 Pipeline shall have the right to curtail or discontinue transportation services, in whole or in part, on all or a portion of its system at any time for reasons of Force Majeure or when, in Pipeline's sole judgment, capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes to its system. Pipeline shall provide Customer such notice of the curtailment as is reasonable under the circumstances. Pipeline shall have the unqualified right to interrupt transportation services at any time under Pipeline's interruptible Rate Schedules subject to scheduling requirement in Section 5.3(d) of the GT&C to provide service under Pipeline's firm Rate Schedules.
- 8.2 In the event that service is interrupted or curtailed then Pipeline shall reduce each Customer's scheduled service in the following order:
- (a) First, Pipeline shall curtail scheduled service under Pipeline's Rate Schedule MNPAL based on net present value, with the transaction yielding the highest net present value receiving priority over transactions yielding a lower net present value. Net present value shall be calculated on the basis of the present value of the daily MNPAL charge per Dth to Pipeline for the term of the transaction. MNPAL transactions yielding the same net present value shall be scheduled pro rata based on scheduled quantities. In making the determination of net present value, Pipeline shall apply the rate, as of the date of the review, stated in accordance with Section 154.501(d) of the Commission's regulations, to all bids; and
 - (b) Second, Pipeline shall curtail scheduled service for the resolution of imbalances in the order of the unit rate at which the service is being performed, beginning with the unit rate that represents the lowest percentage of the maximum applicable rate. Pipeline shall allocate capacity among Customers paying the same rate pro rata on the basis of scheduled quantities;
 - (c) Third, Pipeline shall curtail scheduled service to those Customers receiving interruptible service, excluding park and loan service, in the order of the unit rate at which the service is being performed, beginning with the unit rate that represents the lowest percentage of the maximum applicable recourse rate, subject only to the election of another Customer that is paying a discounted rate to pay the applicable maximum rate in order to afford its scheduled quantities a higher priority for the purposes of Section 8.2, and Customer may make such election to pay the maximum recourse rate when it submits its nomination in accordance with Section 5 of the GT&C and, if payment of such higher rate is necessary to avoid interruption or curtailment under this Section 8.2, Customer shall pay the higher rate in accordance with such nomination. Pipeline shall allocate

capacity among Customers paying the same rate pro rata on the basis of scheduled quantities; and

- (d) Fourth, Pipeline shall curtail scheduled service to Customers' receiving service under the firm rate schedules pro rata on the basis of scheduled quantities.
- (e) To the extent that lateral line service is dependent on Pipeline's mainline service and mainline service is curtailed or discontinued, Pipeline will curtail or discontinue lateral line service in the same quantity as the related mainline service.

8.3 If curtailment or interruption is caused by an event occurring at a specific Point of Receipt, Point of Delivery or lateral, quantities will be curtailed based on the utilization of that point as firm or interruptible and in the order specified in Section 8.2 above and pro rata based on scheduled quantities.

8.4 (a) [Reserved for Future Use]

- (b) All volumes received and/or taken in violation of Pipeline's curtailment or interruption orders shall constitute unauthorized receipts or deliveries of Gas for which a penalty charge of \$50.00 per Dth shall be assessed; in addition to any other applicable rate, charge or penalty. Pipeline will provide Customer notice of such curtailment orders and Customer shall be permitted one hour, or such lesser time as is required to prevent the impairment of reliable service on the system, to reduce its tenders, takes or both in compliance with the curtailment orders. If Customer adjusts its tenders or takes within such notice period then no charge, as provided for herein, shall be assessed. Such charge shall be applicable to all such unauthorized receipts and deliveries following notification of curtailment or interruption pursuant to Section 8.5.

Any penalty revenue collected by Pipeline pursuant to this Section 8.4 will be credited, net of costs, to each Customer that did not incur penalties pursuant to this Section 8.4 in the Month for which penalty revenues were received ("Non-Offending Customer"), based on the ratio of the actual volumes taken by the Non-Offending Customer to the actual volumes taken by all Non-Offending Customers. Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31 of each year, and will be included on the Non-Offending Customer's invoice for the Month of October.

8.5 Notice of Curtailment.

- (a) Notice by Pipeline. Pipeline shall provide Customer with notice of curtailment or interruption at a time and in a manner that is reasonable under then existing conditions, and shall in any event confirm in writing or by posting the notice on its Web site.
- (b) Notice by Customer. Customer shall have the responsibility to inform its end-users, suppliers, other transporters and all others involved in the transaction, as to any curtailment or interruption.
- (c) Notice in Emergency Situations. Pipeline shall provide notice to any Customer that is curtailed to a lower quantity as a result of a request submitted under the Emergency Situation relief provisions of Section 8.6. below. Such notice shall be provided in a time and manner that is reasonable under then existing conditions but no later than within twenty-four (24) hours of such curtailment. In the event Customer requesting Emergency Situation relief provides the sworn statement required by Section 8.6., Pipeline shall provide a copy of the sworn statement at the request of any Customer curtailed to a lower quantity as a result of the anticipated sworn statement.

8.6 Emergency Situation.

In the event Pipeline is advised by a Customer that, absent adjustment of the curtailment level contemplated by Sections 8.2 and 8.3, the Customer will be unable for the duration indicated by Customer to avoid irreparable injury to life or property (including environmental emergencies) or to provide for minimum plant protection ("Emergency Situation"), then Pipeline shall adjust its curtailment of all other Customers on a pro rata basis as necessary to deliver the quantities required to avoid or mitigate the threatened or existing Emergency Situation. While Pipeline will make adjustments in curtailment promptly upon notification by Customer, Customer must provide Pipeline within twenty-four hours of notification a sworn statement including:

- (a) a detailed explanation of and an estimated duration for the Emergency Situation;
- (b) affirmation that all sources of gas supply available to Customer, including peak-shaving and storage, were and are being utilized to the maximum extent possible during the time period for which the exception to the curtailment provisions of this Section 8.6. is in effect;

- (c) affirmation that all interruptible transportation services of Customer were and are being interrupted or curtailed during the time period for which the exception to the curtailment provisions of this Section 8.6. is in effect;
- (d) affirmation that no alternate fuel could be utilized or is available to be utilized to prevent the necessity for an exception to the curtailment provisions of this Section 8.6; and
- (e) affirmation that, if the Emergency Situation is an environmental emergency, the Customer has made and continues to make all feasible efforts to resolve the environmental emergency, including requests for waiver, exemption, and other relief from any regulation, directive, order or other equipment of a governmental body.

Customer shall provide Pipeline immediate notice of the cessation of the Emergency Situation.

Notwithstanding any provision of this Section, however, Customer shall not be entitled to relief under this Section: (1) to the extent that an Emergency Situation is due to the Customer's failure to have adequate transportation arrangements in effect for the delivery of Customer's gas at the Point(s) of Receipt or Delivery during the relevant period, or (2) to the extent that the quantity of gas required to meet such Emergency Situation exceeds such Customer's firm contractual rights.

Pipeline shall not be liable for granting exceptions to the curtailment provisions of this Section 8 for any Customer based upon a request submitted by any such Customer to Pipeline under the Emergency Situation relief provisions of this Section 8.6. In the event Customer does not provide the sworn statement as required by such Section, then all quantities attributable to the adjustments made by Pipeline shall be billed, in addition to all other charges, at a rate of \$50 per Dth. All revenues attributable to such \$50 per Dth charge shall be credited, pro rata on the basis of the increase in curtailment caused by the invocation of Section 8.6., to those Customers curtailed to a lower quantity as a result of the anticipated sworn statement.

8.7 Compensation.

If Pipeline is requested to invoke Section 8.6, then the requesting Customer's invoice for such Month shall be adjusted upward to reflect the following charges:

- (a) an amount equal to the aggregate curtailment adjustment quantity requested by the Customer pursuant to Section 8.6 multiplied by the reservation charge for the applicable rate schedule multiplied by .0329 and

- (b) an amount equal to the pro rata capacity excess multiplied by (the Dekatherm equivalent of the Fuel Oil Price x 150% - Index Price) where the term pro rata capacity excess means the difference between the capacity allocated to the Customer requesting an exception to the curtailment provisions and the capacity that would have been allocated under a straight pro rata allocation; the term Fuel Oil Price shall mean the average of the daily average high and low prices for (a) low sulfur No. 2 fuel oil, and (b) 0.7% sulfur No. 6 fuel oil, as posted in Platt's Oilgram Price Report for Estimated U.S. Gulf Coast Spot prices, Waterborne, for the Month in which the curtailment event occurred. The Index Price shall be as stated in Section 11.6(c) of the GT&C.

All revenues attributable to such adjustment shall be credited, on a pro rata basis, based on each Customer's additional curtailment quantity due to the Emergency Situation divided by the aggregate of all Customers' additional curtailment quantity due to the Emergency Situation, to those Customers curtailed to a lower quantity as a result of the Emergency Situation.

- 8.8 Except as provided in Section 8.9 below, in the event Pipeline fails to deliver on any one Day at least 95% of the quantity of gas requested to be delivered by Pipeline at Point(s) of Delivery which Pipeline is obligated to deliver on a firm basis at such Point(s) of Delivery on such Day up to the MDTQ, the Reservation Charge shall be decreased by an amount equal to the Reservation Charge on a 100% load factor basis multiplied by the quantity of gas not delivered up to the lesser of the total quantity of gas requested and not delivered, or the MDTQ. The 100% load factor Reservation Charge shall be discounted in the case of an executed Service Agreement containing a discounted Reservation Charge in the same proportion such Reservation Charge is discounted from the maximum Reservation Charge.
- 8.9 Pipeline shall not be obligated to adjust the Reservation Charge pursuant to Section 8.8 above, when Pipeline's failure to deliver on any one Day at least 95% of the quantity of gas requested by Customer to be delivered at Point(s) of Delivery which gas Pipeline is obligated to deliver on a firm basis at such Point(s) of Delivery on such Day up to the MDTQ:
 - (a) is the result of the conduct of Customer or the downstream operator of the facilities at the Point of Delivery;
 - (b) is the result of Pipeline having operational flow orders in effect on such Day;
 - (c) is the result, during the period from May 1 through November 1 of any year, of Pipeline performing routine operational maintenance and repair;

- (d) is the result of Pipeline performing at any time repair and maintenance of its facilities to comply with applicable regulatory requirements, or
 - (e) occurs either (1) within ten (10) Days following a Force Majeure event as contemplated by Section 26 of the General Terms and Conditions, or (2) prior to the date Pipeline has or should have, in the exercise of due diligence, overcome the Force Majeure event, whichever occurs first provided, however, (c) and (d) are also subject to the notice and due diligence requirements of Section 26 of the General Terms and Conditions (Force Majeure).
- 8.10 Customer shall indemnify Pipeline against and hold Pipeline harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by Pipeline; which shall include any curtailment or interruptions described in any part of Section 8; except if such damages, claims, suits, actions or proceedings are due to Pipeline's gross negligence, undue discrimination or willful misconduct.
- 8.11 For purposes of the curtailment provisions, a Customer paying a Negotiated Rate is subject to the provisions of Section 24.

9. CAPACITY RELEASE

This Section 9 sets forth a firm capacity release mechanism pursuant to which existing Customers can voluntarily release all or part of their firm service rights to others that want to obtain that firm capacity by entering into an agreement with Pipeline. Customers may release and assign their firm capacity on Pipeline under any firm, open access, Part 284 Service Agreement only under this Section 9 of Pipeline's GT&C. Pipeline will use an open bidding format and will post each Releasing Customer's offer to release capacity (herein called "Releasing Customer's Notice") and all the bids against that Releasing Customer's Notice, except for the names of the bidders. Bids are to be based on the Reservation Charge (mainline and/or MNLFT) only, provided the Reservation Charge may be converted into a volumetric charge. The maximum rate for such volumetric releases shall be no greater than the 100% load factor equivalent of Pipeline's maximum Reservation Charge currently applicable to the service released, and for purposes of this Section 9, a Customer is entitled to specify a rate for capacity to be released equal to the maximum Reservation Charge, plus all applicable reservation surcharges. For releases that become effective on or after July 30, 2008, Customer, Replacement Customer or Prearranged Customer may specify in an offer to release capacity or a bid for capacity, as applicable, a rate in excess of the maximum rates referenced above if (i) the term of the release is one (1) year or less, and (ii) the effective date of the proposed release is on or before one (1) year from the date on which Pipeline is notified of the release, subject to the restrictions in Section 9.11 herein. The bidding procedures set forth herein shall govern bidding for capacity that is made available pursuant to Section 4.2.

Pipeline has entered into that certain Backstop Agreement with Mobil Natural Gas Inc. ("Mobil"), pursuant to which Pipeline has agreed to provide reasonable notice to Mobil of any Request for firm transportation service (excluding Requests for Backhaul or displacement services), including the volume, terms and conditions requested, at a time when such capacity is not available directly from Pipeline in the primary market. Mobil has agreed to notify Pipeline, within twenty (20) days of receiving notice of such Request, whether Mobil desires to release its firm capacity under the Backstop Agreement for service to the requesting shipper. Pipeline and Mobil acknowledge in the Backstop Agreement that Pipeline cannot compel a requesting shipper to take capacity from any specific existing shipper.

9.1 Service Agreements Eligible For Capacity Release. Customers under any firm Service Agreement, except as specifically restricted by the applicable rate schedule, are permitted to release their firm capacity in whole or in part, on a full Day or a partial Day basis, on a permanent or temporary basis, and on a recallable or non-recallable basis. Such Releasing Customer may propose an entity (herein called Prearranged Customer) to obtain its released capacity from Pipeline.

9.2 Notice.

- (a) Notice of Capacity Release. A firm Customer that wants to release any or all of its capacity shall post the release on the LINK® System by the Posting Deadline as determined pursuant to Section 9.3 herein. Customer may elect not to reveal minimum conditions to anyone other than Pipeline. Any contingencies or special terms and conditions included in Releasing Customer's Notice must not be contrary to any applicable provision of this Tariff. Such Releasing Customer's Notice shall provide the terms and conditions of the release as follows:
- (1) Releasing Customer's service agreement number;
 - (2) on a permanent or temporary basis;
 - (3) on a recallable or non-recallable basis; and if recallable, (i) whether the recall rights are on a full Day or a partial Day basis, (ii) the specifics of any recall right, (iii) whether the Releasing Customer's recall notification must be provided exclusively on a Business Day, and (iv) any reput methods and rights associated with returning the previously recalled capacity to the Replacement Customer. These rights and methods may be either: (i) reput must be accepted by the original Replacement Customer for the original terms of the release, or (ii) reput may be accepted at the option of the original Replacement Customer for the original terms of the release.
 - (4) the Business Day upon which the Bid Period will expire if the Releasing Customer desires to establish a Bid Period that is longer than that specified in Section 9.3 herein;
 - (5) the MDTQ to be released, expressed as a numeric quantity, and, if the Releasing Customer is proposing to release any of its primary points and the associated point quantities, the specific locations and quantities to be released at specific locations, subject to the limitations described in Section 9.2(b) below;
 - (6) the period of time or term, including any objective, not unduly discriminatory right of recall;
 - (7) any Prearranged Customer proposed to obtain released capacity under the rates, terms and conditions contained in the Releasing Customer's Notice;

- (8) the minimum Reservation Charge (mainline and/or MNLFT), if any, or, if the Releasing Customer elects, the minimum Reservation Charge restated on a volumetric basis. For releases that become effective on or after July 30, 2008, the Releasing Customer may specify a minimum Reservation Charge requirement which is in excess of the maximum tariff rate for the applicable service if (i) the term of the proposed release is one (1) year or less, and (ii) the effective date of the proposed release is on or before one (1) year from the date on which Pipeline is notified of the release, subject to the restrictions in Section 9.11 herein.
- (9) which one of the following methods is acceptable for bidding on Releasing Customer's Notice:
- Non-Index based release – dollars and cents
 - Non-Index based release – percentage of maximum rate, or
 - Index-based formula as detailed in Releasing Customer's Notice.
- The bids for Releasing Customer's Notice must adhere to the method specified by Releasing Customer.
- (10) for biddable releases, the bid evaluation method which shall be, at the Releasing Customer's option, one of the following three standard evaluation methods: highest rate, net revenue or present value; or alternative Releasing Customer defined bid evaluation methods pursuant to Section 9.2(a)(11) below. In addition to the bid evaluation method, the Releasing Customer must specify the tie-breaking methodology that Pipeline will apply to award capacity among multiple bids that yield the same value;
- (11) any alternative bid evaluation method submitted pursuant to item (10) above shall be objectively stated, applicable to all Replacement or Prearranged Customers and not unduly discriminatory, and shall be set forth with sufficient specificity that Pipeline's evaluation of the bids to determine the "best bid" is a purely ministerial matter that does not require any discretionary exercise of judgment by Pipeline;
- (12) whether contingent bids may be submitted and, if so, the date by which each contingent bidder will be required to satisfy or eliminate the contingency if Releasing Customer elects to allow the bidder additional time beyond the time period specified in Section 9.3(a) to satisfy or eliminate the contingency; ;
- (13) expiration of Matching Period if the Releasing Customer desires to establish a Matching Period that is longer than that specified in

Section 9.3 herein; Releasing Customer shall not be allowed to specify an extension of the original Bid Period or the Prearranged deal Matching Period without posting a new release;

- (14) any additional terms and conditions of releases that are objective and non-discriminatory;
- (15) e-mail address for the Releasing Customer contact person. It is the Releasing Customer's responsibility to update e-mail address information provided to Pipeline as necessary.
- (16) the recall notification period(s), as identified in Section 9.6(b)(4) below, that will be available for use by the parties.
- (17) the priorities that Pipeline is authorized to utilize in the event that overlapping nominations submitted by the Releasing Customer and any Replacement Customer are in excess of the Releasing Customer's original MDTQ;
- (18) whether the Releasing Customer will allow the Replacement or Prearranged Customer to amend the Primary Point(s) of Receipt and/or Primary Point(s) of Delivery after the capacity is awarded;
- (19) whether the Prearranged Customer is affiliated with the Releasing Customer;
- (20) whether the Releasing Customer will allow the Replacement or Prearranged Customer to re-release the capacity acquired from the Releasing Customer.
- (21) whether the proposed release is to an asset manager as part of an asset management arrangement as defined in Section 284.8(h)(3) of the Commission's regulations or to a marketer participating in a state-mandated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations, and, if as part of an asset management arrangement, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which the obligation is in effect.
- (22) For releases that become effective on or after July 30, 2008, the maximum and/or minimum rates specified by Releasing Customer may exceed the maximum tariff rate for the applicable service if (i) the term of the proposed release is one (1) year or less, and (ii) the effective date of the proposed release is on or before one (1) year

from the date on which Pipeline is notified of the release, subject to the restrictions in Section 9.11 herein.

(b) Partial Day Release Quantity

- (1) The daily contractual entitlement that can be released by a Releasing Customer for a partial Day release is limited to the lesser of:
 - (i) the quantity contained in the Releasing Customer's Notice submitted by the Releasing Customer; or
 - (ii) a quantity equal to the difference between the MDTQ for the contract to be released by the Releasing Customer and the quantity scheduled for that period of the Day prior to the effective time of the release of the capacity, based upon the elapsed-prorated-scheduled quantity.

This allocated daily contractual entitlement shall be used for purposes of nominations, billing, and if applicable, for overrun calculations.

- (2) If on the Day of a partial Day release the Releasing Customer's existing scheduled quantity exceeds the MDTQ remaining on the original contract after the award of the partial Day release, then the Releasing Customer must reduce its nominated quantity to a quantity that is equal to or less than the MDTQ remaining on the original contract.

9.3 Posting Requirements and Bid Periods. The capacity release timeline applies to all parties involved in the capacity release process provided that (1) all information provided by the parties to the transaction is valid and the Replacement Customer has been determined to be creditworthy before the capacity release bid is tendered, (2) for index-based capacity release transactions, Customer has provided Pipeline with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and (3) there are no special terms or conditions of the release. Pipeline shall complete the capacity release process in accordance with the timeline set forth in Section 9.3(a)(3) below if Releasing Customer's Notice includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by Pipeline).

Pipeline shall post offers and bids, including prearranged deals, upon receipt; provided, however, offers and bids must be complete before posting. Only posted offers and bids will be available electronically. If a Releasing Customer requests a later posting time, Pipeline shall support such request insofar as it comports with the standard timeline set forth in this Section 9.3(a). Any Releasing Customer's completed Notice will be posted on the LINK® System and by electronic data

interchange until the expiration of the Bid Period, except for those Releasing Customers' Notices for capacity releases identified in Section 9.4(a) below that are not subject to competitive bidding, which shall not be subject to bidding but shall be posted on Pipeline's Internet Web site as soon as possible, but not later than the first nomination, after the release transaction commences. All terms and conditions of completed capacity release transactions will be posted on the LINK® System, including the names of the Releasing Customers involved in the capacity release transaction; however, Pipeline shall not post any minimum conditions that Customer has elected not to disclose.

(a) Capacity Releases Subject to Bidding. The proposed duration of the Customer's release determines the minimum Bid Period for the Releasing Customer's Notice pursuant to this Section 9. These Bid Periods are as follows:

- (1) Short Term. For biddable releases of one (1) year or less:
 - Offers shall be tendered such that they can be posted by 9:00a.m. on a Business Day.
 - Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
 - Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
 - If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
 - Where match or award is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m. Noon.
 - The contract is issued within one hour of award posting (with a new contract number, when applicable).
 - Nomination is possible beginning at the next available nomination cycle for the effective date of the contract. Such nominations will be processed in accordance with the nomination and scheduling requirements of Sections 5 and 6 of the General Terms and Conditions; however, in no circumstances will gas flow prior to the effective date of the release as specified in Releasing Customer's Notice
- (2) Long Term. For biddable releases of more than one (1) year:
 - Offers shall be tendered such that they can be posted by 9:00 a.m. on a Business Day.
 - Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.

- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
 - If no match is required, the evaluation period ends and award is posted by 11:00 a.m.
 - Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m. Noon.
 - The contract is issued within one hour of award posting (with a new contract number, when applicable).
 - Nomination is possible beginning at the next available nomination cycle for the effective date of the contract. Such nominations will be processed in accordance with the nomination and scheduling requirements of Sections 5 and 6 of the General Terms and Conditions; however, in no circumstances will gas flow prior to the effective date of the release as specified in Releasing Customer's Notice.
- (3) Timeline for Non-Standard Releases. For the capacity release business process timing model, only the following methodologies are required to be supported by Pipeline and provided to Releasing Customers as choices from which they may select and, once chosen, shall be used in determining the awards from the bid(s) submitted. They are (1) highest rate, (2) net revenue, and (3) present value. For index-based capacity release transactions, Releasing Customer shall provide the necessary information and instructions to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Customer defined evaluation methodologies) or any other special terms or conditions, will be accorded the same timeline evaluation treatment; provided, however, one additional Business Day will be added to the evaluation period. Such extended evaluation period shall cause gas flow to be at least one Day later than gas could flow under the timeline set forth in Section 9.3(a)(1) or Section 9.3(a)(2).

9.4 Posting Requirements for Capacity Releases Not Subject to Bidding.

- (a) For releases that become effective on or after July 30, 2008, the following need not comply with the bidding requirements in this Section 9, but shall be subject to all other provisions of this Section 9:
- (1) a release for a period of thirty-one (31) Days or less,
 - (2) a release for more than one (1) year at the maximum tariff rate,
 - (3) a release of capacity to an asset manager (as defined in Section 284.8(h)(3) of the Commission's regulations, and

- (4) a release of capacity to a marketer participating in a state-regulated retail access program (as defined in Section 284.8(h)(4) of the Commission's regulations.

For releases that become effective on or after July 30, 2008, any release, with the exception of releases to an asset manager or to a marketer participating in a state-regulated retail access program, with a term that is greater than thirty-one (31) days and less than or equal to one (1) year must be posted for bidding pursuant to Section 9.3 above, regardless of the proposed rate. Releasing Customer shall notify Pipeline of such non-biddable release by providing the information pursuant to Section 9.3. Such information will be posted on the LINK® System as required by Section 9.3. Contractual arrangements for releases not subject to bidding shall be processed in the same time period as those releases subject to bidding.

The information provided by the Releasing Customer pursuant to Section 9.2(a) will be posted on the LINK® System and by electronic data interchange as required by Section 9.3.

- (b) The standard timelines applicable to prearranged capacity releases that are not subject to the competitive bidding requirements are as follows:

- The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2. The posting deadlines are:

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

- Prior to the nomination deadline for the chosen cycle for the begin date specified in the Releasing Customer's Notice, the Prearranged Customer must initiate confirmation of prearranged deals electronically.
- The contract is issued within one hour of the award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract. Such nominations will be processed in accordance with the nomination and scheduling requirements of Sections 5 and 6 of the General Terms and Conditions; however, in no

circumstances will gas flow prior to the effective date of the release as specified in Releasing Customer's Notice.

- (c) When a release of capacity for a period of thirty-one (31) days or less is not subject to the bidding requirements under this Section 9, a Releasing Customer may not rollover, extend, or in any way continue the capacity release to the same Replacement Customer which utilizes the same capacity or overlaps such capacity using the thirty-one (31) day or less bidding exemption described in Section 9.4(a) above until twenty-eight (28) days after the first release period has ended, subject to the restrictions in Section 9.11 herein. The twenty-eight (28) day hiatus does not apply to any re-release to the same Replacement Customer that is posted for bidding or that qualifies for any of the other exemptions from bidding described in Section 9.4(a) above.
- (d) Notwithstanding the standard timelines specified in Section 9.4(b) above, Pipeline shall support a process to allow the Releasing Customer and the Pre-arranged Customer to create and finalize pre-arranged non-biddable capacity release transactions to be effective on a give Gas Day at any time prior to 7:00 a.m. on the calendar day on which that Gas Day ends.
- (e) All other provisions of this Section 9 shall apply, including the Releasing Customer's obligations under Section 9.6(b), and Replacement or Prearranged Customers' obligations under Section 9.6(c).

9.5 Allocation of Released Capacity.

- (a) Pipeline shall select the Best Bid as defined in Section 9.5(d) from among the bids received.
- (b) In the event a contingent bid is submitted pursuant to Section 9.2(a)(12), the bidder submitting the contingent bid shall have one hour from 10:00 a.m. to 11:00 a.m. on the day the Bid Period ends to satisfy or eliminate the contingency unless Releasing Customer's Notice provides for additional time for the bidder to satisfy or eliminate the contingency. Any bidder making such a contingent bid shall confirm to Pipeline via e-mail to link-help@spectraenergy.com that the contingency has been satisfied or eliminated. If the bidder fails to notify Pipeline that the contingency is not satisfied or eliminated within such time, such contingent bid shall be deemed rejected by Pipeline for failure to satisfy or eliminate the contingency. Any contingencies included in the bid must not be contrary to any applicable provision of this Tariff.
- (c) [Reserved for Future Use]

- (d) Pipeline shall evaluate bids in accordance with the bid evaluation method specified by the Customer pursuant to Section 9.2(a)(10).
- (1) If there is only one valid bid, Pipeline shall award the capacity to the bidder that submitted such bid, subject to any Prearranged Customer's exercise of its matching rights.
 - (2) If there is more than one valid bid, then, subject to any Prearranged Customer's exercise of its matching rights, Pipeline shall award the capacity to the bidder whose bid yields the highest value based on the bid evaluation method specified in the Releasing Customer's Notice, taking into account the price, volume and term of the bid, as applicable. If more than one bid yields the same value under this subsection (2), Pipeline shall award the capacity according to the method specified in the Releasing Customer's Notice ("Tie Break Method") as a means for awarding the released capacity among multiple equal bids.
 - (3) For purposes of determining the value of a bid, Pipeline shall use only the reservation charge (including reservation charges stated on a volumetric basis). If the bid evaluation method specified by the Releasing Customer is present value, Pipeline shall use a discount rate of ten (10) percent.
 - (4) Pipeline shall reject any bid which does not meet the other minimum specifications set forth in the Releasing Customer's Notice. In the event both a contingent bid and a non-contingent bid generate the same value, Pipeline shall reject the contingent bid even if the bid with no contingency was received later in time. If multiple bids meet the minimum conditions stated in the Releasing Customer's Notice, Pipeline shall award the capacity, best bid first, until all offered capacity has been awarded. For purposes of the foregoing, a Customer paying a Negotiated Rate is subject to the provisions of Section 24.
- (e) In the event that the Prearranged Customer desires to exercise its right to match the "best bid," the Prearranged Customer must notify Pipeline via the LINK® System.
- (f) Pipeline shall not award capacity release offers to the Replacement Customer until and unless the Replacement Customer meets Pipeline's creditworthiness requirements applicable to all services that it receives from Pipeline, including the service represented by the capacity release.

9.6 Obligations of All Parties.

- (a) Obligations of Pipeline. Pipeline will be required pursuant to Section 2 of the GT&C to provide the LINK® System for access by Customers, Replacement Customers or Prearranged Customers participating in this Section 9. If the Replacement or Prearranged Customer satisfies Pipeline's applicable tariff provisions governing Customer eligibility and its bid is accepted by Pipeline, Pipeline will tender to the Replacement or Prearranged Customer an addendum to the Capacity Release Umbrella Agreement incorporating the terms of the accepted bid. Pipeline will notify the Releasing Customer with recall rights of the name of new Replacement Customers who subsequently obtain such capacity after the Service Agreement is executed.
- (b) Obligations of the Releasing Customer.
- (1) The Service Agreement of the Releasing Customer will remain in full force and effect, with a portion of the proceeds attributable to any release and assignment credited to the existing Releasing Customer's invoice as provided in Section 9.7. The Releasing Customer shall remain ultimately liable to Pipeline for all Reservation Charges (mainline and/or MNLFT) and Reservation Surcharges, if any, under the terms of its Service Agreement with Pipeline. However, no new obligation or liability is created as a result of such releases of the rights and obligations under the Service Agreement.
 - (2) If Pipeline waives any credit requirements for a Prearranged Customer or a Replacement Customer, Pipeline shall limit the liability of the Releasing Customer to the extent of such credit waiver, unless the Releasing Customers agrees to the waiver. To the extent Pipeline does not require continuing assurances of creditworthiness under Sections 3.7 and 3.8 of the GT&C for Prearranged Customers or Replacement Customers any less than it does the Releasing Customer, the Releasing Customer continues to be liable.
 - (3) In the event there is a request for a permanent release of Customer's capacity pursuant to Section 9.14 below, Pipeline will agree to discharge the Releasing Customer of liability, on a prospective basis, in whole or in part, provided (i) the Replacement Customer meets the credit requirements as specified in GT&C Section 3, (ii) it is reasonable to do so, and (iii) the Pipeline's lenders agree to such discharge.

(4) Recall Provisions.

Any Releasing Customer retaining the right of recall may exercise such right of recall by providing notification via the LINK® System to Pipeline in accordance with the notice requirements set forth in this section, provided such recall (i) conforms to the recall terms of such Releasing Customer's Notice; and (ii) does not constitute a waiver or modification of Section 5 of Pipeline's GT&C. Any Releasing Customer may exercise a right of recall, subject to the provisions of this Section 9.6(b), in the event a Replacement or Prearranged Customer fails to pay part or all of the amount of any invoice for service provided when such amount is due in accordance with Section 15 of the GT&C.

Releasing Customer's rights to recall capacity on a full Day or partial Day basis shall be stated clearly in Customer's Notice. Purchase of gas by a Releasing Customer from a Replacement Customer at the Releasing Customer's city gate point(s) shall not be deemed to be the exercise of a recall by the Releasing Customer.

The Releasing Customer shall provide capacity recall notification to Pipeline via the LINK® System. The recall notification shall specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the capacity being recalled.

Pipeline shall support the following recall notification periods for all released capacity subject to recall rights:

- (i) Timely Recall Notification:
 - (a) A Releasing Customer recalling capacity should provide notice of such recall to Pipeline and the first Replacement Customer no later than 8:00 a.m. on the day that Timely Nominations are due;
 - (b) Pipeline shall provide notification of such recall to all affected Replacement Customers no later than 9:00 a.m. on the day that Timely Nominations are due;
- (ii) Early Evening Recall Notification:
 - (a) A Releasing Customer recalling capacity should provide notice of such recall to Pipeline and the first Replacement Customer no later than 3:00 p.m. on the day that Evening Nominations are due;
 - (b) Pipeline shall provide notification of such recall to all affected Replacement Customers no later than

- 4:00 p.m. on the day that Evening Nominations are due;
- (iii) Evening Recall Notification:
 - (a) A Releasing Customer recalling capacity should provide notice of such recall to Pipeline and the first Replacement Customer no later than 5:00 p.m. on the day that Evening Nominations are due;
 - (b) Pipeline shall provide notification of such recall to all affected Replacement Customers no later than 6:00 p.m. on the day that Evening Nominations are due;
 - (iv) Intraday 1 Recall Notification:
 - (a) A Releasing Customer recalling capacity should provide notice of such recall to Pipeline and the first Replacement Customer no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
 - (b) Pipeline shall provide notification of such recall to all affected Replacement Customers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due; and
 - (v) Intraday 2 Recall Notification:
 - (a) A Releasing Customer recalling capacity should provide notice of such recall to Pipeline and the first Replacement Customer no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;
 - (b) Pipeline shall provide notification of such recall to all affected Replacement Customers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due.
 - (vi) Intraday 3 Recall Notification:
 - (a) A Releasing Shipper recalling capacity should provide notice of such recall to Pipeline and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
 - (b) Pipeline shall provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due.

For recall notification provided to Pipeline prior to the recall notification deadline specified above and received between 7:00 a.m. and 5:00 p.m., Pipeline shall provide notification to all affected Replacement Customers no later than one hour after receipt of such recall notification. For recall notification provided to Pipeline after 5:00 p.m. and prior to 7:00 a.m., Pipeline shall

provide notification to all affected Replacement Customers no later than 8:00 a.m. after receipt of such recall notification.

Pipeline's notices of recalled capacity to all affected Replacement Customers shall be provided via the LINK® System, along with written notice via e-mail communication to those Replacement Customer contact person(s) identified in the Replacement Customer's bid submitted pursuant to Section 9.6(c) of these General Terms and Conditions. Such notices shall contain the information required to uniquely identify the capacity being recalled, and shall indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall. Upon receipt of notification of the recall from Pipeline, each affected Replacement Customer shall revise its nominations within the applicable nomination cycle in order to implement the recall. Each affected Replacement Customer will be solely responsible for adjusting its supply and transportation arrangements, which may be necessary as a result of such recall. Replacement Customers involved in re-release transactions may receive notice slightly after the first Replacement Customer receives notice. The recalling Releasing Customer may nominate the recalled capacity consistent with the applicable nomination cycle, as defined in Section 5.4 of these General Terms and Conditions.

For recall notifications provided to Pipeline during the Timely, Early Evening or Evening recall notification period, the recall shall be effective as of the beginning of the specified effective Gas Day. For recall notifications provided during the Intraday 1, Intraday 2, or Intraday 3 recall notification period, the recall shall be effective at 2:00 p.m., 6:00 p.m., or 10:00 p.m., respectively, on the specified effective Gas Day.

(5) Partial Day Recall Quantity

The daily contractual entitlement that can be recalled by a Releasing Customer for a partial Day recall is a quantity equal to the lesser of:

- (i) The quantity specified in the Releasing Customer's notice to recall capacity; or
- (ii) The difference between the quantity released by the Releasing Customer and the Elapsed Prorata Capacity.

In the recall notification provided to Pipeline by the Releasing Customer, the quantity to be recalled shall be expressed in terms of the adjusted total released capacity entitlements based upon the

Elapsed Prorata Capacity. In the event of a partial Day capacity recall, Pipeline shall determine the allocation of capacity between the Releasing Customer and the Replacement Customer(s) based upon the Elapsed Prorata Capacity.

The amount of capacity allocated to the Replacement Customer(s) shall equal the original released quantity less the recalled capacity. This allocated daily contractual quantity shall be used for purposes of nominations, billing, and if applicable, for overrun calculations. As a result of the allocation of capacity described in this section, Pipeline shall not be obligated to deliver a combined quantity to the Releasing Customer and the Replacement Customer(s) that is in excess of the total daily contract quantity of the release.

(6) Reput Provisions

Pipeline shall support the function of reputting by the Releasing Customer. The Releasing Customer may reput previously recalled capacity to the Replacement Customer pursuant to the reput rights and methods identified in the Releasing Customer's Notice to release capacity, as required by Section 9.2(a)(3) above. When capacity is recalled, such capacity may not be reput for the same Gas Day. The deadline for the Releasing Customer to notify Pipeline of a reput of capacity is 8:00 a.m. to allow the Replacement Customer to submit timely nominations for gas to flow on the next Gas Day.

(7) Any Releasing Customer will have the right to withdraw its Customer's Notice any time prior to the close of the Bid Period associated with such Releasing Customer's Notice where unanticipated circumstances justify the withdrawal and no bids meeting the minimum conditions of Releasing Customer's Notice have been made. The Releasing Customer's Notice will be legally binding on the Releasing Customer until notice of withdrawal is received by Pipeline via the LINK® System. The reason for the withdrawal must be submitted to Pipeline for posting on the LINK® System.

(c) Obligations of Replacement or Prearranged Customers. The Replacement or Prearranged Customer must satisfy all other Pipeline Tariff provisions governing Customer eligibility and must execute all required agreements and acknowledgements before it may contract with Pipeline for the released capacity. In addition, as a pre-requisite to becoming a Replacement or Prearranged Customer, a party must have been placed by Pipeline on Pipeline's pre-approved bidder list that is posted on the

LINK® System and on Pipeline's Web site. To be placed on such list, a party must have been accepted by Pipeline as satisfying the credit standards of Section 3 of the GT&C and must continue to satisfy the credit standards of Section 3 when its bid is made and accepted or it is offered as a Prearranged Customer, as applicable. Pipeline shall process requests for credit approval with diligence. Any previously listed party that fails to continue to satisfy the standards of Section 3 of the GT&C shall be deleted from the list. A Replacement or Prearranged Customer will be deemed to have satisfied the credit requirements of Section 3 of the GT&C if the Releasing Customer agrees to guarantee the credit of such Replacement or Prearranged Customer. Any bid submitted via the LINK® System shall include an e-mail address for at least one contact person, which will not be posted. It is the bidder's responsibility to update e-mail address information provided to Pipeline, as necessary. Any bid submitted will legally bind the Replacement or Prearranged Customer to the terms of the bid if Pipeline chooses such bid as the Best Bid until notice of withdrawal is received by Pipeline via the LINK® System. Any Replacement Customer may make an upward revision to or withdraw its bid during the Bid Period through the LINK® System; however, bids cannot be withdrawn after the Bid Period ends. Pipeline will allow any Prearranged Customer to match, in accordance with Section 9.3(a), the Best Bid after the close of the Bid Period; however, if Replacement Customer submits more than one bid for the same capacity, the lower bid will automatically expire. Replacement Customer shall not have the opportunity to use its ability to withdraw its bid in order to submit a lower bid. Once the Replacement or Prearranged Customer is provided with an addendum to its Capacity Release Umbrella Agreement reflecting the terms of the capacity release transaction, the Replacement or Prearranged Customer becomes an existing Customer like any other Customer and is subject to the applicable provisions of Pipeline's FERC Gas Tariff, including but not limited to Pipeline's billing and payment and operational provisions. In addition, the Replacement or Prearranged Customer as an existing Customer may also release its capacity pursuant to this section, subject to the re-release rights specified by Releasing Customer pursuant to Section 9.2(a)(20) above. Nominations may be submitted upon the finalization of all contractual arrangements, and such nominations will be processed in accordance with the nomination and scheduling requirements of Sections 5 and 6 of the GT&C; provided, however, in no circumstances will gas flow prior to the effective date of the release as specified in the Releasing Customer's Notice.

9.7 Billing.

- (a) Pipeline will bill the Customer releasing capacity the amount it is obligated to pay Pipeline for (1) Reservation Charges (mainline and/or

MNLFT) reservation surcharges, other fixed costs and (2) Usage Charge(s), volumetric surcharges, imbalances and/or other volumetric costs attributable to any capacity retained by such Releasing Customer and Pipeline shall credit the invoice of the Releasing Customer an amount equal to the Reservation Charges (mainline and/or MNLFT), surcharges and/or other fixed costs attributable to capacity rights released by such Customer, (hereinafter called "Credit Back"); provided, however, Pipeline shall have the right to reverse such Credit Back and to charge applicable carrying charges calculated in accordance with Section 154.501(d) of the Commission's Regulations to the Releasing Customer in the event Pipeline is not paid such charges for the released capacity.

Pipeline shall notify a Releasing Customer in the event a Replacement or Prearranged Customer fails to pay part or all of the amount of any invoice for service provided when such amount is due in accordance with Section 15 of the GT&C. The Replacement or Prearranged Customer shall be liable to Pipeline for all charges incurred by such Replacement or Prearranged Customer under the new Service Agreement addendum subject to the other terms of Pipeline's FERC Gas Tariff.

- (b) Notwithstanding the foregoing, Pipeline shall be entitled to bill an agreed upon amount when Pipeline, at the request of Releasing Customer and upon reaching an agreement with Releasing Customer therefore, takes other action to market such Customer's released capacity beyond posting the information on the LINK® System and locates the Replacement Customer. Pipeline will not be compensated if it does not locate the Replacement Customer, such as where the Releasing Customer has a prearranged deal or where a Replacement Customer accepts a posted Releasing Customer's Notice without Pipeline actively marketing that released capacity.
- (c) For releases that become effective on or after July 30, 2008, the rate paid by a Replacement Customer in any capacity release transaction with a term of one (1) year or less which is not subject to the maximum rate cap will be deemed to be a final rate and is not subject to refund if the effective date of the proposed release is on or before one (1) year from the date on which Pipeline is notified of the release.

9.8 Terms of Release.

- (a) Capacity released and available for resale by Pipeline under this Section 9 shall consist of the MDTQ and MATQ associated therewith and, if the Releasing Customer is proposing to release any of its primary points, the MDRO specified in Releasing Customer's Notice for the Point(s) of Receipt specified therein and/or the MDDO specified in such notice for

the Point(s) of Delivery specified therein. A Customer's release of a portion of the MDTQ under any Service Agreement shall operate as a release of a proportionate amount of the MATQ thereunder. The Customer acquiring capacity released under this Section 9 may use other Point(s) of Receipt and Point(s) of Delivery only as allowed under the applicable Rate Schedule and Service Agreement. Unless the Release is permanent and with no rights of recall, the new Service Agreement may not be amended to change Point(s) of Receipt or Point(s) of Delivery without the written consent of Releasing Customer.

- (b) If capacity is released during any Service Year, the Releasing Customer releasing such capacity shall have its MATQ reduced for such Service Year by the quantity received during such Service Year prior to the release and associated with the MDTQ so released. If a capacity release terminates during any Service Year, the Releasing Customer shall have its MATQ increased for such Service Year by the quantity received during such Service Year during the period of the release under the acquiring Customer's agreement.
- (c) Capacity resold under this Section 9, including capacity resold under the bidding exception of Section 9.4, shall be subject to the maximum rates, including any applicable surcharges, set forth in Pipeline's Statement of Rates for the applicable Rate Schedule; provided, however, for releases that become effective on or after July 30, 2008, any proposed capacity release transaction with a duration greater than thirty-one (31) days and less than or equal to one (1) year, unless such proposed release is to an asset manager or a marketer participating in a state-regulated retail access program, must be posted for bidding regardless of the proposed rate if the effective date of the proposed release is on or before one (1) year from the date on which Pipeline is notified of the release; and provided further that, for releases that become effective on or after July 30, 2008, the rate for any release transaction with a term of one (1) year or less may exceed the maximum tariff rate for the applicable rate schedule, if the effective date of the proposed release is on or before one (1) year from the date on which Pipeline is notified of the release, subject to the restrictions in Section 9.11 herein. If Releasing Customer specifies that the capacity may be released on a volumetric-rate basis, the volumetric rate for the release shall apply only to the reservation portion of the rate and shall be subject to the maximum volumetric rates set forth in Pipeline's Statement of Rates for the applicable Rate Schedule. Capacity released subject to recall is firm service subject to the same maximum rates as capacity released not subject to recall.

- (d) Capacity released hereunder shall be acquired by the Replacement Customer under the same Rate Schedule as that applying to the existing Service Agreement.

9.9 Pipeline's Rights to Terminate Temporary Capacity Releases. In the event of a temporary release for which (1) Pipeline has given notice of termination of the Releasing Customer's contract because the Releasing Customer no longer satisfies Pipeline's credit requirements as outlined in Section 3 of Pipeline's General Terms and Conditions and (2) the reservation charge specified in the effective Addendum to the Replacement or Prearranged Customer's Capacity Release Umbrella Agreement is less than the level of the reservation charge which the Releasing Customer was obligated to pay Pipeline (or, if Releasing Customer is paying a negotiated rate, the sum of all reservation-type and commodity-type charges), then Pipeline shall be entitled to terminate the Addendum, upon 30 days' written notice to the Replacement or Prearranged Customer, unless the Replacement or Prearranged Customer agrees prior to the end of said 30-day notice period to pay for the remainder of the term of the Addendum one of the following: (i) the reservation and commodity charges at levels which the Releasing Customer was obligated to pay Pipeline, (ii) the applicable maximum tariff rate, or (iii) such rate as mutually agreed to by Pipeline and Replacement or Prearranged Customer. The Replacement or Prearranged Customer may elect to pay the lesser of the foregoing three options. If the subject release was a segmented release, Pipeline shall not be required to permit Replacement or Prearranged Customer to retain its geographic segment of capacity, and may require Replacement or Prearranged Customer to pay for the full capacity path of the defaulting Releasing Customer at the lower of the rate the defaulting Releasing Customer paid or the applicable maximum tariff rate. Pipeline's right to terminate the Addendum is subject to Pipeline providing written notice of termination to the Replacement or Prearranged Customer within 60 days of the determination by Pipeline that the Releasing Customer no longer satisfies Pipeline's credit requirements. Termination of the Addendum shall not occur prior to termination of the Releasing Customer's contract.

9.10 Notices to Releasing Customers.

Pipeline shall provide the original Releasing Customer with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Pipeline to the Releasing Customer's Replacement Customer(s), of the following:

- (1) Notice to the Replacement Customer regarding the Replacement Customer's past due, deficiency, or default status pursuant to Pipeline's Tariff;
- (2) Notice to the Replacement Customer regarding the Replacement Customer's suspension of service notice;

- (3) Notice to the Replacement Customer regarding the Replacement Customer's contract termination notice due to default or credit-related issues; and
- (4) Notice to the Replacement Customer that the Replacement Customer(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to Pipeline's Tariff.

9.11 Any capacity released by a Releasing Customer who has exercised its most favored nations right in accordance with Section 1.11(A) of the Stipulation and Agreement approved by the Commission in Docket No. RP04-360 may be released in the secondary market (whether by that Releasing Customer or by a Replacement Customer), subject to the condition that such capacity is released at a rate not in excess of the rate that applies to the Releasing Customer's Service Agreement, such that the most favored nations benefit will be more effectively passed through to the broadest market possible.

9.12 Capacity Request Notice. Any party desiring to acquire firm capacity pursuant to this Section 9 must submit the following information to Pipeline via e-mail to link-help@spectraenergy.com:

- (a) the Replacement Customer's name and contact information;
- (b) the Maximum Daily Transportation Quantity desired;
- (c) the desired commencement date and term of the service;
- (d) the desired primary receipt and delivery points and the associated Maximum Daily Receipt Obligation and Maximum Daily Delivery Obligation for the service;
- (e) the maximum rate(s) that Replacement Customer will pay for the service;
- (f) whether Replacement Customer will accept a release with recall rights, and if so, what recall rights would be acceptable; and
- (g) whether Replacement Customer's request is contingent, and if so, the basis for the contingency.

Pipeline shall post such information on the LINK® System for a period of one month or until a transaction is effected, whichever is shorter.

9.13 Index-based Capacity Release Transactions

- (a) [Reserved for Future Use]

- (b) For index-based capacity release transactions, Releasing Customer must specify which one of the following methods is acceptable for bidding on a given index-based Releasing Customer's Notice
- a percentage of formula,
 - a dollars and cents differential from the formula,
 - a dollars and cents differential from the Rate Floor, or
 - an approved methodology in Pipeline's tariff, if any.

When bidding is based upon a dollars and cents differential from the Rate Floor, the invoiced rate for the award shall be calculated as the greater of (i) the result of the formula or (ii) the Rate Floor plus the high bid's differential, both not to exceed Pipeline's maximum reservation rate, if applicable.

The Releasing Customer may specify another method in the special terms and conditions; however, the Releasing Customer's Notice will be processed within the capacity release timeline specified in Section 9.3(a)(3).

- (c) For index-based capacity release transactions, Pipeline shall support a Rate Floor to be specified by Releasing Customer in Releasing Customer's Notice.
- (d) Unless otherwise specified in the Pipeline's tariff, for index-based capacity release transactions where the result of the award is to be applied on a monthly basis, and the formula detailed in the capacity release award requires calculations on a daily basis, the results of such daily calculations may exceed the applicable maximum daily reservation rate or be less than the applicable minimum daily reservation rate. However, any resulting monthly reservation rate may not exceed Pipeline's maximum monthly reservation rate, as applicable, or be less than the Rate Floor specified in the capacity release award.

If the resulting monthly reservation rate exceeds Pipeline's maximum reservation rate, as applicable, Pipeline's maximum reservation rate shall be used for invoicing. If the resulting monthly reservation rate is less than the Rate Floor, the Rate Floor shall be used for invoicing.

- (e) For invoicing of volumetric index-based capacity release transactions, where the result of the formula detailed in the capacity release award is to be applied on a daily basis, if the calculated daily rate exceeds Pipeline's applicable maximum reservation rate or is less than the Rate Floor specified in the capacity release award, Pipeline's maximum reservation rate or the Rate Floor, respectively, shall apply.

- (f) Pipeline shall support two non-public price index references that are representative of receipt and delivery points on its system for fixed-price transactions with next-day or next-month delivery obligations. In any event, Pipeline shall support all price indices it references in its FERC Gas Tariff. In addition, Pipeline shall evaluate those publicly available price index references requested by its Customers that do not require any license(s)/subscription(s) for their use and support those that are representative of the applicable receipt and delivery points. Further:
- (1) The identity of all supported price index references shall be posted on Pipeline's Informational Postings Web site, including the duration of the license(s)/subscription(s) for posted price index reference(s).
 - (2) Upon request of a Customer holding capacity that can be released on Pipeline's system, Pipeline, in consultation with its Customers, shall review the price index references (including publicly available price index references), and update the price index references to reflect the agreed upon results of that consultation. All parties shall act reasonably and in good faith in the review process. Pipeline shall not unreasonably withhold agreement to such proposed changes. Such review should occur no more frequently than annually.
 - (3) Releasing Customers requesting the use of price index references not supported by Pipeline will be responsible for providing/maintaining adequate license(s)/subscription(s) for Pipeline for such additional price index reference(s) such that Pipeline is able to reasonably determine that it is adequately licensed to fulfill its business responsibilities associated with index-based capacity release transactions. Such license(s)/subscription(s) shall, at a minimum be for the term of the initial release(s) that use such index references or until such index reference becomes generally supported by Pipeline as referenced above. These price index reference(s) will then be supported by Pipeline and available for index-based capacity release transactions for the duration of the license(s)/subscription(s) and their identity(ies) posted on Pipeline's Informational Postings Web site.
 - (4) Regarding paragraphs (2) and (3) above, Pipeline reserves the right, in its own discretion, to review any license(s)/subscription(s) that would legally bind Pipeline and to evaluate the legal propriety of same as it pertains to Pipeline. Pipeline may, with reasonable cause, require modification of the license(s)/subscription(s) to

resolve its concerns relative to any license(s)/subscription(s) that would legally bind Pipeline.

- (5) Each party involved in an index-based release activity assumes no liability for the use of price index information by other parties to the release. Pipeline's support of any price index reference does not make it responsible for ensuring that Releasing Customer(s) or Replacement Customer(s) possesses any license(s)/subscriptions(s) that may be required to use such price index reference.
- (g) For index-based capacity release transactions, upon mutual agreement between Releasing Customer and Pipeline, Releasing Customer shall provide Pipeline and Replacement Customer with the detailed calculation of the reservation rate(s). Except as provided below, this rate(s) will be stated on the invoice provided by Pipeline to Replacement Customer pursuant to the capacity release award. The results of Releasing Customer's calculations shall conform to the capacity release award and/or to Pipeline's minimum and maximum reservation rates, as applicable.
- For reservation and monthly volumetric index-based capacity release transactions, the detailed calculation shall be provided in a mutually agreed upon format no later than the second Business Day of the Month following the transportation under the release.
 - For volumetric index-based capacity release transactions requiring a daily rate calculation, the detailed calculation shall be provided in a report pursuant to Section 9.13(j) below.

If the report is not provided by the applicable deadline above or is deficient, Pipeline will notify Releasing Shipper to provide Pipeline with a correct report within one Business Day. Thereafter, in the absence of a conforming report, Pipeline will invoice the Replacement Shipper the greater of the Rate Default specified in the Releasing Customer's Notice or the Rate Floor plus any differential specified in the capacity release award.

Upon notification to Pipeline by both Releasing Customer and Replacement Customer that prior period adjustments to the calculated reservation rates used in the invoice are appropriate, invoiced amounts can be revised subsequently, upward or downward, to conform to the capacity release award, subject to the standards governing prior period adjustments within the NAESB WGQ Invoicing Related Standards and the provisions of Section 15.5 of these General Terms and Conditions.

- (h) For index-based capacity release transactions, the rate to be used in the invoice shall be the greater of:
- the results of the calculation of the formula from the capacity release award (if the formula cannot be calculated, the Rate Default specified in Releasing Customer's Notice), or
 - the Rate Floor plus any differential as specified in the capacity release award.

The rate used in the invoice shall not be greater than Pipeline's maximum reservation rate, as applicable.

- (i) For index-based capacity release transactions, Pipeline shall support the ability of Releasing Customer to specify in the Releasing Customer's Notice a non-biddable Rate Default. The Rate Default cannot be less than the Rate Floor, if any.
- (j) For volumetric index-based capacity release transactions, where Releasing Customer performs invoicing calculations pursuant to Section 9.13(g) above, Pipeline shall provide allocated quantities to Releasing Customer according to a mutually agreed upon timetable. Releasing Customer shall have at least one Business Day to process the quantities prior to returning such invoicing information to Pipeline in a tabular format.

Pipeline shall provide the allocated quantities to Releasing Customer in a tabular file to be described by Pipeline. The first row of the file shall contain the column headers and data shall begin on the second row of the file. In addition, the first column shall contain the applicable Gas Day(s).

9.14 Permanent Capacity Releases

To the extent that any Customer desires to release all or any part of its firm rights under a Firm Service Agreement on a permanent basis, the procedures specified in this Section 9 shall apply. In addition, the Replacement Customer that will acquire the capacity from Customer must provide the credit information as required by Section 3 of these General Terms and Conditions. For any permanent capacity release, the minimum bid acceptable to Pipeline shall be a bid for the remainder of the term of Customer's service agreement at the rate(s) Customer is obligated to pay Pipeline for the capacity to be permanently released. Pipeline may refuse to allow a permanent capacity release if it has a reasonable basis to conclude that it will not be financially indifferent to the release. If Customer's request to permanently release capacity is denied by Pipeline, Pipeline shall notify Customer via e-mail and shall include in the notification the reasons for such denial. A Service Agreement shall be executed, as specified in Section 3.3 of these General Terms and Conditions, by Replacement Customer and Pipeline

following the completion of the permanent capacity release and the approval processes.

10. ACTION ALERTS AND OPERATIONAL FLOW ORDERS

- 10.1 **Circumstances Warranting Issuance:** Pipeline shall have the right to issue Action Alerts or Operational Flow Orders (OFOs), as specified in this Section 10, that require actions by a Customer(s) in order (i) to alleviate conditions that threaten to impair reliable firm service, (ii) to maintain pipeline operations at the pressures required to provide efficient and reliable firm services, (iii) to have adequate gas supplies in the system to deliver on demand, (iv) to maintain service to all firm Customers and for all firm services, (v) to preserve the integrity of the pipeline system, (vi) to assure adequate fuel and Company Use Gas, and/or (vii) to maintain the system in balance for the foregoing purposes. Pipeline shall lift any effective OFO or Action Alert, promptly upon the cessation of operating conditions that caused the relevant system emergency.
- 10.2 **Actions to be Taken to Avoid Issuance:** Pipeline shall, to the extent reasonably practicable, take all reasonable actions necessary to avoid issuing an OFO or Action Alert. Such actions shall include, in order of priority (i) working with OBA parties to temporarily adjust receipts and/or deliveries at relevant Point(s) of Receipt or Point(s) of Delivery, (ii) working with Customers to adjust scheduled flows on the system, or (iii) taking any other reasonable action designed to mitigate the system emergency. After taking all such reasonable actions to avoid issuing an OFO or Action Alert, Pipeline will have the right to issue OFOs or Action Alerts, if necessary, in the circumstances described in Section 10.1.
- 10.3 **Preliminary Notification:** Pipeline shall provide, via posting on the LINK® System and on its Web site, prior notice to all Customers of upcoming system events, such as anticipated weather patterns and operational problems that may necessitate the issuance of an OFO or Action Alert. Pipeline will use electronic mail (e-mail) in order to facilitate certain notifications to Customers as required by this FERC Gas Tariff; Customer shall provide Pipeline with at least one e-mail address to which these notifications can be sent, and shall be responsible for updating such information as necessary.
- 10.4 **Applicability of OFO or Action Alert:** Pipeline shall make an OFO or Action Alert as localized as is reasonably practicable based on Pipeline's good faith and reasonable judgment concerning the situations requiring remediation such that an OFO or Action Alert will be directed (i) first to Customers causing the problem necessitating the OFO or Action Alert or transporting gas in the area of the system in which there is an operational emergency, and (ii) second to those Customers transporting gas in the area of the system where action is required to correct the problem necessitating the OFO or Action Alert. Pipeline will narrowly tailor the OFO or Action Alert to match the system emergency.
- 10.5 **Notice:** Pipeline will issue all OFOs or Action Alerts via the LINK® System and on Pipeline's Web site. Pipeline will make any such posting as soon as reasonably

practicable but, in no event, not later than 24 hours prior to the OFO or Action Alert becoming effective (if feasible under the circumstances). The OFO or Action Alert will set forth (i) the time and date of issuance, (ii) the actions that the Customer(s) is required to take, (iii) the time by which the Customer(s) must be in compliance with the OFO or Action Alert, (iv) the anticipated duration of the OFO or Action Alert, and (v) any other terms that Pipeline may reasonably require to ensure the effectiveness of the OFO or Action Alert. In addition to the other information contemplated by this Section 10.5, such notice shall also include information about the status of operational variables that determine when an OFO or Action Alert will begin and end, and Pipeline shall post periodic updates of such information, promptly upon the occurrence of any material change in the information. Pipeline will post a notice on the LINK® System and on its Web site informing Customer(s) when any OFO or Action Alert in effect will be canceled and specifying the factors that caused the OFO or Action Alert to be issued and then lifted, to the extent such factors are known. For each notice contemplated by this Section 10.5, Pipeline will provide simultaneous notice by electronic (e-mail) to each shipper that requests such notice, and has provided its e-mail address to Pipeline.

- 10.6 Action Alerts: In the event that, in Pipeline's judgment, action is required to avoid a system integrity issue, Pipeline may issue Action Alerts. Action Alerts will be noticed in accordance with the procedures set forth in Section 10.5 above. Action Alerts can be issued to effect any of the following:
- (a) curtailment of interruptible services;
 - (b) restrictions of deliveries to specific Receipt or Delivery Point(s) covered by an Operational Balancing Agreement based on the aggregate daily quantity scheduled for receipt and/or delivery at the affected locations;
 - (c) forced balancing such that point operators will be required to assure that nominations equal flows or that Receipts and Deliveries fall within the tolerance level designated in the Action Alert; and/or
 - (d) any action required to maintain the integrity of Pipeline's System in order to avoid operational conditions that would require the issuance of an OFO.
- 10.7 Operational Flow Orders: In the event that (i) Customer(s) does not respond to an Action Alert, (ii) the actions taken thereunder are insufficient to correct the system emergency for which the Action Alert was issued, or (iii) there is insufficient time to carry out the procedures hereunder with respect to a particular system emergency, Pipeline may periodically take unilateral action, including the curtailment of firm service, to maintain the operational integrity of Pipeline's system (or any portion thereof). For purposes of this Section 10.7, the operational integrity of Pipeline's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of gas delivered. Notice of an Operational

Flow Order will be provided pursuant to and in accordance with Section 10.5 above.

- 10.8 Penalties: To the extent Pipeline issues an Action Alert or Operational Flow Order and Customer(s) does not comply with such order, Pipeline will assess, and Customer will be obligated to pay Pipeline a penalty as follows:
- (a) Action Alert penalty for each Dekatherm of Gas by which Customer deviated from the requirements of the Action Alert equal to the product of 150% times the Platts *Gas Daily* "Daily Price Survey" High Common price for "Tennessee, zone 6 del." for each Day that said Action Alert is in effect.
 - (b) Operational Flow Order penalty for each Dekatherm of Gas by which Customer deviated from the requirements of the Operational Flow Order equal to the product of 300% times the Platts *Gas Daily* "Daily Price Survey" High Common price for "Tennessee, zone 6 del." for each Day that said Operational Flow Order is in effect.

Any penalty revenue collected by Pipeline pursuant to this Section 10.8 will be credited, net of costs, to those Customers that did not incur penalties pursuant to this Section 10.8 in the Month for which penalty revenues were received ("Non-Offending Customer"), based on the ratio of the actual volumes taken by the Non-Offending Customer to the actual volumes taken by all Non-Offending Customers. Such credits shall be calculated for each Month of the twelve (12) Month period ending July 31 of each year, and will be included on the Non-Offending Customers' invoice for the Month of October. Penalties will not apply to Customers who stay within the tolerance specified in the Action Alert or OFO.

- 10.9 Liability of Pipeline: Pipeline shall not be liable for any costs incurred by Customer in complying with an OFO or Action Alert. Pipeline shall not be responsible for any damages that result from any interruption in Customer's service that is a result of Customer's failure to comply promptly and fully with an OFO or Action Alert, and the non-complying Customer shall indemnify Pipeline against any claims of responsibility. However, Pipeline shall use reasonable efforts to minimize any such costs or damages.
- 10.10 Customers: As a point of clarification, any reference in this Section 10 to a Customer includes both Pipeline's transportation Customers, TABS Party and OBA Parties.

11. BALANCING

11.1 Imbalance Resolution Procedures. Customer shall have the responsibility to maintain as nearly as practicable an equal balance between quantities of Gas received at the Point(s) of Receipt, adjusted for appropriate Fuel Retainage Quantity, and quantities of Gas delivered each Month. If Customer does not maintain an equal balance between quantities of Gas received at the Point(s) of Receipt, adjusted for appropriate Fuel Retainage Quantity, and quantities of Gas delivered, the resulting contract imbalance will be handled in accordance with the provisions of this Section 11 to eliminate contract imbalances accumulated during the Month and to provide added incentives to Customers to comply with their monthly balancing responsibilities.

(a) Contract Imbalance

(1) Service Agreements. The monthly imbalance for a Service Agreement shall be the difference between actual quantities of gas received at the Point(s) of Receipt less appropriate Fuel Retainage Quantity, and actual quantities of gas delivered during the Month under the Service Agreement. To the extent Customer is utilizing service provided at a meter with an OBA Party, Customer's confirmed nomination quantities at that meter will be used as the actual quantity for purposes of calculating the imbalance level in accordance with Section 11.1(b) below.

(2) Operational Balancing Agreements. The monthly imbalance for an OBA Party's Operational Balancing Agreement shall be based on the difference between total actual quantities of Gas received or delivered through the affected meter and the total aggregated confirmed nomination quantities for that meter, which shall be used as the actual quantities of Gas received or delivered for purposes of Section 11.1(b) below.

(b) Imbalance Level. The imbalance level shall be the absolute value of the lesser of the operational monthly contract imbalance or the actual monthly contract imbalance, after minimizing the imbalance in accordance with the Imbalance Netting provisions contained in Section 11.5 herein, divided by scheduled monthly receipts. Operating data and actual data will be accessible via the LINK® System or other mutually agreeable form of communication.

11.2 Resolution of Imbalances. During the Month, Cash-out Party or OBA Party (individually referred to in this Section 11 as an "Imbalance Party" and collectively as "Imbalance Parties") may use any or all of the Imbalance Management Services, as defined in Section 1 of the GT&C, to reduce or

eliminate a monthly imbalance. In addition, Imbalance Party may trade a monthly imbalance with another Imbalance Party, in accordance with Section 11.4 below, until the close of the seventeenth Business Day after the end of the Month during which the imbalance occurred. Any imbalance(s) not resolved via any of the Imbalance Management Services will be resolved pursuant to Sections 11.5 and 11.6 herein or the in-kind imbalance resolution mechanism set forth in OBA Party's executed Operational Balancing Agreement ("OBA"), as applicable.

- 11.3 Imbalance Management Services. The Imbalance Management Services offered by Pipeline are identified in Section 1 of the GT&C. Details of each service are included in the applicable Rate Schedule and Form of Service Agreement contained in this Tariff, or in Section 11.4 below.
- 11.4 Imbalance Trading. Pipeline shall allow Imbalance Parties to trade imbalances within the same Operational Impact Area, as defined in Section 1 of the GT&C, if the two Imbalance Parties' imbalances are offsetting balances for the Month, such that the net imbalance for each Imbalance Party after the completion of the trade would be reduced to a quantity closer to zero. An OBA Party that trades an imbalance resulting from actual deliveries by Pipeline in excess of scheduled deliveries (due Pipeline) shall be assessed a transportation imbalance charge. An OBA Party that trades an imbalance resulting from actual deliveries by Pipeline that are less than scheduled deliveries (due OBA Party) shall be assessed a transportation imbalance credit. The transportation imbalance charge and transportation imbalance credit shall be calculated by multiplying the traded quantity by the actual weighted average Usage Charge owed on all quantities of Gas delivered during the Month to that OBA Party.

Pipeline will provide the ability to post and trade imbalances at any time during the gas flow Month, and until the seventeenth Business Day after the end of the Month during which the imbalances occurred. To facilitate the trading process, Pipeline will, upon receipt of Imbalance Party's authorization, post an Imbalance Party's imbalance quantity on its Web site. An authorization to Post Imbalances (pursuant to NAESB WGQ Standard No. 2.4.9) that is received by Pipeline by 11:45 a.m. will be effective by 8:00 a.m. the next Business Day. An Authorization to Post Imbalances will remain in effect until cancelled by the Imbalance Party. An imbalance that is previously authorized for posting will be posted on or before the ninth Business Day of the Month; however, Pipeline will not be required to post zero imbalances. The information posted will also identify the Imbalance Party, the contract, the Operational Impact Area and the gas flow Month applicable to the posted imbalance quantity. For purposes of determining the imbalance quantity that will be posted, all imbalances within an Operational Impact Area due Imbalance Party under all of Imbalance Party's contracts and all imbalances in that Operational Impact Area due Pipeline under all of Imbalance Party's contracts shall be summed together to yield a single net imbalance quantity for the Imbalance Party in that Operational Impact Area for the Month,

unless otherwise agreed to pursuant to Section 11.5 below. Pipeline will provide to all Customers and OBA Parties the ability to view, and upon request, download posted imbalance information.

Pipeline shall enable the imbalance trading process by providing the ability for (i) Customer to authorize the posting of imbalances (pursuant to NAESB WGQ Standard No. 2.4.9) on Pipeline's LINK® System; (ii) a party to view the posted imbalances (pursuant to NAESB WGQ Standard No. 2.4.10) on Pipeline's LINK® System; (iii) the initiating trader to submit a request to Pipeline for an imbalance trade (pursuant to NAESB WGQ Standard No. 2.4.11) on Pipeline's LINK® System; (iv) Pipeline, in response to the request for an imbalance trade, to provide any error/warning message(s), as necessary, which includes the name of the relevant data element, if appropriate, along with the corresponding message; (v) the initiating trader to withdraw its request for an imbalance trade on Pipeline's LINK® System; (vi) Pipeline to, optionally, request the confirming trader to confirm the request for an imbalance trade; (vii) the confirming trader to confirm the request for an imbalance trade on Pipeline's LINK® System; (viii) Pipeline to provide the initiating trader and the confirming trader with the status of the requested imbalance trade no later than 12:00 p.m. (Noon) on the next Business Day, including, if applicable, an explanation when the trade quantity is not equal to the trade quantity requested; (ix) Pipeline to effectuate the confirmed trade; and (x) Pipeline to reflect the trade prior to or on the next monthly Customer Imbalance or cashout.

When trading imbalances, the quantity to be traded must be specified. An imbalance trade can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. An imbalance trade is considered final when confirmed by the confirming trader and effectuated by Pipeline. Pipeline shall update the Imbalance Party's imbalance data to reflect any final trades of imbalance quantities no later than 9:00 a.m. CT on the next Business Day after the trade is finalized.

11.5 Imbalance Netting

For purposes of determining the imbalance quantity that will be subject to resolution pursuant to Section 11.6 below, all imbalances within an Operational Impact Area due Imbalance Party under all of Imbalance Party's contracts for a Month and all imbalances in that same Operational Impact Area due Pipeline under all of Imbalance Party's contracts for the same Month shall be summed together to yield a single imbalance for that Operational Impact Area for the Month, unless otherwise requested in writing by Imbalance Party. Any imbalance not resolved after Sections 11.3 and 11.4 above have been utilized will be subject to resolution in accordance with Section 11.6 below or the in-kind imbalance resolution mechanism set forth in OBA Party's executed Operational Balancing Agreement ("OBA"), as applicable.

11.6 Cash-out Provision

Prior to or with the monthly transportation invoice. Pipeline will render each Cash-out Party a statement detailing the unresolved imbalances. In the second Month after the imbalances occurred, a bill for the amount due Pipeline or a credit of the amount due Cash-out Party, as determined below, will be rendered with the monthly transportation invoice pursuant to Section 15.1 of these General Terms and Conditions.

- (a) Imbalance Due Pipeline. For contract imbalances, after minimization in accordance with the Imbalance Netting provisions in Section 11.5 herein, where actual deliveries exceed actual receipts at the Point(s) of Receipt less Fuel Retainage Quantity, Cash-out Party shall pay Pipeline based on the accumulated sum of the results of the formulas listed below:

<u>Imbalance Level</u>	<u>Factor</u>	<u>Results</u>
0% - ≤ 5%	1.00	(price x quantity ≤ 5%)
> 5% - ≤ 10%	1.10	(price x quantity > 5% & ≤ 10%)
> 10% - ≤ 15%	1.20	(price X quantity > 10% & ≤ 15%)
> 15% - ≤ 20%	1.30	(price x quantity > 15% & ≤ 20%)
> 20% - ≤ 25%	1.40	(price x quantity > 20% & ≤ 25%)
> 25%	1.50	(price x quantity > 25%)

The amount due Pipeline for each imbalance level shall be determined by multiplying the corresponding imbalance level factor by the Index Price, as determined in Section 11.6(c) herein, for the Month in which the contract imbalance was incurred, times the quantity within each imbalance level. The calculation of cash out charges relating to excess deliveries shall also include a transportation imbalance charge, which shall be calculated by multiplying the excess delivery quantity by the actual weighted average Usage Charge owed on all quantities of Gas delivered during the Month to that Cash-out Party.

- (b) Imbalance Due Cash-out Party. For contract imbalances, after minimization in accordance with the Imbalance Netting provisions in Section 11.5 herein, where actual receipts at the Point(s) of Receipt less Fuel Retainage Quantity exceed actual deliveries, Pipeline shall purchase from Cash-out Party such excess receipts. Pipeline shall pay Cash-Out Party based on the accumulated sum of the results of the formulas listed below:

Imbalance Level	<u>Factor</u>	<u>Results</u>
0% - ≤ 5%	1.00	(price x quantity ≤ 5%)
> 5% - ≤ 10%	.90	(price x quantity > 5% & ≤ 10%)
> 10% - ≤ 15%	.80	(price X quantity > 10% & ≤ 15%)
> 15% - ≤ 20%	.70	(price x quantity > 15% & ≤ 20%)
> 20% - ≤ 25%	.60	(price x quantity > 20% & ≤ 25%)
> 25%	.50	(price x quantity > 25%)

The amount due Cash-out Party for each imbalance level shall be determined by multiplying the corresponding imbalance level factor by the Index Price, as determined in Section 11.6(c) herein, for the Month in which the contract imbalance was incurred times the quantity within each imbalance level. The calculation of the amount due Cash-out Party relating to excess quantities shall also include a transportation imbalance credit, which shall be calculated by multiplying the excess quantities by the actual weighted average Usage Charge owed on all quantities of Gas delivered during the Month to that Cash-out Party. Pipeline shall have no responsibility for the distribution of funds beyond the initial distribution to the Cash-out Party.

- (c) Index Price. The Index Price for purposes of resolving imbalances shall be determined by calculating the arithmetical average of Platts *Gas Daily* "Daily Price Survey" Midpoint prices for "Tennessee, zone 6 del." as such prices are posted for each day of the applicable Month and the first seven days of the subsequent Month less the 100% load factor Rate Schedule MN365 maximum recourse rate and less the average monthly fuel cost. The average monthly fuel cost shall be calculated by multiplying (1) the monthly average of Platts *Gas Daily* "Daily Price Survey" Midpoint price for "Tennessee, zone 6 del." as such prices are posted for each day of the applicable Month and the first seven days of the subsequent Month less the 100% load factor Rate Schedule MN365 maximum recourse rate in effect during such Month by (2) the applicable monthly Fuel Retainage Percentage listed on the Statement of Fuel Retainage Percentages. In the event that this index price is no longer available, Pipeline will file to change its Tariff and may, at its discretion, select an appropriate price for the interim period, subject to refund.

11.7 Credit. On a monthly basis Pipeline shall credit or debit, as appropriate, the Fuel Retainage Quantity Deferred Account as provided in Section 20.4 herein, the net proceeds from the operation of the imbalance resolution procedures contained in this Section 11.

11.7A Disposition of Excess Quantities. If Pipeline desires to auction at any time the net excess quantities purchased under Section 11.6 of the GT&C, the net quantities available to Pipeline as a result of over-realization of in-kind compensation pursuant to Section 20 of the GT&C, or the Quantity of Gas retained under Sections 8.6 and 10 of Rate Schedule MNPAL, Pipeline shall post a notice of such auction on the LINK® System at least three (3) Business Days prior to the date on which bids will be accepted. Such notice shall specify the quantity of gas to be auctioned, the date on which the bids will be accepted, and the evaluation method that will be used to determine the highest bid. Pipeline shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CT on the Business Day that bids are due. Prior to 4:00 p.m. CT of the same day, Pipeline shall notify the Customer submitting the highest bid; provided, however, Pipeline reserves the right to reject any and all bids. When the gas is purchased at auction, Customer must provide identification of the existing transportation service agreement with Pipeline under which Customer shall nominate, transport and deliver all gas. Unless otherwise specified in the auction notice, Customer shall nominate, transport, and deliver all gas by the end of the Month following the Month in which the gas is purchased. Customer shall pay the applicable transportation charges for the quantity of gas delivered. The transaction shall be subject to the imbalance resolution procedures set forth in this Section 11 and all other applicable terms and conditions contained in Pipeline's FERC Gas Tariff prospectively from the date of Customer's purchase pursuant to this Section 11.7A, at the Point(s) of Delivery. All auction proceeds shall be handled in accordance with Section 20.

11.8 OPERATIONAL BALANCING AGREEMENTS ("OBA")

- (a) For the purpose of minimizing operational conflicts between various pipeline facilities with respect to the delivery of Gas to and from Pipeline's facilities, Pipeline may enter into Operational Balancing Agreements (OBAs) with an OBA Party. Such OBAs shall be in the form contained in this FERC Gas Tariff; provided, however, that Pipeline and OBA Party at interconnections with interstate or intrastate pipelines may execute an OBA in another mutually agreeable form. Such OBA shall specify the Gas Custody transfer procedures to be followed by Pipeline and OBA Party for the confirmation of scheduled quantities of Gas to be received by Pipeline at the Point of Receipt or delivered by Pipeline at the Point of Delivery. Such OBA will provide that any variance between actual quantities and scheduled and confirmed quantities at the point where the OBA is in place for any Gas Day shall be cashed out or resolved in-kind promptly pursuant to the terms of the OBA and that such daily scheduling and monthly balancing variances are the responsibility of the OBA Party.

To facilitate such determination of variances on a timely basis, Pipeline and the OBA Party will agree in the OBA on necessary measurement and

accounting procedures. Pipeline shall post on the LINK® System those Points of Receipt and Points of Delivery at which an OBA is in effect.

- (b) Pipeline shall have no obligation to negotiate and execute OBAs with any OBA Party that:
 - (1) is not creditworthy as determined pursuant to Section 3 of the GT&C; for purposes of such provision, references to Customer shall refer to the OBA Party;
 - (2) does not maintain dispatching operations which are staffed on a continuous around-the-clock basis every day of the year;
 - (3) would cause the level of regulation which Pipeline is subject to prior to the execution of the applicable OBA to increase; or
 - (4) does not commit to timely determination of variances based on reasonable available measurement technology; or
 - (5) has not demonstrated operational consistency commensurate with the OBA relationship over a minimum period of three years.
- (c) Nothing in this Section 11.8 nor any executed OBA shall limit Pipeline's rights to take action as may be required to adjust receipts and deliveries under any Service Agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Pipeline's system, including maintenance of service to higher priority Customers and/or services.
- (d) When Pipeline enters into an OBA with a regulated interstate or intrastate pipeline, Pipeline may waive the daily scheduling provisions in Sections 5 and 6, herein, to maintain operational flexibility and integrity.

12. QUALITY OF GAS

The provisions set forth in this Section 12 shall apply to all gas received or delivered by Pipeline, except as expressly set forth herein to the contrary.

12.1 Natural or Artificial Gas. The gas received or delivered by Pipeline hereunder shall be a combustible gas consisting wholly of, or a mixture of:

- (a) Natural gas of the quality and composition produced in its natural state except that the Pipeline may extract or permit the extraction of any of the constituents thereof except methane.
- (b) Gas generated by vaporization of Liquefied Natural Gas ("LNG").
- (c) Manufactured, reformed, or mixed gas consisting essentially of hydrocarbons of the quality and character produced by nature in the petroleum, oil and gas fields with physical properties such that when the artificial pipeline gas is commingled with natural gas, the resulting mixture is indistinguishable from natural gas complying with specifications under the FERC Gas Tariff.

12.2 Total Heating Value and Wobbe Number.

- (a) No gas delivered hereunder shall have a Total Heating Value at the Point of Receipt below 967 Btu per cubic foot (BTU/CF) and no more than 1110 BTU/CF.
- (b) No gas delivered hereunder shall have a Wobbe Number at the Point of Receipt below 1314 or more than 1400, subject to the limitations and obligations, and related exceptions, applicable during the "Phase-In Period," all as defined and set forth in the Stipulation and Agreement submitted to FERC on February 27, 2009 and approved by FERC on April 21, 2009 in Docket No. RP08-374-000, (calculated using Total Heating Value (THV)), dry, under standard conditions at 14.73 psia at 60 degrees Fahrenheit based on the following mathematical definition and in accordance with Section 14 of these GT&C:

$$\text{THV} / \text{Sqrt SG}_{\text{gas}}$$

Where:

THV = Total Heating Value (Btu/scf)

SG_{gas} = Specific Gravity

Sqrt = Square root of.

- (c) The Total Heating Value shall be determined by gas chromatographic analysis using most recent AGA standards or any revision thereof, or by other methods mutually agreed upon by Customer and Pipeline.

12.3 Composition.

- (a) Merchantability. The gas shall be commercially free, under continuous gas flow conditions, from objectionable odors (except those required by applicable regulations), solid matter, dust, gums, and gum-forming constituents which might interfere with its merchantability or cause injury to or interference with proper operations of the pipelines, compressor stations, meters, regulators or other appliances through which it flows, or their operation.
- (b) Oxygen. The gas shall not have an uncombined oxygen content in excess of two-tenths (0.2) of one percent (1%) by volume.
- (c) Non-Hydrocarbon Gases. The gas shall not contain more than four percent (4%) by volume, of a combined total of non-hydrocarbon gases (including carbon dioxide and nitrogen); it being understood, however, that the total carbon dioxide content shall not exceed two percent (2%) by volume and that the combined oxygen and nitrogen content shall not exceed two and three quarters percent (2.75%) by volume; provided, gas received from Maritimes & Northeast Pipeline Limited Partnership may contain up to two and one quarter percent (2.25%) carbon dioxide content by volume if Pipeline determines, in its reasonable discretion, that commingling opportunities exist to permit it to deliver gas into downstream interstate pipelines with a total carbon dioxide content that does not exceed two percent (2%) by volume.
- (d) Liquids. The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is received and delivered.
- (e) Hydrogen Sulfide. The gas shall not contain more than one-fourth (1/4) grains of hydrogen sulfide per one-hundred (100) Cubic Feet.
- (f) Total Sulphur. The gas shall not contain more than two (2) grains of total sulphur, excluding any mercaptan sulphur, per one-hundred (100) Cubic Feet.
- (g) Temperature. The gas shall not have a temperature of more than one-hundred twenty degrees (120o) Fahrenheit.
- (h) Water Vapor. For gas received into Pipeline's system from a receipt point located in the continental United States, such gas shall not contain in

excess of seven (7) pounds of water vapor per million Cubic Feet. For gas received into Pipeline's system from a receipt point north of the continental United States, such gas shall not contain in excess of five (5) pounds of water vapor per million Cubic Feet. All gas delivered by Pipeline, regardless of where received, shall not contain in excess of seven (7) pounds of water vapor per million Cubic Feet.

- (i) Liquefiable Hydrocarbons. The gas shall not contain liquid hydrocarbons or hydrocarbons liquefiable at temperatures warmer than 15°F and normal pipeline operating pressures of 100-1440 psig. This correlates to a limit of 0.032 gallons of C6+ hydrocarbons per thousand Cubic Feet of natural gas (GPM) at any operating pressure.
- (j) Microbiological Agents. The gas shall not contain, either in the gas or in any liquids with the gas, any microbiological organism, active bacteria or bacterial agent capable of contributing to or causing corrosion and/or operational and/or other problems.

Microbiological organisms, bacteria or bacterial agents include, but are not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (APB). Tests for bacteria or bacterial agents shall be conducted on samples taken from the meter run or the appurtenant piping using American Petroleum Institute (API) test method API-RP38 or any other test method acceptable to Pipeline and Customer which is currently available or may become available at any time.

- (k) Non-methane Hydrocarbons. The gas shall not contain a non-methane hydrocarbon content of more than twelve percent (12.0%) of ethanes and heavier hydrocarbons (C2+), of which the content of butanes and heavier hydrocarbons (C4+) shall not exceed one and one half percent (1.5%) of the gas.

- 12.4 If the gas tendered for Customer's account to Pipeline shall fail at any time to conform to any of the specifications set forth in this Section 12 or in Pipeline's reasonable judgment, may cause harm to its facilities or diminish the quality of gas in the system, then Pipeline shall have the right, after either written, oral or telephonic notice to Customer, to refuse to accept all or any portion of such quality deficient gas. In the event Pipeline refuses to accept gas tendered by Customer because such gas does not conform to the specifications set forth herein, Customer shall not be relieved of its obligation to pay any Reservation Charge provided for in Customer's Service Agreement. If the gas tendered by Pipeline for Customer's account shall fail at any time to conform to any of the specifications set forth in this Section 12 then Customer shall notify Pipeline of such deficiency and may, at its option, refuse to accept delivery pending correction by Pipeline.

12.5 Waiver.

- (a) Notwithstanding the requirements set forth in this Section 12, to the extent that any interruption of supply physically available for delivery to Pipeline's system would result in volumes physically available for flow on the system that, in Pipeline's reasonable determination, are less than the aggregate quantity of local distribution company and end-use markets connected directly to the system, Pipeline may allow Customer to tender for service or cause to be tendered, pursuant to an executed Service Agreement under Pipeline's rate schedules, gas which does not when injected into Pipeline's pipeline meet the quality specifications set forth in this Section 12; provided that Pipeline's acceptance of such gas shall not adversely impact Pipeline's system facilities or operations. Pipeline shall post on LINK® any such waiver of Pipeline's gas quality requirements. Customer acknowledges that following the posting of a waiver as contemplated in this Section 12.5(a), Customer may receive gas that does not conform to the specifications set forth in this Section 12 if deliveries are scheduled under Customer's Service Agreement while the posting is in effect. Pipeline shall implement this Section 12.5(a) on a non-discriminatory basis. Notwithstanding anything to the contrary in this Section 12.5(a), Pipeline shall not waive the requirements of this Section 12 to permit gas to enter the system that has a Wobbe Number less than 1300 or greater than 1410, a Total Heating Value greater than 1120 BTU/CF, a carbon dioxide content by volume greater than two and nine-tenths of one percent (2.9%), or a sulphur content, excluding mercaptan sulphur, per one-hundred (100) Cubic Feet greater than five (5) grains. In the event that Pipeline's acceptance of such gas results in the diminution in quality, quantity or economic value of gas transported for others, Customer who injects or causes to be injected such gas into Pipeline's system shall be liable for any damage caused thereby and such Customer shall indemnify and hold Pipeline harmless from any damage caused thereby; provided, however, that Customer shall not be obligated to indemnify Pipeline for any damage resulting from Pipeline's gross negligence, undue discrimination or willful misconduct in its handling of the gas pursuant to this Section 12.5(a).
- (b) In addition to Section 12.5(a), Pipeline may waive the requirements set forth in this Section 12 in order to allow Customer to tender or cause to be tendered gas which does not, when injected into Pipeline's system, meet the quality specifications set forth in this Section 12; provided that acceptance of such gas shall not adversely affect Pipeline's system facilities or operations, and further provided that the commingled gas stream at any point on Pipeline's system where Maritimes can deliver gas, including any local distribution company or end-use market connected

directly to the system, as well as any lateral or downstream pipeline, shall be compliant with the quality specifications set forth in Section 12 (but excluding Section 12.5); Pipeline shall post on LINK® any waiver of Pipeline's gas quality requirements. Pipeline shall implement this Section 12.5(b) in a not unduly discriminatory manner and may cancel any waiver at any time if necessary to ensure that the commingled gas stream is compliant with the quality specifications set forth in Section 12 at any delivery point on Pipeline's system.

- 12.6 Notwithstanding the requirements set forth in Section 12.5, Pipeline, at any time and from time to time, shall have the right, either by written, oral or telephonic notice to Customer, to arrange for any necessary processing of Customer's quality deficient gas tendered to Pipeline to ensure such gas meets the minimum quality specifications set forth in this Section 12. Pipeline shall bill the applicable Customer and such Customer shall pay Pipeline for all costs (including shrinkage) incurred by Pipeline relating to the processing of the Customer's gas as necessary to ensure that Pipeline fully recovers such costs and applicable carrying charges. Pipeline shall have the right to sell or otherwise dispose of any or all of the processing products without accounting to Customer or owner of the processed gas.
- 12.7 Pipeline shall have the unqualified right to commingle gas transported hereunder with gas from other sources, and to treat and handle all such gas as its own. It is recognized that gas delivered may not be the same molecules as those received at the Point of Receipt. To the extent Customer or any other party elects not to exercise its rights, if any, to process gas for the removal of liquids and liquefiable hydrocarbons, Pipeline shall have the unqualified right to process such gas for the purpose of removing, among others, liquids and liquefiable hydrocarbons and ownership of such liquids and liquefiable hydrocarbons shall be vested in Pipeline. For any period for which Customer elects to process its gas, the Customer or other applicable party shall be obligated to perform such processing for all relevant gas quantities during such period. The quantities of gas delivered hereunder at the Point(s) of Delivery shall be thermally equivalent to the quantities of gas received at the Point(s) of Receipt for transportation less Applicable Shrinkage and, if applicable, any reduction due to processing.
- 12.8 Pipeline and Customer may agree, or governmental authorities may require, that the gas be odorized by use of a malodorant agent of such character as to indicate by a distinctive odor the presence of gas. Whenever odorized gas is delivered, the quality and specifications, as set forth in this Section 12 of such gas shall be determined prior to the addition of malodorant or with proper allowance for changes or additions due to such malodorant. Such odorization of the gas by the Pipeline, unless otherwise mutually agreed by Customer and Pipeline, shall be for the purpose of detection of the gas only during the time, prior to delivery to the Customer, when in possession of the Pipeline. Pipeline and Customer may agree

from time to time, to allow Customer to deliver odorized gas to Pipeline. Pipeline shall not be obligated to receive such odorized gas from Customer when such receipt may, in Pipeline's sole discretion, be detrimental to Pipeline's system operations.

13. PRESSURE

13.1 Receipt Pressure Obligations.

Customer shall deliver gas or cause gas to be delivered to Pipeline for Customer's account at the Point(s) of Receipt at the pressure conditions specified in the effective Service Agreement; provided, that Pipeline shall not be obligated to reduce the pressures in its facilities at such Point of Receipt(s) below the pressures which it determines, in its sole judgment, are required from time to time for the operation of its facilities.

13.2 Delivery Pressure Obligations.

Pipeline shall deliver gas hereunder for Customer's account at the Point(s) of Delivery at the pressure conditions specified in the effective Service Agreement. Pipeline shall not be obligated to deliver gas at any time at a pressure in excess of the Maximum Allowable Operating Pressure for Pipeline's facilities at such Point(s) of Delivery. In addition, Pipeline and Customer may specify in the executed Service Agreement a minimum delivery pressure obligation at any Point(s) of Delivery, and Pipeline shall not be obligated to reduce the pressures in its facilities at such Point(s) of Delivery below such minimum delivery pressure obligation.

13.3 In no event shall Pipeline be responsible for over-pressure protection on Customer(s) facilities.

14. MEASUREMENT & MEASUREMENT EQUIPMENT

14.1 Determination of Quantity.

The quantity of gas received and delivered by Pipeline for Customer's account hereunder shall be measured according to Boyle's and Charles' Laws for the measurement of gas under varying pressures and temperatures with deviations therefrom as provided in Section 14.9 below and shall be determined as follows:

- (a) The unit of measurement for the purpose of service under any of Pipeline's rate schedules shall be one (1) Dth. The number of Dths delivered shall be determined by multiplying the number of Cubic Feet of gas received or delivered, measured on the measurement basis hereinafter specified, by the Total Heating Value of such gas, in Dekatherms per Cubic Foot, as defined in Section 1 of the GT&C, and by dividing the product by 1 million (1,000,000.00).
- (b) The unit of quantity for the purpose of measurement shall be 1 Cubic Foot of gas at a temperature of 60° Fahrenheit, at a pressure of thirty-three hundredths pounds per square inch (0.33 PSI) gauge and an atmospheric pressure of 14.4 PSI, resulting in an absolute pressure of 14.73 pounds per square inch.
- (c) The unit of weight for the purpose of measurement shall be one (1) pound mass of gas.
- (d) The average absolute atmospheric pressure shall be assumed to be 14.4 pounds per square inch.
- (e) The temperature of the gas passing through the meters shall be determined by the use of electronic transducers, recording thermometer or other temperature measuring devices. The instantaneous measurement from the electronic measurement equipment or the arithmetic average of the temperature recorded each Day shall be used in computing gas quantities.
- (f) The specific gravity of the gas flowing through the meters shall be determined by gas chromatographic analysis, recording gravimeter, or continuous or spot sampling methods, unless otherwise mutually agreed upon by Customer and Pipeline. The arithmetic average of the specific gravity recorded during each 24-hour Day shall be used in computing gas quantities or other periodic measurements within a shorter time frame or instantaneous specific gravity measurements may be applied to metering instruments to provide the quantity computation.

- (g) When orifice meters are used, the computation of quantities of gas delivered shall be in accordance with the recommendations as published by the American Gas Association's Report No. 3, Revised - 1994, (ANSI/API 2530), and any subsequent amendments thereof as may be mutually agreed upon by Customer and Pipeline.
- (h) The Total Heating Value shall be measured, unless otherwise agreed by the parties concerned, by methods in accordance with acceptable industry practice, such as, but not limited to, recording calorimeter(s) or gas chromatograph(s) located at appropriate points. The arithmetic average of the heating value recorded each 24-hour Day and as adjusted to conditions as specified in Section 1 of the GT&C, or other periodic measurements within a shorter time frame as Pipeline shall select, shall be used for computations.
- (i) The deviation of the gas delivered hereunder from Boyle's and Charles' Laws shall be determined in accordance with, but not limited to, the published recommendations of the American Gas Association's Report No. 3, Revised - 1994 and the American National Standards Institute as Pipeline deems to be in accordance with accepted industry practice.

14.2 Measurement Operations and Equipment.

Measurement Operations shall include, but not be limited to, the operation, calibration and testing of the RTU, transducers, chart recorders, meter runs, gas quality monitoring devices, control valves and responsibility for quantity calculations for the measurement facility. Pipeline may allow Customer or third parties the right to perform Measurement Operations, provided that such Customer or third party furnishes to Pipeline all data required for flow computation and can meet Pipeline's measurement and operating standards; and provided, further, such Customer or third party which performs such Measurement Operations shall be responsible for any and all associated costs of such Measurement Operations unless otherwise agreed by Pipeline and Customer or third party. Measurement equipment shall consist of the necessary metering devices, designed and installed in accordance with the current published recommendations of the American Gas Association or as mutually agreed upon by Customer and Pipeline, measurement equipment shall be installed, operated and maintained at or on each interconnection of Pipeline's facility with facilities of third parties; provided, however, Pipeline shall have the right to require and may install or cause to be installed electronic gas measurement and control equipment at all points.

- (a) Where orifice measurement equipment is to be used, it shall utilize "Flange Tap Connections" and the static pressure shall be measured at the down-stream flange tap connection.

- (b) An electronic temperature transducer, a recording thermometer or other mutually acceptable device shall be installed at the measuring station to measure the flowing gas temperature.

14.3 Access to Equipment and Records.

Each party 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 equipment used in measuring receipts and deliveries hereunder. The records from such measurement equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) Days after receipt thereof.

14.4 Pressure Protection.

Pressure regulation, pressure override and pressure relief valve or other pressure limiting devices installed and operated by Pipeline at the measuring station or at or near each interconnection of Pipeline's facilities with facilities of third parties shall only be for the purpose of operation and protection of Pipeline's measurement equipment and Pipeline's facilities.

14.5 Test of Meters.

The accuracy of the Pipeline's and Customer's measurement equipment shall be verified by Pipeline and Customer at reasonable intervals and, if requested, in the presence of representatives of the Pipeline and Customer.

- (a) Pipeline and Customer shall not be required to verify the accuracy of orifice meter equipment more frequently than once in any thirty (30) Day period.
- (b) Pipeline and Customer shall not be required to verify the accuracy of measurement equipment, other than orifice meter equipment, more frequently than once in any ninety (90) Day period.
- (c) Pipeline and Customer shall not be required to verify the accuracy of the gas chromatograph or other heating value measurement device more frequently than once in any thirty (30) Day period.
- (d) Any errors or discrepancies found when testing shall be corrected immediately whenever possible or as soon thereafter as procurement of repair parts, materials and tools can be arranged.

14.6 Measurement Equipment Inaccuracy and Failure.

The quantity of gas received and delivered by Pipeline and delivered to Customer or for Customer's account hereunder during periods when the measurement equipment is out of service or registering inaccurately shall be estimated as follows:

- (a) If, upon test, any measurement equipment, the readings of which are used in the registration, integration or computation of quantities of gas hereunder, is found to be in error to the extent that it introduces not more than one percent (1%) measurement error in the individual measurement equipment affected, previous records of such equipment shall be considered accurate;
- (b) If, upon test, any such above measurement equipment is found to be in error, to the extent that it causes the registered or computed quantities of the instrument(s) so affected to be in error, by an amount exceeding one percent (1%) at a recording corresponding to the average hourly rate of flowthrough the instrument(s) in the period since the last preceding test, then any registrations, integration or computed quantities of such instrument(s) affected shall be corrected to zero (0) error for any part of the period since the last test in which such error is known to have existed or which may be agreed upon by representatives of the parties. In case the period of such error is not known definitely or agreed upon, such correction shall be for a period of one-half (1/2) of the elapsed time since the date of the last test, but not exceeding a correction period of sixteen (16) Days where orifice measurement equipment is used in the computation of quantity and not exceeding forty-five (45) Days where other measurement equipment is used; and
- (c) If no tests have been performed to determine the degree of inaccuracy, or measurement equipment is out of service, the quantity of gas shall be estimated:
 - (1) By using the registration of any existing and agreed upon check equipment considered by parties concerned to be registering accurately, or in the absence of such facilities,
 - (2) By correcting the error, if the quantity or percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither of the two foregoing procedures are applicable,
 - (3) By relating the quantity of receipt or delivery to receipts or deliveries during periods under similar conditions when the

measurement equipment was deemed to have been registering accurately.

14.7 Preservation of Records.

Each party shall preserve for a period of at least two (2) years all test data, charts and other similar records or such longer period as may be required by the Federal Energy Regulatory Commission.

14.8 Flow Control.

The Pipeline shall control flow of gas into and out of its facilities at all measurement facilities, but may allow the following if all of Pipeline's operating standards and requirements are met: (a) Pipeline may allow third parties to control flow into the Pipeline's facilities, and (b) Pipeline may allow third parties to control flow out of the Pipeline's facilities, but reserves the right to override the third party's flow control equipment.

14.9 Maintenance.

- (a) Major Maintenance shall include, but not be limited to, the repair or replacement of major components and equipment required to support the Measurement Operations. For measurement facilities which Customer or third party owns and for which Pipeline performs Measurement Operations, such Customer or third party shall be responsible for any and all associated costs of such Major Maintenance unless otherwise agreed by Pipeline and Customer or third party.
- (b) Routine Maintenance shall be the normal Day to Day maintenance required to support the Measurement Operations or necessary to upkeep the measurement facility and shall include, but not be limited to, replacement of minor replacement parts for instrumentation, measurement equipment (including the RTU) and minor valves and piping. The entity (Pipeline, Customer or third party) which performs the Measurement Operations for the measurement facility shall also be responsible for such Routine Maintenance and any and all associated costs of such Routine Maintenance unless otherwise agreed by Pipeline and Customer or third party.

15. INVOICES AND PAYMENTS

- 15.1 Pipeline shall bill Customer on or before the 10th Day of each Month for all charges and costs incurred hereunder during the preceding Month according to the measurement, computations and charges provided in this Tariff. Such bill shall be delivered to Customer or its agent by posting Customer's final bill on Pipeline's LINK® System and posting a general notice of the availability of the final bills on Pipeline's Informational Postings Web site. Pipeline will provide an e-mail notification, if an e-mail address has been designated by Customer, contemporaneously with the posting of the final bill on Pipeline's LINK® System. It is the Customer's responsibility to update e-mail address information provided to Pipeline as necessary. Customer may designate an agent to receive invoices and may designate such agent to receive the e-mail notifications of the availability of Customer's final bill on Pipeline's LINK® System. If actual quantities are unavailable in time to prepare the billing, such charges shall be based on estimated quantities and Pipeline shall provide, in the succeeding Month's billing, an adjustment based on any difference between actual quantities and estimated quantities.
- 15.2 The invoice submitted pursuant to Section 15.1 shall be paid by Customer so that Pipeline will receive the funds no later than ten (10) Days from the date of the invoice, except when such Day is a Saturday, Sunday or bank holiday applicable to the bank to which the payment is being remitted, in which case payment is due the following Business Day (hereinafter called "Due Date"). All payments shall be by Electronic Funds Transfer to a bank named by Pipeline, or by mutual agreement, made in immediately available funds payable to Pipeline. If Customer pays by check, payment shall be considered to have been made one Business Day after the date of receipt of such check at the address specified on the invoice. If Customer pays by Electronic Funds Transfer, payment shall be considered to have been made on the date when such payment is transferred by Customer to a bank account designated by Pipeline. All payments shall be identified by invoice number(s). Customer making payment shall submit supporting documentation; Pipeline receiving payment shall apply payment per supporting documentation. If payment differs from invoiced amount, remittance detail shall be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date.
- 15.3 Should Customer fail to pay part or all of the amount of any invoice for service provided when such amount is due, Pipeline may charge interest on the unpaid portion of the invoice computed from such Due Date until the date of payment at the same rate of interest and in the same manner as prescribed for pipeline refunds as set forth in Section 154.501(d) of the Commission's Regulations under the Natural Gas Act. If such failure to pay continues for ten (10) Days after payment is due, Pipeline shall notify Customer of the delinquency. In the event payment is

not received within twenty (20) Days of the first delinquency notice, Pipeline will provide a second delinquency notice requesting payment within five Business Days. Should Customer's delinquency continue, Pipeline will provide Customer with a third and final notice stating that if payment is not received within five Business Days, then Pipeline, in addition to any other remedy it may have, may suspend further receipt and delivery of gas until such amount is paid or terminate Customer's Service Agreement. In the event of such termination of a Service Agreement, Pipeline shall serve the Commission and Customer with written notice of the termination.

- 15.4 If Customer in good faith shall dispute in writing the amount of any such invoice or parts thereof, Customer shall pay to Pipeline such amounts as it concedes to be correct and shall provide documentation identifying the basis for the dispute. In the event that Customer makes such payment and provides such documentation, and at any time thereafter within thirty (30) Days of demand made by Pipeline furnishes a good and sufficient surety bond guaranteeing payment to Pipeline of the amount ultimately found due upon such invoices after a final determination, which may be reached either by agreement or judgment of the courts as may be the case, then Pipeline shall not be entitled to suspend further service unless and until default be made in the conditions of such bond. If resolution of the dispute is in favor of Customer and the Customer furnished a surety bond instead of paying the disputed amount, then Pipeline shall reimburse Customer for the cost of securing that surety bond. No payment by Customer of the amount of a disputed invoice shall prejudice the right of Customer to claim an adjustment of the disputed invoice, subject to Section 15.5 herein.
- 15.5 In the event an error is discovered in the amount hereunder, such error shall be adjusted within thirty (30) Days of the determination thereof, provided that claim therefor shall have been made in writing.
- (a) Measurement data corrections shall be processed within six (6) Months of the production month with a three-Month rebuttal period.
 - (b) The time limitation for disputes of allocations shall be six (6) Months from the date of the initial Month-end allocation with a three-Month rebuttal period.
 - (c) Prior period adjustment time limits shall be six (6) Months from the date of the initial transportation invoice and seven (7) Months from date of initial sales invoice with a three-Month rebuttal period, excluding government-required rate changes.

These three standards 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 these standards. Mutual agreement

between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

- 15.6 Customer agrees to reimburse Pipeline for all filing or other fees, in connection with any service subject to these GT&C, that Pipeline is obligated to pay to the Commission or to any other governmental authority having jurisdiction. The term "fees", as used herein, shall mean any fee or charge now or hereafter levied, assessed or made by any governmental authority on the gas itself or on the act, right or privilege of producing, severing, gathering, transporting, handling, selling, receiving or delivering gas, however such fees or charges are measured.
- 15.7 Customer is responsible for customs, duty, taxes, and any other charges associated with the importation of gas into or export of gas out of the United States.
- 15.8 Refunds due Customer pursuant to the terms of this Tariff or orders of the Commission shall be paid by Electronic Funds Transfer to a bank account established by Customer if:
- (a) Customer has transmitted payment for services to Pipeline by Electronic Funds Transfer within the twelve (12) Month period preceding the date of the refunds; and
 - (b) Customer has designated in writing a bank account for the receipt of Electronic Funds Transfers at least thirty (30) Days prior to the date established for refunds.

Refunds not paid by Electronic Funds Transfer or credit adjustment shall be paid by check.

- 15.9 Both Pipeline and Customer shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any invoice or claim rendered hereunder.
- 15.10 All amounts payable by Customer to Pipeline, for services rendered, imbalance resolution or any other amounts, are to be remitted to Pipeline in the legal currency of the United States of America.
- 15.11 If Customer designates Pipeline as its agent according to 15.13, payments for services rendered on the Canadian portion of the Maritimes Pipeline shall be made by Customer to Maritimes & Northeast Pipeline Limited Partnership in legal currency of the Dominion of Canada.
- 15.12 Customer may designate an agent for the purpose of scheduling, allocating, invoicing and/or payment. In the event an agent is designated, the agent will comply with all applicable scheduling, allocation, invoicing, and/or payment terms set forth in this Tariff.

15.13 Customer may designate Pipeline as its agent for scheduling, allocating and invoicing on Maritimes & Northeast Pipeline Limited Partnership. Any such agency agreement will be on terms mutually agreeable to both parties.

16. TERMINATION FOR DEFAULT

- 16.1 If either Pipeline or Customer shall fail to perform any of the covenants or obligations imposed upon it or them under and by virtue of a Service Agreement hereunder, then in such event the other party may at its option terminate such 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 the 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) Days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the agreement, and if within said period of thirty (30) Days the party in default does so remove and remedy said cause or causes and fully indemnify the party not in default for any and all consequences of such breach, by a good and sufficient indemnity bond or otherwise, then such notice shall be withdrawn and the agreement shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes or does not so indemnify the party giving the notice for any and all consequences of such breach, within said period of thirty (30) Days, then, after any necessary authorization by regulatory bodies having jurisdiction, the agreement shall become null and void from and after the expiration of said period, provided that notice of termination has not been withdrawn prior thereto. Any cancellation of such agreement pursuant to the provision of this paragraph shall be without prejudice to the right of Pipeline to collect any amounts then due to it for service prior to the time of cancellation and shall be without prejudice to the right of Customer to receive any service for which it has paid but has not received, although entitled thereto, prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of such agreement. Failure to perform an act that is excused due to, *inter alia*, Force Majeure does not constitute an event of default hereunder.
- 16.2 Prior to a termination for default, Pipeline may suspend service to any Customer who fails to comply with the GT&C, the applicable Rate Schedule, or Customer's Service Agreement. Pipeline's failure to invoke its right to terminate an agreement for default shall not be construed as a waiver of Pipeline's right to terminate service during any other period when Customer is in violation of the terms of this Tariff or of Customer's Service Agreement.

17. POLICY ON FEES AND CONSTRUCTION OF NEW FACILITIES

- 17.1 Customers may request that Pipeline construct a pipeline extension (other than a mainline extension) from Pipeline's existing facilities to deliver gas to one or more Customers, including new delivery points and enlargements or replacements of existing laterals. Pipeline is not required to build facilities upon Customer request or otherwise if, as determined by Pipeline in its reasonable judgment, such facilities are not economic, are not operationally feasible, will adversely impact on Pipeline's existing services or would otherwise adversely impact Pipeline's system. In the event Pipeline decides to construct such facilities, Customer shall reimburse Pipeline (a) for the costs of such facilities installed by Pipeline to receive, measure, transport or deliver natural gas for Customer's account and (b) for any and all filings and approval fees required in connection with such construction that Pipeline is obligated to pay to the Commission or any other governmental authority having jurisdiction. In the event lateral line facilities are constructed, service through such laterals will be provided pursuant to Rate Schedule MNLFT or MNIT, as applicable.
- 17.2 Pipeline may waive from time to time, at its discretion, all or a portion of the monetary reimbursement requirement set forth in Section 17.1 if it determines that construction of the facilities would be economic, based on Customer assurance of transportation throughput through the proposed facilities and other matters, as described below. All requests for waiver shall be handled by Pipeline in a manner which is not unduly discriminatory.

For purposes of determining whether a project is economic, Pipeline will evaluate projects on the basis of various economic criteria, which may include, without limitation, the estimated transportation throughput, cost of the facilities, operating, maintenance, administrative and general expenses attributable to the facilities, the system net revenues Pipeline estimates will be generated subsequent to such construction, and the availability of capital funds on terms and conditions acceptable to Pipeline. In estimating the system net revenues to be generated, Pipeline will evaluate the existence of capacity limitations of the existing facilities, the marketability of the capacity, the location of the markets, the nature of the transportation service, and other factors which impact the utilization of Pipeline's system.

- 17.3 Any monetary reimbursement due Pipeline by Customer pursuant to this Section 17 shall be due and payable to Pipeline within ten (10) Days of receipt by Customer of Pipeline's invoices) for same; provided, however, subject to Pipeline's written consent such monetary reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to exceed the primary contract term of the Service Agreement between Pipeline and Customer. Carrying charges shall be computed utilizing interest factors acceptable to both Pipeline and Customer.

- 17.4 Nothing in this statement of policy shall require Pipeline to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Further, nothing in this policy statement shall prevent Pipeline from contesting an application for service filed pursuant to Section 7(a) of the Natural Gas Act or a request to compel the rendition of service pursuant to Section 5 of the Natural Gas Act. Pipeline reserves the right to seek a waiver of the policies set forth in this Section 17 for good cause shown during any proceeding before the Commission instituted under the Natural Gas Act.

18. POSSESSION OF GAS

18.1 Control.

Pipeline shall be deemed to be in control and possession of the gas hereunder upon receipt of such gas until it shall have been delivered for Customer's account, and Customer shall be deemed to be in control and possession of such gas prior to such receipt by Pipeline and after such delivery for Customer's account.

18.2 Responsibility.

Pipeline shall have no responsibility with respect to the gas or on account of anything done, occurring or arising with respect to the gas before receipt of such gas by Pipeline or after delivery of the gas for Customer's account, and Customer shall have no responsibility with respect to the gas or on account of anything done, occurring or arising with respect to the gas while such gas is in Pipeline's possession; provided, however, in the event any gas flows through facilities of Customer prior to such delivery to or for Customer's account, Pipeline shall have no responsibility with respect to such gas or on account of anything which may be done, happen or arise with respect to such gas while in the facilities of Customer.

19. WARRANTY OF TITLE TO GAS

Customer warrants that Customer will at the time of receipt of the natural gas by Pipeline have good and merchantable title to all of the natural gas free and clear of all liens, encumbrances and claims whatsoever or good right to tender gas for transportation (and all necessary authorizations related thereto). Title to the gas received by Pipeline for Customer's account hereunder shall remain with Customer during its transportation or storage by Pipeline. Customer agrees to indemnify and save Pipeline harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of adverse claims of any and all persons to the natural gas prior to its delivery to Pipeline for Customer's account and after its delivery by Pipeline for Customer's account. Pipeline agrees to indemnify and save Customer harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of adverse claims of any and all persons to the natural gas during its transportation or storage by Pipeline for Customer's account.

20. FUEL RETAINAGE QUANTITY

- 20.1 General. Periodically rates and charges under Pipeline's Tariff shall be adjusted to reflect changes in Pipeline's expenditures such as the Fuel Retainage Quantity. The Fuel Retainage Quantity ("FRQ") shall be determined by multiplying Customer's receipts at the Point(s) of Receipt by the Fuel Retainage Percentage ("FRP"). During the term of the Service Agreements executed hereunder, Pipeline will periodically track changes in its requirement to retain gas in-kind in compensation for the quantities of Company Use Gas used to provide service for Customers.
- 20.2 Fuel Retainage Percentage (FRP). The FRP shall be as quantified pursuant to this Section 20 and as set forth in the currently effective Statement of Fuel Retainage Percentages of this Tariff. The FRP shall be subject to adjustment hereunder for service provided pursuant to Rate Schedules MN365, MN151, MN90, MNOP and MNIT. The FRP shall be equal to the sum of (a) the effective Base FRP and (b) any increment added pursuant to a flow order issued pursuant to Section 10 of these GT&C.
- (a) Specified Calendar Periods. FRPs shall be established distinctly for the duration of two calendar periods as follows: (i) winter period--November 1 through March 31, and (ii) non-winter period--April 1 through October 31.
- (b) Base FRPs. The Base FRPs are reflected on the currently effective Statement of Fuel Retainage Percentages of this Tariff for each specified calendar period.
- 20.3 Projected FRP. With each filing hereunder for each specified calendar period Pipeline shall calculate a Projected FRP as the quotient obtained by dividing (a) the projected annual quantities of Company Use Gas for each specified calendar period by (b) the projected annual throughput for each specified calendar period.
- 20.4 True Up.
- (a) FRQ Deferred Account. Pipeline shall record in the FRQ Deferred Account the net monetary value of all cash transactions involving gas differences as a result of the operation of this Section 20, the imbalance resolution procedures of Section 11 of the GT&C, and Sections 8.6, 8.7 and 10 of Rate Schedule MNPAL, as well as other requirements for Pipeline's purchase or sale of gas for the purpose of maintaining the operational integrity or reliability of Pipeline's system. The FRQ Deferred Account shall be accumulated in twelve-month accumulation periods, August 1 through July 31.

- (b) Disposition of Gas Differences. At Pipeline's discretion quantities of gas required to support under-realization of in-kind compensation may be obtained by Pipeline from gas available as a result of the operation of the imbalance resolution procedures contained in Section 11 of the GT&C, by means of purchase arrangements available to Pipeline, or from other sources. At Pipeline's discretion, quantities of gas available to Pipeline as a result of over-realization of in-kind compensation may be utilized for any system needs or may be disposed of in accordance with the provisions of Section 11.7A of the GT&C.
 - (c) Carrying Charges. Each Month the FRQ Deferred Account shall be debited (if the balance in said account is a debit balance) and shall be credited (if the balance in said account is a credit balance) for a carrying charge, which shall be determined in accordance with the requirements of Section 154.403(c)(7) of the Commission's regulations.
 - (d) Calculation of Surcharge or Refund. With each annual filing hereunder Pipeline shall calculate surcharges or refunds designed to amortize the net monetary value of the balance in the FRQ Deferred Account at the end of the previous accumulation period. The surcharge or refund shall be based upon the allocation of the FRQ Deferred Account balance at the end of the twelve Month accumulation period over the actual throughput during the twelve Month accumulation period. A Customer's net debit or credit for the twelve Month period shall be due and payable sixty Days after the Commission's acceptance of the annual filing.
- 20.5 Procedure for Filing. At least thirty (30) Days prior to the effective date of a change in the FRP hereunder. Pipeline shall file with the FERC a revised Statement of Fuel Retainage Percentages setting out the proposed change and supporting workpapers showing the calculations developing such proposal. Pipeline shall file annually to revise the FRPs as provided in Section 20.3 herein and surcharge or refund as provided in Section 20.4 herein effective on November 1 of each year. Pipeline may file interim proposals between annual filings subject to approval by the Commission.

21. ANNUAL CHARGE ADJUSTMENT CLAUSE

- 21.1 Purpose. Periodically rates and charges under Pipeline's Tariff shall be adjusted to reflect changes in Pipeline's expenditures such as the Annual Charge Adjustment ("ACA"). Annual charges are assessed against gas pipelines by the Federal Energy Regulatory Commission under Part 382 of the Commission's regulations prior to each fiscal year in order to cover the cost of the operation of the FERC. For the purpose of recovering annual charges assessed Pipeline by the FERC, this Section 21 establishes pursuant to Section 154.402 of the Commission's regulations an Annual Charge Adjustment Surcharge to be applicable to quantities sold or transported under all of Pipeline's Rate Schedules. This ACA Surcharge is in addition to any amounts otherwise payable to Pipeline under its rate schedules.
- 21.2 Rate Schedules Subject to ACA Surcharge. The ACA Surcharge shall be applicable to the quantities delivered for the account of Customer under all of Pipeline's Rate Schedules, except the MNLFT Customer will only be assessed the ACA Surcharge for gas volumes transported under a MNLFT Rate Schedule when the MNLFT Customer does not pay an ACA Surcharge under another rate schedule for the same gas volumes transported.
- 21.3 Basis of the ACA Surcharge. The ACA Surcharge shall be that increment, adjusted to Pipeline's measurement basis (Dth), which the Commission orders to be effective each fiscal year as posted in a notice on its website (<http://www.ferc.gov>) entitled "FY [Year] Gas Annual Charges Correction for Annual Charges Unit Charge."
- 21.4 [Reserved For Future Use]

22. PERIODIC RATE ADJUSTMENTS

Pipeline and Customer recognize that Pipeline will from time to time experience changes in costs related to providing service under this Tariff, including, but not limited to, changes in the cost of labor, benefits, materials and supplies, taxes, required rate of return, costs associated with the resolution of past disputes or outstanding uncertainties concerning amounts owed by Pipeline or Customer or attributable to Pipeline or Customer, and costs generated by decisions of the Commission, the courts or by an arbitration panel or other body having jurisdiction over the Pipeline. Pipeline hereby notifies Customers that it may be appropriate, equitable and consistent with cost responsibility to allocate such costs among Customers based on or taking into account past period factors, such as contract demand levels, purchases or other factors related to a prior period of time. Pipeline hereby notifies Customers that Pipeline shall have the right from time to time to make rate change filings which may include such costs and utilize an allocation methodology based in whole or in part on factors related to past periods. Customer shall have the right to intervene and protest any such filing.

23. INITIAL RATE ADJUSTMENTS

To the extent required, Pipeline has the right to make any necessary filings with the Commission to adjust its rates in effect from time to time in order to reflect changes in Pipeline's rates as necessary to implement initial rates approved by the Commission in applicable certificates or other appropriate orders. Upon placing such rates into effect, Pipeline will charge and Customer will pay Pipeline's rates in effect as adjusted pursuant to this Section 23 of the GT&C.

24. NEGOTIATED RATES

Pipeline and Customer may mutually agree on a negotiated rate or rate formula with respect to rates, rate components, charges, or credits differing from the otherwise applicable recourse rate under any rate schedule in this Tariff.

24.1 Definition

A negotiated rate may be less than, equal to, or greater than the maximum recourse rate and/or the minimum rate; may be a rate design other than straight fixed-variable; and may include a minimum quantity. The recourse rates will be available to any Customer that does not wish to negotiate a rate.

24.2 Limitations

This Section 24 does not authorize the negotiation of terms and conditions of service.

24.3 Allocation of Capacity

For purposes of allocating capacity pursuant to Sections 4.1, 8 and 9 of the GT&C of Pipeline's Tariff, a Customer is deemed to have paid the reservation charge that it has agreed to pay or that Customer actually pays with the following exceptions: (a) a Customer that is willing to pay (i) a negotiated rate with a reservation charge component that exceeds the maximum reservation charge component of the Recourse Rate, or (ii) a volumetric or formula-type negotiated rate with a revenue stream guaranteed by the negotiated rate Customer that exceeds or is equal to the maximum reservation charge component of the Recourse Rate, is deemed to have paid the maximum reservation charge component of the Recourse Rate; and (b) a Customer with a volumetric or formula-type negotiated rate that is willing to guarantee a revenue stream less than the maximum reservation charge component of the Recourse Rate is deemed to have paid a reservation charge equal to the amount of the guaranteed revenue stream.

24.4 Bidding for Capacity

For purposes of exercising rights to continue service pursuant to Section 4.2 of the GT&C of Pipeline's Tariff, the highest rate that a Customer must match (based on its reservation charge component and any revenue guarantee) if it desires to retain all or a portion of its capacity and continue to receive firm service under the same Rate Schedule beyond the expiration date of such Long-Term Firm Service Agreement is the maximum Recourse Rate.

24.5 Capacity Release

- (a) Except as expressly provided for in Section 9 of the General Terms and Conditions, the release of capacity under a negotiated rate agreement is capped at the maximum recourse rate; provided, however, the negotiated rate Customer will continue to be obligated to pay Pipeline the difference by which the negotiated rate exceeds the rate paid by the Replacement Customer. Pipeline and a negotiated rate Customer may agree upon payment obligations and crediting mechanisms, which vary from or are different from those set forth in Pipeline's capacity release provisions.
- (b) Any potential Replacement Customer that desires to acquire capacity on a temporary basis pursuant to Section 9 of the General Terms and Conditions may request via the LINK® System to pay the usage and/or fuel charges pursuant to Pipeline's recourse rates or pursuant to Customer's negotiated rates. Pipeline shall grant the request to pay Customer's negotiated rates (referred to in this subsection (b) as "Request") if Pipeline determines, in a not unduly discriminatory manner, that the Replacement Customer is similarly situated to Customer. In the event that Pipeline grants the Request and the potential Replacement Customer's bid is the winning bid, the potential Replacement Customer's Request will serve as its execution of the negotiated rate agreement and Pipeline's award of the bid via the LINK® System will serve as Pipeline's execution of the negotiated rate agreement for such negotiated rates and such agreement will be documented as set forth in Section 24.8(b) below. If Pipeline denies such Request or if the potential Replacement Customer does not request such negotiated rates, Pipeline's recourse rates shall be applicable to any capacity awarded to such potential Replacement Customer. If Pipeline denies such Request, Pipeline shall notify the potential Replacement Customer via email of the reason(s) for the denial of the Request.

24.6 Accounting Treatment

Pipeline will establish a new sub-account to record the revenues received from any negotiated rate transactions and shall maintain supporting information at a level of detail that would be sufficient for Natural Gas Act Section 4 rate change filing purposes. Pipeline will keep separate and identifiable each volume transported, billing determinant, rate component, surcharge, and revenue associated with a negotiated rate to permit filings in the form of Statements G, I, and J in future rate proceedings.

24.7 Filing Requirement

Pipeline will file, prior to the commencement of service under a negotiated rate agreement or, for those negotiated rate agreements between Pipeline and a Replacement Customer that incorporate a negotiated rate for usage and/or fuel charges flowed through to the Replacement Customer pursuant to Section 24.5(b) above, as soon as reasonably practicable following the award of the capacity to the Replacement Customer pursuant to Section 9.6(a) of the General Terms and Conditions, a Statement of Negotiated Rates reflecting the Customer's exact legal name, rate schedule, negotiated rate, the term of the negotiated rate, quantities, points of receipt and delivery to which the negotiated rate applies, the exact formula underlying a negotiated rate for any negotiated rate agreement, and any other rate-related terms that apply to the negotiated rate. Such Statement of Negotiated Rates also affirms that actual negotiated rate agreements do not deviate in any material respect from the form of service agreements.

24.8 Documentation

- (a) With the exception of negotiated rates agreed upon pursuant to Section 24.5(b) above that are applicable to a temporary release of capacity, any negotiated rate agreed to by Pipeline and Customer pursuant to this Section 24 shall be implemented by Pipeline's completion of a pro forma Statement of Negotiated Rates with the applicable negotiated rate-related provisions as described in Section 24.7 herein. Pipeline shall tender such pro forma Statement of Negotiated Rates to Customer together with a transmittal letter for counter-execution by Customer, which transmittal letter shall have the sole purpose of memorializing Pipeline's and Customer's mutual agreement to the rate-related provisions reflected on such attached pro forma Statement of Negotiated Rates. After execution by both Pipeline and Customer, Pipeline shall file a Statement of Negotiated Rates with the Commission which shall contain rate-related provisions identical to the rate-related provisions reflected on the pro forma Statement of Negotiated Rates agreed to by Pipeline and Customer.
- (b) Upon the completion of the capacity release process set forth in Section 9 of these General Terms and Conditions and the award of capacity on a temporary basis to Replacement Customer(s), any negotiated rates agreed upon and executed pursuant to Section 24.5(b) above shall be documented by Pipeline in a Statement of Negotiated Rates filed with the Commission and provided to the Replacement Customer(s).

24.9 Effective Date of Negotiated Rate

Any negotiated rate agreed to pursuant to this Section 24 shall become effective only after acceptance by the Commission; prior to such date the rate applicable to any such service shall be the maximum recourse rate.

24.10 Effect of Negotiated Rate

Customer, by agreeing to a negotiated rate, acknowledges that the otherwise generally applicable maximum recourse rate(s) shall not apply or be available to Customer for service under the applicable Service Agreement during the period for which the negotiated rate is effective, notwithstanding any adjustment to such generally applicable maximum recourse rate(s) which may become effective during the period for which the negotiated rate is effective. If, at any time during the period for which the negotiated rate is effective, Pipeline is collecting its effective maximum recourse rate(s) subject to refund under Section 4 of the Natural Gas Act, Pipeline shall have no refund obligation to Customer even if the final maximum recourse rate(s) are reduced to a level below the negotiated rate. Customer's right to receive credits relating to Pipeline's penalty revenue or other similar revenue, if any, applicable to service on Pipeline's system shall be governed by Pipeline's Tariff and any applicable Commission orders and/or regulations.

25. STANDARDS OF CONDUCT COMPLIANCE PROCEDURES

25.1 Informational Postings.

All information required to be posted pursuant to the Commission's currently effective Standards of Conduct regulations will be provided on Pipeline's Internet Web site under Informational Postings. Such information will be updated as required by applicable regulation(s) issued by the Commission.

25.2 Complaint Procedures.

Complaints concerning Pipeline's compliance with Pipeline's Standards of Conduct procedures should be communicated to Pipeline with a designation that it is a Standards of Conduct regulation complaint and shall contain a clear and complete statement of the nature and basis of the complaint, together with supporting documentation, if any. Information regarding the appropriate contact personnel shall be posted on Pipeline's Internet Web site. Pipeline shall respond initially within forty-eight (48) hours and in writing within thirty (30) Days to such complaints. In the event the required date of Pipeline's response falls on a Saturday, Sunday, or a holiday that affects Pipeline, Pipeline shall respond by the next Business Day.

26. **FORCE MAJEURE**

26.1 Relief from Liability.

Neither party shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, land subsidence, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freezeups, failure of third party transportation, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.

26.2 Liabilities not Relieved.

Such causes or contingencies affecting performance by either party, however, shall not relieve it of liability in the event of contributory negligence or misconduct or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve either party from its obligations to make payments of amounts as provided in the applicable Rate Schedule. Customer's obligation to pay applicable Reservation Charges shall not be suspended, subject to Section 8.9(e) of the GT&C by any failure of Pipeline to deliver gas to or on behalf of Customer for any reason or cause whatsoever, whether or not described in this Section 26, except in the event that such failure is caused by the gross negligence, undue discrimination or willful misconduct of Pipeline.

26.3 Scheduling of Routine Maintenance.

Pipeline shall have the right to curtail, interrupt, or discontinue service in whole or in part on all or a portion of its system from time to time to perform routine repair and maintenance on Pipeline's system as necessary to maintain the operational capability of Pipeline's system or to comply with applicable regulatory requirements. Pipeline shall exercise due diligence to schedule routine repair and maintenance so as to minimize disruptions of service to Customers and shall provide reasonable notice of the same to Customers.

26.4 Compliance with Directives of Governmental Agencies.

Whenever in order to comply with orders, directives or regulations of duly constituted state, local or federal authorities, including, but not limited to, the

Department of Transportation, the Federal Energy Regulatory Commission, and the Environmental Protection Agency, as a result of orders, directives or regulations of Canadian authorities, including, without limitation, the NEB, Pipeline must curtail deliveries to Customer and is unable to deliver to Customer the quantities of gas which Customer may then require up to the quantities of gas Pipeline is then obligated to deliver to Customer, Pipeline shall not be liable in damages or otherwise to Customer or any other person or entity for any such failure to deliver such quantities of gas to Customer except to the extent the orders or directives were issued as a result of gross negligence, undue discrimination or willful misconduct or failure to exercise due diligence on the part of Pipeline.

26.5 Effect of Interconnecting Operations.

In the event that any upstream entity, including, without limitation, Maritimes & Northeast Pipeline Limited Partnership, involved in handling Customer's gas refuses or is unable to deliver gas to Pipeline, Pipeline shall not be required to continue deliveries of gas on behalf of Customer to the extent of such refusal or inability to deliver gas to Pipeline. In the event that any downstream entity involved in handling Customer's gas refuses or is unable to receive gas from Pipeline, Pipeline shall have the right to reduce deliveries of gas on behalf of Customer to the extent of such refusal or inability by the downstream entity to receive gas.

27. DISCOUNT TERMS

- 27.1 Any Customer desiring a discount of the maximum recourse rates for service under Pipeline's open-access rate schedules must submit a valid request for such discount pursuant to the procedures of this Section 27. To be considered a valid request, Customer must complete and submit a request for discount via the LINK® System, specifically including the information for all mandatory fields. Upon receipt of a valid request for a discount, Pipeline will log such request and either deny or grant such request.
- 27.2 If and when Pipeline discounts the rates applicable for service under any Service Agreement under Rate Schedules included in Pipeline's FERC Gas Tariff, the amount of any such discount shall be accounted for as a reduction of maximum rates in the following sequence to the extent any of the following components are included in the maximum rate; the first item discounted shall be trackable rate components (if any), to the extent not otherwise agreed to in approved settlements, followed by the base rate (maximum less minimum rate and excluding all other components specified here).
- 27.3 In the event that Pipeline agrees to discount its maximum recourse rates under any of its open-access rate schedules, Pipeline and Customer may agree to the types of discounts specified herein without such discounts constituting a material deviation from Pipeline's pro forma service agreement. Pipeline and Customer may agree that a specified discounted rate will apply: (i) only to specified quantities under the Service Agreement; (ii) only if specified quantities are achieved or only with respect to quantities below a specified level; (iii) only during specified periods of the year or for a specifically defined period; (iv) only to specified points, combination of points, markets, transportation paths or other defined geographic area(s); (v) only to reserves committed by Customer; (vi) only in a specified relationship to the quantities actually delivered (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually delivered); (vii) so that the applicable rate may be adjusted in the following manner: when one rate component, which was equal to or within the applicable maximum and minimum recourse rates at the time Customer received the Discount Confirmation pursuant to Section 27.5 below specifying the terms of the discount, subsequently exceeds the applicable maximum recourse rate or is below the applicable minimum recourse rate, so that such rate component must be adjusted downward or upward to equal the new applicable maximum or minimum recourse rate, then other rate components may be adjusted upward or downward to achieve the agreed-upon overall rate, so long as none of the resulting rate components exceed the maximum recourse rate or are below the minimum recourse rate applicable to the rate component (such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised Statements of Rates; however, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which

had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable); and/or (viii) based upon published index prices for specific receipt and/or delivery points or other agreed-upon published pricing reference points for price determination (such discounted rate may be based upon a single published index price or the differential between published index prices or arrived at by formula; provided that the discounted rate shall not change the underlying rate design, shall not include any minimum bill or minimum take obligation, and shall define the rate component to be discounted). Notwithstanding the foregoing, no discounted rate shall be less than the applicable minimum rate.

- 27.4 In the event that Pipeline rejects Customer's request for a discounted rate, Pipeline shall notify Customer via e-mail of the reason for such rejection.
- 27.5 The terms of any discount request granted by Pipeline pursuant to this Section 27 shall be transmitted by e-mail to Customer in the form of a Discount Confirmation. The Discount Confirmation shall identify the applicable Customer's name, contract number, rate schedule, term of the discount, discount rate, applicable quantities, point(s) of receipt and delivery, and/or the pipeline path being discounted. The Discount Confirmation may also include other information required for posting under the Commission's regulations and other conditions consistent with Section 27.3. No particular discount transaction shall be contractually binding on either Pipeline or Customer until Pipeline has confirmed the terms of the discount upon Pipeline's e-mail to Customer of the Discount Confirmation for the transaction, subject to the underlying Service Agreement being fully executed. All discounts granted shall be effective no sooner than the beginning of the next Gas Day following the Gas Day on which the request is granted by Pipeline. Once the discount is contractually binding, the Discount Confirmation will constitute an addendum to the underlying Service Agreement. Each such addendum is an integral part of the underlying Service Agreement as if executed by both parties and fully copied and set forth at length therein.
- 27.6 If Pipeline's recourse rates are subject to refund at any time during the effectiveness of a Discount Confirmation, with respect to the applicable discounted rate, Customer shall be entitled to refunds of payments made by Customer only in the event that the final, non-appealable maximum recourse rate, whether usage-based or reservation-based, as determined by the Commission for a given time period is lower than the rate actually paid by Customer during such time period. Subject to the condition precedent set forth in the immediately preceding sentence, Customer's principal refund amount shall be equal to (i) with respect to usage-based rates, the product of (aa) the positive difference between the final, non-appealable maximum recourse rate and the discounted rate, and (bb) the quantities of gas delivered to Customer, or for Customer's account, during the refund period; and (ii) with respect to reservation-based rates, the product of (cc)

the positive difference between the final, non-appealable maximum recourse rate and the discounted rate, (dd) the MDTQ covered by the discounted rate, and (ee) the number of Months in the refund period (partial Months shall be prorated for the number of Days in the Month that fall within the refund period and a discounted rate that is not a Monthly rate shall be adjusted for purposes of this calculation to reflect the Monthly equivalent of the rate).

28. DISCRETIONARY WAIVER

Pipeline may waive any of its rights hereunder or any obligations of Customer on a basis that is not unduly discriminatory; provided that no waiver by either Customer or Pipeline of any one or more defaults by the other in the performance of any provision of the Service Agreement between Customer and Pipeline shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

29. DESCRIPTIVE HEADINGS

The descriptive headings of the provisions of this FERC Gas Tariff are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any of such provisions.

30. GOVERNMENTAL REGULATION

The Service Agreement, and all terms and provisions contained or incorporated therein, and the respective obligations of the parties thereunder are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

31. REPORTS WITH RESPECT TO TARIFF

31.1 Fuel Reimbursement Quantity. On an annual basis, Pipeline files its Fuel Retainage Quantity ("FRQ") report in accordance with Section 20 of the GT&C. The FRQ report contains: (1) the revised Fuel Retainage Percentages ("FRPs") for the 12 month period beginning in November, (2) a workpaper supporting the revised fuel requirements, (3) the calculation of the FRQ deferral allocation, (4) workpapers showing the monthly entries to the FRQ deferred balance for the period of August 1 through July 31, (5) the computation of each Customer's surcharge or refund for the FRQ Deferred Account balance as of July 31 of each year plus carrying charges, and (6) the calculation of the monthly carrying charges through November 1 of each year.

31.2 Contact Information. All contact with respect to the reports submitted pursuant to this Section 31 should be made to:

Janice K. Devers
Director, Tariffs
M&N Management Company, LLC
5400 Westheimer Court
Houston, Texas 77056
Telephone: (713) 627-6170
Facsimile: (713) 627-5041

32. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB")

Pipeline has adopted the Business Practices and Electronic Communication Standards, NAESB WGQ Version 3.0, and the standards revised by Minor Corrections MC15003, MC15004, MC15005, MC15009 and MC15012 all marked with an asterisk [*], which are required by the Commission in 18 CFR Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Standards not Incorporated by Reference and their Location in Tariff:

Pursuant to NAESB’s Copyright Procedure Regarding Member and Purchaser Self-Executing Waiver as adopted by the NAESB Board of Directors on April 4, 2013, Pipeline may publish in its tariff, compliance filings, in communications with customers or stakeholders in conducting day to day business or in communications with regulatory agencies some or all of the language contained in NAESB standards protected by copyright, provided that Pipeline includes appropriate citations in the submission.

Pipeline has elected to reproduce only the following Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.0, that are protected by NAESB’s copyright. With respect to each reproduced standard, Pipeline incorporates the following: © 1996 - 2014 NAESB, all rights reserved.

NAESB WGQ Standard	Tariff Record (<i>Part 6 - General Terms and Conditions unless otherwise specified</i>)	Section
-----------------------	--------------------------------------------------------------------------------------------------	---------

Additional Standards – General

0.2.5	1. Definitions	1
-------	----------------	---

Nominations Related Standards:

1.2.4	1. Definitions	1
1.2.14	1. Definitions	1
1.2.15	1. Definitions	1
1.2.16	1. Definitions	1
1.2.17	1. Definitions	1
1.3.1*	1. Definitions	1
1.3.2 (i)	5. Service Nomination Procedure	5.2, 5.4(a)
1.3.2 (ii)	5. Service Nomination Procedure	5.4(b)
1.3.2 (iii)	5. Service Nomination Procedure	5.4(c)
1.3.2 (iv)	5. Service Nomination Procedure	5.4(d)
1.3.2 (v)	5. Service Nomination Procedure	5.4(e)
1.3.2 (vi)	5. Service Nomination Procedure	5.4(f)

1.3.5*	5. Service Nomination Procedure	5.1(a)
1.3.6	5. Service Nomination Procedure	5.3(b)
1.3.7	5. Service Nomination Procedure	5.1(a)
1.3.9*	5. Service Nomination Procedure	5.1(a), 5.3(b),5.3(c)
1.3.13	5. Service Nomination Procedure	5.3(b), 5.3(c)

Flowing Gas Related Standards

2.2.1	1. Definitions	1
2.2.2	1. Definitions	1
2.2.3	1. Definitions	1
2.3.9	14. Measurement & Measurement Equipment	14.1(b)
2.3.14	15. Invoices and Payments	15.5
2.3.16	7. Interconnecting Facility Gas Flow Allocation Methods	7.4
2.3.18	7. Interconnecting Facility Gas Flow Allocation Methods	7.4
2.3.26	15. Invoices and Payments	15.5
2.3.40	11. Balancing	11.4
2.3.41	11. Balancing	11.4
2.3.42	11. Balancing	11.4
2.3.43	11. Balancing	11.4
2.3.44	11. Balancing	11.4
2.3.45	11. Balancing	11.4
2.3.46	11. Balancing	11.4
2.3.47	11. Balancing	11.4

Invoicing Related Standards

3.2.1	1. Definitions	1
3.3.15	15. Invoices and Payments	15.5(c)
3.3.17	15. Invoices and Payments	15.2
3.3.18	15. Invoices and Payments	15.2
3.3.19	15. Invoices and Payments	15.4

Capacity Release Related Standards

5.2.3	1. Definitions	1
5.2.4	1. Definitions	1
5.2.5	1. Definitions	1
5.3.1	9. Capacity Release	9.3
5.3.2	9. Capacity Release	9.3(a)(1), 9.3(a)(2), 9.4(b)
5.3.3	9. Capacity Release	9.3(a)(3), 9.2(a)(10)
5.3.4	9. Capacity Release	9.5(d)(4)
5.3.7	9. Capacity Release	9.6(b)(6)
5.3.8	9. Capacity Release	9.2(a)(3)
5.3.11	9. Capacity Release	9.4(b)
5.3.12	9. Capacity Release	9.3
5.3.13	9. Capacity Release	9.6(c)

5.3.14	9. Capacity Release	9.6(b)(7)
5.3.15	9. Capacity Release	9.6(c)
5.3.16	9. Capacity Release	9.6(b)(7)
5.3.18	2. Electronic Communication	2.8
5.3.24	9. Capacity Release	9.3
5.3.25	9. Capacity Release	9.2(a)(13)
5.3.26	9. Capacity Release	9.2(a)(9)
5.3.28	9. Capacity Release	9.2(a)(5)
5.3.44	9. Capacity Release	9.6(b)(4)
5.3.45	9. Capacity Release	9.6(b)(4)
5.3.48	9. Capacity Release	9.6(b)(4)
5.3.49	9. Capacity Release	9.6(b)(4)
5.3.50	9. Capacity Release	9.2(a)(16)
5.3.51	9. Capacity Release	9.2(a)(3)
5.3.53	9. Capacity Release	9.6(b)(6)
5.3.54	9. Capacity Release	9.6(b)(6)
5.3.55	9. Capacity Release	9.6(b)(5)
5.3.56*	9. Capacity Release	9.6(b)(5)
5.3.57	9. Capacity Release	9.6(b)(5)
5.3.58	9. Capacity Release	9.6(b)(5)
5.3.59	9. Capacity Release	9.5(f)
5.3.60	9. Capacity Release	9.10
5.3.62	9. Capacity Release	9.13(b)
5.3.62a	9. Capacity Release	9.13(c)
5.3.63	9. Capacity Release	9.13(d)
5.3.64	9. Capacity Release	9.13(e)
5.3.65	9. Capacity Release	9.13(f)
5.3.66	9. Capacity Release	9.13(g)
5.3.67	9. Capacity Release	9.13(h)
5.3.68	9. Capacity Release	9.13(i)
5.3.69	9. Capacity Release	9.13(j)

Standards Incorporated by Reference

Additional Standards:

General

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness

Standards:

0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

Gas/Electric Operational Communications

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Data Sets:

0.4.2*, 0.4.3

Location Data Download

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Data Sets:

0.4.4*

Storage Information

Data Sets:

0.4.1*

Nominations Related Standards:

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.18,
1.2.19

Standards:

1.3.3, 1.3.4, 1.3.8*, 1.3.11*, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.20,
1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31,
1.3.32, 1.3.33*, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41,
1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 1.3.51, 1.3.53, 1.3.55, 1.3.56, 1.3.58,
1.3.62, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73,
1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.80, 1.3.81

Data Sets:

1.4.1*, 1.4.2*, 1.4.3*, 1.4.4*, 1.4.5*, 1.4.6*, 1.4.7*

Flowing Gas Related Standards:

Definitions:

2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.10, 2.3.11, 2.3.12, 2.3.13,
2.3.15, 2.3.17, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.27, 2.3.28, 2.3.29,
2.3.30, 2.3.31, 2.3.32, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56,
2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Data Sets:

2.4.1*, 2.4.2, 2.4.3*, 2.4.4*, 2.4.5*, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11,
2.4.17, 2.4.18

Invoicing Related Standards:

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14,
3.3.16, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26

Data Sets:

3.4.1*, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Standards:

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12,
4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25,
4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38,
4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50,
4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.61, 4.3.62, 4.3.66, 4.3.67,
4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84,
4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96,
4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105

Capacity Release Related Standards:

Definitions:

5.2.1, 5.2.2

Standards:

5.3.5, 5.3.9, 5.3.10, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.29, , 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.46, 5.3.47, 5.3.52, 5.3.70, 5.3.71, 5.3.72, 5.3.73

Data Sets:

5.4.14, 5.4.15, 5.4.16*, 5.4.17, 5.4.20*, 5.4.21*, 5.4.22*, 5.4.23, 5.4.24*, 5.4.25, 5.4.26*, 5.4.27

Internet Electronic Transfer Related Standards:

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27

Standards for which Waiver of Extension of Time to Comply have been granted

NAESB WGQ

Standard No.	Waiver or Extension of Time
--------------	-----------------------------

Storage Information:

0.4.1*	Extension of Time
--------	-------------------

1.4.5*	Extension of Time
--------	-------------------

1.4.6*	Extension of Time
--------	-------------------

Flowing Gas Related Standards:

2.4.1*	Extension of Time
--------	-------------------

2.4.2	Extension of Time
-------	-------------------

2.4.3*	Extension of Time
--------	-------------------

2.4.4*	Extension of Time
--------	-------------------

2.4.5*	Extension of Time
--------	-------------------

2.4.6	Extension of Time
-------	-------------------

2.4.7	Extension of Time
-------	-------------------

2.4.8	Extension of Time
-------	-------------------

2.4.17	Extension of Time
--------	-------------------

2.4.18 Extension of Time

Invoicing Related Standards:

3.4.1* Extension of Time

3.4.2 Extension of Time

3.4.3 Extension of Time

3.4.4 Extension of Time

Capacity Release Related Standards:

5.4.17 Extension of Time

5.4.23 Extension of Time

33. INTERRUPTIBLE REVENUE SHARING MECHANISM

- 33.1 General. In conjunction with its annual filing under Section 20 (FRQ) of the GT&C, Pipeline will determine the amount of revenues (if any) during the applicable annual reconciliation period that are in excess of \$6.2 million for providing mainline interruptible services (including MNIT, MNPAL, and any other mainline interruptible services that become effective in the future under the Tariff).
- 33.2 Reconciliation Period. Each annual reconciliation period for determining shared revenues for providing mainline interruptible services will be the twelve months ended July 31, with partial year reconciliation periods (i) extending from December 1, 2015 until July 31, 2016 and (ii) extending from the August 1 immediately preceding the date on which the Settlement approved in Docket No. RP15-1026-000 terminates to the date on which such Settlement terminates.
- 33.3 Computation. To the extent that revenues for providing mainline interruptible services (less the amounts resulting from (i) applicable surcharges, (ii) the minimum Usage Charge for all quantities transported under the applicable interruptible rate schedules, and (iii) penalties pursuant to Section 3.2(A)(3) of Rate Schedule MNIT) during the applicable annual reconciliation period exceed \$6.2 million, then fifty percent (50%) of the revenues in excess of \$6.2 million will be retained by Pipeline and the remaining fifty percent (50%) of excess revenues will be credited pro rata to all firm and interruptible mainline Customers on a contract demand basis, or for interruptible mainline Customers, an imputed contract demand basis (calculated based on interruptible quantities flowed). Any such credit will be due and payable to firm and interruptible mainline Customers along with the next debit or credit for Customers contemplated under Section 20.4(c) of the GT&C.

34. OFF-SYSTEM PIPELINE CAPACITY

From time to time, Pipeline may enter into transportation and/or storage agreements with other interstate or intrastate pipeline companies ("off-system pipeline"). In the event that Pipeline acquires capacity on an off-system pipeline, Pipeline will use such capacity for operational reasons and will only render service to Customers on the acquired capacity pursuant to Pipeline's FERC Gas Tariff and subject to Pipeline's approved rates, as such Tariff and rates may change from time to time. For purposes of transactions entered into subject to this Section 34, the "shipper must have title" requirement is waived.

35. ASSIGNMENTS

Any Company which succeeds by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer or of Pipeline will be entitled to the rights and will be subject to the obligations of its predecessor in title under a Service Agreement. Either Customer or Pipeline may assign or pledge such Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter. Except as set forth above, neither Customer nor Pipeline shall assign such Service Agreement or any of its rights thereunder without the prior written consent of the other party; provided, however, that neither Customer nor Pipeline shall be released from its obligations thereunder without the consent of the other. In addition, Customer may assign its rights to capacity pursuant to Section 9 of the GT&C.

36. NONRECOURSE OBLIGATION OF LLC, MANAGING MEMBER AND OPERATOR

Pipeline is a Delaware limited liability company. Customer shall have no recourse against any member of Pipeline or against Maritimes & Northeast Pipeline Limited Partnership or a partner thereof with respect to Pipeline's obligations under a Service Agreement. Customer's sole recourse shall be against the assets and revenues of Pipeline, irrespective of any failure to comply with applicable law or any provision of such Service Agreement. Customer shall have no claim against any member of Pipeline or against Maritimes & Northeast Pipeline Limited Partnership or a partner thereof under or in connection with such Service Agreement. Customer shall have no claim against the Operator, its officers, employees, and agents, under or in connection with such Service Agreement and the performance of its duties as Operator (provided that this shall not bar claims resulting from the gross negligence, undue discrimination or willful misconduct of the Operator) and Customer shall provide the Operator with a waiver of subrogation of Customer's insurance company for all such claims. The foregoing requirements are set forth expressly for the benefit of the members in Pipeline, the Managing Member, Operator, Maritimes & Northeast Pipeline Limited Partnership and its partners.

37. NON-CONFORMING SERVICE AGREEMENTS

The following service agreements are being listed in accordance with Section 154.112(b) of the Commission's regulations. This list of agreements will be updated to reflect new agreements containing material, non-conforming provisions, with the exception of an extension in the term of one of the agreements identified below.

<u>Customer Name</u>	<u>Contract Number</u>	<u>Rate Schedule</u>	<u>Primary Term Begin Date</u>
Bangor Gas Company	9003	MNLFT	04/04/2000
Casco Bay Energy Company L.L.C.	9000	MNLFT	01/01/2000
Mobil Natural Gas Inc.	210198	MN365	06/26/1998
Mosbacher Operating LTD	8006	MN365	03/01/2009
Newington Energy LLC	210032	MNLFT	05/01/2002
Repsol Energy North America	210107	MN365	03/01/2009

38. PERMITTED SHARING OF NON-PUBLIC INFORMATION

Pursuant to FERC Order No. 787 and subject to the requirements of FERC Order No. 787, Pipeline shall have the right to share, from time to time on a voluntary basis, non-public operational information with an Independent System Operator, Regional Transmission Organization or public utility that owns, operates, or controls facilities used for transmission of electric energy in interstate commerce (collectively “Electric Transmission Operator”) for the purpose of promoting reliable service or operational planning on either the Pipeline’s or Electric Transmission Operator’s system. Pipeline’s primary point of contact and the protocols for the sharing of such non-public information will be provided to each Electric Transmission Operator in Pipeline’s service territory. All such sharing of non-public operational or planning information will be in accordance with those protocols. A list of the Electric Transmission Operators who have agreed to the protocols will be maintained on Pipeline’s Informational Postings website.

FORMS OF SERVICE AGREEMENT

INDEX

Description/Title

1. Form of Service Agreement for Rate Schedule MN365
2. [Reserved for Future Use]
3. [Reserved for Future Use]
4. [Reserved for Future Use]
5. Form of Service Agreement for Rate Schedule MNLFT
6. Form of Service Agreement for Rate Schedule MNIT
7. Form of Service Agreement for Rate Schedule MNPAL
8. Form of Service Agreement for Rate Schedule MNTTT
9. Form of Service Agreement for Rate Schedule MNTABS
10. Capacity Release Umbrella Agreement
11. Form of Service Agreement for the Link® System

**FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MN365**

Date: _____, Contract No. _____

SERVICE AGREEMENT

This SERVICE AGREEMENT is entered into by and between Maritimes & Northeast Pipeline, L.L.C., ("Pipeline") and _____ ("Customer").

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Pipeline and Customer related to the Agreement, and/or to describe or define the facilities necessary to provide service under the Agreement, and will not include binding consideration.]

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 4.1(b) of the General Terms and Conditions of Pipeline's Tariff, the following language will be included as a Whereas clause in Customer's Service Agreement: "The service provided to Customer under this Service Agreement will utilize capacity that was acquired by Customer as Interim Capacity pursuant to the provisions of Section 4.1(b) of the General Terms and Conditions of Pipeline's Tariff."]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall deliver and Customer shall take and pay for service pursuant to the terms of this Service Agreement and subject to Pipeline's Rate Schedule MN365 and the General Terms and Conditions of Pipeline's Tariff, which are incorporated herein by reference and made a part hereof.

[In the event that a precedent agreement for a new or an expansion project contains credit provisions applicable to Customer's capacity related to such project, the following language shall be included in Customer's Service Agreement. "The credit requirements applicable to this Service Agreement are set forth in that certain Precedent Agreement dated _____ between Pipeline and Customer related to this Service Agreement."]

2. The Maximum Daily Transportation Quantity (MDTQ) and Maximum Annual Transportation Quantity (MATQ) for service under this Service Agreement and any right to decrease the MDTQ or MATQ during the term of this Service Agreement are listed on Exhibit C attached hereto. The Point(s) of Receipt and Point(s) of Delivery, respectively, are listed on Exhibits A and B attached hereto. Exhibit(s) A, B, and C are incorporated herein by reference and made a part hereof.

On any given Day, Pipeline shall not be obligated to, but may at its sole discretion, receive at Point(s) of Receipt quantities of gas in excess of Pipeline's Maximum Daily Receipt Obligation (MDRO), plus Fuel Retainage Quantity, but shall not receive in the aggregate at all Points of Receipt on any Day a quantity of gas in excess of the applicable MDTQ, plus Fuel Retainage Quantity. On any given Day, Pipeline shall not be obligated to, but may at its sole discretion, deliver at any Point of Delivery quantities of gas in excess of Pipeline's Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any Day quantities of gas in excess of the applicable MDTQ.

3. This Service Agreement shall be effective on _____ [this blank may include a date certain, a date either earlier or later than a specified date certain based on the completion of construction of facilities necessary to provide service under the Agreement, a date set forth in or established by a relevant order from the Federal Energy Regulatory Commission or a commencement date as defined in a precedent agreement between Customer and Pipeline] and shall continue for a

term ending on and including _____ [or, when applicable, "shall continue for a term of ____ years"] ("Primary Term") and shall continue to be effective from _____ to _____ thereafter [***In the event that the capacity was awarded as Interim Capacity pursuant to Section 4.1(b) of the General Terms and Conditions of Pipeline's Tariff, the following phrase will be included in Customer's Service Agreement:*** ",but in no event beyond _____,"] (not less than year to year for the secondary term for agreements with a Primary Term of more than 1 year) unless terminated by either party upon prior written notice of at least _____[at least one (1) year for Long Term Service Agreements; mutually agreeable for Short Term Service Agreements; with the exception that, for Service Agreements with a primary term of exactly one (1) year, the notice must be submitted within ten (10) Business Days of the beginning of the primary term of the Service Agreement, and at least one (1) year for subsequent notices for such Service Agreement]. [In the event that Pipeline and Customer agree to a fixed term, the evergreen and notice of termination language shall be omitted from Customer's Service Agreement.] Upon termination, any portions of this Service Agreement necessary to correct or cash out imbalances or to make payment under this Service Agreement as required by the GT&C will survive the other parts of this Service Agreement until such time as such balancing or payment has been accomplished. To the extent that Customer desires to terminate this Service Agreement and Pipeline agrees to such termination, Pipeline will collect as part of the exit fee all (or such lesser portion as Pipeline agrees to) of the capacity Reservation Charges otherwise recoverable by Pipeline from Customer for the balance of the contractual term, absent such early termination.

If this Service Agreement qualifies as a "ROFR Agreement" as defined in the GT&C of Pipeline's FERC Gas Tariff, the provision of a termination notice by either Customer or Pipeline, pursuant to the preceding paragraph, any reduction of the MDTQ and MATQ pursuant to Exhibit C (but only for the quantity of the reduction) or the expiration of this Service Agreement by its own terms triggers Customer's right of first refusal under Section 4.2 of the GT&C of Pipeline's FERC Gas Tariff.

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 4.1(b) of the General Terms and Conditions of Pipeline's Tariff, the previous paragraph will be replaced with the following language: "This Service Agreement does not qualify as a ROFR Agreement, as such term is defined in Section 1 of the General Terms and Conditions of Pipeline's Tariff."

4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Service Agreement except during the specified term of a discounted rate or a negotiated rate to which Customer and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Service Agreement. Provisions governing such negotiated rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed, with the consent of Customer, as part of Pipeline's Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Pipeline's Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Nothing contained herein shall be construed to deny Customer any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.
5. Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or Pipeline may change the addresses or other information below by written notice to the other without the necessity of amending this Service Agreement:

Pipeline:

Customer:

6. The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of _____ without recourse to the law governing conflict of laws. This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.
7. This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

[None or an appropriate description]

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

CUSTOMER: _____

MARITIMES & NORTHEAST PIPELINE, L.L.C.
by: M&N Management Company, LLC
its Managing Member

By: _____

By: _____

Title: _____

Title: _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MN365
(continued)

EXHIBIT A Dated _____

to

SERVICE AGREEMENT UNDER
RATE SCHEDULE MN365
BETWEEN
MARITIMES & NORTHEAST PIPELINE, L.L.C.
AND

_____ ("CUSTOMER")

DATED _____

Exhibit A Effective Date: _____

FIRM RECEIPT POINTS

RECEIPT
POINT
(plus applicable fuel
retainage quantities)

MDRO

RECEIPT PRESSURE
LIMITATIONS

Signed for Identification

Pipeline: _____
by: M&N Management Company, LLC
its Managing Member

Customer: _____

Supersedes Exhibit A Dated _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MN365
(continued)

EXHIBIT B Dated _____

to

SERVICE AGREEMENT UNDER
RATE SCHEDULE MN365
BETWEEN
MARITIMES & NORTHEAST PIPELINE, L.L.C.
AND

_____ ("CUSTOMER")

DATED _____

Exhibit B Effective Date: _____

FIRM DELIVERY POINTS

DELIVERY
POINT

MDDO

DELIVERY PRESSURE
LIMITATIONS

Signed for Identification

Pipeline: _____

by: M&N Management Company, LLC
its Managing Member

Customer: _____

Supersedes Exhibit B Dated _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MN365
(continued)

Exhibit C

Transportation Quantities

Dated: _____

Exhibit C Effective Date: _____

To the Service Agreement under Rate Schedule MN365 dated _____ between Maritimes & Northeast Pipeline, L.L.C., ("Pipeline") and _____ ("Customer") concerning transportation quantities.

For the period from _____ through _____
Maximum Daily Transportation Quantity (MDTQ) _____ Dth
Maximum Annual Transportation Quantity (MATQ) _____ Dth

To the extent that Customer and Pipeline have agreed upon a reduction of Customer's MDTQ and MATQ to occur at a specified time during the term of Customer's Service Agreement, the following shall be included in Customer's Service Agreement for each agreed upon reduction:

For the period from _____ through _____
Maximum Daily Transportation Quantity (MDTQ) _____ Dth
Maximum Annual Transportation Quantity (MATQ) _____ Dth

Signed for Identification

Pipeline: _____
by: M&N Management Company, LLC
its Managing Member

Customer: _____

Supersedes Exhibit C Dated _____

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

**FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MNLFT**

Date: _____,

Contract No. _____

SERVICE AGREEMENT

This SERVICE AGREEMENT is entered into by and between Maritimes & Northeast Pipeline, L.L.C., ("Pipeline") and _____ ("Customer").

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Pipeline and Customer related to the Agreement, and/or to describe or define the facilities necessary to provide service under the Agreement, and will not include binding consideration.]

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 4.1(b) of the General Terms and Conditions of Pipeline's Tariff, the following language will be included as a Whereas clause in Customer's Service Agreement: "The service provided to Customer under this Service Agreement will utilize capacity that was acquired by Customer as Interim Capacity pursuant to the provisions of Section 4.1(b) of the General Terms and Conditions of Pipeline's Tariff."]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall deliver and Customer shall take and pay for Incremental Lateral transportation service pursuant to the terms of this Service Agreement and subject to Pipeline's Rate Schedule MNLFT and the General Terms and Conditions of Pipeline's Tariff, which are incorporated herein by reference and made a part hereof.

[In the event that a precedent agreement for a new or an expansion project contains credit provisions applicable to Customer's capacity related to such project, the following language shall be included in Customer's Service Agreement. "The credit requirements applicable to this Service Agreement are set forth in that certain Precedent Agreement dated _____ between Pipeline and Customer related to this Service Agreement."]

2. The Maximum Daily Transportation Quantity (MDTQ) and Maximum Annual Transportation Quantity (MATQ) for service under this Service Agreement and any right to decrease the MDTQ or MATQ during the term of this Service Agreement are listed on Exhibit C attached hereto. The Point(s) of Receipt and Point(s) of Delivery, respectively, are listed on Exhibits A and B attached hereto. Exhibit(s) A, B, and C are incorporated herein by reference and made a part hereof.

On any given Day, Pipeline shall not be obligated to, but may at its sole discretion, receive at Point(s) of Receipt quantities of gas in excess of Pipeline's Maximum Daily Receipt Obligation (MDRO), plus Fuel Retainage Quantity, but shall not receive in the aggregate at all Points of Receipt on any Day a quantity of gas in excess of the applicable MDTQ, plus Fuel Retainage Quantity. On any given Day, Pipeline shall not be obligated to, but may at its sole discretion, deliver at any Point of Delivery quantities of gas in excess of Pipeline's Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any Day quantities of gas in excess of the applicable MDTQ.

3. This Service Agreement shall be effective on _____ [this blank may include a date certain, a date either earlier or later than a specified date certain based on the completion of construction of facilities necessary to provide service under the Agreement, a date set forth in or established by a relevant order from the Federal Energy Regulatory Commission or a commencement date as defined in a precedent agreement between Customer and Pipeline] and shall continue for a

term ending on and including _____ [or, when applicable, "shall continue for a term of ____ years"] ("Primary Term") and shall continue to be effective from _____ to _____ thereafter [***In the event that the capacity was awarded as Interim Capacity pursuant to Section 4.1(b) of the General Terms and Conditions of Pipeline's Tariff, the following phrase will be included in Customer's Service Agreement:*** "but in no event beyond _____,"] (not less than year to year for the secondary term for agreements with a Primary Term of more than 1 year) unless terminated by either party upon prior written notice of at least _____ [at least one (1) year for Long Term Service Agreements; mutually agreeable for Short Term Service Agreements; with the exception that, for Service Agreements with a primary term of exactly one (1) year, the notice must be submitted within ten (10) Business Days of the beginning of the primary term of the Service Agreement, and at least one (1) year for subsequent notices for such Service Agreement]. [In the event that Pipeline and Customer agree to a fixed term, the evergreen and notice of termination language shall be omitted from Customer's Service Agreement.] Upon termination, any portions of this Service Agreement necessary to correct or cash out imbalances or to make payment under this Service Agreement as required by the GT&C will survive the other parts of this Service Agreement until such time as such balancing or payment has been accomplished. To the extent that Customer desires to terminate this Service Agreement and Pipeline agrees to such termination, Pipeline will collect as part of the exit fee all (or such lesser portion as Pipeline agrees to) of the capacity Reservation Charges (Incremental Lateral Line) otherwise recoverable by Pipeline from Customer for the balance of the contractual term, absent such early termination.

If this Service Agreement qualifies as a "ROFR Agreement" as defined in the GT&C of Pipeline's FERC Gas Tariff, the provision of a termination notice by either Customer or Pipeline, pursuant to the preceding paragraph, any reduction of the MDTQ and MATQ pursuant to Exhibit C (but only for the quantity of the reduction) or the expiration of this Service Agreement by its own terms triggers Customer's right of first refusal under Section 4.2 of the GT&C of Pipeline's FERC Gas Tariff.

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 4.1(b) of the General Terms and Conditions of Pipeline's Tariff, the previous paragraph will be replaced with the following language: "This Service Agreement does not qualify as a ROFR Agreement, as such term is defined in Section 1 of the General Terms and Conditions of Pipeline's Tariff."

4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Service Agreement except during the specified term of a discounted rate or a negotiated rate to which Customer and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Service Agreement. Provisions governing such negotiated rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed, with the consent of Customer, as part of Pipeline's Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Pipeline's Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Nothing contained herein shall be construed to deny Customer any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.
5. Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or Pipeline may change the addresses or other information below by written notice to the other without the necessity of amending this Service Agreement:

Pipeline:

Customer:

6. The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of _____ without recourse to the law governing conflict of laws. This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.
7. This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

[None or an appropriate description]

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

CUSTOMER: _____

MARITIMES & NORTHEAST PIPELINE, L.L.C.
by: M&N Management Company, LLC
its Managing Member

By: _____

By: _____

Title: _____

Title: _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MNLFT
(continued)

EXHIBIT A Dated _____

to

SERVICE AGREEMENT UNDER
RATE SCHEDULE MNLFT
BETWEEN
MARITIMES & NORTHEAST PIPELINE, L.L.C.
AND

_____ ("CUSTOMER")

DATED _____

FIRM RECEIPT POINTS

Exhibit A Effective Date: _____

RECEIPT
POINT

MDRO

RECEIPT PRESSURE
LIMITATIONS

Pipeline's line pressure as may
exist from time to time

Signed for Identification

Pipeline: _____
by: M&N Management Company, LLC
its Managing Member

Customer: _____

Supersedes Exhibit A Dated _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MNLFT
(continued)

EXHIBIT B Dated _____

to

SERVICE AGREEMENT UNDER
RATE SCHEDULE MNLFT
BETWEEN
MARITIMES & NORTHEAST PIPELINE, L.L.C.
AND

_____ ("CUSTOMER")

DATED _____

FIRM DELIVERY POINTS

Exhibit B Effective Date: _____

DELIVERY
POINT

MDDO

DELIVERY PRESSURE
LIMITATIONS

Signed for Identification

Pipeline: _____

by: M&N Management Company, LLC
its Managing Member

Customer: _____

Supersedes Exhibit B Dated _____

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MNLFT
(continued)

Exhibit C

Transportation Quantities

Dated: _____

Exhibit C Effective Date: _____

To the Service Agreement under Rate Schedule MNLFT dated _____ between Maritimes & Northeast Pipeline, L.L.C., ("Pipeline") and _____ ("Customer") concerning transportation quantities.

For the period from _____ through _____
Maximum Daily Transportation Quantity (MDTQ) _____ Dth
Maximum Annual Transportation Quantity (MATQ) _____ Dth

To the extent that Customer and Pipeline have agreed upon a reduction of Customer's MDTQ and MATQ to occur at a specified time during the term of Customer's Service Agreement, the following shall be included in Customer's Service Agreement for each agreed upon reduction:

For the period from _____ through _____
Maximum Daily Transportation Quantity (MDTQ) _____ Dth
Maximum Annual Transportation Quantity (MATQ) _____ Dth

Signed for Identification

Pipeline: _____
by: M&N Management Company, LLC
its Managing Member

Customer: _____

Supersedes Exhibit C Dated _____

**FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MNIT**

Date: _____,

Contract No. _____

SERVICE AGREEMENT

This SERVICE AGREEMENT is entered into by and between Maritimes & Northeast Pipeline, L.L.C., ("Pipeline") and _____ ("Customer").

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Pipeline and Customer related to the Agreement, and/or to describe or define the facilities necessary to provide service under the Agreement, and will not include binding consideration.]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall deliver and Customer shall take and pay for service pursuant to the terms of this Service Agreement and subject to Pipeline's Rate Schedule MNIT and the General Terms and Conditions of Pipeline's Tariff, which are incorporated herein by reference and made a part hereof.

[In the event that a precedent agreement for a new or an expansion project contains credit provisions applicable to Customer's capacity related to such project, the following language shall be included in Customer's Service Agreement. "The credit requirements applicable to this Service Agreement are set forth in that certain Precedent Agreement dated _____ between Pipeline and Customer related to this Service Agreement."]

2. Maximum Daily Transportation Quantity (MDTQ) _____ Dth
Maximum Annual Transportation Quantity (MATQ) _____ Dth

On any given Day, Pipeline shall not be obligated to, but may at its sole discretion, receive at Point(s) of Receipt quantities of gas in excess of Pipeline's Maximum Daily Receipt Obligation (MDRO), plus Fuel Retainage Quantity, but shall not receive in the aggregate at all Points of Receipt on any Day a quantity of gas in excess of the applicable MDTQ, plus Fuel Retainage Quantity. On any given Day, Pipeline shall not be obligated to, but may at its sole discretion, deliver at any Point of Delivery quantities of gas in excess of Pipeline's Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any Day quantities of gas in excess of the applicable MDTQ.

3. This Service Agreement shall be effective on _____ [this blank may include a date certain, a date either earlier or later than a specified date certain based on the completion of construction of facilities necessary to provide service under the Agreement, a date set forth in or established by a relevant order from the Federal Energy Regulatory Commission or a commencement date as defined in a precedent agreement between Customer and Pipeline] and shall continue for a term ending on and including _____ [or, when applicable, "shall continue for a term of ____ years"] ("Primary Term") and shall continue to be effective from _____ to _____ thereafter unless terminated by either party upon prior written notice of at least _____. Upon termination, any portions of this Service Agreement necessary to correct or cash out imbalances or to make payment under this Service Agreement as required by the GT&C will survive the other parts of this Service Agreement until such time as such balancing or payment has been accomplished.

4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Service Agreement except during the specified term of a discounted rate or a negotiated rate to which Customer and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Service Agreement. Provisions governing such negotiated rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed, with the consent of Customer, as part of Pipeline's Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Pipeline's Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Nothing contained herein shall be construed to deny Customer any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.
5. Pipeline shall not be obligated to receive gas at any pressure less than the operating pressure of Pipeline's system at the Point(s) of Receipt. Pipeline shall deliver gas at each Point(s) of Delivery at such pressures as may exist on Pipeline's system from time to time at such point. In no event shall Pipeline be obligated to deliver gas at any time at a pressure in excess of the Maximum Allowable Operating Pressure for Pipeline's facilities at any point.
6. Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or Pipeline may change the addresses or other information below by written notice to the other without the necessity of amending this Service Agreement:

Pipeline:

Customer:

7. The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of _____ without recourse to the law governing conflict of laws. This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.
8. This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

[None or an appropriate description]

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

CUSTOMER: _____

MARITIMES & NORTHEAST PIPELINE, L.L.C.
by: M&N Management Company, LLC
its Managing Member

By: _____

By: _____

Title: _____

Title: _____

**FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MNPAL**

Date: _____,

Contract No. _____

SERVICE AGREEMENT

This SERVICE AGREEMENT is entered into by and between Maritimes & Northeast Pipeline, L.L.C., ("Pipeline") and _____ ("Customer").

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Pipeline and Customer related to the Agreement, and/or to describe or define the facilities necessary to provide service under the Agreement, and will not include binding consideration.]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall deliver and Customer shall take and pay for service pursuant to the terms of this Service Agreement and subject to Pipeline's Rate Schedule MNPAL and the General Terms and Conditions of Pipeline's Tariff, which are incorporated herein by reference and made a part hereof.
2. The Maximum Park Quantity or Maximum Loan Quantity, as appropriate, and the Point(s) of Transaction applicable to a specific transaction(s) are identified in Exhibit(s) A to this Service Agreement. Customer shall initiate a request for each park or loan service transaction by executing and delivering to Pipeline one or more Exhibit(s) A. Exhibit(s) A is incorporated herein by reference and made a part hereof.
3. This Service Agreement shall be effective on _____ and shall continue for a term ending on and including _____ ("Primary Term") and shall continue to be effective from _____ to _____ thereafter unless terminated by either party upon prior written notice of at least _____. Upon termination, any portions of this Service Agreement necessary to correct or resolve a park balance or a loan balance under this Service Agreement as required by the GT&C will survive the other parts of this Service Agreement until such time as such balancing has been accomplished.
4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Service Agreement except during the specified term of a discounted rate or a negotiated rate to which Customer and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Service Agreement. Provisions governing such negotiated rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed, with the consent of Customer, as part of Pipeline's Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Pipeline's Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Nothing contained herein shall be construed to deny Customer any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.
5. Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or Pipeline may change the addresses or other information below by written notice to the other without the necessity of amending this Service Agreement:

Pipeline:

Customer:

6. The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of _____ without recourse to the law governing conflict of laws. This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

7. This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

[None or an appropriate description]

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

CUSTOMER: _____

MARITIMES & NORTHEAST PIPELINE, L.L.C.
by: M&N Management Company, LLC
its Managing Member

By: _____

By: _____

Title: _____

Title: _____

MARITIMES & NORTHEAST PIPELINE, L.L.C.
PARK AND LOAN (MNPAL) AGREEMENT
DATED _____

EXHIBIT A-__ DATED _____

Exhibit A-__ Effective Date: _____

PIPELINE: Maritimes & Northeast Pipeline, L.L.C.
5400 Westheimer Court
Houston, Texas 77056-5310

Attention: Contract Administration

CUSTOMER: _____

	Commencement Service Date	Termination of Service Date	Maximum Park/Loan Quantity	Specific Points
	-----	-----	-----	-----
Park Service	_____	_____	_____	_____
Loan Service	_____	_____	_____	_____

MARITIMES & NORTHEAST PIPELINE, L.L.C.
by: M&N Management Company, LLC
its Managing Member

By _____

[NAME OF CUSTOMER]

By _____

**FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MNTTT**

Date: _____,

Contract No. _____

SERVICE AGREEMENT

This SERVICE AGREEMENT is entered into by and between Maritimes & Northeast Pipeline, L.L.C., ("Pipeline") and _____ ("Customer").

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Pipeline and Customer related to the Agreement, and/or to describe or define the facilities necessary to provide service under the Agreement, and will not include binding consideration.]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall deliver and Customer shall take and pay for service pursuant to the terms of this Service Agreement and subject to Pipeline's Rate Schedule MNTTT and the General Terms and Conditions of Pipeline's Tariff, which are incorporated herein by reference and made a part hereof.
2. This Service Agreement shall be effective on _____ and shall continue for a term ending on and including _____ ("Primary Term") and shall continue to be effective from _____ to _____ thereafter (not less than year to year for the secondary term for agreements with a Primary Term of more than 1 year) unless terminated by either party upon prior written notice of at least _____ [at least two years for Long Term Service Agreements; mutually agreeable for Short Term Service Agreements]. Upon termination, any portions of this Service Agreement necessary to make payment under this Service Agreement as required by the GT&C will survive the other parts of this Service Agreement until such time as such payment has been accomplished.
3. Maximum rates, charges, and fees shall be applicable to service pursuant to this Service Agreement except during the specified term of a discounted rate or a negotiated rate to which Customer and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Service Agreement. Provisions governing such negotiated rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed, with the consent of Customer, as part of Pipeline's Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Pipeline's Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Nothing contained herein shall be construed to deny Customer any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.
4. Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or Pipeline may change the addresses or other information below by written notice to the other without the necessity of amending this Service Agreement:

Pipeline:

Customer:

5. The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of _____ without recourse to the law governing conflict of laws. This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

6. This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

[None or an appropriate description]

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

CUSTOMER: _____

MARITIMES & NORTHEAST PIPELINE, L.L.C.
by: M&N Management Company, LLC
its Managing Member

By: _____

By: _____

Title: _____

Title: _____

**FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE MNTABS**

Date: _____,

Contract No. _____

SERVICE AGREEMENT

This SERVICE AGREEMENT is entered into by and between Maritimes & Northeast Pipeline, L.L.C., ("Pipeline") and _____ ("TABS Party").

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Pipeline and Customer related to the Agreement, and/or to describe or define the facilities necessary to provide service under the Agreement, and will not include binding consideration.]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall permit the TABS Party to take service pursuant to the terms of this Service Agreement and subject to Pipeline's Rate Schedule MNTABS and the General Terms and Conditions of Pipeline's Tariff, which are incorporated herein by reference and made a part hereof.
2. Pipeline and TABS Party agree that service hereunder shall be provided at the TABS Points specified in Pipeline's Rate Schedule MNTABS.
3. This Service Agreement shall be effective on _____ and shall continue for a term ending on and including _____ ("Primary Term") and shall continue to be effective from _____ to _____ thereafter unless terminated by either party upon prior written notice of at least _____. Upon termination, any portions of this Service Agreement necessary to correct or cash out imbalances or to make payment under this Service Agreement as required by the GT&C will survive the other parts of this Service Agreement until such time as such balancing or payment has been accomplished.
4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Service Agreement except during the specified term of a discounted rate or a negotiated rate to which TABS Party and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Service Agreement. Provisions governing such negotiated rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed, with the consent of TABS Party, as part of Pipeline's Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Pipeline's Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Nothing contained herein shall be construed to deny TABS Party any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.
5. Pipeline shall not be obligated to receive Gas at any pressure less than the operating pressure of Pipeline's system at the Point(s) of Receipt. In no event shall Pipeline be obligated to deliver gas at any time at a pressure in excess of Pipeline's system pressure as it may exist from time to time or the Maximum Allowable Operating Pressure for Pipeline's facilities at any point.
6. All Gas tendered to Pipeline for TABS Party's account shall conform to the quality specifications set forth in Section 12 of Pipeline's General Terms and Conditions.

7. Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. TABS Party or Pipeline may change the addresses or other information below by written notice to the other without the necessity of amending this Service Agreement:

Pipeline:

TABS Party:

8. The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of _____ without recourse to the law governing conflict of laws. This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.
9. This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

[None or an appropriate description]

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

TABS
PARTY: _____

MARITIMES & NORTHEAST PIPELINE, L.L.C.
By M&N Management Company, LLC
Its Managing Member

By: _____

By: _____

**FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES MN365 AND MNLFT**

This Umbrella Service Agreement, made and entered into this ____ day of _____, by and between _____ (herein called "Replacement Customer"), and Maritimes & Northeast Pipeline, L.L.C., a Delaware Limited Liability Company (herein called "Pipeline"),

W I T N E S S E T H:

WHEREAS,

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the Replacement Customer and Pipeline hereby agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

This Umbrella Service Agreement is in all respects subject to and governed by Rate Schedules MN365 and MNLFT and the General Terms and Conditions of Pipeline's FERC Gas Tariff ("Tariff") as such rate schedules may be modified from time to time, and such are incorporated by reference. In the event that language of this Umbrella Service Agreement or any Exhibit conflicts with Pipeline's Tariff, the language of the Tariff will control.

Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements are met in order for Replacement Customer to be on Pipeline's approved bidder list for capacity releases and execute this Umbrella Service Agreement pursuant to Section 9 of Pipeline's GT&C, and this Umbrella Service Agreement is effective, Replacement Customer may bid from time to time on proposed capacity releases under Rate Schedules MN365 and/or MNLFT pursuant to the procedure set forth in Section 9 of Pipeline's GT&C. If at anytime a bid submitted by Replacement Customer is accepted by Pipeline with respect to a given capacity release, Pipeline will promptly finalize by means of Pipeline's LINK® System the appropriate Addendum to this Umbrella Service Agreement, in the format attached hereto, depending upon the rate schedule under which the capacity is being released. An Addendum shall be deemed to be an executed Service Agreement under the rate schedule designated therein, subject to the terms and conditions of the rate schedule, the form of service agreement applicable to such rate schedule, and the General Terms and Conditions of Pipeline's Tariff. The parties agree that each Addendum is an integral part of this Umbrella Service Agreement as if executed by the parties hereto and fully copied and set forth herein at length and is binding on the parties hereto. Upon finalization of such Addendum, Replacement Customer and Pipeline agree that Replacement Customer shall be considered for all purposes as a Customer with respect to the released service.

Upon the finalization of an Addendum, subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedules MN365 and/or MNLFT, as applicable, Pipeline agrees to provide the applicable released service for Replacement Customer under the applicable rate schedule, provided however, the Replacement Customer qualified under the financial evaluation and credit appraisal requirements set forth in Section 3 of Pipeline's GT&C at the time it submitted the bid Pipeline accepted with respect to such release.

Replacement Customer hereby agrees to promptly provide any information necessary for Pipeline to reevaluate Pipeline's credit appraisal as contemplated by Section 3 of Pipeline's GT&C and to advise Pipeline of any material change in the information previously provided by the Replacement Customer to Pipeline.

ARTICLE II TERM OF AGREEMENT

The term of this Agreement shall commence on _____ and shall continue in force and effect until _____ and _____ to _____ thereafter unless this Umbrella Service Agreement is terminated as hereinafter provided. If Pipeline determines at anytime that Replacement Customer fails to meet the financial standards or credit criteria of Section 3 of the GT&C, Pipeline may terminate this agreement and all Addenda attached hereto prospectively in accordance with Section 3 of the GT&C.

ARTICLE III RATE SCHEDULE

This Umbrella Service Agreement does not have separate terms and conditions for particular services, but only provides a means for a Replacement Customer to utilize a service subject to the applicable provisions of the relevant Service Agreement and the terms and conditions for Rate Schedules MN365 and/or MNLFT, by finalization of a copy of an Addendum MN365 and/or MNLFT attached hereto and fully incorporated herein as a part of this Umbrella Service Agreement.

Replacement Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to this Umbrella Service Agreement (b) the terms and conditions of this Umbrella Service Agreement, pursuant to which service hereunder is rendered or (c) any provision of the GT&C applicable to this Umbrella Service Agreement. Pipeline agrees that the Replacement Customer may protest or contest the aforementioned filings, unless the Replacement Customer has otherwise agreed not to protest or contest any or all of the aforementioned filings, and the Replacement Customer does not waive any rights it may have with respect to such filings.

ARTICLE IV ADDRESSES

Except as herein otherwise provided or as provided in the GT&C of this FERC Gas Tariff, any notice, request, demand, statement, invoice or payment provided for in this Umbrella Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline:

(b) Replacement Customer:

or such other address as either party shall designate by formal written notice.

ARTICLE V INTERPRETATION

The interpretation and performance of this Umbrella Service Agreement shall be in accordance with the laws of the State of _____, without recourse to the law governing conflict of laws.

This Umbrella Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, either State or Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE VI
RELATIONSHIP BETWEEN REPLACEMENT CUSTOMER
AND RELEASING CUSTOMER

The parties recognize that, pursuant to Commission orders, Releasing Customer may require that the Replacement Customer agree that a breach of this Agreement, including a failure to pay, or to pay timely, by Replacement Customer under this Agreement, constitutes a breach of contract as between Replacement Customer and Releasing Customer. The existence of such an agreement will be indicated on the appropriate Addendum to this Capacity Release Umbrella Agreement. If Replacement Customer fails to pay Pipeline, fails to timely pay Pipeline, or otherwise breaches this Agreement with Pipeline: (a) both Replacement Customer and Releasing Customer (except to the extent otherwise provided in Section 9.7(a) of the GT&C and except with respect to penalties attributable to Replacement Customer's conduct) shall be liable to Pipeline for such failure to pay or breach (it being understood that nothing in this Article VI relieves Releasing Customer from responsibility to pay Pipeline in accordance with its service agreements with Pipeline) and (b) if, as a result of such breach by Replacement Customer, Releasing Customer is accordingly required to pay Pipeline or otherwise perform, Releasing Customer may have a cause of action for breach against Replacement Customer.

IN WITNESS WHEREOF, the parties hereto have caused this Umbrella Service Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above..

MARITIMES & NORTHEAST PIPELINE, L.L.C.
by: M&N Management Company, LLC
its Managing Member

By _____

By _____

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES MN365 AND MNLFT
(continued)

Deal No.: _____
Maritimes & Northeast Pipeline, L.L.C. Addendum Contract No.: _____
Capacity Release Umbrella Agreement No.: _____

Addendum No. _____
Capacity Release Rate Schedule _____

Replacement Customer: _____
Releasing Customer: _____

Releasing Customer's Contract No.: _____

Begin Date of Release: _____

End Date of Release: _____

Rates: [Volumetric or Reservation]

U.S. \$

Surcharges (excluding usage-based surcharges):

<u>Description</u>	<u>Rate</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

Volume Commitment _____ (Dth/Monthly Billing Period)

Maximum Daily Transportation Quantity (MDTQ): _____(Dth)

Billable Quantities:

Service:

<u>From</u>	<u>To</u>	<u>Quantity</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES MN365 AND MNLFT
(continued)

Addendum No.____ (Con't)
Capacity Release
Rate Schedule ____

Specific Firm Point(s) of Receipt:

Receipt Point MDRO Effective From Effective To

Specific Firm Point(s) of Delivery:

Delivery Point MDDO Effective From Effective To

Is this capacity subject to right of recall? Yes ____ No ____

Recall Conditions (if applicable):

Are there any restrictions on released capacity? Yes ____ No ____

Restrictions (if applicable):

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES MN365 AND MNLFT
(continued)

Addendum No.____ (Con't)
Capacity Release
Rate Schedule ____

Was Maritimes & Northeast Pipeline, L.L.C.'s default bid evaluation criteria used?
Yes ____ No ____

Evaluation Criteria (if applicable):

Were contingent bids accepted? Yes ____ No ____

Contingency comments (if applicable):

Other Terms and Conditions of Release: [e.g., restrictions on release, third party agent and terms of third party agency relationship, and agreements between Replacement Customer and Releasing Customer]

This Addendum, entered into, pursuant to Maritimes & Northeast Pipeline, L.L.C.'s capacity release program and to the executed Capacity Release Umbrella Agreement between Maritimes & Northeast Pipeline, L.L.C. and the Replacement Customer, is heretofore made a part of and subject to the aforementioned Capacity Release Umbrella Agreement.

**FORM OF SERVICE AGREEMENT
FOR THE LINK® SYSTEM**

This LINK® System Agreement, executed this ____ day of _____, _____, by and between _____ (Service Requester Proprietary Number _____) (hereafter referred to as "LINK® System Subscriber"), and MARITIMES & NORTHEAST PIPELINE, L.L.C. (hereafter referred to as "Pipeline"), witnesseth that for and in consideration of the mutual covenants and provisions herein contained and subject to all of the terms, provisions and conditions herein set forth, LINK® System Subscriber and Pipeline do hereby agree as follows:

**ARTICLE I
SCOPE OF AGREEMENT**

- a. Pipeline shall make available for use by LINK® System Subscriber Pipeline's computerized electronic communication system, the LINK® Customer Interface System ("LINK® System"), to perform such functions as may be available on the LINK® System from time to time.
- b. Use of the LINK® System is subject to the General Terms and Conditions, as well as the provisions of any Rate Schedule and Service Agreement, as set forth in Pipeline's currently effective FERC Gas Tariff, as effective from time to time, and which are hereby incorporated by reference.
- c. LINK® System Subscriber agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and to make changes effective in (a) the rates and charges applicable to service pursuant to this LINK® System Agreement; and (b) any provision of Pipeline's FERC Gas Tariff related to this LINK® System Agreement. Pipeline agrees that LINK® System Subscriber may protest or contest the aforementioned filings, and LINK® System Subscriber does not waive any rights it may have with respect to such filings.

**ARTICLE II
TERM**

The term of this LINK® System Agreement shall commence on the date of execution hereof and shall continue in full force and effect on a month to month basis until terminated by Pipeline or LINK® System Subscriber, with thirty days prior written notice of such termination.

**ARTICLE III
ADDRESSES**

Except as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment pursuant to this LINK® System Agreement shall be in writing and shall be considered as duly delivered when received on-line via the LINK® System, or when received as registered, certified, or regular mail at the address of the parties hereto, as the case may be, as follows:

- (a) Pipeline: Spectra Energy Transmission
Attn: LINK® Services, Room WO 3I-32
5400 Westheimer Court
P.O. Box 1642
Houston, TX 77251-1642

(b) LINK® System Subscriber:

[The address LINK® System Subscriber shall designate by submitting the on-line Contact Information as discussed in the Electronic Communications section of the General Terms and Conditions of the relevant Pipeline's tariff.]

ARTICLE IV
INTERPRETATION

The interpretation and performance of this LINK® System Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflicts of law.

This LINK® System Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter hereof, either State or Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE V
AGREEMENTS BEING SUPERSEDED

When this LINK® System Agreement becomes effective, it shall supersede any LINK® System Agreement(s) between the parties hereto with an earlier execution date.

IN WITNESS WHEREOF, the parties hereto have caused this LINK® System Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

MARITIMES & NORTHEAST PIPELINE, L.L.C.
by: M&N Management Company, LLC
its Managing Member

By: _____

Title: _____

Signature

LINK® System Subscriber

By: _____

Title: _____

Signature

**OPERATIONAL BALANCING AGREEMENT (“AGREEMENT”)
BETWEEN
MARITIMES & NORTHEAST PIPELINE, L.L.C
AND**

This Agreement is made and effective as of the _____ day of _____, 20__, by _____ (“OBA Party”) and by Maritimes & Northeast Pipeline, L.L.C. (“Maritimes”), collectively referred to as “Parties” or individually referred to as a “Party”.

WITNESSETH

WHEREAS, the pipeline facilities operated by the Parties interconnect at the interconnection point(s) specified on Exhibit 1 attached hereto and incorporated herein by this reference (hereinafter referred to as “Location”, whether one or more); and

WHEREAS, Party or Parties have entered into one or more agreements with third party Service Requesters (“Service Requester(s)”) for the transportation of natural gas to or from the Location on the Parties’ respective systems (said agreements hereinafter referred to as “Service Requester Agreements”); and

WHEREAS, from time to time, dekatherms of natural gas confirmed and scheduled by the Parties to be delivered to or received from the Location (said quantities hereinafter referred to as “Scheduled Quantities”) may be greater than or less than the dekatherms of natural gas which are actually delivered at the Location, resulting in inadvertent over- or under-deliveries of the Service Requesters’ Scheduled Quantities; and

WHEREAS, the Parties desire to implement an operational balancing agreement in order to facilitate more efficient operations, accounting, and systems management at the Location and on the Parties’ respective systems; and

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article 1: Operational Parameters

- (1.1) Prior to the date and time of flow at each Location, the Parties shall confirm and schedule Service Requester(s) nominations which will be delivered or received at each Location. Such confirmation between the Parties shall be made electronically via electronic interface system (such as the Parties’ Electronic Bulletin Boards or other successor systems), unless otherwise mutually agreed to by the Parties.
- (1.2) The Parties intend that the total dekatherms of natural gas actually delivered and received each gas day at each Location will equal the Scheduled Quantities for said Location. Each Party will allocate the dekatherms that have been delivered and received at each Location among the Service Requester Agreements on its system pursuant to the Scheduled Quantities at each such Location. Any difference between the total actual physical flow of gas and the total of all Scheduled Quantities at each Location for such gas day is defined for the purposes of this Agreement as the “Daily Operational Imbalance”. The sum of all unresolved Daily Operational Imbalances at any given time is defined for purposes of this Agreement as the “Cumulative Operational Imbalance”. The Parties shall eliminate such Daily Operational Imbalance and Cumulative Operational Imbalance pursuant to this Agreement.

- (1.3) Unless the Parties otherwise mutually agree, the best available operating data for gas flows at the Location shall be used on a daily basis during any current period to determine the estimated Cumulative Operational Imbalance at the Location, with physical flow adjustments to be made during that current period as mutually agreed to by both Parties to attempt to maintain or achieve a Cumulative Operational Imbalance of zero at the Location. The Cumulative Operational Imbalance shall be calculated by Measuring Party no later than the tenth (10th) day of the following month.
- (1.4) ***[In the event that the Parties agree to resolve any Cumulative Operational Imbalance via the cash out mechanism set forth in Maritimes' FERC Gas Tariff, the following language will be included in the Operational Balancing Agreement between the Parties as paragraph (1.4): "Any Cumulative Operational Imbalance calculated pursuant to paragraph (1.3) above for said month shall be cashed-out in accordance with the balancing provisions set forth in Section 11.6 of the General Terms and Conditions of Maritimes' FERC Gas Tariff. Once the Cumulative Operational Imbalance has been cashed out for a particular month, such cash out shall be a Party's sole remedy for resolution of the Cumulative Operational Imbalance, unless mutually agreeable."]*** ***[In the event that the Parties agree to resolve any Cumulative Operational Imbalance via an in-kind of receipt or delivery of natural gas, the following language will be included in the Operational Balancing Agreement between the Parties as paragraph (1.4): "Any Cumulative Operational Imbalance calculated pursuant to paragraph (1.3) above for said month shall be agreed to by electronic interface systems or in writing by the Parties prior to the tenth (10th) day of such month. Such Cumulative Operational Imbalance shall be resolved by the Parties pursuant to mutually agreed upon procedures, which shall be negotiated by the Parties on a not unduly discriminatory basis."]***

Article 2: Term and Effectiveness

- (2.1) ***[In the event that the Parties agree to resolve any Cumulative Operational Imbalance via the cash out mechanism set forth in Maritimes' FERC Gas Tariff, the following language will be included in the Operational Balancing Agreement between the Parties as paragraph (2.1): "Upon the termination of this Agreement, the Parties agree to cash-out any remaining Cumulative Operational Imbalance pursuant to the terms and conditions of this Agreement within thirty (30) days of termination of this Agreement or such other period of time which is mutually agreed upon by the Parties."]*** ***[In the event that the Parties agree to resolve any Cumulative Operational Imbalance via an in-kind of receipt or delivery of natural gas, the following language will be included in the Operational Balancing Agreement between the Parties as paragraph (2.1): "Upon the termination of this Agreement, the Parties agree to reconcile and eliminate any remaining Cumulative Operational Imbalance pursuant to the terms and conditions of this Agreement within thirty (30) days of termination of this Agreement or such other period of time which is mutually agreed upon by the Parties. Or, upon mutual agreement by the Parties, the Cumulative Operational Imbalance may be resolved by cash out according to the provisions of Maritimes' FERC Gas Tariff."]***
- (2.2) Subject to the provisions of this Article 2, this Agreement shall be effective as of the effective date and shall continue from month to month thereafter until terminated by either Party upon not less than thirty (30) days' prior written notice.
- (2.3) Notwithstanding the provisions of Paragraph (2.2), this Agreement can be terminated by either Party under the following conditions:
- (a) Failure by either Party to immediately adjust the operations of its system when informed in writing or by electronic interface system of a critical operating condition(s) by the other Party. A critical operating condition is determined in the sole reasonable judgment of the Party claiming a critical operating condition.

- (b) ***[In the event that the Parties agree to resolve any Cumulative Operational Imbalance via an in-kind of receipt or delivery of natural gas, the following language will be included in the Operational Balancing Agreement between the Parties as paragraph (2.3(b)):*** " Failure of the Parties to agree in writing on the final adjusted Cumulative Operational Imbalance prior to the fifteenth (15th) day of the month following the last month gas was delivered; provided, however, if the Parties disagree on the final adjusted Cumulative Operational Imbalance but are diligently working towards a resolution, then this Agreement will not terminate.]

Article 3: Miscellaneous

- (3.1) This Agreement and the terms and conditions herein are subject to all present and future valid laws, orders, rules and regulations established by a governmental body with jurisdiction that is applicable to the Parties and this Agreement.
- (3.2) In the event a conflict exists or arises between this Agreement and the Maritimes FERC Gas Tariff, as amended from time to time, it is agreed and understood that the latter shall control. This Agreement shall supersede any other agreements with respect to the handling of a Daily Operational Imbalance and the Cumulative Operational Imbalance at the Location.
- (3.3) OBA Party hereby acknowledges and agrees that the provisions of Maritimes' FERC Gas Tariff are incorporated herein by reference and made a part of this Agreement for all purposes, and that such FERC Gas Tariff provisions shall be applicable to operations on Maritimes's pipeline system, including any and all rights and obligations of Maritimes pursuant to this Agreement and any and all rights and obligations of OBA Party pursuant to this Agreement. OBA Party also agrees that it shall be required to comply with all of the creditworthiness requirements in Maritimes' FERC Gas Tariff throughout the term of this Agreement.
- (3.4) This Agreement is for accounting and system management purposes only, and is entered into by the Parties with the understanding that the balancing activities provided for hereunder will not subject any non-jurisdictional entity to regulation by the Federal Energy Regulatory Commission as a "natural gas company" under the provisions of the Natural Gas Act. If, at any time, it should be determined that such balancing activities do result in such regulation, then this Agreement shall immediately terminate, and any remaining Cumulative Operational Imbalance shall be resolved pursuant to Paragraph (2.1) of this Agreement.
- (3.5) This Agreement is not assignable.
- (3.6) This Agreement shall be construed in accordance with the laws of the State of Texas without regard to conflicts of law principles. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION ARISING UNDER THIS AGREEMENT.
- (3.7) No waiver by either Party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any continuing or future default or defaults, whether of a like or different character, or a waiver of each of the Parties' obligations to eliminate a Daily Operational Imbalance or the Cumulative Operational Imbalance by adjusting nominations and, or, deliveries and receipts of gas at the Location, as provided herein.
- (3.8) The Parties intend that there shall be no third party beneficiary to this Agreement. Nothing in this Agreement shall entitle any persons other than OBA Party or Maritimes, to any claim, cause of action, remedy or right of any kind relating to the transaction(s) contemplated by this Agreement.

(3.9) As provided in this Agreement, written notices shall be mailed to the post office address of the Party intended to receive the same, as follows:

(OBA Party):

Address:

Maritimes:

P. O. Box 1642
Houston, Texas 77251-1642
Attention: Operational Balancing

(3.10) This Agreement constitutes the entire agreement between the Parties concerning the subject matters of this Agreement, and there are no oral or other written agreements relating to such matters.

(3.11) This Agreement supercedes and cancels, as of the effective date of this Agreement, the contract(s) between the Parties hereto as described below:

[None or an appropriate description]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized representatives effective on the date set forth hereinabove.

MARITIMES & NORTHEAST PIPELINE, L.L.C.

By: M&N Management Company, LLC
Its Managing Member

By: _____

Name: _____

(OBA PARTY)

By: _____

Name: _____

EXHIBIT 1

**To the Operational Balancing Agreement
Between
Maritimes & Northeast Pipeline, L.L.C.
And
_____ (“OBA Party”)**

Date: _____

Location

**Maritimes
M&R**

Description

MARITIMES & NORTHEAST PIPELINE, L.L.C.

By: M&N Management Company, LLC
Its Managing Member

By: _____

Name: _____

(OBA PARTY)

By: _____

Name: _____

Index

Tariff Second Revised Volume No. 1

Part 1 Table of Contents

Part 2 Preliminary Statement

Part 3 Map

Part 4 Statements of Rates

1. Forward Haul Rates

2. Backhaul Rates

3. Firm Lateral Service Rates

4. Park and Loan Rates

5. Title Transfer Tracking Rates

6. Fuel Retainage Percentages

7. Reserved for Future Use

Part 5 Rate Schedules

1. Rate Schedule MN365

2. Reserved for Future Use

3. Reserved for Future Use

4. Reserved for Future Use

5. Rate Schedule MNLFT

6. Rate Schedule MNIT

7. Rate Schedule MNPAL

8. Rate Schedule MNTTT

9. Rate Schedule MNTABS

Part 6 General Terms and Conditions

1. Definitions

2. Electronic Communication

3. Service Requests and Contracting for Service

4. Allocation of Capacity Entitlements

5. Service Nomination Procedure

6. Service Scheduling

7. Interconnecting Facility Gas Flow Allocation Methods

8. Curtailment

**Maritimes & Northeast Pipeline, L.L.C.
Second Revised Volume No. 1
Tariff**

- 9. Capacity Release**
- 10. Action Alerts and Operational Flow Orders**
- 11. Balancing**
- 12. Quality of Gas**
- 13. Pressure**
- 14. Measurement and Measurement Equipment**
- 15. Invoices and Payments**
- 16. Termination for Default**
- 17. Policy on Fees and Construction of New Facilities**
- 18. Possession of Gas**
- 19. Warranty of Title to Gas**
- 20. Fuel Retainage Quantity**
- 21. Annual Charge Adjustment Clause**
- 22. Periodic Rate Adjustments**
- 23. Initial Rate Adjustments**
- 24. Negotiated Rates**
- 25. Standards of Conduct Compliance Procedures**
- 26. Force Majeure**
- 27. Discount Terms**
- 28. Discretionary Waivers**
- 29. Descriptive Headings**
- 30. Governmental Regulations**
- 31. Reports with Respect to Tariff**
- 32. North American Energy Standards Board**
- 33. Interruptible Revenue Sharing Mechanism**
- 34. Off-system Pipeline Capacity**
- 35. Assignments**
- 36. Nonrecourse Obligation of LLC, Managing Member and Operator**
- 37. Non-Conforming Service Agreements**
- 38. Permitted Sharing of Non-public Information**
- Part 7 Forms of Service Agreement**
- 1. Form of Service Agreement for Rate Schedule MN365**
- 1.1 Exhibit A to the MN365 Service Agreement**
- 1.2 Exhibit B to the MN365 Service Agreement**
- 1.3 Exhibit C to the MN365 Service Agreement**
- 2. Reserved for Future Use**

**Maritimes & Northeast Pipeline, L.L.C.
Second Revised Volume No. 1
Tariff**

2.1 Reserved for Future Use

2.2 Reserved for Future Use

2.3 Reserved for Future Use

3. Reserved for Future Use

3.1 Reserved for Future Use

3.2 Reserved for Future Use

3.3 Reserved for Future Use

4. Reserved for Future Use

4.1 Reserved for Future Use

4.2 Reserved for Future Use

4.3 Reserved for Future Use

5. Form of Service Agreement for Rate Schedule MNLFT

5.1 Exhibit A to the MNLFT Service Agreement

5.2 Exhibit B to the MNLFT Service Agreement

5.3 Exhibit C to the MNLFT Service Agreement

6. Form of Service Agreement for Rate Schedule MNIT

7. Form of Service Agreement for Rate Schedule MNPAL

7.1 Exhibit A to the MNPAL Service Agreement

8. Form of Service Agreement for Rate Schedule MNTTT

9. Form of Service Agreement for Rate Schedule MNTABS

10. Capacity Release Umbrella Agreement

10.1 Addendum to the Capacity Release Umbrella Agreement

11. Form of Service Agreement for the LINK System

12. Operational Balancing Agreement

12.1. Exhibit 1 to Operational Balancing Agreement