



October 1, 2019

Tuscarora Gas Transmission Company
700 Louisiana Street, Suite 700
Houston, TX 77072-2700

Ms. Kimberly D. Bose,
Secretary Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

John A. Roscher
Director, Rates & Tariffs

Tel 832.320.5675
Email john_roscher@tcenergy.com
Web www.tcplus.com/tuscarora

Re: Tuscarora Gas Transmission Company
Change in FERC Gas Tariff
Docket No. RP20-____-000

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations,¹ Tuscarora Gas Transmission Company (“Tuscarora”) hereby submits for filing certain tariff sections to be part of its FERC Gas Tariff, Second Revised Volume No. 1 (“Tariff”). Tuscarora is proposing revisions to its Tariff to revise the manner in which it establishes fuel and lost and unaccounted for gas percentages on its system, as more fully described herein. Tuscarora respectfully requests that the Commission accept the proposed tariff sections submitted as Appendix A to become effective November 1, 2019.

Correspondence

The names, titles, mailing addresses, and telephone numbers of those persons to whom correspondence and communications concerning this filing should be addressed are as follows:

¹ 18 C.F.R. Part 154 (2019).

Eva N. Neufeld*
Associate General Counsel
Tuscarora Gas Transmission Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Tel. 832.320.5623
Email: eva_neufeld@tcenergy.com

John A. Roscher
Director, Rates & Tariffs
David A. Alonzo*
Manager, Tariffs
Tuscarora Gas Transmission Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Tel. 832.320.5477
Email: david_alonzo@tcenergy.com

* Persons designated for official service pursuant to Rule 2010.

Statement of Nature, Reasons, and Basis for Filing

Background

Section 6.2.29 of Tuscarora's Tariff currently identifies the Measurement Variance Gas Factor as the basis for the recovery of fuel and lost and unaccounted for gas on Tuscarora's system ("Measurement Variance Gas Factor"). Developed when Tuscarora did not have compression facilities on its system, the Measurement Variance Gas Factor for the applicable month ("Applicable Month") is calculated by aggregating the: (1) difference between actual receipts and deliveries during the measurement month (two months prior to the Applicable Month) ("Measurement Month"); (2) the linepack change, including changes due to company use of gas for fuel, which occurred during the Measurement Month; and (3) any over- or under-collections during the month prior to the Measurement Month. The total is then divided by the forecasted receipts for the Applicable Month to calculate the Measurement Variance Gas Factor. The Measurement Variance Gas Factor is multiplied by the quantity of gas to be delivered each day by a shipper to Tuscarora in order to derive the Measurement Variance Gas Quantity. For the time period where there was no or limited compression utilized on Tuscarora's system, such a mechanism was sufficient for Tuscarora to adequately manage the recovery of fuel and lost and unaccounted for gas.

Installation of Compressor Stations

Since the Measurement Variance Gas Factor mechanism was originally developed, Tuscarora has installed compression on its system. In 2002, Tuscarora placed into service the Radar Compressor

Station, the Shoe Tree Compressor Station, and a booster unit at the Wadsworth Compressor Station.² In 2008, Tuscarora placed the Likely Compressor Station into service.³

While the Measurement Variance Gas Factor mechanism accounted for company use of fuel, it was primarily designed to recover lost and unaccounted for gas due to the lack of compression facilities on Tuscarora's original system. For a period of time following the installation of compression on the Tuscarora system, fuel use was minimal and the Measurement Variance Gas Factor mechanism still provided a reasonable means of setting fuel and lost and unaccounted for gas percentages. However, in recent years Tuscarora has increased the utilization of compression on its system, which in turn has resulted in increased fuel usage.

As discussed above, under the Measurement Variance Gas Factor mechanism, Tuscarora derives its fuel rate for the Applicable Month based on fuel usage and lost and unaccounted for gas from two months prior (*i.e.*, the Measurement Month), and prior data may not accurately estimate future fuel usage for the Applicable Month and may lead to volatility in the Measurement Variance Gas Factor from month to month.⁴ As a result, Tuscarora seeks to revise its mechanism to more accurately account for and recover fuel and lost and unaccounted for gas.

Instant Filing

Tuscarora proposes herein new Section 6.40 – General Terms and Conditions, Adjustment Mechanism for Fuel and Line Loss Percentage (“Section 6.40”), to replace the Measurement Variance Gas Factor mechanism. Tuscarora proposes a Fuel and Line Loss Percentage designed to recover fuel use and line loss (*i.e.*, fuel and lost and unaccounted for gas) on its system. The Fuel and Line Loss Percentage shall be calculated by dividing the *projected* quantities of gas that shall be required for fuel and line loss during the Applicable Month, adjusted for over- and under-recoveries, by the *estimated* quantities of gas to be received by Tuscarora on the account of

² See *Tuscarora Gas Transmission Company*, Notice of Commencement of Service, CP01-153-003 (December 10, 2002).

³ See *Tuscarora Gas Transmission Company*, Notice of Commencement of Service, CP07-27-000 (April 11, 2008).

⁴ As posted on Tuscarora's Internet website, the Measurement Variance Gas Factor assessed to Tuscarora's shippers during the past 12 months ranged from -0.10% to 1.80%.

shippers during the Applicable Month. Tuscarora will post the Fuel and Line Loss Percentage for each month on Tuscarora's Internet website no later than 10 days prior to the Applicable Month, consistent with its current posting practice for the Measurement Variance Gas Factor mechanism. Such percentage shall not exceed the maximum current Fuel and Loss Percentage and shall not be less than the minimum Fuel and Line Loss Percentage as set forth in the applicable statement of rates. Additionally, Tuscarora is incorporating into new Section 6.40 a requirement to submit an annual report with the Commission at least thirty days prior to November 1 showing schedules supporting the Fuel and Line Loss Percentages applicable during the prior twelve-month period ending August 31.

Tuscarora is also proposing herein to replace the following definitions: (1) Measurement Variance Gas Factor with Fuel and Line Loss Percentage and (2) Measurement Variance Gas Quantity with Fuel and Line Loss Quantity. As proposed, the Fuel and Line Loss Percentage shall be defined as the percentage, determined on a monthly basis, to account for and recover fuel and line loss on Tuscarora's system. Further, Fuel and Line Loss Quantity shall be defined as the quantity of gas retained from Shippers to recover fuel and lost and unaccounted for gas and shall be equal to the product of the Fuel and Line Loss Percentage and shipper's Input Quantity.⁵ Finally, Tuscarora proposes to replace Measurement Variance Gas Factor and Measurement Variance Gas Quantities as used throughout Tuscarora's Tariff with Fuel and Line Loss Percentage and Fuel and Line Loss Quantities, respectively.

Such revisions will allow Tuscarora to align its mechanism for the recovery of system fuel and lost and unaccounted for gas with current system dynamics and more accurately calculate its monthly Fuel and Line Loss Percentage. As described above, under the Fuel and Line Loss Percentage methodology, Tuscarora will derive its fuel rate by dividing the projected quantities of gas to be used *during the Applicable Month*, as adjusted for prior over- and under-recoveries, by the estimated quantities of gas to be received by Tuscarora on the account of shippers *during the Applicable Month*. As a result, Tuscarora will be better able to establish a fuel and lost and

⁵ Input Quantity is defined in Tuscarora's Tariff as the quantity of natural gas which is delivered each day by or on behalf of Shipper to Transporter at a Receipt Point for transportation.

unaccounted for percentage for each Applicable Month which better aligns with the projected fuel used during the Applicable Month. Finally, the revisions proposed herein are consistent with a similar fuel mechanism previously approved by the Commission.⁶

Tuscarora respectfully requests the Commission accept the tariff revisions proposed herein in effective November 1, 2019. However, Tuscarora notes that if the revisions are accepted by the Commission effective November 1, 2019, Tuscarora would not be able to post a Fuel and Line Loss Percentage pursuant to new Section 6.40 until approximately November 20, 2019, with December being the first month shippers are assessed fuel under the new mechanism. For the month of November 2019, Tuscarora proposes to assess shippers the Measurement Variance Gas Factor as posted on its Internet website in October 2019 consistent with Tuscarora's current Measurement Variance Gas Factor mechanism before transitioning to posting the Fuel and Line Lose Percentage in November 2019 and assessing shippers beginning December 1, 2019.

Effective Date

Tuscarora respectfully requests that the Commission accept this filing and the tariff sections, included herein as Appendix A, to become effective November 1, 2019.

Other Filings Which May Affect this Proceeding

There are no other filings before the Commission that may significantly affect the changes proposed herein.

Materials Enclosed

In accordance with Section 154.7(a)(1) of the Commission's regulations, Tuscarora is submitting the following XML filing package, which includes:

1. This transmittal letter;
2. A clean version of the tariff sections (Appendix A); and
3. A marked version of the tariff sections (Appendix B).

⁶ See Gas Transmission Northwest, LLC, Section 6.38 – GT&C, Fuel Adjustment Mechanism.

Certificate of Service

As required by Section 154.7(b) and 154.208 of the Commission’s regulations, copies of this filing are being served on all of Tuscarora’s existing customers and interested state regulatory agencies. A copy of this letter, together with any attachments, is available during regular business hours for public inspection at Tuscarora’s principal place of business.

Pursuant to Section 285.2005 of the Commission’s regulations, the undersigned has read this filing and knows its contents and the contents are true as stated, to the best of his knowledge and belief. The undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to David A. Alonzo at (832) 320-5477.

Respectfully Submitted,

TUSCARORA GAS TRANSMISSION COMPANY

A handwritten signature in cursive script that reads "John A. Roscher". The signature is written in black ink and extends to the right with a long horizontal flourish.

John A. Roscher
Director, Rates & Tariffs

Enclosures

Appendix A

Tuscarora Gas Transmission Company - FERC Gas Tariff, Second Revised Volume No. 1

Clean Tariff

<u>Tariff Section</u>	<u>Version</u>
Part 1 – Table of Contents	v.5.0.0
4.1 – Statement of Rates, FT and LFS Rates	v.10.0.0
4.3 – Statement of Rates, IT Rates	v.11.0.0
5.1.2 – Rate Schedule FT, Applicability and Character of Service	v.3.0.0
5.1.4 – Rate Schedule FT, Nominations and Scheduling of Receipts and Deliveries	v.2.0.0
5.2.2 – Rate Schedule LFS, Applicability and Character of Service	v.2.0.0
5.2.4 – Rate Schedule LFS, Nominations and Scheduling of Receipts and Deliveries	v.2.0.0
5.3.4 – Rate Schedule IT, Applicability and Character of Service	v.3.0.0
5.3.4 – Rate Schedule IT, Nominations and Scheduling of Receipts and Deliveries	v.2.0.0
6.2 – GT&C, Definition of Terms	v.5.0.0
6.4.1 – GT&C, Nominations	v.4.0.0
6.4.3 – GT&C, Pooling Points	v.2.0.0
6.6.1 – GT&C, Shipper’s Obligations	v.3.0.0
6.6.2.2 – GT&C, Actual Delivered Quantity Exceeds Receipt Quantity	v.2.0.0
6.6.2.3 – GT&C, Actual Quantity Received Exceeds Delivered Quantity	v.2.0.0
6.7.1 – GT&C, Receipt Points	v.3.0.0
6.40 – GT&C, Adjustment Mechanism for Fuel and Line Loss	v.0.0.0
7.1 – Service Agmts, Rate Schedule FT – Form of Service Agreement	v.4.0.0
7.2 – Service Agmts, Rate Schedule LFS – Form of Service Agreement	v.4.0.0

TABLE OF CONTENTS

	Section No.
Table of Contents	1
Preliminary Statement.....	2
System Map	3
Statement of Rates	
FT and LFS Rate Schedule.....	4.1
Reserved For Future Use.....	4.2
IT Rate Schedule	4.3
Reserved For Future Use.....	4.4
PL Rate Schedule (Parking & Lending Service).....	4.5
Non-Conforming Service Agreements.....	4.6
Rate Schedules	
FT Rate Schedule (Firm Transportation Service)	5.1
LFS Rate Schedule (Limited Firm Transportation Service)	5.2
IT Rate Schedule (Interruptible Transportation Service).....	5.3
PL Rate Schedule (Parking & Lending Service).....	5.4
General Terms and Conditions	
Introductory Statement.....	6.1
Definitions of Terms	6.2
Requests for Service/Credit Evaluations.....	6.3
Nominations, Allocation of Capacity and Pooling.....	6.4
Curtailment.....	6.5
Balancing, Adherence to Scheduling, and Contract Overruns.....	6.6
Delivery and Receipt Points.....	6.7
Uniform Pressure and Quantity.....	6.8

Quality	6.9
Measurement	6.10
Measuring Equipment	6.11
FERC Annual Charge Adjustment.....	6.12
Billings and Payments	6.13
Possession of Gas	6.14
Warranty of Title to Gas.....	6.15
Operating Information and Estimates	6.16
Other Operating Conditions	6.17
Discretionary Waiver	6.18
Liabilities and Remedies	6.19
Default.....	6.20
Nonwaiver of Future Default	6.21
Notices, Communication, and Postings.....	6.22
Compliance with Part 358 Standards of Conduct	6.23
Indemnification	6.24
Schedules and Contract Subject to Regulation	6.25
Capacity Release	6.26
Pregranted Abandonment and the Right of First Refusal	6.27
Title Transfer Tracking	6.28
Revenue Credits	6.29
Discounts.....	6.30
Policy with Respect to Construction of Laterals.....	6.31
Negotiated Rates	6.32
Reservation of Capacity for Expansion Projects.....	6.33
Operational Flow Order (OFO) Procedures	6.34
Sales of Excess Gas.....	6.35
Gas Industry Standards.....	6.36
Installation of Facilities.....	6.37
Assignability.....	6.38
Electronic Communication.....	6.39
Adjustment Mechanism for Fuel and Line Loss Percentage	6.40

Form of Service Agreements

FT Rate Schedule (Firm Transportation Service)	7.1
LFS Rate Schedule (Limited Firm Transportation Service)	7.2
IT Rate Schedule (Interruptible Transportation Service).....	7.3
PL Rate Schedule (Parking & Lending Service).....	7.4
Reserved for Future Use.....	7.5

RATE SCHEDULES FT and LFS
CURRENTLY EFFECTIVE RATES 1/

Reservation Charge	(Maximum)	\$ 7.3305
	(Minimum)	\$ 0.0000
Delivery Charge	(Maximum)	\$ 0.0029
	(Minimum)	\$ 0.0029
Authorized Overrun Charge	(Maximum)	\$ 0.2439
	(Minimum)	\$ 0.0029
Annual Charge Adjustment		2/
Fuel and Line Loss Percentage 4/	(Maximum)	2.0%
	(Minimum)	(2.0%)
Volumetric Reservation Charge for Capacity Release		\$ 0.2439 3/

- 1/ For scheduling, imbalance and unauthorized overrun charges see General Terms and Conditions, Section 6.6. Maximum and minimum rates are applicable to backhaul service.
- 2/ The Annual Charge Adjustment (ACA) is in addition to the above Delivery Charge and the Authorized Overrun Charge. The currently effective ACA unit charge as published on the Commission's website (www.ferc.gov) is incorporated herein by reference.
- 3/ The Maximum Rate does not apply to capacity release transactions of one (1) year or less.
- 4/ The current Fuel and Line Loss Percentage can be found on Transporter's Internet website.

IT RATE SCHEDULE
CURRENTLY EFFECTIVE RATES 1/

Delivery Charge (Maximum)	\$ 0.2439
(Minimum)	\$ 0.0029
Annual Charge Adjustment	2/
Fuel and Line Loss Percentage 3/ (Maximum)	2.0%
(Minimum)	(2.0%)

- 1/ For scheduling and imbalance charges see General Terms and Conditions, Section 6.6. Maximum and minimum rates are applicable to backhaul service.
- 2/ The Annual Charge Adjustment (ACA) is in addition to the above Delivery Charge. The currently effective ACA unit charge as published on the Commission's website (www.ferc.gov) is incorporated herein by reference.
- 3/ The current Fuel and Line Loss Percentage can be found on Transporter's Internet website.

5.1.2 APPLICABILITY AND CHARACTER OF SERVICE

1. Transportation provided under the FT Rate Schedule shall be firm reserved transportation service and shall have priority over all other transportation service provided by Transporter. To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at those points on Transporter's system as specified in an executed Transportation Service Agreement between Shipper and Transporter (hereinafter referred to as "Receipt Point(s)") for transportation hereunder, daily quantities of gas up to Shipper's Maximum Transportation Quantity (taking into account the Fuel and Line Loss Quantity) as specified in the Transportation Service Agreement. A Shipper's Maximum Transportation Quantity shall be a uniform quantity throughout the contract term, except that Transporter may, on a not unduly discriminatory basis, agree to differing monthly levels in the Shipper's Maximum Transportation Quantity during the term of Shipper's contract. Shipper's Maximum Transportation Quantity and any differing levels in the Maximum Transportation Quantity, as well as the period of such differing Maximum Transportation Quantity levels, shall be specified in the executed Firm Transportation Service Agreement.
2. Upon receipt of such natural gas from Shipper or for Shipper's account, Transporter shall (after making allowance for the Fuel and Line Loss Quantity) transport and deliver to Shipper or to a downstream entity for Shipper's account quantities of gas up to Shipper's Maximum Transportation Quantity at those points on Transporter's system as are specified in an executed Transportation Service Agreement between Shipper and Transporter (hereinafter referred to as "Delivery Point(s)").
3. Provided such quantities have been scheduled in accordance with Section 6.4 of the General Terms and Conditions of this Tariff, Shipper may obtain transportation of quantities of gas in excess of the Maximum Transportation Quantity on any day if in Transporter's reasonable judgment transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules. Such excess quantities shall be deemed to be Authorized Overrun Quantities.
4. Transporter shall not be obligated to allow any taps, add any facilities, or expand the capacity of Transporter's pipeline system in any manner in order to provide transportation service to Shipper pursuant to this rate schedule.

5.1.4 NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Section 6.4 of the General Terms and Conditions of this Tariff. Based upon the nomination of Shipper, Transporter shall schedule receipts and deliveries of gas in accordance with the General Terms and Conditions of this Tariff. It is the responsibility of Shipper to adjust its deliveries and receipts to conform to the General Terms and Conditions.

Daily deliveries of gas by Shipper to Transporter at the Receipt Point(s) hereunder shall be as nearly equal as possible to daily receipts of gas by Shipper from Transporter at the Delivery Point(s) (taking into account the Fuel and Line Loss Quantity). Any excess or deficiency in such receipts and deliveries shall be resolved in accordance with the General Terms and Conditions of this Tariff.

5.2.2 APPLICABILITY AND CHARACTER OF SERVICE

1. Transportation provided under the LFS Rate Schedule shall be limited firm reserved transportation service pursuant to the executed Limited Firm Transportation Service Agreement between Transporter and Shipper. To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at those points on Transporter's system as specified in an executed Transportation Service Agreement between Transporter and Shipper (hereinafter referred to as "Receipt Point(s)") for transportation hereunder, daily quantities of gas up to Shipper's Maximum Transportation Quantity (taking into account the Fuel and Line Loss Quantity) as specified in the Transportation Service Agreement.

Over the period of time that service is provided under this rate schedule, Transporter may, subject to mutual agreement and as set forth in the executed Limited Firm Transportation Agreement, restrict service in whole (Limited Day) or in part (Partial Volume Day) for a minimum and maximum number of Limited Days. Further, the Limited Firm Transportation Agreement may specify in advance particular days or periods of time which will be Limited Days. A Partial Volume Day will be counted as a Limited Day.

On those days in which service is provided in whole or in part, Transporter shall receive from Shipper such daily quantities of gas up to the Shipper's Maximum Transportation Quantity (taking into account the Fuel and Line Loss Quantity), or a percentage thereof on Partial Volume Days, as specified in the executed Limited Firm Transportation Service Agreement between Transporter and Shipper.

2. Upon receipt of such natural gas from Shipper or for Shipper's account, Transporter shall (after making allowance for the Fuel and Line Loss Quantity) transport and deliver to Shipper or to a downstream entity for Shipper's account quantities of gas up to Shipper's Maximum Equivalent Quantity at those points on Transporter's system as are specified in an executed Transportation Service Agreement between Shipper and Transporter (hereinafter referred to as "Delivery Point(s)").
3. Provided such quantities have been scheduled in accordance with Section 6.4 of the General Terms and Conditions of this Tariff, Shipper may obtain transportation of quantities of gas in excess of the Maximum Transportation Quantity on any day if in Transporter's reasonable judgment transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules. Such excess quantities shall be deemed to be Authorized Overrun Quantities.
4. Transporter shall not be obligated to allow any taps, add any facilities, or expand the capacity of Transporter's pipeline system in any manner in order to provide transportation service to Shipper pursuant to this rate schedule.

5.2.4 NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Section 6.4 of the General Terms and Conditions of this Tariff. Based upon the nomination of Shipper, Transporter shall schedule receipts and deliveries of gas in accordance with the General Terms and Conditions of this Tariff. It is the responsibility of Shipper to adjust its deliveries and receipts to conform to the General Terms and Conditions.

Daily deliveries of gas by Shipper to Transporter at the Receipt Point(s) hereunder shall be as nearly equal as possible to daily receipts of gas by Shipper from Transporter at the Delivery Point(s) (taking into account the Fuel and Line Loss Quantity). Any excess or deficiency in such receipts and deliveries shall be resolved in accordance with the General Terms and Conditions of this Tariff.

5.3.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This IT Rate Schedule and the rates set forth herein shall apply to all interruptible transportation service rendered under Transportation Service Agreements for such service whenever Transporter is able and willing to offer such interruptible transportation service. Transportation service provided hereunder is subject to curtailment or interruption as Transporter deems necessary. To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at points on Transporter's system (hereinafter referred to as "Receipt Point(s)") for transportation hereunder daily quantities of gas which shall take into account the Fuel and Line Loss Quantity of such gas received.
2. Upon receipt of such natural gas from Shipper or for Shipper's account, Transporter shall (after making allowance for the Fuel and Line Loss Quantity) transport and deliver to Shipper or to a downstream entity for Shipper's account quantities of gas at such points on Transporter's system as have been scheduled for the delivery of gas for Shipper's account (hereinafter referred to as "Delivery Point(s)").

5.3.4 NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Section 6.4 of the General Terms and Conditions of this Tariff. Based upon the nomination of Shipper, Transporter shall schedule receipts and deliveries of gas in accordance with the General Terms and Conditions of this Tariff. It is the responsibility of Shipper to adjust its deliveries and receipts to conform to the General Terms and Conditions.

Daily deliveries of gas by Shipper to Transporter at the Receipt Point(s) hereunder shall be as nearly equal as possible to daily receipts of gas by Shipper from Transporter at the Delivery Point(s) (taking into account the Fuel and Line Loss Quantity). Any excess or deficiency in such receipts and deliveries shall be resolved in accordance with Section 6.6 of the General Terms and Conditions of this Tariff.

6.2 DEFINITION OF TERMS

Except where another meaning is expressly stated, the following terms shall have the following meanings when used in this Tariff and in any Transportation Service Agreement incorporating this Tariff:

1. FT Rate Schedule. The term "FT Rate Schedule" shall mean the FT Rate Schedule of Transporter's currently effective FERC Gas Tariff, as maybe revised from time to time, or any superseding rate schedule(s).
2. IT Rate Schedule. The term "IT Rate Schedule" shall mean the IT Rate Schedule of Transporter's currently effective FERC Gas Tariff, as may be revised from time to time, or any superseding rate schedule(s).
3. Transporter. The term "Transporter" shall mean Tuscarora Gas Transmission Company or its successors or assignees.
4. Shipper and Shipper's Agent.
 - (a) The term "Shipper" shall mean any entity seeking or subscribing to transportation service on Transporter's system pursuant to the terms and conditions of Transporter's currently effective FERC Gas Tariff.
 - (b) The term "Shipper's Agent" shall mean any party shipper may contract with for purposes of administering Shipper's Service Agreement with Transporter. An agent has only those rights designated in writing by such Shipper to Transporter.
5. FERC or Commission. The term "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any successor agency having jurisdiction over this Tariff.
6. Gas Day [NAESB WGQ Standard 1.3.1]. The term "Gas Day" shall mean 9:00 A.M. to 9:00 A.M. Central Clock Time (7:00 A.M. to 7:00 A.M. PCT).
7. Month. The term "Month" shall mean the period beginning at 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the first day of the calendar month and ending at 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the first day of the next succeeding calendar month.
8. Year. The term "Year" shall mean any period of 12 consecutive months.
9. Contract Year. The term "Contract Year" with respect to the first "Contract Year" shall mean the period commencing on the date deliveries first commence under a

Transportation Service Agreement and ending at 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the following November 1, and with respect to any succeeding "Contract Year" shall mean the period of 12 consecutive months from the end of the preceding contract year to 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the next succeeding November 1.

10. Commencement Date. The term "Commencement Date" shall be the date on which transportation service begins, as mutually agreed by Shipper and Transporter as set forth in a Transportation Service Agreement, or in the case where facilities are required to be constructed by Transporter to enable service to Shipper, the date on which the facilities required to enable Transporter to render transportation service to Shipper are constructed, installed and made operational, as set forth in Transporter's written notice to Shipper, which shall be given not less than five days prior to the date on which the transportation service shall begin, unless Shipper and Transporter mutually agree to a shorter notice period.
11. Central Clock Time. The term "Central Clock Time" refers to Central Daylight Savings Time when in effect and Central Standard Time at all other times.
12. Cubic Foot. The reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, 60 degrees F, and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.
13. Mcf. The term "Mcf" shall mean 1,000 cubic feet of gas. The term "MMcf" shall mean one million (1,000,000) cubic feet of gas.
14. British Thermal Unit or Btu.
 - (a) Refer to General Terms and Conditions Section 6.2 paragraph 15 (Dekatherm or Dth) of this tariff for definition of British Thermal Unit or Btu.
 - (b) [NAESB WGQ Standard 2.3.9] Standardize the reporting basis for Btu as 14.73 psia at 60 degrees F (101.325 kPa at 15 degrees C) and dry. Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm² at 15.6 degrees C and dry.
 - (c) NAESB WGQ takes no position on the basis upon which transactions are communicated to trading partners and/or regulatory agencies, as applicable, nor does NAESB WGQ state whether transactions may take place between parties on a volumetric basis.
15. Dekatherm or Dth [NAESB WGQ Standard 1.3.14]. The standard quantity for nominations, confirmations and scheduling is dekatherms per Gas Day in the United States, gigajoules per Gas Day in Canada and gigacalories per Gas Day in Mexico.

(For reference 1 dekatherm = 1,000,000 Btu's; 1 gigajoule =1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The standard Btu is the International Btu, which is also called Btu(IT); the standard joule is the joule specified in the SI system of units. See Footnote 1

16. Bid Period. The period of time during which a Shipper may bid to contract for a parcel which has been posted as unsubscribed capacity or as available for release by a Releasing Shipper.
17. Recourse Rate. The term "recourse rate" shall mean the applicable maximum rate that would apply to each respective Rate Schedule as set forth in the Statement of Rates of this FERC Gas Tariff.
18. Negotiated Rate. The term Negotiated Rate shall mean a rate (including a Negotiated Rate Formula) that Transporter and a Shipper have agreed will be charged for service under Rate Schedule FT, LFS, IT, or PL where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or less than the minimum rate, for such component set forth in Transporter's tariff for the given service. Any Agreement entered into after the effective date of this subsection which provides for a rate under Rate Schedule FT, LFS, IT, or PL other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a negotiated rate.
19. Negotiated Rate Formula. The term Negotiated Rate Formula shall mean a rate formula that Transporter and a Shipper have agreed will apply to service under a specific contract under Rate Schedule FT, LFS, IT, or PL which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or may be less than the minimum rate, for such component set forth in Transporter's tariff for the given service.
20. Total Heating Value. The term "total heating value," when applied to a cubic foot of gas, means the number of British thermal units produced by the combustion in a recording calorimeter, with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion is condensed to the liquid state.
21. Gas. The term "gas" shall mean natural gas of the quality Specified in Section 6.9 of these General Terms and Conditions.

22. System Capacity. The term "system capacity" for purposes of scheduling receipts and deliveries shall mean the capacity available for transportation on Transporter's system that shall be determined by Transporter, to the best of its ability, by performing a computer simulation of the system, taking into account nominated and scheduled Equivalent Quantities, the available facilities, the gas characteristics and the linepack gain or loss required for that day.
23. Delivery and Receipt Points.
 - (a) The term "Delivery Point" shall mean a point at which Shipper or Shipper's Agent is authorized by the Transportation Service Agreement to take gas from Transporter.
 - (b) The term "Receipt Point" shall mean a point at which Shipper or Shipper's Agent is authorized to deliver natural gas to Transporter.
24. Business Day [NAESB WGQ Standard 3.2.1]. The term "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.
25. Input Quantities. The term "Input Quantity" shall be the quantity of natural gas which is delivered each day by or on behalf of Shipper to Transporter at a Receipt Point for transportation under Shipper's Transportation Service Agreement in accordance with Section 6.4 of these General Terms and Conditions.
26. Equivalent Quantities. The term "Equivalent Quantity" shall be that quantity of natural gas to be made available on any gas day to or on behalf of Shipper at a Delivery Point, which quantity shall be the thermal equivalent of the Input Quantities delivered to Transporter at a Receipt Point by or on behalf of Shipper on that gas day, adjusted for the Fuel and Line Loss Quantity in accordance with Section 6.4 of the General Terms and Conditions of Transporter's currently effective FERC Gas Tariff, or such other quantity as determined through application of said Section 6.4.
27. Maximum Transportation Quantity. The term "Maximum Transportation Quantity" shall be the maximum quantity of gas that Shipper may provide to Transporter for redelivery at a Delivery Point on any day, as set forth in Shipper's Firm Transportation Service Agreement between Shipper and Transporter.
28. Fuel and Line Loss Quantity. The "Fuel and Line Loss Quantity" shall be the quantity of gas retained from Shippers to recover fuel and lost and unaccounted for gas and shall be equal to the product of the applicable Fuel and Line Loss Percentage and the Input Quantity. In the event of a positive Fuel and Line Loss Quantity the sum of Shipper's Input Quantities shall be reduced by the Fuel and Line

Loss Quantity to yield the sum of Shipper's Equivalent Quantities. In the event of a negative Fuel and Line Loss Quantity the sum of Shipper's Input Quantities shall be increased by the Fuel and Line Loss Quantity to yield the sum of Shipper's Equivalent Quantities.

29. Fuel and Line Loss Percentage. The Fuel and Line Loss Percentage shall be the applicable percentage, determined on a monthly basis pursuant to Section 6.40, to account for and recover fuel and lost and unaccounted for gas on Transporter's system.
30. Fuel Reimbursement.
 - (a) [NAESB WGQ Standard 1.3.16] Where fuel reimbursement is in kind, the standard fuel calculation mechanism, as this is related to the nomination process, should be $(1 - \text{fuel}\% / 100)$ multiplied by receipt quantity = delivery quantity.
 - (b) [NAESB WGQ Standard 1.3.28] For current in-kind fuel reimbursement procedures, fuel rates should be made effective only at the beginning of the month.
31. Nomination [NAESB WGQ Standard 1.2.1]. The level of information required to define a nomination for communications purposes is a line item containing all defined components.
32. Intraday Nomination [NAESB WGQ Standard 1.2.4]. The term "intraday nomination" is 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.
33. Data Elements [NAESB WGQ Standard 1.2.2]. All trading partners should accept all NAESB standard data elements. Usage should be characterized as either mandatory, conditional, sender's option, business conditional, and mutually agreeable.

Mandatory (M) means the data element (information) must be supplied in the transaction.

Conditional (C) means that the presence of data in a field is determined by the presence or lack of data in another field within the transmittal or related data sets.

Sender's option (SO) means that this element is optional for the sender to send and, if sent, the receiver should receive and process. "Process" means that the receiver of the data will store and use the contents of the data element. When a specified data

element contains data that does affect the business outcome of that or a related transaction, the receiver will use the contents of the data element in determining the business outcome of the applicable transaction. Using the contents of a data element that is designated as Sender's Option is mandatory from the receiver's perspective.

Business conditional (BC) means the data element is based on current variations in business practice. The business practice will be described herein, with an example. Over time, NAESB expects that as business practices are standardized, elements will move out of this category. Business Conditional elements which are not supported/required by the receiver will be acknowledged in the response document with a warning message code indicating that the data element was ignored by the receiver.

Mutually agreeable (MA) means that the data element is mutually agreed to between trading partners. It must be presented to NAESB for technical implementation. It does not, by its definition, create a NAESB standard business practice. Usage of this element in no way can be mandated for inclusion by either trading partner in order to achieve a level of service.

34. Critical Notices. The term "Critical Notices" should be defined to pertain to information on transportation service provider conditions that affect scheduling or adversely affect scheduled gas flow.
35. NAESB Standards. The term "NAESB Standards" shall mean the business practices, electronic communication, and data dictionary standards which were issued by the Wholesale Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB) and adopted by the Commission.
36. Operational Flow Order.
 - (a) [NAESB WGQ Standard 1.2.6] An operational flow order is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of the transportation service provider's system or to maintain operations required to provide efficient and reliable firm service. Whenever a Transportation Service Provider experiences these conditions, any pertinent order should be referred to as an Operational Flow Order.
 - (b) [NAESB WGQ Standard 1.3.26] The declaration to the affected parties of operational flow orders, critical periods, and/or critical notices should describe the conditions and the specific responses required from the affected parties.
37. Elapsed-Prorated-Scheduled Quantity.

[NAESB WGQ Standard 1.2.12] Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.

38. Elapsed Prorata Capacity.

[NAESB WGQ Standard 5.2.3] Elapsed Prorata Capacity means 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.

39. Daily System Imbalance.

(a) The term "Daily System Imbalance" shall mean the difference on any given gas day, subject to adjustment for scheduled make-up quantities, between (a) the sum of the Scheduled Input Quantities under all of Shipper's Transportation Service Agreements at all Receipt Points at which Transporter receives quantities of gas for Shipper's account, exclusive of the applicable Fuel and Line Loss Quantities, and (b) the sum of the Equivalent Quantities taken under all of Shipper's Transportation Service Agreements at all Delivery Points at which Transporter delivers gas for Shipper's account.

(b) [NAESB WGQ Standard 2.3.30] All Transportation Service Providers should allow Service Requesters (including agents of Service Requesters) to net imbalances within the same Operational Impact Area on and across contracts with the Service Requester and to trade imbalances within the same Operational Impact Area.

40. Electronic Notice Delivery [NAESB WGQ Standard 5.2.2].

Electronic Notice Delivery is the term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM.

41. Title [NAESB WGQ Standard 1.2.13]. The term "Title," if not otherwise addressed in the Transporter's contract or tariff, is the term used to identify the ownership of gas.

42. Operational Impact Area [NAESB WGQ Standard 2.2.2]. "Operational Impact Area" is the term used to describe a Transportation Service Provider's designation of the largest possible area(s) on its system in which imbalances have a similar operational effect.

43. Netting [NAESB WGQ Standard 2.2.3]. "Netting" is the term used to describe the process of resolving imbalances for a Service Requester within an Operational Impact Area. There are two types of Netting:
 - summing is the accumulation of all imbalances above any applicable tolerances for a Service Requester or agent.
 - offsetting is the combination of positive or negative imbalances above any applicable tolerances for a Service Requester or agent.
44. PL Rate Schedule. The term "PL Rate Schedule" shall mean the PL Rate Schedule of Transporter's currently effective FERC Gas Tariff, as may be revised from time to time, or any superseding rate schedule(s).
45. Monthly Allocation [NAESB WGQ Standard 2.2.4]. "Monthly Allocation" is the term used to describe the process where the Allocating Party performs the allocation process at the end of the monthly flow period.
46. Daily Allocation [NAESB WGQ Standard 2.2.5]. "Daily Allocation" is the term used to describe the process where the Allocating Party performs the allocation process following each Gas Day.
47. LFS Rate Schedule. The term "LFS Rate Schedule" shall mean the LFS Rate Schedule of Transporter's currently effective FERC Gas Tariff, as may be revised from time to time, or any superseding rate schedule(s).
48. Existing Capacity. The term "Existing Capacity" shall mean capacity that has been in-service beyond the initial terms of Agreements that originally supported the construction of such capacity. Existing Capacity additionally includes capacity that is still within such initial terms where Shipper Agreements pertaining to the capacity have been terminated by the pipeline. Existing Capacity additionally includes unsubscribed capacity created as part of a pipeline expansion project.
49. Expansion Capacity. The term "Expansion Capacity" shall mean capacity that is added to the pipeline system as part of a system expansion project where such capacity is still within the initial contract term(s) of the Agreement(s) that originally supported the construction of such capacity. Expansion Capacity includes permanent releases of capacity that are within the initial term of an original Shipper's contract.
50. Asset Manager. "Asset Manager" is a party that agrees to manage gas supply and delivery arrangements, including transportation and storage capacity, for another party. The Asset Manager uses released capacity to serve the gas supply

requirements of the releasing shipper and, when the capacity is not needed for that purpose, uses the capacity to make releases or bundled sales to third parties.

51. Transportation Service Agreement. The terms “Transportation Service Agreement” or “Service Agreement” or “Agreement” shall mean the Agreement executed by the Shipper and Transporter including any exhibits, attachments, and/or amendments thereto, pursuant to the rate schedules contained in this FERC Gas Tariff.

[Footnote 1 - The International Btu is specified for use in the gas measurement standards of the American Gas Association, the American Petroleum Institute, the Gas Processors Association and the American Society for Testing Materials. For non-commercial purposes, these associations note that the exact conversion factor is 1.05505585262 Gigajoules per Dekatherm.]

6.4.1 Nominations. Nominations may include Timely Nominations, Intraday Nominations, Overrun Nominations and/or Balancing Nominations.

- (a) [NAESB WGQ Standard 1.3.4] All parties should support a seven-days-a-week, twenty-four-hours-a-day nominations process. It is recognized that the success of seven days a week, twenty-four hours a day nominations process is dependent on the availability of affected parties' scheduling personnel on a similar basis. Party contacts need not be at their ordinary work sites but should be available by telephone or other electronic means.
- (b) [NAESB WGQ Standard 1.3.5] All nominations should include shipper defined begin dates and end dates. All nominations excluding intraday nominations should have roll-over options. Specifically, shippers should have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of shipper's contract.
- (c) [NAESB WGQ Standard 1.3.7] All nominations should be considered original nominations and should be replaced to be changed. 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.
- (d) [NAESB WGQ Standard 1.3.9] All nominations, including intraday nominations, should be based on a daily quantity; thus, an intraday nominator need not submit an hourly nomination. Intraday nominations should include an effective date and time. The interconnected parties should agree on the hourly flows of the intraday nomination, if not otherwise addressed in transporter's contract or tariff.
- (e) [NAESB WGQ Standard 1.3.3] At the end of each Gas Day, Transportation Service Provider (TSP) should provide the final scheduled quantities for the just completed Gas Day. With respect to the implementation of this process via the EDI/EDM, the TSP should send an end of Gas Day Scheduled Quantity (NAESB WGQ Standard No. 1.4.5) and Scheduled Quantity for Operator (NAESB WGQ Standard No. 1.4.6). A receiver of either of these documents can waive the TSP's requirement to send such documents.
- (f) [NAESB WGQ Standard 1.3.20] Receiver of nomination initiates confirmation process. The party that would receive a Request For Confirmation or an unsolicited Confirmation Response may waive the obligation of the sender to send.

- (g) [NAESB WGQ Standard 1.3.21] The sending party should adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline.
- (h) [NAESB WGQ Standard 1.3.22]
- (i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the scheduled quantity for the Timely Nomination Cycle of the previous Gas Day should be the new confirmed quantity.
 - (ii) With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the scheduled quantity for the previous nomination cycle for the subject Gas Day should be the new confirmed quantity.
 - (iii) With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.
 - (iv) With respect to NAESB WGQ Standard No. 1.3.22 i, ii, and iii, if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider should provide the Service Requester with the following information to explain why the nomination failed, as applicable:
 - (1) the Service Requester's Transportation Service Provider did not conduct the confirmation;
 - (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;
 - (3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;
 - (4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;

- (5) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.

This information should be imparted to the Service Requester on the Scheduled Quantity document.

- (i) Nomination Cycles [NAESB WGQ Standard 1.3.2].

All Transportation Service Providers (TSPs) should support the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17).

- (1) The Timely Nomination Cycle (on the day prior to gas flow): 1:00 p.m. Nominations leave control of the Service Requester; 1:15 p.m. Nominations are received by the TSP (including from Title Transfer Tracking Service Providers (TTTSPs)); 1:30 p.m. TSP sends the Quick Response to the Service Requester; 4:30 p.m. TSP receives completed confirmations from Confirming Parties; 5:00 p.m. Service Requester and point operator receive scheduled quantities from the TSP.

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

- (2) The Evening Nomination Cycle (on the day prior to gas flow): 6:00 p.m. Nominations leave control of the Service Requester; 6:15 p.m. Nominations are received by the TSP (including from TTTSPs); 6:30 p.m. TSP sends the Quick Response to the Service Requester; 8:30 p.m. TSP receives completed confirmations from Confirming Parties; 9:00 p.m. TSP provides scheduled quantities to the affected Service Requester and point operator, including bumped parties (notice to bumped parties).

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

- (3) The Intraday 1 Nomination Cycle (on the current Gas Day): 10:00 a.m. Nominations leave control of the Service Requester; 10:15 a.m. Nominations are received by the TSP (including from TTTSPs); 10:30 a.m. TSP sends the Quick Response to the Service Requester; 12:30 p.m. TSP receives completed confirmations from Confirming Parties; 1:00 p.m. TSP provides scheduled quantities to the affected Service Requester and point operator, including bumped parties (notice to bumped parties).

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

- (4) The Intraday 2 Nomination Cycle (on the Current Gas Day): 2:30 p.m. Nominations leave control of the Service Requester; 2:45 p.m. Nominations are received by the TSP (including from TTTSPs); 3:00 p.m. TSP sends the Quick Response to the Service Requester; 5:00 p.m. TSP receives completed confirmations from Confirming Parties; 5:30 p.m. TSP provides scheduled quantities to the affected Service Requester and point operator, including bumped parties (notice to bumped parties).

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

- (5) The Intraday 3 Nomination Cycle (on the current Gas Day): 7:00 p.m. Nominations leave control of the Service Requester; 7:15 p.m. Nominations are received by the TSP (including from TTTSPs); 7:30 p.m. TSP sends the Quick Response to the Service Requester; 9:30 p.m. TSP receives completed confirmations from Confirming Parties; 10:00 p.m. TSP provides scheduled quantities to affected Service Requester and point operator.

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

- (6) For purposes of Sections 6.4.1(i) (2), (3), (4), and (5), 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.
 - (7) [NAESB WGQ Standard 1.3.6] Nominations received after nomination deadline should be scheduled after the nominations received before the nomination deadline.
- (j) Intraday Nominations.
- (1) All transportation service providers should allow for intraday nominations.
 - (2) [NAESB WGQ Standard 1.3.11] Intraday nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas.
 - (3) [NAESB WGQ Standard 1.3.13] Intraday nominations do not rollover (i.e. intraday nominations span one Gas Day only). 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.

- (4) [NAESB WGQ Standard 1.3.33] Intraday nominations may be used to nominate new supply or market.
- (5) Transporter will schedule Intraday Nominations on a reasonable efforts basis, subject to available pipeline capacity, supply availability, and upstream/downstream pipeline confirmations, provided that scheduled quantities for other Shippers will not be adversely affected.
- (6) [NAESB WGQ Standard 1.3.32] For services that provide for intraday nominations and scheduling there is no limitation as to the number of intraday nominations (line items as per NAESB WGQ Standard 1.2.1) which a Service Requester may submit at any one standard nomination cycle or in total across all standard nomination cycles.

(k) Bumping.

Transporter will give scheduling priority to firm nominations submitted during the Evening Nomination and Intraday 1 Nomination Cycles over previously nominated and scheduled volumes for interruptible services. The Elapsed-Prorated-Scheduled Quantity process will apply to those nominations bumped in the Intraday 1 Nomination Cycle.

Interruptible Shippers that are bumped will be provided a notice of bumping along with a notice stating whether penalties shall apply on the day their volumes are reduced. Bumping Notice Statements will be provided in the same manner as OFO Notices. In addition, Bumping Notice Statements will be sent through internet E-Mail or direct notification to a Shipper's URL address.

Transporter will waive non-critical penalties for bumped shippers on the day of the bump.

(l) Balancing Nominations.

Shipper or Shipper's Agent will nominate to Transporter the quantity of natural gas in dekatherms to be used to balance Receiving Party Imbalances and/or Shipper Imbalances, and will schedule such balancing gas in accordance with Transporter's nomination procedures, subject to available capacity. To the extent capacity is unavailable to meet all imbalance makeup requests, Transporter will allocate available capacity pro rata based on balancing nominations in accordance with the priorities established in Section 6.4.2. To the extent that imbalance volumes that have been confirmed by Transporter cause actual delivered quantities to exceed

receipt quantities, no penalty shall be assessed under Section 6.6.2.2 for such excess quantities. To the extent that imbalance volumes that have been confirmed by Transporter cause actual receipt quantities to exceed delivered quantities, no penalty shall be assessed under Section 6.6.2.3 for such excess quantities.

(m) Authorized Overrun Nominations.

- (1) [NAESB WGQ Standard 1.3.19] Overrun quantities should be requested on a separate transaction.
- (2) Shipper will nominate to Transporter the quantity of natural gas subject to the Fuel and Line Loss Quantity in dekatherms to be scheduled and transported in excess of such Shipper's rights to throughput capacity or receipt or delivery point capacity. Such Authorized Overrun Nominations will be scheduled in accordance with Transporter's Nomination procedures, subject to available capacity. To the extent capacity is unavailable to meet all Authorized Overrun Nomination requests, authorized overrun service will be treated as interruptible, and interruption of authorized overrun service will be consistent with Section 6.4.2 of Transporter's Tariff.

6.4.3 Pooling Point(s).

- (a) [NAESB WGQ Standard 1.3.17] If requested by a shipper or supplier on a transportation service provider's system, the transportation service provider should offer at least one pool.
- (b) [NAESB WGQ Standard 1.2.3] The term "Pooling" shall mean 1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points.
- (c) [NAESB WGQ Standard 1.3.18] Deliveries from receipt points should be able to be delivered directly into at least one pool and delivery points should be able to receive quantities from at least one pool, excluding non-contiguous facilities.
- (d) Priority rights of the Downstream Shipper will be utilized for scheduling and curtailing service at Pools. Transporter will maintain priorities of service during the curtailment process by requesting the Upstream Shipper to identify, in writing, which volumes are being delivered to which Downstream Shipper at said Pool. If such identification is not provided, all gas nominated by the Upstream Shipper into said Pool will be allocated pro rata.
- (e) No transportation delivery charge, fuel losses, or Fuel and Line Loss Percentage will apply to quantities of gas nominated to a Pool from Receipt Point(s).
- (f) A Shipper transporting gas from a Pool to any Delivery Point(s) will incur fuel losses, Fuel and Line Loss Percentage, and mainline transportation delivery charges applicable to its Transportation Service Agreement.
- (g) The total confirmed quantity to be received into a Pool for a specific Shipper will be scheduled only if an equivalent quantity is confirmed to be delivered out of the Pool. No imbalances will be permitted at the Pools.

6.6.1 Shipper's Obligations.

- (a) Shipper shall endeavor to monitor and, if necessary, adjust deliveries and receipts of gas in order to maintain a daily balance of deliveries and receipts. Transporter shall not be obligated to receive gas in excess of the scheduled Input Quantities, nor shall Transporter be obligated to deliver to Shipper at the Delivery Point(s) quantities in excess of scheduled Equivalent Quantities. Shipper shall maintain receipts at levels at or below the Maximum Transportation Quantities (as adjusted for the Fuel and Line Loss Quantity). Transporter will monitor, to the extent practicable, deliveries and receipts for each transportation transaction and, based upon information available, advise Shipper of any imbalance situation which has occurred or may occur unless corrective action is taken. Upon notification, Shipper shall endeavor to adjust deliveries and receipts to avoid any imbalance. Any adjustment to deliveries and receipts by Shipper, whether or not pursuant to notification from Transporter, shall be coordinated with Transporter's Gas Administration Department and shall be in accordance with the nomination and scheduling procedures set forth in Section 6.4 above.
- (b) If Shipper fails to maintain a balance of deliveries and receipts, inaccurately schedules deliveries and receipts, or exceeds its Maximum Transportation Quantity, then, in addition to all other charges owing, Transporter shall impose all of the applicable imbalance, scheduling and overrun charges set forth in this section, as applicable.

6.6.2.2 Actual Delivered Quantity Exceeds Receipt Quantity.

A net negative imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for the Fuel and Line Loss Quantity, yields a negative result. Commencing upon notification by Transporter of the existence of the negative imbalance, and to the extent that the Transporter system is not constrained or its integrity is not threatened, Shipper shall have three (3) days to correct the imbalance. If Shipper submits a balancing nomination pursuant to Section 6.4.1(1) within the 3-day period and Transporter is unable to accept the balancing nomination due to capacity restrictions or if confirmed imbalance nominations are curtailed due to capacity restrictions, then the time allowed to correct the imbalance without penalty shall be extended accordingly.

Remedies: Shippers may schedule with Transporter using the nomination process to eliminate or reduce negative imbalances. In addition, in accordance with Section 6.6.7 of these General Terms and Conditions, Shippers may net or trade imbalances to eliminate or reduce negative imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual delivered quantity and the receipt quantity is in excess of 10% of the delivered quantity or 400 Dth, whichever is greater, the Shipper shall be assessed a charge of \$5/Dth applied to the excess quantities. If the imbalance is not corrected within forty-five (45) days of Transporter's notice of an imbalance, the Shipper shall be assessed an additional charge of \$5/Dth, applied to the net imbalance remaining at the end of the forty-five (45) day balancing period.

6.6.2.3 Actual Quantity Received Exceeds Delivered Quantity.

A net positive imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for the Fuel and Line Loss Quantity, yields a positive result. Commencing upon notification by Transporter of the existence of the imbalance, and to the extent that the Transporter system is not constrained or its integrity threatened, Shipper shall have three (3) days to correct the imbalance. If Shipper submits a balancing nomination pursuant to Section 6.4.1(1) within the 3-day period and Transporter is unable to accept the balancing nomination due to capacity restrictions or if confirmed imbalance nominations are curtailed due to capacity restrictions, then the time allowed to correct the imbalance without penalty shall be extended accordingly.

Remedies: Shippers may schedule with Transporter using the nomination process to eliminate or reduce positive imbalances. In addition, in accordance with Section 6.6.7 of these General Terms and Conditions, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual quantity received and the delivered quantity is in excess of 10% of the delivered quantity or 400 Dth, whichever is greater, the Shipper shall be assessed a penalty of \$2/Dth applied to the excess quantity. If the imbalance is not corrected within forty-five (45) days of Transporter's notice of an imbalance, Transporter shall be able to retain the remaining imbalance quantity without compensation to the Shipper and free and clear of any adverse claim. Quantities retained by Transporter will be sold and the proceeds from the sale of confiscated gas will be credited to all shippers in accordance with Section 6.29.2 of these General Terms and Conditions.

- 6.7.1 Receipt Points. Transporter shall make available to each Shipper under the FT and LFS Rate Schedules the Primary Receipt Point, as determined by mutual agreement between Transporter and Shipper, and as set forth in the Transportation Service Agreement between Transporter and Shipper. The Transportation Service Agreement shall also set forth the minimum receipt pressures applicable to such Primary Receipt Point. Subject to the availability of capacity, all other receipt points shall be available as Alternate Receipt Point(s) provided that the sum of all Input Quantities at all primary and alternate Receipt Points shall not exceed Shipper's Maximum Transportation Quantity adjusted for the Fuel and Line Loss Quantity. In the event that nominations by FT and LFS Rate Schedule Shippers for receipts at an Alternate Receipt Point exceed the capacity available at that Receipt Point, the available capacity shall be allocated pro rata on the basis of the portion of each Shipper's Maximum Transportation Quantity that has not been scheduled for receipt at other points. Subject to the availability of capacity, all Receipt Points shall then be available to Shippers under the IT and PL Rate Schedules.

6.40 Adjustment Mechanism for Fuel and Line Loss Percentage

The Fuel and Line Loss Percentage under Rate Schedules FT, LFS, and IT shall be adjusted downward to reflect reductions and upward to reflect increases in fuel usage and line loss in accordance with this Section 6.40. The Fuel and Line Loss Percentage for each month (“Applicable Month”) shall be posted on Transporter’s Internet website not less than ten (10) days prior to the beginning of the Applicable Month. The month preceding the Applicable Month shall be referred to herein as the “Posting Month.”

1. The Fuel and Line Loss Percentage

- (a) For each month, the Fuel and Line Loss Percentage shall be determined in accordance with Section 6.40 paragraph 1(b) hereof, and shall be effective for the entire Applicable Month.
- (b) The Fuel and Line Loss Percentage shall be determined by dividing (1) the projected quantities of gas that shall be required for fuel and line loss during the Applicable Month, adjusted for over-recoveries or under-recoveries of fuel and line loss during the month preceding the Posting Month by (2) the estimated quantities of gas to be received by Transporter for the account of Shippers during the Applicable Month; provided, that the Fuel and Line Loss Percentage shall not exceed the maximum current Fuel and Line Loss Percentage and shall not be less than the minimum Fuel and Line Loss Percentage set forth in the applicable Statement of Rates.
- (c) At least thirty (30) days prior to November 1, Transporter shall file with the Commission schedules supporting the Fuel and Line Loss Percentages applicable during the twelve months ending August 31.

FORM OF SERVICE AGREEMENT
(APPLICABLE TO FT RATE SCHEDULE)

This Agreement ("Agreement") is made and entered into this ____ day of _____, 20____, by and between Tuscarora Gas Transmission Company, a Nevada general partnership (herein called "Transporter"), and _____ (herein called "Shipper" whether one or more persons).

(if applicable)

Whereas, Transporter and Shipper previously made and entered into Contract No. _____ on _____ for firm transportation service under Rate Schedule FT. Service under Contract No. _____ commenced on _____, as reflected in Section 3.1 herein. Transporter and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

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

ARTICLE I
GENERAL

1. Pursuant to the terms of this Agreement, Transporter agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay Transporter for such service.
2. This Firm Transportation Agreement is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
3. (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between Transporter and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

ARTICLE II
QUANTITY OF GAS AND POINTS OF RECEIPT AND DELIVERY

1. The Maximum Transportation Quantity to be received or delivered by Transporter for the account of Shipper hereunder shall be at the Primary Receipt Point and Primary Delivery Point set forth in Exhibit A of the Transportation Service Agreement along with the pressure obligations indicated for each point. Exhibit A is attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

2. The Maximum Transportation Quantities listed in Exhibit A are subject to adjustment to reflect the Fuel and Line Loss Quantity as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE III TERM

1. The service commencement date is _____, and service shall continue until _____.

(if applicable)

Shipper shall have a regulatory Right of First Refusal as set forth in Section 6.27 of the General Terms and Conditions of Transporter's Tariff

(if applicable)

Shipper shall have a contractual Right of First Refusal which (a) shall be exercised consistent with the procedures set forth in Section 6.27 of the General Terms and Conditions of Transporter's Tariff; (b) exists by virtue of this written agreement, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.27; and (c) shall not extend or apply to any subsequent agreement or amendment arising from the exercise thereof.

(if applicable)

Shipper shall not have a Right of First Refusal.

2. Thereafter, this Agreement shall continue in full force and effect for an additional term of _____ unless _____ gives at least _____ prior written notice of its desire to terminate this Agreement. Under this evergreen provision, parties capable of giving notice of termination may include only Shipper (unilateral evergreen) or may include both Shipper and Transporter (bilateral evergreen).

ARTICLE IV RATE(S), RATE SCHEDULES, AND GENERAL TERMS AND CONDITIONS OF SERVICE

1. Shipper shall pay Transporter each month for services rendered pursuant to this Agreement in accordance with Transporter's Rate Schedule FT, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.

In the event Transporter and Shipper mutually agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.

2. This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FT, or superseding rate schedule(s) and to the applicable General Terms

and Conditions of Service of Transporter's FERC Gas Tariff on file with FERC, all of which are by this reference made a part hereof.

3. Transporter shall have the right to file with FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

ARTICLE V MISCELLANEOUS

1. The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.
2. Shipper warrants that requisite upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit A attached hereto.
3. Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:
 - (a) Transporter: Tuscarora Gas Transmission Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Services
 - (b) Shipper:
4. No modification of the terms and provisions of a Transportation Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

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

TUSCARORA GAS TRANSMISSION COMPANY

By: _____

Name: _____

Title: _____

[Shipper]

By: _____

Name: _____

Title: _____

FORM OF SERVICE AGREEMENT
(APPLICABLE TO LFS RATE SCHEDULE)

This Agreement ("Agreement") is made and entered into this _____ day of _____, 20____, by and between Tuscarora Gas Transmission Company, a Nevada general partnership (herein called "Transporter"), and _____ (herein called "Shipper" whether one or more persons).

(if applicable)

Whereas, Transporter and Shipper previously made and entered into Contract No. _____ on _____ for firm transportation service under Rate Schedule LFS. Service under Contract No. _____ commenced on _____, as reflected in Section 3.1 herein. Transporter and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

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

ARTICLE I
GENERAL

1. Pursuant to the terms of this Agreement, Transporter agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay Transporter for such service.
2. This Limited Transportation Agreement is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
3. (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between Transporter and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

ARTICLE II
QUANTITY OF GAS AND POINTS
OF RECEIPT AND DELIVERY

1. The Maximum Transportation Quantity to be received or delivered by Transporter for the account of Shipper hereunder shall be at the Primary Receipt Point and Primary Delivery Point set forth in Exhibit A of the Transportation Service Agreement along with the pressure obligations indicated for each point. Exhibit A is attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

2. The Maximum Transportation Quantities listed in Exhibit A are subject to adjustment to reflect the Fuel and Line Loss Quantity as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE III
TERM AND NUMBER OF LIMITED DAYS

1. The service commencement date is _____, and service shall continue until _____.
2. Shipper and Transporter agree that the minimum number of Limited Days will be _____ and the maximum number of Limited Days will be _____.
3. Shipper _____ agrees _____ does not agree to accept "partial volume day" limiting at the discretion of Transporter.

(if applicable)

Shipper shall have a regulatory Right of First Refusal as set forth in Section 6.27 of the General Terms and Conditions of Transporter's Tariff.

(if applicable)

Shipper shall have a contractual Right of First Refusal which (a) shall be exercised consistent with the procedures set forth in Section 6.27 of the General Terms and Conditions of Transporter's Tariff; (b) exists by virtue of this written agreement, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.27; and (c) shall not extend or apply to any subsequent agreement or amendment arising from the exercise thereof.

(if applicable)

Shipper shall not have a Right of First Refusal.

ARTICLE IV
RATE(S), RATE SCHEDULES,
AND GENERAL TERMS AND CONDITIONS OF SERVICE

1. Shipper shall pay Transporter each month for services rendered pursuant to this Agreement in accordance with Transporter's Rate Schedule LFS, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.

In the event Transporter and Shipper mutually agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.

2. This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule LFS, or superseding rate schedule(s) and to the applicable General Terms and Conditions of Service of Transporter's FERC Gas Tariff on file with FERC, all of which are by this reference made a part hereof.
3. Transporter shall have the right to file with FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

ARTICLE V
MISCELLANEOUS

1. The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.
2. Shipper warrants that requisite upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit A attached hereto.
3. Unless herein provided to the contrary, all notices and communication with respect to the Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:
 - (a) Transporter: Tuscarora Gas Transmission Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Services
 - (b) Shipper:
4. No modification of the terms and provisions of a Transportation Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

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

TUSCARORA GAS TRANSMISSION COMPANY

By: _____

Name: _____

Title: _____

[Shipper]

By: _____

Name: _____

Title: _____

Appendix B

Tuscarora Gas Transmission Company - FERC Gas Tariff, Second Revised Volume No. 1

Marked Tariff

<u>Tariff Section</u>	<u>Version</u>
Part 1 – Table of Contents	v.5.0.0
4.1 – Statement of Rates, FT and LFS Rates	v.10.0.0
4.3 – Statement of Rates, IT Rates	v.11.0.0
5.1.2 – Rate Schedule FT, Applicability and Character of Service	v.3.0.0
5.1.4 – Rate Schedule FT, Nominations and Scheduling of Receipts and Deliveries	v.2.0.0
5.2.2 – Rate Schedule LFS, Applicability and Character of Service	v.2.0.0
5.2.4 – Rate Schedule LFS, Nominations and Scheduling of Receipts and Deliveries	v.2.0.0
5.3.4 – Rate Schedule IT, Applicability and Character of Service	v.3.0.0
5.3.4 – Rate Schedule IT, Nominations and Scheduling of Receipts and Deliveries	v.2.0.0
6.2 – GT&C, Definition of Terms	v.5.0.0
6.4.1 – GT&C, Nominations	v.4.0.0
6.4.3 – GT&C, Pooling Points	v.2.0.0
6.6.1 – GT&C, Shipper’s Obligations	v.3.0.0
6.6.2.2 – GT&C, Actual Delivered Quantity Exceeds Receipt Quantity	v.2.0.0
6.6.2.3 – GT&C, Actual Quantity Received Exceeds Delivered Quantity	v.2.0.0
6.7.1 – GT&C, Receipt Points	v.3.0.0
6.40 – GT&C, Adjustment Mechanism for Fuel and Line Loss	v.0.0.0
7.1 – Service Agmts, Rate Schedule FT – Form of Service Agreement	v.4.0.0
7.2 – Service Agmts, Rate Schedule LFS – Form of Service Agreement	v.4.0.0

TABLE OF CONTENTS

	Section No.
Table of Contents	1
Preliminary Statement.....	2
System Map	3
Statement of Rates	
FT and LFS Rate Schedule.....	4.1
Reserved For Future Use.....	4.2
IT Rate Schedule	4.3
Reserved For Future Use.....	4.4
PL Rate Schedule (Parking & Lending Service).....	4.5
Non-Conforming Service Agreements.....	4.6
Rate Schedules	
FT Rate Schedule (Firm Transportation Service)	5.1
LFS Rate Schedule (Limited Firm Transportation Service)	5.2
IT Rate Schedule (Interruptible Transportation Service).....	5.3
PL Rate Schedule (Parking & Lending Service).....	5.4
General Terms and Conditions	
Introductory Statement.....	6.1
Definitions of Terms	6.2
Requests for Service/Credit Evaluations.....	6.3
Nominations, Allocation of Capacity and Pooling.....	6.4
Curtailment.....	6.5
Balancing, Adherence to Scheduling, and Contract Overruns.....	6.6
Delivery and Receipt Points.....	6.7
Uniform Pressure and Quantity.....	6.8

Quality	6.9
Measurement	6.10
Measuring Equipment	6.11
FERC Annual Charge Adjustment.....	6.12
Billings and Payments	6.13
Possession of Gas	6.14
Warranty of Title to Gas.....	6.15
Operating Information and Estimates	6.16
Other Operating Conditions	6.17
Discretionary Waiver	6.18
Liabilities and Remedies	6.19
Default.....	6.20
Nonwaiver of Future Default	6.21
Notices, Communication, and Postings.....	6.22
Compliance with Part 358 Standards of Conduct	6.23
Indemnification	6.24
Schedules and Contract Subject to Regulation	6.25
Capacity Release	6.26
Pregranted Abandonment and the Right of First Refusal	6.27
Title Transfer Tracking	6.28
Revenue Credits	6.29
Discounts.....	6.30
Policy with Respect to Construction of Laterals.....	6.31
Negotiated Rates	6.32
Reservation of Capacity for Expansion Projects.....	6.33
Operational Flow Order (OFO) Procedures	6.34
Sales of Excess Gas.....	6.35
Gas Industry Standards.....	6.36
Installation of Facilities.....	6.37
Assignability.....	6.38
Electronic Communication.....	6.39
Adjustment Mechanism for Fuel and Line Loss Percentage	6.40

Form of Service Agreements

FT Rate Schedule (Firm Transportation Service)	7.1
LFS Rate Schedule (Limited Firm Transportation Service)	7.2
IT Rate Schedule (Interruptible Transportation Service).....	7.3
PL Rate Schedule (Parking & Lending Service).....	7.4
Reserved for Future Use.....	7.5

RATE SCHEDULES FT and LFS
 CURRENTLY EFFECTIVE RATES 1/

Reservation Charge	(Maximum)	\$ 7.3305
	(Minimum)	\$ 0.0000
Delivery Charge	(Maximum)	\$ 0.0029
	(Minimum)	\$ 0.0029
Authorized Overrun Charge	(Maximum)	\$ 0.2439
	(Minimum)	\$ 0.0029
Annual Charge Adjustment		2/
Measurement Variance Gas Factor	<u>Fuel and Line Loss Percentage 4/</u>	(Maximum)
2.0%		
	(Minimum)	(2.0%)
Volumetric Reservation Charge for Capacity Release		\$ 0.2439 3/

1/ For scheduling, imbalance and unauthorized overrun charges see General Terms and Conditions, Section 6.6. Maximum and minimum rates are applicable to backhaul service.

2/ The Annual Charge Adjustment (ACA) is in addition to the above Delivery Charge and the Authorized Overrun Charge. The currently effective ACA unit charge as published on the Commission's website (www.ferc.gov) is incorporated herein by reference.

3/ The Maximum Rate does not apply to capacity release transactions of one (1) year or less.

4/ [The current Fuel and Line Loss Percentage can be found on Transporter's Internet website.](#)

IT RATE SCHEDULE
CURRENTLY EFFECTIVE RATES 1/

Delivery Charge (Maximum)	\$ 0.2439
(Minimum)	\$ 0.0029
Annual Charge Adjustment	2/
Measurement Variance Gas Factor <u>Fuel and Line Loss Percentage 3/</u> (Maximum)	
2.0%	
(Minimum)	(2.0%)

1/ For scheduling and imbalance charges see General Terms and Conditions, Section 6.6. Maximum and minimum rates are applicable to backhaul service.

2/ The Annual Charge Adjustment (ACA) is in addition to the above Delivery Charge. The currently effective ACA unit charge as published on the Commission's website (www.ferc.gov) is incorporated herein by reference.

3/ [The current Fuel and Line Loss Percentage can be found on Transporter's Internet website.](#)

5.1.2 APPLICABILITY AND CHARACTER OF SERVICE

1. Transportation provided under the FT Rate Schedule shall be firm reserved transportation service and shall have priority over all other transportation service provided by Transporter. To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at those points on Transporter's system as specified in an executed Transportation Service Agreement between Shipper and Transporter (hereinafter referred to as "Receipt Point(s)") for transportation hereunder, daily quantities of gas up to Shipper's Maximum Transportation Quantity (taking into account the ~~Measurement Variance Gas~~Fuel and Line Loss Quantity) as specified in the Transportation Service Agreement. A Shipper's Maximum Transportation Quantity shall be a uniform quantity throughout the contract term, except that Transporter may, on a not unduly discriminatory basis, agree to differing monthly levels in the Shipper's Maximum Transportation Quantity during the term of Shipper's contract. Shipper's Maximum Transportation Quantity and any differing levels in the Maximum Transportation Quantity, as well as the period of such differing Maximum Transportation Quantity levels, shall be specified in the executed Firm Transportation Service Agreement.
2. Upon receipt of such natural gas from Shipper or for Shipper's account, Transporter shall (after making allowance for the ~~Measurement Variance Gas~~Fuel and Line Loss Quantity) transport and deliver to Shipper or to a downstream entity for Shipper's account quantities of gas up to Shipper's Maximum Transportation Quantity at those points on Transporter's system as are specified in an executed Transportation Service Agreement between Shipper and Transporter (hereinafter referred to as "Delivery Point(s)").
3. Provided such quantities have been scheduled in accordance with Section 6.4 of the General Terms and Conditions of this Tariff, Shipper may obtain transportation of quantities of gas in excess of the Maximum Transportation Quantity on any day if in Transporter's reasonable judgment transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules. Such excess quantities shall be deemed to be Authorized Overrun Quantities.
4. Transporter shall not be obligated to allow any taps, add any facilities, or expand the capacity of Transporter's pipeline system in any manner in order to provide transportation service to Shipper pursuant to this rate schedule.

5.1.4 NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Section 6.4 of the General Terms and Conditions of this Tariff. Based upon the nomination of Shipper, Transporter shall schedule receipts and deliveries of gas in accordance with the General Terms and Conditions of this Tariff. It is the responsibility of Shipper to adjust its deliveries and receipts to conform to the General Terms and Conditions.

Daily deliveries of gas by Shipper to Transporter at the Receipt Point(s) hereunder shall be as nearly equal as possible to daily receipts of gas by Shipper from Transporter at the Delivery Point(s) (taking into account the ~~Measurement Variance Gas~~ Fuel and Line Loss Quantity). Any excess or deficiency in such receipts and deliveries shall be resolved in accordance with the General Terms and Conditions of this Tariff.

5.2.2 APPLICABILITY AND CHARACTER OF SERVICE

1. Transportation provided under the LFS Rate Schedule shall be limited firm reserved transportation service pursuant to the executed Limited Firm Transportation Service Agreement between Transporter and Shipper. To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at those points on Transporter's system as specified in an executed Transportation Service Agreement between Transporter and Shipper (hereinafter referred to as "Receipt Point(s)") for transportation hereunder, daily quantities of gas up to Shipper's Maximum Transportation Quantity (taking into account the ~~Measurement Variance-Gas~~Fuel and Line Loss Quantity) as specified in the Transportation Service Agreement.

Over the period of time that service is provided under this rate schedule, Transporter may, subject to mutual agreement and as set forth in the executed Limited Firm Transportation Agreement, restrict service in whole (Limited Day) or in part (Partial Volume Day) for a minimum and maximum number of Limited Days. Further, the Limited Firm Transportation Agreement may specify in advance particular days or periods of time which will be Limited Days. A Partial Volume Day will be counted as a Limited Day.

On those days in which service is provided in whole or in part, Transporter shall receive from Shipper such daily quantities of gas up to the Shipper's Maximum Transportation Quantity (taking into account the ~~Measurement Variance-Gas~~Fuel and Line Loss Quantity), or a percentage thereof on Partial Volume Days, as specified in the executed Limited Firm Transportation Service Agreement between Transporter and Shipper.

2. Upon receipt of such natural gas from Shipper or for Shipper's account, Transporter shall (after making allowance for the ~~Measurement Variance-Gas~~Fuel and Line Loss Quantity) transport and deliver to Shipper or to a downstream entity for Shipper's account quantities of gas up to Shipper's Maximum Equivalent Quantity at those points on Transporter's system as are specified in an executed Transportation Service Agreement between Shipper and Transporter (hereinafter referred to as "Delivery Point(s)").
3. Provided such quantities have been scheduled in accordance with Section 6.4 of the General Terms and Conditions of this Tariff, Shipper may obtain transportation of quantities of gas in excess of the Maximum Transportation Quantity on any day if in Transporter's reasonable judgment transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules. Such excess quantities shall be deemed to be Authorized Overrun Quantities.

4. Transporter shall not be obligated to allow any taps, add any facilities, or expand the capacity of Transporter's pipeline system in any manner in order to provide transportation service to Shipper pursuant to this rate schedule.

5.2.4 NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Section 6.4 of the General Terms and Conditions of this Tariff. Based upon the nomination of Shipper, Transporter shall schedule receipts and deliveries of gas in accordance with the General Terms and Conditions of this Tariff. It is the responsibility of Shipper to adjust its deliveries and receipts to conform to the General Terms and Conditions.

Daily deliveries of gas by Shipper to Transporter at the Receipt Point(s) hereunder shall be as nearly equal as possible to daily receipts of gas by Shipper from Transporter at the Delivery Point(s) (taking into account the ~~Measurement Variance Gas~~ Fuel and Line Loss Quantity). Any excess or deficiency in such receipts and deliveries shall be resolved in accordance with the General Terms and Conditions of this Tariff.

5.3.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This IT Rate Schedule and the rates set forth herein shall apply to all interruptible transportation service rendered under Transportation Service Agreements for such service whenever Transporter is able and willing to offer such interruptible transportation service. Transportation service provided hereunder is subject to curtailment or interruption as Transporter deems necessary. To the extent tendered by Shipper or Shipper's agent, Transporter shall receive from Shipper, or for the account of Shipper, at points on Transporter's system (hereinafter referred to as "Receipt Point(s)") for transportation hereunder daily quantities of gas which shall take into account the ~~Measurement Variance Gas~~ Fuel and Line Loss Quantity of such gas received.
2. Upon receipt of such natural gas from Shipper or for Shipper's account, Transporter shall (after making allowance for the ~~Measurement Variance Gas~~ Fuel and Line Loss Quantity) transport and deliver to Shipper or to a downstream entity for Shipper's account quantities of gas at such points on Transporter's system as have been scheduled for the delivery of gas for Shipper's account (hereinafter referred to as "Delivery Point(s)").

5.3.4 NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Section 6.4 of the General Terms and Conditions of this Tariff. Based upon the nomination of Shipper, Transporter shall schedule receipts and deliveries of gas in accordance with the General Terms and Conditions of this Tariff. It is the responsibility of Shipper to adjust its deliveries and receipts to conform to the General Terms and Conditions.

Daily deliveries of gas by Shipper to Transporter at the Receipt Point(s) hereunder shall be as nearly equal as possible to daily receipts of gas by Shipper from Transporter at the Delivery Point(s) (taking into account the ~~Measurement Variance Gas~~ Fuel and Line Loss Quantity). Any excess or deficiency in such receipts and deliveries shall be resolved in accordance with Section 6.6 of the General Terms and Conditions of this Tariff.

6.2 DEFINITION OF TERMS

Except where another meaning is expressly stated, the following terms shall have the following meanings when used in this Tariff and in any Transportation Service Agreement incorporating this Tariff:

1. FT Rate Schedule. The term "FT Rate Schedule" shall mean the FT Rate Schedule of Transporter's currently effective FERC Gas Tariff, as maybe revised from time to time, or any superseding rate schedule(s).
2. IT Rate Schedule. The term "IT Rate Schedule" shall mean the IT Rate Schedule of Transporter's currently effective FERC Gas Tariff, as may be revised from time to time, or any superseding rate schedule(s).
3. Transporter. The term "Transporter" shall mean Tuscarora Gas Transmission Company or its successors or assignees.
4. Shipper and Shipper's Agent.
 - (a) The term "Shipper" shall mean any entity seeking or subscribing to transportation service on Transporter's system pursuant to the terms and conditions of Transporter's currently effective FERC Gas Tariff.
 - (b) The term "Shipper's Agent" shall mean any party shipper may contract with for purposes of administering Shipper's Service Agreement with Transporter. An agent has only those rights designated in writing by such Shipper to Transporter.
5. FERC or Commission. The term "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any successor agency having jurisdiction over this Tariff.
6. Gas Day [NAESB WGQ Standard 1.3.1]. The term "Gas Day" shall mean 9:00 A.M. to 9:00 A.M. Central Clock Time (7:00 A.M. to 7:00 A.M. PCT).
7. Month. The term "Month" shall mean the period beginning at 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the first day of the calendar month and ending at 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the first day of the next succeeding calendar month.
8. Year. The term "Year" shall mean any period of 12 consecutive months.
9. Contract Year. The term "Contract Year" with respect to the first "Contract Year" shall mean the period commencing on the date deliveries first commence under a

Transportation Service Agreement and ending at 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the following November 1, and with respect to any succeeding "Contract Year" shall mean the period of 12 consecutive months from the end of the preceding contract year to 9:00 A.M. Central Clock Time (7:00 A.M. PCT) on the next succeeding November 1.

10. Commencement Date. The term "Commencement Date" shall be the date on which transportation service begins, as mutually agreed by Shipper and Transporter as set forth in a Transportation Service Agreement, or in the case where facilities are required to be constructed by Transporter to enable service to Shipper, the date on which the facilities required to enable Transporter to render transportation service to Shipper are constructed, installed and made operational, as set forth in Transporter's written notice to Shipper, which shall be given not less than five days prior to the date on which the transportation service shall begin, unless Shipper and Transporter mutually agree to a shorter notice period.
11. Central Clock Time. The term "Central Clock Time" refers to Central Daylight Savings Time when in effect and Central Standard Time at all other times.
12. Cubic Foot. The reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, 60 degrees F, and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry.
13. Mcf. The term "Mcf" shall mean 1,000 cubic feet of gas. The term "MMcf" shall mean one million (1,000,000) cubic feet of gas.
14. British Thermal Unit or Btu.
 - (a) Refer to General Terms and Conditions Section 6.2 paragraph 15 (Dekatherm or Dth) of this tariff for definition of British Thermal Unit or Btu.
 - (b) [NAESB WGQ Standard 2.3.9] Standardize the reporting basis for Btu as 14.73 psia at 60 degrees F (101.325 kPa at 15 degrees C) and dry. Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm² at 15.6 degrees C and dry.
 - (c) NAESB WGQ takes no position on the basis upon which transactions are communicated to trading partners and/or regulatory agencies, as applicable, nor does NAESB WGQ state whether transactions may take place between parties on a volumetric basis.
15. Dekatherm or Dth [NAESB WGQ Standard 1.3.14]. The standard quantity for nominations, confirmations and scheduling is dekatherms per Gas Day in the United States, gigajoules per Gas Day in Canada and gigacalories per Gas Day in Mexico.

(For reference 1 dekatherm = 1,000,000 Btu's; 1 gigajoule =1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The standard Btu is the International Btu, which is also called Btu(IT); the standard joule is the joule specified in the SI system of units. See Footnote 1

16. Bid Period. The period of time during which a Shipper may bid to contract for a parcel which has been posted as unsubscribed capacity or as available for release by a Releasing Shipper.
17. Recourse Rate. The term "recourse rate" shall mean the applicable maximum rate that would apply to each respective Rate Schedule as set forth in the Statement of Rates of this FERC Gas Tariff.
18. Negotiated Rate. The term Negotiated Rate shall mean a rate (including a Negotiated Rate Formula) that Transporter and a Shipper have agreed will be charged for service under Rate Schedule FT, LFS, IT, or PL where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or less than the minimum rate, for such component set forth in Transporter's tariff for the given service. Any Agreement entered into after the effective date of this subsection which provides for a rate under Rate Schedule FT, LFS, IT, or PL other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a negotiated rate.
19. Negotiated Rate Formula. The term Negotiated Rate Formula shall mean a rate formula that Transporter and a Shipper have agreed will apply to service under a specific contract under Rate Schedule FT, LFS, IT, or PL which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or may be less than the minimum rate, for such component set forth in Transporter's tariff for the given service.
20. Total Heating Value. The term "total heating value," when applied to a cubic foot of gas, means the number of British thermal units produced by the combustion in a recording calorimeter, with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion is condensed to the liquid state.
21. Gas. The term "gas" shall mean natural gas of the quality Specified in Section 6.9 of these General Terms and Conditions.

22. System Capacity. The term "system capacity" for purposes of scheduling receipts and deliveries shall mean the capacity available for transportation on Transporter's system that shall be determined by Transporter, to the best of its ability, by performing a computer simulation of the system, taking into account nominated and scheduled Equivalent Quantities, the available facilities, the gas characteristics and the lineup gain or loss required for that day.
23. Delivery and Receipt Points.
- (a) The term "Delivery Point" shall mean a point at which Shipper or Shipper's Agent is authorized by the Transportation Service Agreement to take gas from Transporter.
- (b) The term "Receipt Point" shall mean a point at which Shipper or Shipper's Agent is authorized to deliver natural gas to Transporter.
24. Business Day [NAESB WGQ Standard 3.2.1]. The term "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.
25. Input Quantities. The term "Input Quantity" shall be the quantity of natural gas which is delivered each day by or on behalf of Shipper to Transporter at a Receipt Point for transportation under Shipper's Transportation Service Agreement in accordance with Section 6.4 of these General Terms and Conditions.
26. Equivalent Quantities. The term "Equivalent Quantity" shall be that quantity of natural gas to be made available on any gas day to or on behalf of Shipper at a Delivery Point, which quantity shall be the thermal equivalent of the Input Quantities delivered to Transporter at a Receipt Point by or on behalf of Shipper on that gas day, adjusted for the ~~Measurement Variance Gas~~Fuel and Line Loss Quantity in accordance with Section 6.4 of the General Terms and Conditions of Transporter's currently effective FERC Gas Tariff, or such other quantity as determined through application of said Section 6.4.
27. Maximum Transportation Quantity. The term "Maximum Transportation Quantity" shall be the maximum quantity of gas that Shipper may provide to Transporter for redelivery at a Delivery Point on any day, as set forth in Shipper's Firm Transportation Service Agreement between Shipper and Transporter.
28. ~~Measurement Variance Gas~~Fuel and Line Loss Quantity. The "~~Measurement Variance Gas~~Fuel and Line Loss Quantity" shall be the quantity of gas retained from Shippers to recover fuel and lost and unaccounted for gas and shall be equal to the product of the applicable ~~Measurement Variance Gas Factor~~Fuel and Line Loss Percentage and the Input Quantity. ~~The Measurement Variance Gas Quantity~~

~~includes fuel and lost and unaccounted for gas.~~ In the event of a positive ~~Measurement Variance Gas~~ Fuel and Line Loss Quantity the sum of Shipper's Input Quantities shall be reduced by the Fuel and Line Loss ~~Measurement Variance Gas~~ Quantity to yield the sum of Shipper's Equivalent Quantities. In the event of a negative Fuel and Line Loss ~~Measurement Variance Gas~~ Quantity the sum of Shipper's Input Quantities shall be increased by the Fuel and Line Loss ~~Measurement Variance Gas~~ Quantity to yield the sum of Shipper's Equivalent Quantities.

29. ~~Measurement Variance Gas Factor (MVGF)~~ Fuel and Line Loss Percentage. The Fuel and Line Loss Percentage ~~Measurement Variance Gas Factor~~ shall be the applicable percentage, determined on a monthly basis pursuant to ~~this~~ Section ~~6.2~~ paragraph 29.6.40, to account for and recover fuel and lost and unaccounted for gas on Transporter's system. ~~The monthly percentage shall be within the minimum and maximum percentages set forth in the applicable rate schedule. At least ten days prior to the beginning of each month ("Applicable Month"), Transporter will publish the Measurement Variance Gas Factor via its Internet website. The monthly Measurement Variance Gas Factor shall be calculated in the following manner:~~

~~Receipts Deliveries +/- Linepack Change +/- Prior Account~~

~~Forecasted Receipts For The Applicable Month~~

~~Where:~~

~~Receipts = Actual measured volumes received by Transporter at Receipt Points for transportation during the month ending one month prior to the Applicable Month ("Measurement Month").~~

~~Deliveries = Actual measured volumes delivered by Transporter to Delivery Points during the Measurement Month.~~

~~Linepack Change = The change which occurred during the Measurement Month in linepack gas contained within Transporter's System, including changes due to company use of gas for fuel or otherwise but excluding any changes due to sales and purchases of gas pursuant to Section 6.35 of these General Terms and Conditions.~~

~~Prior Account = Any measurement variance gas which has been over or under collected during the month prior to the Measurement Month.~~

~~Forecasted Receipts~~

~~For The Applicable~~

~~Month = The forecasted receipts for the month in which the measurement variance will be applied.~~

~~A positive Measurement Variance Gas Factor represents a loss in Transporter's Measurement Variance Gas. A negative Measurement Variance Gas Factor represents a gain in Transporter's Measurement Variance Gas.~~

30. Fuel Reimbursement.

- (a) [NAESB WGQ Standard 1.3.16] Where fuel reimbursement is in kind, the standard fuel calculation mechanism, as this is related to the nomination process, should be $(1 - \text{fuel}\% / 100)$ multiplied by receipt quantity = delivery quantity.
- (b) [NAESB WGQ Standard 1.3.28] For current in-kind fuel reimbursement procedures, fuel rates should be made effective only at the beginning of the month.

31. Nomination [NAESB WGQ Standard 1.2.1]. The level of information required to define a nomination for communications purposes is a line item containing all defined components.

32. Intraday Nomination [NAESB WGQ Standard 1.2.4]. The term "intraday nomination" is 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.

33. Data Elements [NAESB WGQ Standard 1.2.2]. All trading partners should accept all NAESB standard data elements. Usage should be characterized as either mandatory, conditional, sender's option, business conditional, and mutually agreeable.

Mandatory (M) means the data element (information) must be supplied in the transaction.

Conditional (C) means that the presence of data in a field is determined by the presence or lack of data in another field within the transmittal or related data sets.

Sender's option (SO) means that this element is optional for the sender to send and, if sent, the receiver should receive and process. "Process" means that the receiver of the data will store and use the contents of the data element. When a specified data element contains data that does affect the business outcome of that or a related transaction, the receiver will use the contents of the data element in determining the business outcome of the applicable transaction. Using the contents of a data element that is designated as Sender's Option is mandatory from the receiver's perspective.

Business conditional (BC) means the data element is based on current variations in business practice. The business practice will be described herein, with an example. Over time, NAESB expects that as business practices are standardized, elements will move out of this category. Business Conditional elements which are not supported/required by the receiver will be acknowledged in the response document with a warning message code indicating that the data element was ignored by the receiver.

Mutually agreeable (MA) means that the data element is mutually agreed to between trading partners. It must be presented to NAESB for technical implementation. It does not, by its definition, create a NAESB standard business practice. Usage of this element in no way can be mandated for inclusion by either trading partner in order to achieve a level of service.

34. Critical Notices. The term "Critical Notices" should be defined to pertain to information on transportation service provider conditions that affect scheduling or adversely affect scheduled gas flow.
35. NAESB Standards. The term "NAESB Standards" shall mean the business practices, electronic communication, and data dictionary standards which were issued by the Wholesale Gas Quadrant (WGQ) of the North American Energy Standards Board (NAESB) and adopted by the Commission.
36. Operational Flow Order.
 - (a) [NAESB WGQ Standard 1.2.6] An operational flow order is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of the transportation service provider's system or to maintain operations required to provide efficient and reliable firm service. Whenever a Transportation Service Provider experiences these conditions, any pertinent order should be referred to as an Operational Flow Order.
 - (b) [NAESB WGQ Standard 1.3.26] The declaration to the affected parties of operational flow orders, critical periods, and/or critical notices should describe the conditions and the specific responses required from the affected parties.
37. Elapsed-Prorated-Scheduled Quantity.

[NAESB WGQ Standard 1.2.12] Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.

38. Elapsed Prorata Capacity.

[NAESB WGQ Standard 5.2.3] Elapsed Prorata Capacity means 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.

39. Daily System Imbalance.

(a) The term "Daily System Imbalance" shall mean the difference on any given gas day, subject to adjustment for scheduled make-up quantities, between (a) the sum of the Scheduled Input Quantities under all of Shipper's Transportation Service Agreements at all Receipt Points at which Transporter receives quantities of gas for Shipper's account, exclusive of the applicable ~~Measurement Variance~~ Fuel and Line Loss Quantities, and (b) the sum of the Equivalent Quantities taken under all of Shipper's Transportation Service Agreements at all Delivery Points at which Transporter delivers gas for Shipper's account.

(b) [NAESB WGQ Standard 2.3.30] All Transportation Service Providers should allow Service Requesters (including agents of Service Requesters) to net imbalances within the same Operational Impact Area on and across contracts with the Service Requester and to trade imbalances within the same Operational Impact Area.

40. Electronic Notice Delivery [NAESB WGQ Standard 5.2.2].

Electronic Notice Delivery is the term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM.

41. Title [NAESB WGQ Standard 1.2.13]. The term "Title," if not otherwise addressed in the Transporter's contract or tariff, is the term used to identify the ownership of gas.

42. Operational Impact Area [NAESB WGQ Standard 2.2.2]. "Operational Impact Area" is the term used to describe a Transportation Service Provider's designation of the largest possible area(s) on its system in which imbalances have a similar operational effect.

43. Netting [NAESB WGQ Standard 2.2.3]. "Netting" is the term used to describe the process of resolving imbalances for a Service Requester within an Operational Impact Area. There are two types of Netting:

- summing is the accumulation of all imbalances above any applicable tolerances for a Service Requester or agent.
 - offsetting is the combination of positive or negative imbalances above any applicable tolerances for a Service Requester or agent.
44. PL Rate Schedule. The term "PL Rate Schedule" shall mean the PL Rate Schedule of Transporter's currently effective FERC Gas Tariff, as may be revised from time to time, or any superseding rate schedule(s).
 45. Monthly Allocation [NAESB WGQ Standard 2.2.4]. "Monthly Allocation" is the term used to describe the process where the Allocating Party performs the allocation process at the end of the monthly flow period.
 46. Daily Allocation [NAESB WGQ Standard 2.2.5]. "Daily Allocation" is the term used to describe the process where the Allocating Party performs the allocation process following each Gas Day.
 47. LFS Rate Schedule. The term "LFS Rate Schedule" shall mean the LFS Rate Schedule of Transporter's currently effective FERC Gas Tariff, as may be revised from time to time, or any superseding rate schedule(s).
 48. Existing Capacity. The term "Existing Capacity" shall mean capacity that has been in-service beyond the initial terms of Agreements that originally supported the construction of such capacity. Existing Capacity additionally includes capacity that is still within such initial terms where Shipper Agreements pertaining to the capacity have been terminated by the pipeline. Existing Capacity additionally includes unsubscribed capacity created as part of a pipeline expansion project.
 49. Expansion Capacity. The term "Expansion Capacity" shall mean capacity that is added to the pipeline system as part of a system expansion project where such capacity is still within the initial contract term(s) of the Agreement(s) that originally supported the construction of such capacity. Expansion Capacity includes permanent releases of capacity that are within the initial term of an original Shipper's contract.
 50. Asset Manager. "Asset Manager" is a party that agrees to manage gas supply and delivery arrangements, including transportation and storage capacity, for another party. The Asset Manager uses released capacity to serve the gas supply requirements of the releasing shipper and, when the capacity is not needed for that purpose, uses the capacity to make releases or bundled sales to third parties.
 51. Transportation Service Agreement. The terms "Transportation Service Agreement" or "Service Agreement" or "Agreement" shall mean the Agreement executed by the

Shipper and Transporter including any exhibits, attachments, and/or amendments thereto, pursuant to the rate schedules contained in this FERC Gas Tariff.

[Footnote 1 - The International Btu is specified for use in the gas measurement standards of the American Gas Association, the American Petroleum Institute, the Gas Processors Association and the American Society for Testing Materials. For non-commercial purposes, these associations note that the exact conversion factor is 1.05505585262 Gigajoules per Dekatherm.]

6.4.1 Nominations. Nominations may include Timely Nominations, Intraday Nominations, Overrun Nominations and/or Balancing Nominations.

- (a) [NAESB WGQ Standard 1.3.4] All parties should support a seven-days-a-week, twenty-four-hours-a-day nominations process. It is recognized that the success of seven days a week, twenty-four hours a day nominations process is dependent on the availability of affected parties' scheduling personnel on a similar basis. Party contacts need not be at their ordinary work sites but should be available by telephone or other electronic means.
- (b) [NAESB WGQ Standard 1.3.5] All nominations should include shipper defined begin dates and end dates. All nominations excluding intraday nominations should have roll-over options. Specifically, shippers should have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of shipper's contract.
- (c) [NAESB WGQ Standard 1.3.7] All nominations should be considered original nominations and should be replaced to be changed. 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.
- (d) [NAESB WGQ Standard 1.3.9] All nominations, including intraday nominations, should be based on a daily quantity; thus, an intraday nominator need not submit an hourly nomination. Intraday nominations should include an effective date and time. The interconnected parties should agree on the hourly flows of the intraday nomination, if not otherwise addressed in transporter's contract or tariff.
- (e) [NAESB WGQ Standard 1.3.3] At the end of each Gas Day, Transportation Service Provider (TSP) should provide the final scheduled quantities for the just completed Gas Day. With respect to the implementation of this process via the EDI/EDM, the TSP should send an end of Gas Day Scheduled Quantity (NAESB WGQ Standard No. 1.4.5) and Scheduled Quantity for Operator (NAESB WGQ Standard No. 1.4.6). A receiver of either of these documents can waive the TSP's requirement to send such documents.
- (f) [NAESB WGQ Standard 1.3.20] Receiver of nomination initiates confirmation process. The party that would receive a Request For Confirmation or an unsolicited Confirmation Response may waive the obligation of the sender to send.

- (g) [NAESB WGQ Standard 1.3.21] The sending party should adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline.

- (h) [NAESB WGQ Standard 1.3.22]
 - (i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the scheduled quantity for the Timely Nomination Cycle of the previous Gas Day should be the new confirmed quantity.

 - (ii) With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the scheduled quantity for the previous nomination cycle for the subject Gas Day should be the new confirmed quantity.

 - (iii) With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.

 - (iv) With respect to NAESB WGQ Standard No. 1.3.22 i, ii, and iii, if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider should provide the Service Requester with the following information to explain why the nomination failed, as applicable:
 - (1) the Service Requester's Transportation Service Provider did not conduct the confirmation;
 - (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;
 - (3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;
 - (4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;

- (5) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.

This information should be imparted to the Service Requester on the Scheduled Quantity document.

- (i) Nomination Cycles [NAESB WGQ Standard 1.3.2].

All Transportation Service Providers (TSPs) should support the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17).

- (1) The Timely Nomination Cycle (on the day prior to gas flow): 1:00 p.m. Nominations leave control of the Service Requester; 1:15 p.m. Nominations are received by the TSP (including from Title Transfer Tracking Service Providers (TTTSPs)); 1:30 p.m. TSP sends the Quick Response to the Service Requester; 4:30 p.m. TSP receives completed confirmations from Confirming Parties; 5:00 p.m. Service Requester and point operator receive scheduled quantities from the TSP.

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

- (2) The Evening Nomination Cycle (on the day prior to gas flow): 6:00 p.m. Nominations leave control of the Service Requester; 6:15 p.m. Nominations are received by the TSP (including from TTTSPs); 6:30 p.m. TSP sends the Quick Response to the Service Requester; 8:30 p.m. TSP receives completed confirmations from Confirming Parties; 9:00 p.m. TSP provides scheduled quantities to the affected Service Requester and point operator, including bumped parties (notice to bumped parties).

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

- (3) The Intraday 1 Nomination Cycle (on the current Gas Day): 10:00 a.m. Nominations leave control of the Service Requester; 10:15 a.m. Nominations are received by the TSP (including from TTTSPs); 10:30 a.m. TSP sends the Quick Response to the Service Requester; 12:30 p.m. TSP receives completed confirmations from Confirming Parties; 1:00 p.m. TSP provides scheduled quantities to the affected Service Requester and point operator, including bumped parties (notice to bumped parties).

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

- (4) The Intraday 2 Nomination Cycle (on the Current Gas Day): 2:30 p.m. Nominations leave control of the Service Requester; 2:45 p.m. Nominations are received by the TSP (including from TTTSPs); 3:00 p.m. TSP sends the Quick Response to the Service Requester; 5:00 p.m. TSP receives completed confirmations from Confirming Parties; 5:30 p.m. TSP provides scheduled quantities to the affected Service Requester and point operator, including bumped parties (notice to bumped parties).

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

- (5) The Intraday 3 Nomination Cycle (on the current Gas Day): 7:00 p.m. Nominations leave control of the Service Requester; 7:15 p.m. Nominations are received by the TSP (including from TTTSPs); 7:30 p.m. TSP sends the Quick Response to the Service Requester; 9:30 p.m. TSP receives completed confirmations from Confirming Parties; 10:00 p.m. TSP provides scheduled quantities to affected Service Requester and point operator.

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

- (6) For purposes of Sections 6.4.1(i) (2), (3), (4), and (5), 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.
 - (7) [NAESB WGQ Standard 1.3.6] Nominations received after nomination deadline should be scheduled after the nominations received before the nomination deadline.
- (j) Intraday Nominations.
- (1) All transportation service providers should allow for intraday nominations.
 - (2) [NAESB WGQ Standard 1.3.11] Intraday nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas.
 - (3) [NAESB WGQ Standard 1.3.13] Intraday nominations do not rollover (i.e. intraday nominations span one Gas Day only). 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.

- (4) [NAESB WGQ Standard 1.3.33] Intraday nominations may be used to nominate new supply or market.
- (5) Transporter will schedule Intraday Nominations on a reasonable efforts basis, subject to available pipeline capacity, supply availability, and upstream/downstream pipeline confirmations, provided that scheduled quantities for other Shippers will not be adversely affected.
- (6) [NAESB WGQ Standard 1.3.32] For services that provide for intraday nominations and scheduling there is no limitation as to the number of intraday nominations (line items as per NAESB WGQ Standard 1.2.1) which a Service Requester may submit at any one standard nomination cycle or in total across all standard nomination cycles.

(k) Bumping.

Transporter will give scheduling priority to firm nominations submitted during the Evening Nomination and Intraday 1 Nomination Cycles over previously nominated and scheduled volumes for interruptible services. The Elapsed-Prorated-Scheduled Quantity process will apply to those nominations bumped in the Intraday 1 Nomination Cycle.

Interruptible Shippers that are bumped will be provided a notice of bumping along with a notice stating whether penalties shall apply on the day their volumes are reduced. Bumping Notice Statements will be provided in the same manner as OFO Notices. In addition, Bumping Notice Statements will be sent through internet E-Mail or direct notification to a Shipper's URL address.

Transporter will waive non-critical penalties for bumped shippers on the day of the bump.

(l) Balancing Nominations.

Shipper or Shipper's Agent will nominate to Transporter the quantity of natural gas in dekatherms to be used to balance Receiving Party Imbalances and/or Shipper Imbalances, and will schedule such balancing gas in accordance with Transporter's nomination procedures, subject to available capacity. To the extent capacity is unavailable to meet all imbalance makeup requests, Transporter will allocate available capacity pro rata based on balancing nominations in accordance with the priorities established in Section 6.4.2. To the extent that imbalance volumes that have been confirmed by Transporter cause actual delivered quantities to exceed

receipt quantities, no penalty shall be assessed under Section 6.6.2.2 for such excess quantities. To the extent that imbalance volumes that have been confirmed by Transporter cause actual receipt quantities to exceed delivered quantities, no penalty shall be assessed under Section 6.6.2.3 for such excess quantities.

(m) Authorized Overrun Nominations.

- (1) [NAESB WGQ Standard 1.3.19] Overrun quantities should be requested on a separate transaction.
- (2) Shipper will nominate to Transporter the quantity of natural gas subject to the ~~Measurement Variance Gas Quantity ("MVGQ")~~ Fuel and Line Loss Quantity in dekatherms to be scheduled and transported in excess of such Shipper's rights to throughput capacity or receipt or delivery point capacity. Such Authorized Overrun Nominations will be scheduled in accordance with Transporter's Nomination procedures, subject to available capacity. To the extent capacity is unavailable to meet all Authorized Overrun Nomination requests, authorized overrun service will be treated as interruptible, and interruption of authorized overrun service will be consistent with Section 6.4.2 of Transporter's Tariff.

6.4.3 Pooling Point(s).

- (a) [NAESB WGQ Standard 1.3.17] If requested by a shipper or supplier on a transportation service provider's system, the transportation service provider should offer at least one pool.
- (b) [NAESB WGQ Standard 1.2.3] The term "Pooling" shall mean 1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points.
- (c) [NAESB WGQ Standard 1.3.18] Deliveries from receipt points should be able to be delivered directly into at least one pool and delivery points should be able to receive quantities from at least one pool, excluding non-contiguous facilities.
- (d) Priority rights of the Downstream Shipper will be utilized for scheduling and curtailing service at Pools. Transporter will maintain priorities of service during the curtailment process by requesting the Upstream Shipper to identify, in writing, which volumes are being delivered to which Downstream Shipper at said Pool. If such identification is not provided, all gas nominated by the Upstream Shipper into said Pool will be allocated pro rata.
- (e) No transportation delivery charge, fuel losses, or ~~Measurement Variance Gas Factor (MVGf)~~ Fuel and Line Loss Percentage will apply to quantities of gas nominated to a Pool from Receipt Point(s).
- (f) A Shipper transporting gas from a Pool to any Delivery Point(s) will incur fuel losses, ~~Measurement Variance Gas Factor (MVGf)~~ Fuel and Line Loss Percentage, and mainline transportation delivery charges applicable to its Transportation Service Agreement.
- (g) The total confirmed quantity to be received into a Pool for a specific Shipper will be scheduled only if an equivalent quantity is confirmed to be delivered out of the Pool. No imbalances will be permitted at the Pools.

6.6.1 Shipper's Obligations.

- (a) Shipper shall endeavor to monitor and, if necessary, adjust deliveries and receipts of gas in order to maintain a daily balance of deliveries and receipts. Transporter shall not be obligated to receive gas in excess of the scheduled Input Quantities, nor shall Transporter be obligated to deliver to Shipper at the Delivery Point(s) quantities in excess of scheduled Equivalent Quantities. Shipper shall maintain receipts at levels at or below the Maximum Transportation Quantities (as adjusted for the ~~Measurement Variance Gas~~ Fuel and Line Loss Quantity). Transporter will monitor, to the extent practicable, deliveries and receipts for each transportation transaction and, based upon information available, advise Shipper of any imbalance situation which has occurred or may occur unless corrective action is taken. Upon notification, Shipper shall endeavor to adjust deliveries and receipts to avoid any imbalance. Any adjustment to deliveries and receipts by Shipper, whether or not pursuant to notification from Transporter, shall be coordinated with Transporter's Gas Administration Department and shall be in accordance with the nomination and scheduling procedures set forth in Section 6.4 above.
- (b) If Shipper fails to maintain a balance of deliveries and receipts, inaccurately schedules deliveries and receipts, or exceeds its Maximum Transportation Quantity, then, in addition to all other charges owing, Transporter shall impose all of the applicable imbalance, scheduling and overrun charges set forth in this section, as applicable.

6.6.2.2 Actual Delivered Quantity Exceeds Receipt Quantity.

A net negative imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for the ~~Measurement Variance Gas~~ Fuel and Line Loss Quantity, yields a negative result. Commencing upon notification by Transporter of the existence of the negative imbalance, and to the extent that the Transporter system is not constrained or its integrity is not threatened, Shipper shall have three (3) days to correct the imbalance. If Shipper submits a balancing nomination pursuant to Section 6.4.1(1) within the 3-day period and Transporter is unable to accept the balancing nomination due to capacity restrictions or if confirmed imbalance nominations are curtailed due to capacity restrictions, then the time allowed to correct the imbalance without penalty shall be extended accordingly.

Remedies: Shippers may schedule with Transporter using the nomination process to eliminate or reduce negative imbalances. In addition, in accordance with Section 6.6.7 of these General Terms and Conditions, Shippers may net or trade imbalances to eliminate or reduce negative imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual delivered quantity and the receipt quantity is in excess of 10% of the delivered quantity or 400 Dth, whichever is greater, the Shipper shall be assessed a charge of \$5/Dth applied to the excess quantities. If the imbalance is not corrected within forty-five (45) days of Transporter's notice of an imbalance, the Shipper shall be assessed an additional charge of \$5/Dth, applied to the net imbalance remaining at the end of the forty-five (45) day balancing period.

6.6.2.3 Actual Quantity Received Exceeds Delivered Quantity.

A net positive imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for the ~~Measurement Variance Gas~~ Fuel and Line Loss Quantity, yields a positive result. Commencing upon notification by Transporter of the existence of the imbalance, and to the extent that the Transporter system is not constrained or its integrity threatened, Shipper shall have three (3) days to correct the imbalance. If Shipper submits a balancing nomination pursuant to Section 6.4.1(1) within the 3-day period and Transporter is unable to accept the balancing nomination due to capacity restrictions or if confirmed imbalance nominations are curtailed due to capacity restrictions, then the time allowed to correct the imbalance without penalty shall be extended accordingly.

Remedies: Shippers may schedule with Transporter using the nomination process to eliminate or reduce positive imbalances. In addition, in accordance with Section 6.6.7 of these General Terms and Conditions, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual quantity received and the delivered quantity is in excess of 10% of the delivered quantity or 400 Dth, whichever is greater, the Shipper shall be assessed a penalty of \$2/Dth applied to the excess quantity. If the imbalance is not corrected within forty-five (45) days of Transporter's notice of an imbalance, Transporter shall be able to retain the remaining imbalance quantity without compensation to the Shipper and free and clear of any adverse claim. Quantities retained by Transporter will be sold and the proceeds from the sale of confiscated gas will be credited to all shippers in accordance with Section 6.29.2 of these General Terms and Conditions.

6.7.1 Receipt Points. Transporter shall make available to each Shipper under the FT and LFS Rate Schedules the Primary Receipt Point, as determined by mutual agreement between Transporter and Shipper, and as set forth in the Transportation Service Agreement between Transporter and Shipper. The Transportation Service Agreement shall also set forth the minimum receipt pressures applicable to such Primary Receipt Point. Subject to the availability of capacity, all other receipt points shall be available as Alternate Receipt Point(s) provided that the sum of all Input Quantities at all primary and alternate Receipt Points shall not exceed Shipper's Maximum Transportation Quantity adjusted for the ~~Measurement Variance Gas~~ Fuel and Line Loss Quantity. In the event that nominations by FT and LFS Rate Schedule Shippers for receipts at an Alternate Receipt Point exceed the capacity available at that Receipt Point, the available capacity shall be allocated pro rata on the basis of the portion of each Shipper's Maximum Transportation Quantity that has not been scheduled for receipt at other points. Subject to the availability of capacity, all Receipt Points shall then be available to Shippers under the IT and PL Rate Schedules.

6.40 Adjustment Mechanism for Fuel and Line Loss Percentage

The Fuel and Line Loss Percentage under Rate Schedules FT, LFS, and IT shall be adjusted downward to reflect reductions and upward to reflect increases in fuel usage and line loss in accordance with this Section 6.40. The Fuel and Line Loss Percentage for each month (“Applicable Month”) shall be posted on Transporter’s Internet website not less than ten (10) days prior to the beginning of the Applicable Month. The month preceding the Applicable Month shall be referred to herein as the “Posting Month.”

- (a) For each month, the Fuel and Line Loss Percentage shall be determined in accordance with Section 6.40 paragraph (b) hereof, and shall be effective for the entire Applicable Month.
- (b) The Fuel and Line Loss Percentage shall be determined by dividing (1) the projected quantities of gas that shall be required for fuel and line loss during the Applicable Month, adjusted for over-recoveries or under-recoveries of fuel and line loss during the month preceding the Posting Month by (2) the estimated quantities of gas to be received by Transporter for the account of Shippers during the Applicable Month; provided, that the Fuel and Line Loss Percentage shall not exceed the maximum current Fuel and Line Loss Percentage and shall not be less than the minimum Fuel and Line Loss Percentage set forth in the applicable Statement of Rates.
- (c) At least thirty (30) days prior to November 1, Transporter shall file with the Commission schedules supporting the Fuel and Line Loss Percentages applicable during the twelve months ending August 31.

FORM OF SERVICE AGREEMENT
(APPLICABLE TO FT RATE SCHEDULE)

This Agreement ("Agreement") is made and entered into this ____ day of _____, 20____, by and between Tuscarora Gas Transmission Company, a Nevada general partnership (herein called "Transporter"), and _____ (herein called "Shipper" whether one or more persons).

(if applicable)

Whereas, Transporter and Shipper previously made and entered into Contract No. _____ on _____ for firm transportation service under Rate Schedule FT. Service under Contract No. _____ commenced on _____, as reflected in Section 3.1 herein. Transporter and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

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

ARTICLE I
GENERAL

1. Pursuant to the terms of this Agreement, Transporter agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay Transporter for such service.
2. This Firm Transportation Agreement is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
3. (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between Transporter and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

ARTICLE II
QUANTITY OF GAS AND POINTS OF RECEIPT AND DELIVERY

1. The Maximum Transportation Quantity to be received or delivered by Transporter for the account of Shipper hereunder shall be at the Primary Receipt Point and Primary Delivery Point set forth in Exhibit A of the Transportation Service Agreement along with the pressure obligations indicated for each point. Exhibit A is attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

2. The Maximum Transportation Quantities listed in Exhibit A are subject to adjustment to reflect the ~~Measurement Variance Gas~~ Fuel and Line Loss Quantity as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE III TERM

1. The service commencement date is _____, and service shall continue until _____.

(if applicable)

Shipper shall have a regulatory Right of First Refusal as set forth in Section 6.27 of the General Terms and Conditions of Transporter's Tariff

(if applicable)

Shipper shall have a contractual Right of First Refusal which (a) shall be exercised consistent with the procedures set forth in Section 6.27 of the General Terms and Conditions of Transporter's Tariff; (b) exists by virtue of this written agreement, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.27; and (c) shall not extend or apply to any subsequent agreement or amendment arising from the exercise thereof.

(if applicable)

Shipper shall not have a Right of First Refusal.

2. Thereafter, this Agreement shall continue in full force and effect for an additional term of _____ unless _____ gives at least _____ prior written notice of its desire to terminate this Agreement. Under this evergreen provision, parties capable of giving notice of termination may include only Shipper (unilateral evergreen) or may include both Shipper and Transporter (bilateral evergreen).

ARTICLE IV RATE(S), RATE SCHEDULES, AND GENERAL TERMS AND CONDITIONS OF SERVICE

1. Shipper shall pay Transporter each month for services rendered pursuant to this Agreement in accordance with Transporter's Rate Schedule FT, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.

In the event Transporter and Shipper mutually agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.

2. This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FT, or superseding rate schedule(s) and to the applicable General Terms

and Conditions of Service of Transporter's FERC Gas Tariff on file with FERC, all of which are by this reference made a part hereof.

3. Transporter shall have the right to file with FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

ARTICLE V MISCELLANEOUS

1. The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.
2. Shipper warrants that requisite upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit A attached hereto.
3. Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:
 - (a) Transporter: Tuscarora Gas Transmission Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Services
 - (b) Shipper:
4. No modification of the terms and provisions of a Transportation Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

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

TUSCARORA GAS TRANSMISSION COMPANY

By: _____

Name: _____

Title: _____

[Shipper]

By: _____

Name: _____

Title: _____

FORM OF SERVICE AGREEMENT
(APPLICABLE TO LFS RATE SCHEDULE)

This Agreement ("Agreement") is made and entered into this _____ day of _____, 20____, by and between Tuscarora Gas Transmission Company, a Nevada general partnership (herein called "Transporter"), and _____ (herein called "Shipper" whether one or more persons).

(if applicable)

Whereas, Transporter and Shipper previously made and entered into Contract No. _____ on _____ for firm transportation service under Rate Schedule LFS. Service under Contract No. _____ commenced on _____, as reflected in Section 3.1 herein. Transporter and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

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

ARTICLE I
GENERAL

1. Pursuant to the terms of this Agreement, Transporter agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay Transporter for such service.
2. This Limited Transportation Agreement is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
3. (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between Transporter and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

ARTICLE II
QUANTITY OF GAS AND POINTS
OF RECEIPT AND DELIVERY

1. The Maximum Transportation Quantity to be received or delivered by Transporter for the account of Shipper hereunder shall be at the Primary Receipt Point and Primary Delivery Point set forth in Exhibit A of the Transportation Service Agreement along with the pressure obligations indicated for each point. Exhibit A is attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

2. The Maximum Transportation Quantities listed in Exhibit A are subject to adjustment to reflect the ~~Measurement Variance-Gas~~ Fuel and Line Loss Quantity as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE III
TERM AND NUMBER OF LIMITED DAYS

1. The service commencement date is _____, and service shall continue until _____.
2. Shipper and Transporter agree that the minimum number of Limited Days will be _____ and the maximum number of Limited Days will be _____.
3. Shipper _____ agrees _____ does not agree to accept "partial volume day" limiting at the discretion of Transporter.

(if applicable)

Shipper shall have a regulatory Right of First Refusal as set forth in Section 6.27 of the General Terms and Conditions of Transporter's Tariff.

(if applicable)

Shipper shall have a contractual Right of First Refusal which (a) shall be exercised consistent with the procedures set forth in Section 6.27 of the General Terms and Conditions of Transporter's Tariff; (b) exists by virtue of this written agreement, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.27; and (c) shall not extend or apply to any subsequent agreement or amendment arising from the exercise thereof.

(if applicable)

Shipper shall not have a Right of First Refusal.

ARTICLE IV
RATE(S), RATE SCHEDULES,
AND GENERAL TERMS AND CONDITIONS OF SERVICE

1. Shipper shall pay Transporter each month for services rendered pursuant to this Agreement in accordance with Transporter's Rate Schedule LFS, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.

In the event Transporter and Shipper mutually agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.

2. This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule LFS, or superseding rate schedule(s) and to the applicable General Terms and Conditions of Service of Transporter's FERC Gas Tariff on file with FERC, all of which are by this reference made a part hereof.
3. Transporter shall have the right to file with FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

ARTICLE V
MISCELLANEOUS

1. The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.
2. Shipper warrants that requisite upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit A attached hereto.
3. Unless herein provided to the contrary, all notices and communication with respect to the Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:
 - (a) Transporter: Tuscarora Gas Transmission Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Services
 - (b) Shipper:
4. No modification of the terms and provisions of a Transportation Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

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

TUSCARORA GAS TRANSMISSION COMPANY

By: _____

Name: _____

Title: _____

[Shipper]

By: _____

Name: _____

Title: _____