This section contains Texas Gas’ rate schedules.
Rate Schedule FT
Firm Transportation Service

1. Availability

This Rate Schedule is available for the transportation of natural gas by Texas Gas for any Customer:

1.1 Where Customer:

(a) Has requested gas to be transported on a firm basis and is eligible for firm transportation pursuant to this Rate Schedule and Section 6.8 of the General Terms and Conditions;

(b) Is the successful bidder for available capacity or for capacity released by a Customer having an FT Service Agreement pursuant to the terms and conditions of the Capacity Release Program in Section 6.16 of the General Terms and Conditions of this Tariff;

(c) Has met the credit requirements of Section 6.5 of the General Terms and Conditions;

(d) Will deliver or cause to be delivered natural gas to Texas Gas for delivery by Texas Gas to or for the account of Customer in one or more of Texas Gas' Service Zones; and

(e) Has executed a Transportation Service Agreement with Texas Gas for service under Rate Schedules FT-SL, FT-1, FT-2, FT-3, FT-4, FT-Fayetteville, or FT-Greenville. Subject to the provisions of Section 5.1[3.3] of this FT Rate Schedule, the firm transportation Contract Demand must be a daily transportation quantity which is the same for each day of the contract term, which term must be for at least 12 consecutive months of service.

1.2 Customer, Texas Gas, and third-party transporters, have obtained, as appropriate, or will obtain all State and Federal approvals for services to be provided by Customer, Texas Gas, and third-party transporters related to those rendered under this Rate Schedule.

2. Supply Lateral Capacity

The provisions of Section 6.8[6] of the General Terms and conditions of this Tariff, Supply Lateral Capacity, shall apply to FT service.

3. Applicability and Character of Service

3.1 The transportation service provided under this Rate Schedule shall be performed under Subparts B, G, H or I of Part 284, or any other applicable commission regulation governing such transportation, including transportation performed on an "on behalf of" basis under Subpart B. Such service shall apply to all gas transported by Texas Gas for Customer under this Rate Schedule up to the transportation Contract Demand set forth in the Transportation Service Agreement.

3.2 Receipts and deliveries under this Rate Schedule shall be governed by Section 6.6[2] of the General Terms and Conditions of this Tariff.
3.3 Notwithstanding anything in the Rate Schedule or Section 6.6[2] of the General Terms and Conditions of this Tariff, the parties may agree at the time of contract execution that the Contract Demand will increase by specified amounts at specific points in time.

4. Categories and Priorities of Transportation Services

Refer to Section 6.12 of the General Terms and Conditions of this Tariff.

5. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for firm transportation service to each zone are set forth in currently effective Section 4.1 and Section 4.16 of this Tariff, and these rates are incorporated herein by reference.

5.1 Rates

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay to Texas Gas each month a Reservation Charge which shall consist of the transportation Contract Demand as specified in Customer's Transportation Service Agreement multiplied by the applicable demand rate per MMBtu. The Reservation Charge shall be billed as of the effective date of the Transportation Service Agreement. Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall also pay Texas Gas the Maximum Commodity Rate per MMBtu of gas delivered by Texas Gas for firm transportation services rendered to Customer up to Customer's transportation Contract Demand. For all gas quantities delivered in excess of Customer's transportation Contract Demand on any day, Customer shall pay the FT Overrun Rate per MMBtu under this Rate Schedule. In addition, Customer shall pay any and all currently effective demand or commodity surcharges, including but not limited to, the FERC ACA Unit Charge.

5.2 Fuel, Company Use, and Unaccounted For Quantities

Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

5.3 Processing Rights

Processing rights and the transportation of liquids/liquefiables shall be in accordance with Section 6.22 of the General Terms and Conditions of this Tariff.

5.4 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

5.5 Secondary Point(s) in Zone Outside Transportation Path or Not Paid For

Customer may not designate a secondary point in zone(s) (i) outside of its transportation path or (ii) in which the Customer is not paying for service unless Customer enters into an Additional Zone Letter Agreement to also pay the Daily Demand reservation charge.
applicable to such zone(s) as shown in Section 4.1 and Section 4.16 for the number of
days the secondary point is used.

6. Minimum Monthly Bill

6.1 The minimum monthly bill for transportation service rendered hereunder on a firm basis
shall consist of the monthly Reservation Charge as described in Section 5.1 of this Rate
Schedule.

6.2 There shall be no minimum commodity bill for transportation service rendered hereunder
on a firm basis.

7. Daily Overruns

7.1 Authorized Daily Overruns, Allowable Variation, and Unauthorized Contract Demand
Overrun Quantity

(a) Authorized Daily Overrun

Where Customer has obtained Texas Gas' prior consent to transport quantities
on any day in excess of its Daily Contract Demand, such excess quantities
shall be considered authorized overruns. In such circumstances, Customer
shall pay the FT overrun rate for such authorized overruns and no penalty shall
be assessed.

(b) Allowable Variation

Notwithstanding anything herein to the contrary, Customer takes between
100% of Contract Demand and 102% of Contract Demand shall be considered
an allowable variation in the delivery of the Contract Demand and shall not
require Texas Gas' prior consent. In such circumstances, the Customer shall
pay the FT Overrun Rate for such takes and no penalty shall be assessed.
Customer may rely on daily operational information provided by Texas Gas to
determine if its takes have exceeded its daily Contract Demand and, if so,
whether such excess takes are within 102% of Contract Demand and shall be
considered allowable variation. Texas Gas shall use the lesser of operational
information or actual data to determine whether Customer's excess takes are
allowable variation or unauthorized overrun quantity.

(c) Unauthorized Contract Demand Overrun Quantity

Customer takes in excess of 102% of the Contract Demand on any day,
without Texas Gas' prior consent, shall constitute Unauthorized Contract
Demand Overrun Quantity.

7.2 Unauthorized Contract Demand Overrun Penalty

In any month in which Customer takes Unauthorized Contract Demand Overrun
Quantity, Customer shall pay to Texas Gas the following penalties in addition to the
charges otherwise payable hereunder:
(a) A "Nominal Overrun Penalty" equal to twice the effective FT Overrun Rate for all Unauthorized Contract Demand Overrun Quantities taken on any day over 102% of the Contract Demand; and

(b) An "Excess Overrun Penalty" of $10.00 per MMBtu for all Unauthorized Contract Demand Overrun Quantities taken on any day in excess of 105% of Contract Demand.

In the event a Customer incurs an Excess Overrun Penalty, Texas Gas will credit any amounts collected as a Nominal Overrun Penalty against amounts collected as an Excess Overrun Penalty, so that the total Overrun Penalty collected does not exceed $10.00 per MMBtu for overruns in excess of 105% of Contract Demand.

The payment of a penalty for Unauthorized Contract Demand Overrun by a Customer shall not under any circumstances be considered as giving such Customer the right to take Unauthorized Contract Demand Overrun nor shall such payment be considered as a substitute for any other remedies available to Texas Gas or any of Texas Gas' other customers against the offending Customer for failure to respect its obligation to adhere to the provisions of its contract with Texas Gas.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any Nominal Overrun Penalty for Unauthorized Contract Demand Overrun Quantity if on the day when Unauthorized Contract Demand Overrun Quantity was taken deliveries to Texas Gas' other customers were not adversely affected by the taking of such Unauthorized Contract Demand Overrun Quantity or if Texas Gas' pipeline operations, including gas storage operations, were not impaired thereby. Texas Gas must waive any Excess Overrun Penalty if the Unauthorized Contract Demand Overrun occurs in a non-critical situation and does not cause operational problems.

Texas Gas shall be obligated to waive any penalty for Unauthorized Contract Demand Overrun:

(i) when such overrun is taken under circumstances beyond the control of Customer due to emergency conditions on Texas Gas' facilities, or

(ii) when such overrun is due to accident to or breakage of pipelines, machinery or equipment of the Customer; provided, however, Customer shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to repair or otherwise remedy the situation and furnish Texas Gas satisfactory evidence that such accident or breakage was not due to Customer's gross negligence.

Whenever Texas Gas waives the penalty for Unauthorized Contract Demand Overrun, Customer shall pay Texas Gas the daily demand rate per MMBtu of the Unauthorized Contract Demand Overrun Quantity in addition to the commodity charge payable hereunder. The daily demand rate is set forth on currently effective Section 4.1 and Section 4.16 of this Tariff.

8. Seasonal Quantity Entitlement Overrun Charge and Nominal Penalty

8.1 If Customer and Customer's Replacement Shipper(s) take quantities of gas during the five-month period commencing November 1 of each year in excess of the Winter...
Season Quantity Entitlement, or during the seven-month period commencing April 1 of each year in excess of the Summer Season Quantity Entitlement, such excess shall constitute Seasonal Quantity Entitlement Overrun.

For all gas taken in excess of 100% of the Seasonal Quantity Entitlement, there shall be a charge consisting of the daily demand rate for the applicable zone in addition to all other charges payable hereunder. The daily demand rate is set forth on currently effective Section 4.1 and Section 4.16 of this Tariff.

8.2 In addition to the charge contained in Section 5.1[8.1] above and all other applicable charges, if Customer takes quantities of gas in any season in excess of 102% of Customer's Seasonal Quantity Entitlement, there shall be a penalty of twice the effective FT Overrun Rate; provided, however, such seasonal penalties shall be charged only for unauthorized seasonal overruns.

Texas Gas shall have the right, without obligation, to waive, on a nondiscriminatory basis, any penalty under this Section 5.1[8.2] for Season Quantity Entitlement Overrun if, as a result of such overrun, deliveries to Texas Gas’ other Customers were not adversely affected or if 'Texas Gas' operations, including gas storage operations, were not impaired thereby.

8.3 Texas Gas will assess only one penalty for any infraction (i.e., a Customer will not incur both unauthorized Contract Demand overrun and seasonal quantity overrun charges or penalties based on a single infraction).

9. Reimbursement of Fees and Taxes

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a nondiscriminatory basis in the event of an administrative error.

10. Capacity Release Program

Customer under the FT Rate Schedule may release and assign all or any part of its Contract Demand and Seasonal Quantity Entitlements pursuant to Section 6.16 of the General Terms and Conditions of this Tariff.

11. Uniform Flows

Customer shall deliver or cause to be delivered to Texas Gas and receive gas or cause to be received from Texas Gas in as nearly as possible uniform hourly quantities during any day and in as nearly as possible uniform daily quantities during any month.

12. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable to and are hereby incorporated as a part of this Rate Schedule FT.
Rate Schedule STF
Short-Term Firm Transportation Service

1. Availability

This Rate Schedule is available for the transportation of natural gas by Texas Gas for any Customer:

1.1 Where Customer:

(a) Has requested gas to be transported on a firm basis and is eligible for firm transportation pursuant to this Rate Schedule STF and Section 6.8 of the General Terms and Conditions;

(b) Is the successful bidder for available capacity or for capacity released by a Customer having an STF Service Agreement pursuant to the terms and conditions of the Capacity Release Program in Section 6.16 of the General Terms and Conditions of this Tariff;

(c) Has met the credit requirements of Section 6.5 of the General Terms and Conditions;

(d) Will deliver or cause to be delivered natural gas to Texas Gas for delivery by Texas Gas to or for the account of Customer in one or more of Texas Gas' Service Zones; and

(e) Has executed a Transportation Service Agreement with Texas Gas for service under Rate Schedules STF-SL, STF-1, STF-2, STF-3, STF-4, STF-Fayetteville, or STF-Greenville.

1.2 Customer, Texas Gas, and third-party transporters, have obtained, as appropriate, or will obtain all State and Federal approvals for services to be provided by Customer, Texas Gas, and third-party transporters related to those rendered under this Rate Schedule.

1.3 Any Customer contracting for service under this Rate Schedule STF will be allocated capacity without use of the bidding process provided such request (i) is made within 3 business days preceding the beginning of a month and service is contracted for only that entire calendar month or (ii) is for a single, intra-month period that will terminate no later than the last day of the current month. Any other request, including any extension or rollover of an agreement as provided in (i) or (ii) of this paragraph, shall be subject to the bidding process.

2. Supply Lateral Capacity


3. Applicability and Character of Service

3.1 The transportation service provided under this Rate Schedule shall be performed under Subparts B, G, H or I of Part 284, or any other applicable commission regulation governing such transportation, including transportation performed on an "on behalf of" basis under Subpart B. Such service shall apply to all gas transported by Texas Gas for Customer under this Rate Schedule up to the transportation Contract Demand set forth in the Transportation Service Agreement.
3.2 Receipts and deliveries under this Rate Schedule shall be governed by Section 6.6[2] of the General Terms and Conditions of this Tariff.

4. Categories and Priorities of Transportation Services
Refer to Section 6.12 of the General Terms and Conditions of this Tariff.

5. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for firm transportation service to each zone are set forth on currently effective Section 4.2 and Section 4.16 of this Tariff, and these rates are incorporated herein by reference.

5.1 Rates

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay to Texas Gas each month a Reservation Charge which shall consist of the Applicable transportation Contract Demand as specified in Customer's Transportation Service Agreement multiplied by the applicable demand rate per MMBtu. The Reservation Charge shall be billed as of the effective date of the Transportation Service Agreement. Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall also pay Texas Gas the Maximum Commodity Rate per MMBtu of gas delivered by Texas Gas for firm transportation services rendered to Customer up to Customer's transportation Contract Demand. For all gas quantities delivered in excess of Customer's transportation Contract Demand on any day, Customer shall pay the STF Overrun Rate per MMBtu under this Rate Schedule. In addition, Customer shall pay any and all currently effective demand or commodity surcharges, including but not limited to, the FERC ACA Unit Charge, Texas Gas' Take-or-Pay surcharge, and Order 636 Transition Costs surcharge.

5.2 Fuel, Company Use, and Unaccounted For Quantities

Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

5.3 Processing Rights

Processing rights and the transportation of liquids/liquefiables shall be in accordance with Section 6.22 of the General Terms and Conditions of this Tariff.

5.4 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

5.5 Secondary Point(s) in Zone Outside Transportation Path or Not Paid For

Customer may not designate a secondary point in zone(s) (i) outside of its transportation path or (ii) in which the Customer is not paying for service unless Customer enters into an Additional Zone Letter Agreement to also pay the Daily
Demand reservation charge applicable to such zones as shown in Section 4.2 and Section 4.16 for the number of days the secondary point is used.

6. Minimum Monthly Bill

6.1 The minimum monthly bill for transportation service rendered hereunder on a firm basis shall consist of the monthly Reservation Charge as described in Section 5.2 of this Rate Schedule.

6.2 There shall be no minimum commodity bill for transportation service rendered hereunder on a firm basis.

7. Daily Overruns

7.1 Authorized Daily Overruns, Allowable Variation, and Unauthorized Contract Demand Overrun Quantity

(a) Authorized Daily Overrun

Where Customer has obtained Texas Gas' prior consent to transport quantities on any day in excess of its Daily Contract Demand, such excess quantities shall be considered authorized overruns. In such circumstances, Customer shall pay the STF overrun rate for such authorized overruns and no penalty shall be assessed.

(b) Allowable Variation

Notwithstanding anything herein to the contrary, Customer takes between 100% of Contract Demand and 102% of Contract Demand shall be considered an allowable variation in the delivery of the Contract Demand and shall not require Texas Gas' prior consent. In such circumstances, the Customer shall pay the STF Overrun Rate for such takes and no penalty shall be assessed. Customer may rely on daily operational information provided by Texas Gas to determine if its takes have exceeded its daily Contract Demand and, if so, whether such excess takes are within 102% of Contract Demand and shall be considered allowable variation. Texas Gas shall use the lesser of operational information or actual data to determine whether Customer's excess takes are allowable variation or unauthorized overrun quantity.

(c) Unauthorized Contract Demand Overrun Quantity

Customer takes in excess of 102% of the Contract Demand on any day, without Texas Gas' prior consent, shall constitute Unauthorized Contract Demand Overrun Quantity.

7.2 Unauthorized Contract Demand Overrun Penalty

In any month in which Customer takes Unauthorized Contract Demand Overrun Quantity, Customer shall pay to Texas Gas the following penalties in addition to the charges otherwise payable hereunder:
(a) A "Nominal Overrun Penalty" equal to twice the effective FT Overrun Rate for all Unauthorized Contract Demand Overrun Quantities taken on any day over 102% of the Contract Demand; and

(b) An "Excess Overrun Penalty" of $10.00 per MMBtu for all Unauthorized Contract Demand Overrun Quantities taken on any day in excess of 105% of Contract Demand.

In the event a Customer incurs an Excess Overrun Penalty, Texas Gas will credit any amounts collected as a Nominal Overrun Penalty against amounts collected as an Excess Overrun Penalty, so that the total Overrun Penalty collected does not exceed $10.00 per MMBtu for overruns in excess of 105% of Contract Demand.

The payment of a penalty for Unauthorized Contract Demand Overrun by a Customer shall not under any circumstances be considered as giving such Customer the right to take Unauthorized Contract Demand Overrun nor shall such payment be considered as a substitute for any other remedies available to Texas Gas or any of Texas Gas' other customers against the offending Customer for failure to respect its obligation to adhere to the provisions of its contract with Texas Gas.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any Nominal Overrun Penalty for Unauthorized Contract Demand Overrun Quantity if on the day when Unauthorized Contract Demand Overrun Quantity was taken deliveries to Texas Gas' other customers were not adversely affected by the taking of such Unauthorized Contract Demand Overrun Quantity or if Texas Gas' pipeline operations, including gas storage operations, were not impaired thereby. Texas Gas must waive any Excess Overrun Penalty if the Unauthorized Contract Demand Overrun occurs in a non-critical situation and does not cause operational problems.

Texas Gas shall be obligated to waive any penalty for Unauthorized Contract Demand Overrun:

(i) when such overrun is taken under circumstances beyond the control of Customer due to emergency conditions on Texas Gas' facilities, or

(ii) when such overrun is due to accident to or breakage of pipelines, machinery or equipment of the Customer; provided, however, Customer shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to repair or otherwise remedy the situation and furnish Texas Gas satisfactory evidence that such accident or breakage was not due to Customer's gross negligence.

Whenever Texas Gas waives the penalty for Unauthorized Contract Demand Overrun, Customer shall pay Texas Gas the daily demand rate per MMBtu of the Unauthorized Contract Demand Overrun Quantity in addition to the commodity charge payable hereunder. The daily demand rate is set forth on currently effective Section 4.2 and Section 4.16 of this Tariff.

8. Seasonal Quantity Entitlement Overrun Charge and Nominal Penalty

8.1 If Customer and Customer's Replacement Shipper(s) take quantities of gas during the five-month period commencing November 1 of each year in excess of the Winter Season Quantity Entitlement, or during the seven-month period commencing April 1 of
each year in excess of the Summer Season Quantity Entitlement, such excess shall constitute Seasonal Quantity Entitlement Overrun.

For all gas taken in excess of 100% of the Seasonal Quantity Entitlement, there shall be a charge consisting of the daily demand rate for the applicable zone in addition to all other charges payable hereunder. The daily demand rate is set forth on currently effective Section 4.2 and Section 4.16 of this Tariff.

8.2 In addition to the charge contained in Section 5.2[8.1] above and all other applicable charges, if Customer takes quantities of gas in any season in excess of 102% of Customer's Seasonal Quantity Entitlement, there shall be a penalty of twice the effective FT Overrun Rate; provided, however, such seasonal penalties shall be charged only for unauthorized seasonal overruns.

Texas Gas shall have the right, without obligation, to waive, on a nondiscriminatory basis, any penalty under this Section 5.2[8.2] for Season Quantity Entitlement Overrun if, as a result of such overrun, deliveries to Texas Gas' other Customers were not adversely affected or if Texas Gas' operations, including gas storage operations, were not impaired thereby.

8.3 Texas Gas will assess only one penalty for any infraction (i.e., a Customer will not incur both unauthorized Contract Demand overrun and seasonal quantity overrun charges or penalties based on a single infraction).

9. Reimbursement of Fees and Taxes

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a nondiscriminatory basis in the event of an administrative error.

10. Capacity Release Program

Customer under the STF Rate Schedule may release and assign all or any part of its Contract Demand and Seasonal Quantity Entitlements pursuant to Section 6.16 of the General Terms and Conditions of this Tariff.

11. Uniform Flows

Customer shall deliver or cause to be delivered to Texas Gas and receive gas or cause to be received from Texas Gas in as nearly as possible uniform hourly quantities during any day and in as nearly as possible uniform daily quantities during any month.

12. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable to and are hereby incorporated as a part of this Rate Schedule STF.
Rate Schedule EFT
Enhanced Firm Transportation Service

1. Availability

1.1 This Rate Schedule is available for the transportation of natural gas by Texas Gas for any Customer:

(a) Who has executed a Transportation Service Agreement with Texas Gas for firm transportation service under Rate Schedules FT-SL, FT-1, FT-2, FT-3, FT-4, FT-Fayetteville, FT-Greenville, STF-SL, STF-1, STF-2, STF-3, STF-4, STF-Fayetteville, or STF-Greenville;
(b) Who has met the credit requirements of Section 6.5 of the General Terms and Conditions; and
(c) Who desires to enhance its firm transportation service by executing an EFT Addendum to FT or STF Service Agreement permitting it to receive deliveries of gas at its Primary Delivery Point at a variable hourly flow rate.

1.2 Texas Gas will evaluate all requests for EFT Service and only execute contracts with those seeking service under this Rate Schedule where there is operational capacity on the Texas Gas system and Texas Gas' system is physically capable of providing the requested EFT service.

1.3 Texas Gas shall not be required to perform service under this Rate Schedule, subject to obtaining any necessary approvals, on behalf of any Customer that fails to comply with any and all of the terms of this Rate Schedule and with the terms of Customer's Transportation Service Agreement with Texas Gas.

2. Applicability and Character of Service

2.1 This Rate Schedule is subject to all the terms and conditions of Rate Schedule FT or STF, except as provided in Section 5.3[2.2] below.

2.2 Notwithstanding the provisions of Section 6.7[2] of the General Terms and Conditions, except during such times for which Texas Gas has given notice to Customer that EFT service is unavailable, an EFT Customer may receive delivery in any hour of up to one-sixteenth of Customer's Contract Demand at Customer's Primary Delivery Point. Except as modified herein, Section 6.7[2] of the General Terms and Conditions shall continue to apply.

3. Quantities

All quantities designated for service under Rate Schedule EFT shall be the same as those quantities designated under the base FT or STF Agreement to which the EFT Service is added.

4. Rates and Charges

4.1 The applicable rates per MMBtu under this Rate Schedule EFT for enhanced firm transportation service are set forth on currently effective Section 4.3 of this Tariff, and these rates are incorporated herein by reference. Such rates are in addition to any rates charged for service under Rate Schedule FT or STF.
4.2 Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay Texas Gas each month the maximum rates per MMBtu for service under this Rate Schedule EFT. Texas Gas may, from time to time and at any time after negotiation selectively, adjust the rate(s) applicable to any individual Customer; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s) nor shall they be less than the Minimum Rate(s) set forth in the currently effective Section 4.3 of this Tariff. If Texas Gas so adjusts any rates to any Customer, Texas Gas shall file with the Commission any and all required reports respecting such adjusted rate.

4.3 Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of this rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.
Rate Schedule NNS
No-Notice Transportation Service

1. Availability

This rate schedule is available for the firm transportation of natural gas by Texas Gas for any Customer:

1.1 Where Customer:

(a) Has submitted a valid request for firm service pursuant to this Rate Schedule NNS;
(b) Is the successful bidder for available capacity or for capacity released by a customer having an NNS service agreement pursuant to the terms and conditions of the Capacity Release Program in Section 6.16 of the General Terms and Conditions of this Tariff;
(c) Has met the credit requirements of Section 6.5 of the General Terms and Conditions;
(d) Will deliver or cause to be delivered natural gas to Texas Gas for delivery by Texas Gas to or for the account of Customer in one or more of Texas Gas' Service Zones; and
(e) Has executed a Transportation Service Agreement with Texas Gas for service under Rate Schedules NNS-SL, NNS-1, NNS-2, NNS-3, NNS-4, or NNS-Fayetteville, or NNS-Greenville for a term of not less than one (1) contract year ending October 31st.

1.2 No-notice service under this Rate Schedule NNS is available only at an NNS Customer's primary delivery point(s).

1.3 Service under this Rate Schedule NNS is available to any Customer, provided that there are operational and/or administrative arrangements in place to meet the requirements of such service.

2. Applicability and Character of Service

2.1 The transportation service provided under this Rate Schedule is a firm service being offered in compliance with 18 C.F.R. Section 284.8(a)(4) and shall be performed under Subparts B or G of Part 284 of the Commission's regulations, or any other applicable commission regulations governing such no-notice transportation service.

2.2 The transportation service offered under this Rate Schedule is provided by combining pipeline capacity and storage capacity into a single no-notice service. Customer's seasonal Contract Demands are thus supplied by a combination of Nominated (pipeline) and Unnominated (storage) Quantities as more fully defined below and as set forth in Customer's NNS Service Agreement.

2.3 Notwithstanding anything else to the contrary in this Rate Schedule or Section 6.6[3] of the General Terms and Conditions of this Tariff, the parties may agree at the time of contract execution that the Contract Demand will increase by specified amounts at specific point in time.
2.4 Notwithstanding any other provision hereof, Customer shall be required to nominate any Unnominated Daily Quantity at a primary delivery point where an Operational Balancing Agreement is in effect.

3. Categories and Priorities of Transportation Services

Refer to Section 6.12 of the General Terms and Conditions of this Tariff.

4. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for firm transportation service to each zone are set forth on currently effective Section 4.4 and Section 4.16 of this Tariff, and these rates are incorporated herein by reference.

4.1 Rates

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay to Texas Gas each month a Reservation Charge which shall consist of the applicable Contract Demand as specified in Customer's NNS Service Agreement multiplied by the applicable demand rate per MMBtu. The Reservation Charge shall be billed as of the effective date of the NNS Service Agreement. Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall also pay Texas Gas the Maximum Commodity Rate per MMBtu of gas delivered by Texas Gas for no-notice transportation services rendered to Customer up to Customer's applicable Contract Demand. For all gas quantities delivered in excess of Customer's applicable Contract Demand on any day, Customer shall pay the NNS Overrun Rate per MMBtu under this Rate Schedule. In addition, Customer shall pay any and all currently effective demand or commodity surcharges, including but not limited to, the FERC ACA Unit Charge, Texas Gas' Take-or-Pay surcharge, and Order 636 Transition Costs surcharge.

4.2 Fuel, Company Use, and Unaccounted For Quantities

Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

4.3 Processing Rights

Processing rights and the transportation of liquids/liquefiables shall be in accordance with Section 6.22 of the General Terms and Conditions of this Tariff.

4.4 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

4.5 Secondary Point(s) in Zone Outside Transportation Path

Customer may not designate a secondary point in a zone outside of its transportation path unless Customer enters into an Additional Zone Letter Agreement to also pay the
Daily Demand reservation charge applicable to such zones as shown in Section 4.4 and Section 4.16 for the number of days the secondary point is used.

5. Minimum Monthly Bill

5.1 The minimum monthly bill for transportation service rendered hereunder on a firm basis shall consist of the monthly Reservation Charge as described in Section 5.4[4.1] of this Rate Schedule.

5.2 There shall be no minimum commodity bill for transportation service rendered hereunder on a firm basis.

6. Daily Overruns

6.1 Authorized Daily Overruns, Allowable Variation, and Unauthorized Contract Demand Overrun Quantity

(a) Authorized Daily Overrun

Where Customer has obtained Texas Gas' prior consent to transport quantities on any day in excess of its Daily Contract Demand, such excess quantities shall be considered authorized overruns. In such circumstances, Customer shall pay the NNS overrun rate for such authorized overruns and no penalty shall be assessed.

(b) Allowable Variation

Notwithstanding anything herein to the contrary, Customer takes between 100% of Contract Demand and 102% of Contract Demand shall be considered an allowable variation in the delivery of the Contract Demand and shall not require Texas Gas' prior consent. In such circumstances, the Customer shall pay the NNS Overrun Rate for such takes and no penalty shall be assessed. Customer may rely on daily operational information provided by Texas Gas to determine if its takes have exceeded its daily Contract Demand and, if so, whether such excess takes are within 102% of Contract Demand and shall be considered allowable variation. Texas Gas shall use the lesser of operational information or actual data to determine whether Customer's excess takes are allowable variation or unauthorized overrun quantity.

(c) Unauthorized Contract Demand Overrun Quantity

Customer takes in excess of 102% of the Contract Demand on any day, without Texas Gas' prior consent, shall constitute Unauthorized Contract Demand Overrun Quantity.

6.2 Unauthorized Contract Demand Overrun Penalty

In any month in which Customer takes an Unauthorized Contract Demand Overrun, Customer shall pay to Texas Gas the following penalties in addition to the charges otherwise payable hereunder:
(a) A "Nominal Overrun Penalty" equal to twice the effective FT Overrun Rate for all Unauthorized Contract Demand Overrun Quantities taken on any day over 102% of the Contract Demand; and

(b) An "Excess Overrun Penalty" of $10.00 per MMBtu for all Unauthorized Contract Demand Overrun Quantities taken on any day in excess of 105% of Contract Demand.

In the event a Customer incurs an Excess Overrun Penalty, Texas Gas will credit any amounts collected as a Nominal Overrun Penalty against amounts collected as an Excess Overrun Penalty, so that the total Overrun Penalty collected does not exceed $10.00 per MMBtu for overruns in excess of 105% of Contract Demand.

The payment of a penalty for Unauthorized Contract Demand Overrun by a Customer shall not under any circumstances be considered as giving such Customer the right to take Unauthorized Contract Demand Overrun nor shall such payment be considered as a substitute for any other remedies available to Texas Gas or any of Texas Gas' other Customers against the offending Customer for failure to respect its obligation to adhere to the provisions of its contract with Texas Gas.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any Nominal Overrun Penalty for an Unauthorized Contract Demand Overrun if, on the day when the Unauthorized Contract Demand Overrun was taken, deliveries to Texas Gas' other Customers were not adversely affected by the taking of such Unauthorized Contract Demand Overrun or if Texas Gas' pipeline operations, including gas storage operations, were not impaired thereby. Texas Gas must waive any Excess Overrun Penalty if the Unauthorized Contract Demand Overrun occurs in a non-critical situation and does not cause operational problems.

Texas Gas shall be obligated to waive any penalty for Unauthorized Contract Demand Overrun:

(i) when such overrun is taken under circumstances beyond the control of Customer due to emergency conditions on Texas Gas' facilities, or

(ii) when such overrun is due to accident to or breakage of pipelines, machinery or equipment of the Customer; provided, however, Customer shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to repair or otherwise remedy the situation and furnish Texas Gas satisfactory evidence that such accident or breakage was not due to Customer's gross negligence.

Whenever Texas Gas waives the penalty for Unauthorized Contract Demand Overrun, Customer shall pay Texas Gas the daily demand rate per MMBtu of the Unauthorized Contract Demand Overrun quantity in addition to the commodity charge payable hereunder. The daily demand rate is set forth on currently effective Section 4.4 and Section 4.16 of this Tariff.

7. Seasonal Quantity Entitlement Overrun Charge and Nominal Penalty

7.1 If Customer and Customer's Replacement Shipper(s) take quantities of gas during the five-month period commencing November 1 of each year in excess of the Winter Season Quantity Entitlement, or during the seven-month period commencing April 1 of
each year in excess of the Adjusted Summer Season Quantity Entitlement, such excess shall constitute Seasonal Quantity Entitlement Overrun.

For all gas taken in excess of 100% of the applicable Seasonal Quantity Entitlement, there shall be a charge consisting of the daily demand rate for the applicable zone in addition to all other charges payable hereunder. The daily demand rate is set forth on currently effective Section 4.4 and Section 4.16 of this tariff.

7.2 In addition to the charge contained in Section 5.4[7.1] above and all other applicable charges, if Customer takes quantities of gas in any season in excess of 102% of the applicable Seasonal Quantity Entitlement, there shall be a penalty of twice the effective FT Overrun Rate; provided, however, such seasonal penalties shall be charged only for unauthorized seasonal overruns.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any penalty under this Section 5.4[7.2] for Seasonal Quantity Entitlement Overrun if, as a result of such overrun, deliveries to Texas Gas' other Customers were not adversely affected or if Texas Gas' pipeline operations, including gas storage operations, were not impaired thereby.

7.3 Texas Gas will assess only one penalty for any infraction (i.e., a Customer will not incur both unauthorized Contract Demand overrun and seasonal quantity overrun charges or penalties based on a single infraction).

8. Reimbursement of Fees and Taxes

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a non-discriminatory basis in the event of an administrative error.

9. Nominations, Receipts, and Deliveries

Customer shall be responsible for nominating gas supply into Texas Gas' system up to Customer's Nominated Daily Quantity, pursuant to Section 6.12 of the General Terms and Conditions. Receipts and deliveries under this Rate Schedule shall be governed by Section 6.6[3] of the General Terms and Conditions.


During the Winter Season, Texas Gas will deliver to Customer up to Customer's Winter Contract Demand and Customer's Winter Quantity Entitlement as set forth below.

10.1 Customer will only be required to nominate into Texas Gas' system a quantity of gas up to the Nominated Daily Quantity.

10.2 In addition to the Nominated Daily Quantity actually scheduled by Customer, Texas Gas will adjust deliveries from storage up to Customer's Unnominated Daily Quantity to meet Customer's city-gate requirements up to Customer's Winter Contract Demand.

10.3 In addition, Customer may exceed its Unnominated Daily Quantity by a quantity equal to its Excess Unnominated Daily Quantity (i.e. 10% of its Winter Contract Demand) for up to two (2) consecutive gas days without a penalty; however, total deliveries to the
Customer may not exceed the Customer's Winter Contract Demand. Texas Gas will notify the Customer within four (4) hours of the end of the gas day in which Customer has exceeded its Unnominated Daily Quantity. If the Customer does not cease taking such Excess Unnominated Daily Quantity from Texas Gas' storage after two (2) consecutive gas days, then Texas Gas may assess a penalty of $15 per MMBtu of such excess gas taken and may issue an operational flow order requiring Customer to immediately inject additional gas supply and/or reduce city-gate deliveries so that the Customer is no longer exceeding its Unnominated Daily Quantity.

10.4 Monthly Maximum Withdrawal: No more than 50% of Customer's Unnominated Seasonal Quantity shall be withdrawn in any consecutive thirty (30) day period.

10.5 Seasonal Minimum and Maximum Withdrawal: No more than 105% of Customer's Unnominated Seasonal Quantity shall be withdrawn or otherwise diminished (e.g., through in-field transfers and/or releases of storage) by March 1 of any winter season; provided further, that no less than 53% and no more than 100% of Customer's Unnominated Seasonal Quantity shall be withdrawn or otherwise diminished (e.g., through in-field transfers and/or releases of storage) by April 1 (the end of the Winter Season).

10.6 Adjusted Unnominated Daily Quantity: As Customer's Unnominated Seasonal Quantity is withdrawn or otherwise diminished (e.g., through in-field transfers and/or releases of storage), that portion of Customer's Unnominated Daily Quantity available to Customer shall be adjusted. Customer's Adjusted Unnominated Daily Quantity shall be equal to the greater of its average winter daily unnominated quantity (i.e., the Customer's USQ divided by the total number of Winter days the UDQ is available) or the applicable percentage of its Unnominated Daily Quantity as set forth in the following table:

<table>
<thead>
<tr>
<th>% USQ Withdrawn</th>
<th>% UDQ Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>90%</td>
</tr>
<tr>
<td>80%</td>
<td>85%</td>
</tr>
<tr>
<td>85%</td>
<td>80%</td>
</tr>
<tr>
<td>90%</td>
<td>75%</td>
</tr>
</tbody>
</table>

10.7 During the Winter Season, Texas Gas will also inject gas into storage on a best efforts basis as part of NNS service. Although such injections will be done on a best efforts basis, Texas Gas will be presumed, unless it gives notice to the contrary, to be able to inject into storage such quantities of gas as to take into account routine variations in no-notice deliveries. If Texas Gas is unable to make such best efforts injections, it will advise Customer by posting on its Internet Website. However, no presumption will exist for non-routine situations (e.g., injections in excess of 15% of Customer's Winter Contract Demand or sustained injections of more than five days) and, in such non-routine situations, Customer must give 24 hours advance written notice to Texas Gas of quantities it desires to inject into storage, so that Texas Gas can determine the extent to which it can make such injections and adjust its operations accordingly.


11.1 Texas Gas shall deliver to Customer at the city-gate during each Summer Season up to the Customer's Summer Contract Demand and Adjusted Summer Quantity Entitlement as nominated by Customer.
11.2 Pursuant to the provisions set forth below, Customer shall deliver in kind to Texas Gas during each Summer Season a quantity of gas equal to that portion of Customer's Unnominated Seasonal Quantity actually utilized by Customer (including any in-field transfers pursuant to Section 6.16.6[c] of the General Terms and Conditions of this tariff) during the prior Winter Season (as well as any Shoulder Month quantities delivered to Customer during the Summer Season). Customer shall reserve and utilize such portion of its Summer Contract Demand as necessary to redeliver such volumes into storage.

11.3 Maximum Daily Injection Quantity:

To protect the storage formations and allow uniform filling of the storage reservoirs, Customer will be required to adhere to certain injection limits (calculated as a percentage of the Unnominated Seasonal Quantity), throughout the summer injection period. During the Summer Season Customer may, on a daily basis, inject according to the following table, but not to exceed Customer’s Summer Contract Demand:

<table>
<thead>
<tr>
<th>% of Unnominated Seasonal Quantity Injected</th>
<th>Maximum Available Injection Rate (% of USQ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% - 65%</td>
<td>1.3%</td>
</tr>
<tr>
<td>65% - 90%</td>
<td>1.1%</td>
</tr>
<tr>
<td>&gt;90%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

11.4 Inventory verification tests will be conducted as operationally necessary, but in no event less than once per calendar year. These tests require the temporary suspension of individual storage field activities (injections and withdrawals) for a period of approximately two (2) weeks. If conditions will not permit the full maximum daily injection or withdrawal quantity, Texas Gas may temporarily adjust the limit and allow make-up quantities on succeeding days. Texas Gas will provide at least 45 days notice on its Internet Website in regard to the scheduling of these shut-in periods to allow Customers to adjust for the interruption of storage.

11.5 During the Summer Season (except as provided in Section 5.4[11.6] below), Texas Gas will also withdraw gas from storage on a best efforts basis as part of the NNS service. Although such withdrawals will be done on a best efforts basis, Texas Gas will be presumed, unless it gives notice to the contrary, to be able to withdraw from storage such quantities of gas as to take into account routine variations in no-notice services. If Texas Gas is unable to make such best efforts withdrawals, it will advise Customer by posting on its Internet Website. However, no presumption will exist for non-routine situations (e.g. withdrawals in excess of 10% of Customer's Winter Contract Demand or sustained withdrawals of more than five days) and, in such non-routine situations, Customer must give 24 hours advance written notice to Texas Gas of quantities it desires to withdraw from storage, so that Texas Gas can determine the extent to which it can make such withdrawals and adjust its operations accordingly.

11.6 To assist Texas Gas’ operational and maintenance scheduling through the Summer Season, Customer will notify Texas Gas by March 15 of each year, with updates monthly, of the quantities it intends to inject monthly during the immediately upcoming Summer Season; such injection schedule provided by Customer is a best efforts estimate and may be revised as necessary. Texas Gas will use its reasonable efforts to coordinate its test, maintenance, alteration and repair activities during such Summer Season to accommodate Customer’s request.
12. Shoulder Month Flexibility

12.1 During the Shoulder Months of April and October, Texas Gas will deliver to Customer at the city-gate the Customer’s Shoulder Month Contract Demand, which shall, unless otherwise agreed, be the sum of Customer’s Summer Contract Demand, Customer’s Excess Unnominated Quantity and the applicable percentage as set forth below of Customer’s Unnominated Daily Quantity for the Winter Season:

<table>
<thead>
<tr>
<th>Shoulder Month</th>
<th>Percent of Unnominated Daily Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>50%</td>
</tr>
<tr>
<td>October</td>
<td>70%</td>
</tr>
</tbody>
</table>

In the event that Customer’s Unnominated Seasonal Quantity is available in quantities sufficient to support additional access to Customer’s Unnominated Daily Quantity the applicable percentage available to Customer during such Shoulder Month will be as follows:

<table>
<thead>
<tr>
<th>Shoulder Month</th>
<th>% of Unnominated Seasonal QuantityWithdrawn</th>
<th>% of Unnominated Daily Quantity Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>April/October</td>
<td>75%</td>
<td>90%</td>
</tr>
<tr>
<td>80%</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>85%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>90%</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>95%</td>
<td>70%</td>
<td></td>
</tr>
</tbody>
</table>

Such Shoulder Month Contract Demand shall be available during any day of the Shoulder Month for a minimum of fifteen (15) gas days during such month; provided, however, Shoulder Month Contract Demand shall be available for additional gas days to the extent operationally feasible.

12.2 In the event that Customer’s Unnominated Seasonal Quantity has been exhausted prior to the April Shoulder Month period, Customer shall retain access to 50% of its Unnominated Daily Quantity up to an aggregate monthly total equivalent to 10% of Customer’s Unnominated Seasonal Quantity, as set forth above from that date until April 30.

13. Supply Lateral Capacity

The provisions of Section 6.8[6] of the General Terms and Conditions of this tariff, Supply Lateral Capacity, shall apply to NNS service, except that NNS Customers may be allocated or may bid on supply lateral capacity on the basis of their Nominated Daily Quantities rather than their Contract Demand.

14. Capacity Release

Customer may release and assign all or any part of its NNS Service pursuant to the provisions of Section 6.16.6 of Texas Gas’ General Terms and Conditions; provided, however, Customer shall be responsible for retaining adequate capacity to meet its obligations under Section 5.4[11.2] of this Rate Schedule NNS to redeliver quantities into storage.
15. Hourly Deliveries

Texas Gas shall not be obligated to deliver to Customer at all points of delivery in any hour more than one-sixteenth of Customer's Contract Demand, subject to Section 6.18 of the General Terms and Conditions of this tariff.

16. Penalty for Failure to Redeliver Borrowed Gas Prior to Contract Termination

In the event Customer fails to deliver in kind to Texas Gas any portion of its Unnominated Seasonal Quantity it has borrowed from Texas Gas prior to termination of its contract for service under this Rate Schedule, Customer shall, within 30 days of contract termination, pay Texas Gas an amount equal to the greater of 200% of Texas Gas' book value of its working gas in storage or 200% of the highest monthly average index price calculated pursuant to Section 6.14 of the General Terms and Conditions, using a twelve month period ending on the date of contract termination.

17. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable to and are hereby incorporated as a part of this Rate Schedule NNS.
Rate Schedule NNL
No-Notice Transportation Service

1. Availability

This rate schedule is available for the firm transportation of natural gas by Texas Gas for any Customer:

1.1 Where Customer:

(a) Has submitted a valid request for firm service pursuant to this Rate Schedule NNL;
(b) Is the successful bidder for available capacity or for capacity released by a customer having an NNL service agreement pursuant to the terms and conditions of the Capacity Release Program in Section 6.16 of the General Terms and Conditions of this Tariff;
(c) Has met the credit requirements of Section 6.5 of the General Terms and Conditions;
(d) Will deliver or cause to be delivered natural gas to Texas Gas for delivery by Texas Gas to or for the account of Customer in one or more of Texas Gas' Service Zones; and
(e) Has executed a Transportation Service Agreement with Texas Gas for service under Rate Schedules NNL-SL, NNL-1, NNL-2, NNL-3, NNL-4, NNL-Fayetteville, or NNL-Greenville for a term of not less than one (1) contract year ending March 31st.

1.2 No-notice service under this Rate Schedule NNL is available only at an NNL Customer's primary delivery point(s).

1.3 Service under this Rate Schedule NNL is available to any Customer, provided that there are operational and/or administrative arrangements in place to meet the requirements of such service.

2. Applicability and Character of Service

2.1 The transportation service provided under this Rate Schedule is a firm service being offered in compliance with 18 C.F.R. Section 284.8(a)(4) and shall be performed under Subparts B or G of Part 284 of the Commission's regulations, or any other applicable commission regulations governing such no-notice transportation service.

2.2 The transportation service offered under this Rate Schedule is provided by combining pipeline capacity and storage capacity into a single no-notice service. Customer's seasonal Contract Demands are thus supplied by a combination of Nominated (pipeline) and Unnominated (storage) Quantities as more fully defined below and as set forth in Customer's NNL Service Agreement.

2.3 Service under this Rate Schedule is identical in all practical respects to service under Rate Schedule NNS except that Customer shall provide its own Unnominated Gas Quantities for storage component of no-notice service hereunder. Customer shall not borrow any Unnominated Gas Quantities in-kind from Texas Gas except for those limited quantities as provided in Sections 5.5[10.5] and 5.5[12.2] hereof.
2.4 As necessary to facilitate delivery of gas pursuant to this Rate Schedule and Customer's NNL Service Agreement or to clear storage gas from storage at the termination of Customer's NNL Service Agreement, Texas Gas will allow Customer to nominate the Unnominated Daily Quantity in its NNL service to allow delivery from its NNL storage account. Gas from an NNL storage account may only be nominated for delivery to delivery point locations permitted by Customer's NNL Service Agreement. Provided Texas Gas' prior consent is obtained, Customer may nominate quantities of gas from storage in excess of the Unnominated Daily Quantity on any day if such withdrawal and transportation of such gas can be accomplished by Texas Gas without detriment to any other Customer under any of Texas Gas' storage and transportation rate schedules (see Section 6.12 of the General Terms and Conditions of this Tariff) and if such delivery from storage and transportation is compatible to Texas Gas' system operation requirements. Subject to the foregoing restrictions, Texas Gas' consent shall not be unreasonably withheld.

2.5 Notwithstanding anything else to the contrary in this Rate Schedule or Section 6.6[3] of the General Terms and Conditions of this Tariff, the parties may agree at the time of contract execution that the Contract Demand will increase by specified amounts at specific point in time.

2.6 Notwithstanding any other provision hereof, Customer shall be required to nominate any Unnominated Daily Quantity at a primary delivery point where an Operational Balancing Agreement is in effect.

3. Categories and Priorities of Transportation Services

Refer to Section 6.12 of the General Terms and Conditions of this Tariff.

4. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for firm transportation service to each zone are set forth on currently effective Section 4.5 and Section 4.16 of this Tariff, and these rates are incorporated herein by reference.

4.1 Rates

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay to Texas Gas each month a Reservation Charge which shall consist of the applicable Contract Demand as specified in Customer's NNL Service Agreement multiplied by the applicable daily demand rate per MMBtu/day times the number of days in the month. The Reservation Charge shall be billed as of the effective date of the NNL Service Agreement. Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall also pay Texas Gas the Maximum Commodity Rate per MMBtu of gas delivered by Texas Gas for no-notice transportation services rendered to Customer up to Customer's applicable Contract Demand. For all gas quantities delivered in excess of Customer's applicable Contract Demand on any day, Customer shall pay the NNL Overrun Rate per MMBtu under this Rate Schedule. In addition, Customer shall pay any and all currently effective demand or commodity surcharges, including but not limited to, the FERC ACA Unit Charge, Texas Gas’ Take-or-Pay surcharge, and Order 636 Transition Costs surcharge.
4.2 Fuel, Company Use, and Unaccounted For Quantities

Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

4.3 Processing Rights

Processing rights and the transportation of liquids/liquefiables shall be in accordance with Section 6.22 of the General Terms and Conditions of this Tariff.

4.4 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

4.5 Secondary Point(s) in Zone Outside Transportation Path

Customer may not designate a secondary point in a zone outside of its transportation path unless Customer enters into an Additional Zone Letter Agreement to also pay the Daily Demand reservation charge applicable to such zones as shown in Section 4.5 and Section 4.16 for the number of days the secondary point is used.

5. Minimum Monthly Bill

5.1 The minimum monthly bill for transportation service rendered hereunder on a firm basis shall consist of the monthly Reservation Charge as described in Section 5.5[4.1] of this Rate Schedule.

5.2 There shall be no minimum commodity bill for transportation service rendered hereunder on a firm basis.

6. Daily Overruns

6.1 Authorized Daily Overruns, Allowable Variation, and Unauthorized Contract Demand Overrun Quantity

(a) Authorized Daily Overrun

Where Customer has obtained Texas Gas' prior consent to transport quantities on any day in excess of its Daily Contract Demand, such excess quantities shall be considered authorized overruns. In such circumstances, Customer shall pay the NNL overrun rate for such authorized overruns and no penalty shall be assessed.

(b) Allowable Variation

Notwithstanding anything herein to the contrary, Customer takes between 100% of Contract Demand and 102% of Contract Demand shall be considered an allowable variation in the delivery of the Contract Demand and shall not require Texas Gas' prior consent. In such circumstances, the Customer shall pay the NNL Overrun Rate for such takes and no penalty shall be assessed.
Customer may rely on daily operational information provided by Texas Gas to determine if its takes have exceeded its daily Contract Demand and, if so, whether such excess takes are within 102% of Contract Demand and shall be considered allowable variation. Texas Gas shall use the lesser of operational information or actual data to determine whether Customer's excess takes are allowable variation or unauthorized overrun quantity.

(c) Unauthorized Contract Demand Overrun Quantity

Customer takes in excess of 102% of the Contract Demand on any day, without Texas Gas' prior consent, shall constitute Unauthorized Contract Demand Overrun Quantity.

6.2 Unauthorized Contract Demand Overrun Penalty

In any month in which Customer takes an Unauthorized Contract Demand Overrun, Customer shall pay to Texas Gas the following penalties in addition to the charges otherwise payable hereunder:

(a) A "Nominal Overrun Penalty" equal to twice the effective FT Overrun Rate for all Unauthorized Contract Demand Overrun Quantities taken on any day over 102% of the Contract Demand; and

(b) An "Excess Overrun Penalty" of $10.00 per MMBtu for all Unauthorized Contract Demand Overrun Quantities taken on any day in excess of 105% of Contract Demand.

In the event a Customer incurs an Excess Overrun Penalty, Texas Gas will credit any amounts collected as a Nominal Overrun Penalty against amounts collected as an Excess Overrun Penalty, so that the total Overrun Penalty collected does not exceed $10.00 per MMBtu for overruns in excess of 105% of Contract Demand.

The payment of a penalty for Unauthorized Contract Demand Overrun by a Customer shall not under any circumstances be considered as giving such Customer the right to take Unauthorized Contract Demand Overrun nor shall such payment be considered as a substitute for any other remedies available to Texas Gas or any of Texas Gas' other Customers against the offending Customer for failure to respect its obligation to adhere to the provisions of its contract with Texas Gas.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any Nominal Overrun Penalty for an Unauthorized Contract Demand Overrun if, on the day when the Unauthorized Contract Demand Overrun was taken, deliveries to Texas Gas' other Customers were not adversely affected by the taking of such Unauthorized Contract Demand Overrun or if Texas Gas' pipeline operations, including gas storage operations, were not impaired thereby. Texas Gas must waive any Excess Overrun Penalty if the Unauthorized Contract Demand Overrun occurs in a non-critical situation and does not cause operational problems.

Texas Gas shall be obligated to waive any penalty for Unauthorized Contract Demand Overrun:

(i) when such overrun is taken under circumstances beyond the control of Customer due to emergency conditions on Texas Gas' facilities, or
when such overrun is due to accident to or breakage of pipelines, machinery or equipment of the Customer; provided, however, Customer shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to repair or otherwise remedy the situation and furnish Texas Gas satisfactory evidence that such accident or breakage was not due to Customer's gross negligence.

Whenever Texas Gas waives the penalty for Unauthorized Contract Demand Overrun, Customer shall pay Texas Gas the daily demand rate per MMBtu of the Unauthorized Contract Demand Overrun quantity in addition to the commodity charge payable hereunder. The daily demand rate is set forth in currently effective Section 4.5 and Section 4.16 of this Tariff.

7. Seasonal Quantity Entitlement Overrun Charge and Nominal Penalty

7.1 If Customer and Customer's Replacement Shipper(s) take quantities of gas during the five-month period commencing November 1 of each year in excess of the Winter Season Quantity Entitlement, or during the seven-month period commencing April 1 of each year in excess of the Adjusted Summer Season Quantity Entitlement, such excess shall constitute Seasonal Quantity Entitlement Overrun.

For all gas taken in excess of 100% of the applicable Seasonal Quantity Entitlement, there shall be a charge consisting of the daily demand rate for the applicable zone in addition to all other charges payable hereunder. The daily demand rate is set forth in currently effective Section 4.5 and Section 4.16 of this Tariff.

7.2 In addition to the charge contained in Section 5.5[7.1] above and all other applicable charges, if Customer takes quantities of gas in any season in excess of 102% of the applicable Seasonal Quantity Entitlement, there shall be a penalty of twice the effective FT Overrun Rate; provided, however, such seasonal penalties shall be charged only for unauthorized seasonal overruns.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any penalty under this Section 5.5[7.2] for Seasonal Quantity Entitlement Overrun if, as a result of such overrun, deliveries to Texas Gas' other Customers were not adversely affected or if Texas Gas' pipeline operations, including gas storage operations, were not impaired thereby.

7.3 Texas Gas will assess only one penalty for any infraction (i.e., a Customer will not incur both unauthorized Contract Demand overrun and seasonal quantity overrun charges or penalties based on a single infraction).

8. Reimbursement of Fees and Taxes

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a non-discriminatory basis in the event of an administrative error.
9. Nominations, Receipts, and Deliveries

Customer shall be responsible for nominating gas supply into Texas Gas' system up to Customer's Nominated Daily Quantity, pursuant to Section 6.12 of the General Terms and Conditions. Receipts and deliveries under this Rate Schedule shall be governed by Section 6.6[3] of the General Terms and Conditions.


During the Winter Season, Texas Gas will deliver to Customer up to Customer's Winter Contract Demand and Customer's Winter Quantity Entitlement as set forth below.

10.1 Customer will only be required to nominate into Texas Gas' system a quantity of gas up to the Nominated Daily Quantity.

10.2 In addition to the Nominated Daily Quantity actually scheduled by Customer, Texas Gas will adjust deliveries from storage up to Customer's Unnominated Daily Quantity to meet Customer's city-gate requirements up to Customer's Winter Contract Demand.

10.3 In addition, Customer may exceed its Unnominated Daily Quantity by a quantity equal to its Excess Unnominated Daily Quantity (i.e., 10% of its Winter Contract Demand) for up to two (2) consecutive gas days without a penalty; however, total deliveries to the Customer may not exceed the Customer's Winter Contract Demand. Texas Gas will notify the Customer within four (4) hours of the end of the gas day in which Customer has exceeded its Unnominated Daily Quantity. If the Customer does not cease taking such Excess Unnominated Daily Quantity from Texas Gas' storage after two (2) consecutive gas days, then Texas Gas may assess a penalty of $15 per MMBtu of such excess gas taken and may issue an operational flow order requiring Customer to immediately inject additional gas supply and/or reduce city-gate deliveries so that the Customer is no longer exceeding its Unnominated Daily Quantity.

10.4 Monthly Maximum Withdrawal: No more than 50% of Customer's Unnominated Seasonal Quantity shall be withdrawn in any consecutive thirty (30) day period.

10.5 Seasonal Minimum and Maximum Withdrawal: No more than 105% of Customer's Unnominated Seasonal Quantity shall be withdrawn or otherwise diminished (e.g., through in-field transfers and/or releases of storage) by March 1 of any winter season; provided further, that no less than 53% and no more than 100% of Customer's Unnominated Seasonal Quantity shall be withdrawn or otherwise diminished (e.g., through in-field transfers and/or releases of storage) by April 1 (the end of the Winter Season).

10.6 Adjusted Unnominated Daily Quantity: As Customer's Unnominated Seasonal Quantity is withdrawn or otherwise diminished (e.g., through in-field transfers and/or releases of storage), that portion of Customer's Unnominated Daily Quantity available to Customer shall be adjusted. Customer's Adjusted Unnominated Daily Quantity shall be equal to the greater of its average winter daily unnominated quantity (i.e., the Customer's USQ divided by the total number of Winter days the UDQ is available) or the applicable percentage of its Unnominated Daily Quantity as set forth in the following table:
% USQ Withdrawn | % UDQ Available
---|---
75% | 90%
80% | 85%
85% | 80%
90% | 75%

10.7 During the Winter Season, Texas Gas will also inject gas into storage on a best efforts basis as part of NNL service. Although such injections will be done on a best efforts basis, Texas Gas will be presumed, unless it gives notice to the contrary, to be able to inject into storage such quantities of gas as to take into account routine variations in no-notice deliveries. If Texas Gas is unable to make such best efforts injections, it will advise Customer by posting on its Internet Website. However, no presumption will exist for non-routine situations (e.g. injections in excess of 15% of Customer’s Winter Contract Demand or sustained injections of more than five days) and, in such non-routine situations, Customer must give 24 hours advance written notice to Texas Gas of quantities it desires to inject into storage, so that Texas Gas can determine the extent to which it can make such injections and adjust its operations accordingly.


11.1 Texas Gas shall deliver to Customer at the city-gate during each Summer Season up to the Customer's Summer Contract Demand and Adjusted Summer Quantity Entitlement as nominated by Customer.

11.2 Pursuant to the provisions set forth below, Customer shall deliver to Texas Gas during each Summer Season a quantity of gas equal to Customer’s Unnominated Seasonal Quantity or that portion of Customer’s Unnominated Seasonal Quantity actually utilized by Customer (including any in-field transfers pursuant to Section 6.16.6 of the General Terms and Conditions of this Tariff) during the prior Winter Season (as well as any Shoulder Month quantities delivered to Customer during the Summer Season). Customer shall reserve and utilize such portion of its Summer Contract Demand as necessary to deliver such volumes into storage.

11.3 Maximum Daily Injection Quantity:

To protect the storage formations and allow uniform filling of the storage reservoirs, Customer will be required to adhere to certain injection limits (calculated as a percentage of the Unnominated Seasonal Quantity), throughout the summer injection period. During the Summer Season Customer may, on a daily basis, inject according to the following table, but not to exceed Customer’s Summer Contract Demand:

<table>
<thead>
<tr>
<th>% of Unnominated Seasonal Quantity Injected</th>
<th>Maximum Available Injection Rate (% of USQ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% - 65%</td>
<td>1.3%</td>
</tr>
<tr>
<td>65% - 90%</td>
<td>1.1%</td>
</tr>
<tr>
<td>&gt;90%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

11.4 Inventory verification tests will be conducted as operationally necessary, but in no event less than once per calendar year. These tests require the temporary suspension of individual storage field activities (injections and withdrawals) for a period of
approximately two (2) weeks. If conditions will not permit the full maximum daily injection or withdrawal quantity, Texas Gas may temporarily adjust the limit and allow make-up quantities on succeeding days. Texas Gas will provide at least 45 days notice on its Internet Website in regard to the scheduling of these shut-in periods to allow Customers to adjust for the interruption of storage.

11.5 During the Summer Season (except as provided in Section 5.5[11.6] below), Texas Gas will also withdraw gas from storage on a best efforts basis as part of the NNL service. Although such withdrawals will be done on a best efforts basis, Texas Gas will be presumed, unless it gives notice to the contrary, to be able to withdraw from storage such quantities of gas as to take into account routine variations in no-notice services. If Texas Gas is unable to make such best efforts withdrawals, it will advise Customer by posting on its Internet Website. However, no presumption will exist for non-routine situations (e.g. withdrawals in excess of 10% of Customer's Winter Contract Demand or sustained withdrawals of more than five days) and, in such non-routine situations, Customer must give 24 hours advance written notice to Texas Gas of quantities it desires to withdraw from storage, so that Texas Gas can determine the extent to which it can make such withdrawals and adjust its operations accordingly.

11.6 To assist Texas Gas’ operational and maintenance scheduling through the Summer Season, Customer will notify Texas Gas by March 15 of each year, with updates monthly, of the quantities it intends to inject monthly during the immediately upcoming Summer Season; such injection schedule provided by Customer is a best efforts estimate and may be revised as necessary. Texas Gas will use its reasonable efforts to coordinate its test, maintenance, alteration and repair activities during such Summer Season to accommodate Customer’s request.

12. Shoulder Month Flexibility

12.1 During the Shoulder Months of April and October, Texas Gas will deliver to Customer at the city-gate the Customer's Shoulder Month Contract Demand, which shall, unless otherwise agreed, be the sum of Customer's Summer Contract Demand, Customer's Excess Unnominated Quantity and the applicable percentage as set forth below of Customer's Unnominated Daily Quantity for the Winter Season:

<table>
<thead>
<tr>
<th>Shoulder Month</th>
<th>Percent of Unnominated Daily Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>50%</td>
</tr>
<tr>
<td>October</td>
<td>70%</td>
</tr>
</tbody>
</table>

In the event that Customer's Unnominated Seasonal Quantity is available in quantities sufficient to support additional access to Customer's Unnominated Daily Quantity the applicable percentage available to Customer during such Shoulder Month will be as follows:

<table>
<thead>
<tr>
<th>Shoulder Month</th>
<th>% of Unnominated Seasonal Quantity Withdrawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>April/October</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>80%</td>
</tr>
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</tr>
<tr>
<td></td>
<td>90%</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>70%</td>
</tr>
</tbody>
</table>
Such Shoulder Month Contract Demand shall be available during any day of the Shoulder Month for a minimum of fifteen (15) gas days during such month; provided, however, Shoulder Month Contract Demand shall be available for additional gas days to the extent operationally feasible.

12.2 In the event that Customer’s Unnominated Seasonal Quantity has been exhausted prior to the April Shoulder Month period, Customer shall retain access to 50% of its Unnominated Daily Quantity up to an aggregate monthly total equivalent to 10% of Customer’s Unnominated Seasonal Quantity, as set forth above from that date until April 30. This Section shall not apply if the NNL Service Agreement expires prior to April 1 (see Section 5.5[17] below).

13. Supply Lateral Capacity

The provisions of Section 6.8[6] of the General Terms and Conditions of this Tariff, Supply Lateral Capacity, shall apply to NNL service, except that NNL Customers may be allocated or may bid on supply lateral capacity on the basis of their Nominated Daily Quantities rather than their Contract Demand.

14. Capacity Release

Customer may release and assign all or any part of its NNL Service pursuant to the provisions of Section 6.16.6 of Texas Gas’ General Terms and Conditions; provided, however, Customer shall be responsible for retaining adequate capacity to meet its obligations under Section 5.5[11.2] of this Rate Schedule NNL to redeliver quantities into storage.

15. Hourly Deliveries

Texas Gas shall not be obligated to deliver to Customer at all points of delivery in any hour more than one-sixteenth of Customer’s Contract Demand, subject to Section 6.18 of the General Terms and Conditions of this Tariff.

16. Failure to Withdraw Gas from Storage before NNL Contract Termination

An NNL Customer is required to withdraw or otherwise diminish (e.g. through in-field transfers) 100% of its Unnominated Seasonal Quantity before its NNL service agreement terminates or expires so that the storage balance in its NNL account is zero by April 1. In the event that Unnominated Seasonal Quantities remain in storage on April 1, these volumes will be subject to cash out at the system average "Index Price" for the month of April determined in accordance with Section 6.14 of the General Terms and Conditions of this Tariff, and Texas Gas shall pay Customer for its net storage balance (in MMBtu) according to the following table:

<table>
<thead>
<tr>
<th>Net Percentage of Unnominated Seasonal Quantity Remaining in Storage</th>
<th>Percentage of Index Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to 5%</td>
<td>100%</td>
</tr>
<tr>
<td>&gt;5% - 10%</td>
<td>90%</td>
</tr>
<tr>
<td>&gt;10% - 15%</td>
<td>80%</td>
</tr>
<tr>
<td>&gt;15% - 20%</td>
<td>70%</td>
</tr>
<tr>
<td>&gt;20%</td>
<td>60%</td>
</tr>
</tbody>
</table>
17. Redelivery of Borrowed Gas and Penalty for Failure to Redeliver Borrowed Gas Prior to Contract Termination

If Customer borrows gas in-kind from Texas Gas by withdrawing more than 100% of its Unnominated Seasonal Quantity pursuant to Section 5.5[10.5] hereof, then all quantities injected into Customer’s unnominated storage account thereafter shall be treated as repayment in kind of such borrowed gas until such gas is repaid.

In the event Customer fails to deliver in kind to Texas Gas any portion of such gas it has borrowed from Texas Gas prior to termination of its contract for service under this Rate Schedule, Customer shall, within 30 days of contract termination, pay Texas Gas an amount equal to the greater of 200% of Texas Gas' book value of its working gas in storage or 200% of the highest monthly average index price calculated pursuant to Section 6.14 of the General Terms and Conditions, using a twelve month period ending on the date of contract termination.

18. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable to and are hereby incorporated as a part of this Rate Schedule NNL.
Texas Gas Transmission, LLC  
FERC NGA Gas Tariff  
Fourth Revised Volume No. 1  
Effective On: October 9, 2019

Rate Schedule SGT  
Small Customer General Transportation Service  
(Customers with SGT Winter Contract Demands of Less than 7,500 MMBtu/d and Total Firm Contract Demands Not Exceeding 10,000 MMBtu/d)

1. Availability

1.1 This rate schedule is available for the transportation of natural gas by Texas Gas for any Customer:

(a) Who was receiving firm bundled city-gate service from Texas Gas on May 18, 1992; and
(b) Who has elected to receive SGT service on the effective date of Texas Gas’ compliance filing pursuant to 18 C.F.R. Section 284.14;
(c) Who has met the credit requirements of Section 6.5 of the General Terms and Conditions;
(d) Whose winter SGT Contract Demand is less than 7,500 MMBtu per day, and whose total Contract Demand under all firm Rate Schedules does not exceed 10,000 MMBtu/d,
(e) Who has executed a Transportation Service Agreement with Texas Gas for service under Rate Schedule SGT for a term of not less than one (1) contract year ending October 31st; and
(f) Who is not physically connected to any other pipelines.

1.2 A Customer receiving SGT service under this Rate Schedule may not receive service under Texas Gas’ IT Rate Schedule for the transportation of its system supply. Additionally, a customer receiving SGT service cannot receive service as a replacement customer or from another Replacement Shipper, under Texas Gas’ Capacity Release Program, for system supply, except as provided in Section 5.6[14.2], herein.

1.3 Notwithstanding anything in this Section 5.6[1] to the contrary, if an SGT customer ceases to qualify for SGT service because it no longer meets all of the requirements for SGT service set forth in Section 5.6[1.1] above, the customer’s SGT service agreement will be deemed to be converted to an NNS service agreement at the existing contract demand levels in effect for the remainder of the service agreement term; provided, however, that if an SGT customer ceases to qualify for SGT service because the SGT customer ceases to meet the requirement for SGT service in Section 5.6[1.1(d)], above, the SGT customer will be allowed to maintain service under the SGT Rate Schedule for the assets previously qualifying for SGT service (for the purposes of this Section 5.6[1.3], “SGT Assets”) as long as: (1) the SGT Assets continue to meet the volume limitations set forth in Section 5.6[1.1(d)]; (2) the SGT Assets remain physically segregated from the customer’s other assets and also operate in a separate rate zone or state; and (3) the SGT Assets otherwise continue to meet all requirements for SGT service set forth in Section 5.6[1.1] above, including Section 5.6[1.1(d)]. When a customer no longer meets the requirements for SGT service outlined in Section 5.6[1.1] above and is required to convert from SGT service to NNS service in accordance with this Section 5.6[1.3], the conversion of the customer’s service from SGT to NNS will be effective the first day of the month following the day that Texas Gas provides the customer with written notice of such conversion.

2. Applicability and Character of Service
2.1 The transportation service provided under this Rate Schedule is a firm service being offered in compliance with 18 C.F.R. Section 284.8(a)(4) and shall be performed under Subparts B or G of Part 284 of the Commission's Regulations, or any other applicable commission regulations governing such transportation service.

2.2 The transportation service offered under this Rate Schedule is provided by combining pipeline capacity and storage capacity into a single no-notice service for small general service customers. Customer’s Seasonal Contract Demands are thus supplied by a combination of Nominated (pipeline) and Unnominated (storage) Quantities as more fully defined below and as set forth in Customer’s SGT Service Agreement.

3. Categories and Priorities of Transportation Services

Refer to Section 6.12 of the General Terms and Conditions of this Tariff.

4. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for firm transportation service to each zone are set forth on currently effective Section 4.6 and Section 4.16 of this Tariff, and these rates are incorporated herein by reference.

4.1 Rates

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay Texas Gas the Maximum SGT Commodity Rate per MMBtu of gas delivered by Texas Gas for SGT services rendered to Customer. In addition, Customer shall pay any and all currently effective imputed demand or commodity surcharges, including but not limited to, the FERC ACA Unit Charge, Texas Gas' Take-or-Pay surcharge, and Order 636 Transition Costs surcharge.

4.2 Fuel, Company Use, and Unaccounted For Quantities

Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

4.3 Processing Rights

Processing rights and the transportation of liquids/liquefiables shall be in accordance with Section 6.22 of the General Terms and Conditions of this Tariff.

4.4 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

4.5 Secondary Point(s) in Zone Outside Transportation Path

Customer may not designate a secondary point in a zone outside of its transportation path unless Customer enters into an Additional Zone Letter Agreement to pay the SGT rate applicable to such zones as shown in Section 4.6 and Section 4.16 associated with volumes transported to such zones.
5. Minimum Contribution to Fixed Costs

Beginning on November 1, 2001, Customer agrees to pay a Minimum Contribution to Fixed Costs (MCFC) for any Responsibility Period (defined as November 1 through October 31) when the aggregate quantities transported by all Customers under this Rate Schedule during the Responsibility Period total less than the aggregate Annual Minimum SGT Quantities (AMQ) of all Customers under this Rate Schedule and the Customer transports less than the Customer's Annual Minimum SGT Quantity.

For each Customer served under this Rate Schedule, the AMQ equals the product of the Customer's Annual Contract Demand (i.e., the sum of Customer's Daily Contract Demands) for the Responsibility Period multiplied by 20%. For each zone, the AMQ is calculated by multiplying 20% by the sum of each Customer's Annual Contract Demands for the Responsibility Period. The MCFC applicable to each Customer is calculated by multiplying (1) the respective zone's fixed costs per MMBtu embedded in the currently effective one-part rate for service under this Rate Schedule by (2) the net deficiency of all Customers defined as the amount by which the AMQ of all Customers in the zone exceeds the aggregate quantities transported by all customers in that zone under this Rate Schedule for the Responsibility Period, then multiplied by (3) the ratio of the Customer's net deficiency (the amount by which the Customer's AMQ exceeds the Customer's actual quantity transported) to the net deficiency of all customers in that zone.

The MCFC charge shall be billed to Customer in three equal installments in the succeeding months January through March. SGT customers receiving only SGT service to its city gate and receiving no transportation of FT, capacity release, or IT, nor any other secondary deliveries, during the entire responsibility period, shall not be billed an MCFC charge.

6. Daily Overruns

6.1 Unauthorized Overrun Quantity

If Customer takes under this rate schedule on any day a quantity of gas which is greater than the applicable Contract Demand, the excess shall constitute an Unauthorized Overrun Quantity.

6.2 Payment for Unauthorized Overrun Quantity

In any month in which Customer takes an Unauthorized Overrun Quantity, Customer shall pay to Texas Gas, in addition to the charges otherwise payable pursuant to Section 5.6[4.1] herein above:

(a) A "Nominal Overrun Penalty" equal to twice the effective FT Overrun Rate for all Unauthorized Overrun Quantities taken on any day in excess of 250 MMBtu; and

(b) An "Excess Overrun Penalty" of $10.00 per MMBtu for all Unauthorized Contract Demand Overrun Quantities on any day in excess of 375 MMBtu.

In the event a Customer incurs an Excess Overrun Penalty, Texas Gas will credit any amounts collected as a Nominal Overrun Penalty against amounts collected as an Excess Overrun Penalty, so that the total Overrun Penalty collected does not exceed $10.00 per MMBtu for overruns in excess of 375 MMBtu.
No overrun penalty shall be payable for any day in which the Unauthorized Overrun quantity is less than 250 MMBtu.

The payment of a penalty for an Unauthorized Overrun Quantity by a Customer shall not under any circumstances be considered as giving such Customer the right to take an Unauthorized Overrun Quantity nor shall such payment be considered as a substitute for any other remedies available to Texas Gas or any or Texas Gas' other customers against the offending Customer for failure to respect its obligation to adhere to the provisions of its contract with Texas Gas.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any Nominal Overrun Penalty for an Unauthorized Overrun if, on the day when the Unauthorized Overrun was taken, deliveries to Texas Gas' other customers were not adversely affected by the taking of such Unauthorized Overrun or if Texas Gas' pipeline operations, including gas storage operations, were not impaired thereby. Texas Gas must waive any Excess Overrun Penalty if the Unauthorized Overrun occurs in a non-critical situation and does not cause operational problems.

Texas Gas shall be obligated to waive any penalty for an Unauthorized Overrun Quantity:

(i) when such overrun is taken under circumstances beyond the control of Customer due to emergency conditions on Texas Gas' facilities, or

(ii) when such overrun is due to accident to or breakage of pipelines, machinery or equipment of the Customer; provided, however, Customer shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to repair or otherwise remedy the situation and furnish Texas Gas satisfactory evidence that such accident or breakage was not due to Customer's gross negligence.

7. Election of Rate Schedule

Refer to Section 6.8[5] of the General Terms and Conditions of this Tariff.

8. Reimbursement of Fees and Taxes

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a nondiscriminatory basis in the event of an administrative error.

9. Nominations, Receipts, and Deliveries

Customer shall be responsible for nominating gas supply into Texas Gas' system up to Customer's Nominated Daily Quantity, pursuant to Section 6.12 of the General Terms and Conditions. Receipts and deliveries under this Rate Schedule shall be governed by Section 6.6[3] of the General Terms and Conditions.

During the Winter Season, Texas Gas will deliver to Customer up to Customer's Winter Contract Demand and Customer's Winter Quantity Entitlement as set forth below.

10.1 Customer will only be required to nominate into Texas Gas' system a quantity of gas up to the Nominated Daily Quantity.

10.2 In addition to the Nominated Daily Quantity actually scheduled by Customer, Texas Gas will adjust deliveries from storage up to Customer's Unnominated Daily Quantity to meet Customer's city-gate requirements up to Customer's Winter Contract Demand.

10.3 In addition, Customer may exceed its Unnominated Daily Quantity by a quantity equal to its Excess Unnominated Daily Quantity (i.e. 10% of its Winter Contract Demand) for up to two (2) consecutive gas days without a penalty; however, total deliveries to the Customer may not exceed the Customer's Winter Contract Demand. Texas Gas will notify the Customer within four (4) hours of the end of the gas day in which Customer has exceeded its Unnominated Daily Quantity. If the Customer does not cease taking such Excess Unnominated Daily Quantity from Texas Gas' storage after two (2) consecutive gas days, then Texas Gas may assess a penalty of $15 per MMBtu of such excess gas taken and may issue an operational flow order requiring Customer to immediately inject additional gas supply and/or reduce city-gate deliveries so that the customer is no longer exceeding its Unnominated Daily Quantity.

10.4 Monthly Maximum Withdrawal: No more than 50% of Customer's Unnominated Seasonal Quantity shall be withdrawn in any consecutive thirty (30) day period.

10.5 Seasonal Minimum and Maximum Withdrawal: No more than 105% of Customer's Unnominated Seasonal Quantity shall be withdrawn by March 1 of the Winter Season; provided further, that no less than 53% and no more than 100% of Customer's Unnominated Seasonal Quantity shall be withdrawn by April 1 (the end of the Winter Season).

10.6 Adjusted Unnominated Daily Quantity: As Customer's Unnominated Seasonal Quantity is withdrawn, that portion of Customer's Unnominated Daily Quantity available to Customer shall be adjusted. Customer's Adjusted Unnominated Daily Quantity shall be equal to the greater of its average winter daily unnominated quantity (i.e., the Customer's USQ divided by the total number of Winter days the UDQ is available) or the applicable percentage of its Unnominated Daily Quantity as set forth in the following table:

<table>
<thead>
<tr>
<th>% USQ Withdrawn</th>
<th>% UDQ Available</th>
</tr>
</thead>
<tbody>
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<td>90%</td>
</tr>
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</tr>
<tr>
<td>90%</td>
<td>75%</td>
</tr>
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10.7 During the Winter Season, Texas Gas will also inject gas into storage on a best efforts basis as part of SGT service. Although such injections will be done on a best efforts basis, Texas Gas will be presumed, unless it gives notice to the contrary, to be able to inject into storage such quantities of gas as to take into account routine variations in no-notice deliveries. If Texas Gas is unable to make such best efforts injections, it will advise Customer by posting on its Internet Website. However, no presumption will exist for non-routine situations (e.g. injections in excess of 15% of Customer's Winter Contract Demand or sustained injections of more than five days) and, in such non-routine
situations, Customer must give 24 hours advance written notice to Texas Gas of quantities it desires to inject into storage, so that Texas Gas can determine the extent to which it can make such injections and adjust its operations accordingly.


11.1 Texas Gas shall be obligated to deliver to Customer at the city-gate during each Summer Season up to the Customer's Summer Contract Demand and Adjusted Summer Quantity Entitlement.

11.2 Pursuant to the provisions set forth below, Customer shall deliver in kind to Texas Gas during each Summer Season a quantity of gas equal to that portion of Customer's Unnominated Seasonal Quantity actually utilized by Customer during the prior Winter Season (as well as any Shoulder Month quantities delivered to customer during the Summer Season). Customer shall reserve and utilize such portion of its Summer Contract Demand as necessary to redeliver such volumes into storage.

11.3 Maximum Daily Injection Quantity:

To protect the storage formations and allow uniform filling of the storage reservoirs, Customer will be required to adhere to certain injection limits (calculated as a percentage of the Unnominated Seasonal Quantity), throughout the summer injection period. During the Summer Season Customer may, on a daily basis, inject according to the following table, but not to exceed Customer’s Summer Contract Demand:

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11.4 Inventory verification tests will be conducted as operationally necessary, but in no event less than once per calendar year. These tests require the temporary suspension of individual storage field activities (injections and withdrawals) for a period of approximately two (2) weeks. If conditions will not permit the full maximum daily injection or withdrawal quantity, Texas Gas may temporarily adjust the limit and allow make-up quantities on succeeding days. Texas Gas will provide at least 45 days notice on its Internet Website in regard to the scheduling of these shut-in periods to allow Customers to adjust for the interruption of storage.

11.5 During the Summer Season, in addition to the Nominated Daily Quantity actually scheduled by Customer, Texas Gas will adjust deliveries from storage up to Customer's Unnominated Summer Daily Quantity to meet Customer's city-gate requirements. Notwithstanding the previous sentence, during the Summer Season (except as provided in Section 5.6[11.4] above), Texas Gas will also, on a best efforts basis only, withdraw gas from storage (i) in excess of Customer's Unnominated Summer Daily Quantity, or (ii) if Customer's SGT Service Agreement does not include an Unnominated Summer Daily Quantity, in excess of Customer's nominated Daily Quantity; however, total deliveries to the Customer may not exceed the Summer Contract Demand. Although such withdrawals will be done on a best efforts basis, Texas Gas will be presumed, unless it gives notice to the contrary, to be able to withdraw from storage such quantities of gas.
as to take into account routine variations in no-notice services. If Texas Gas is unable to make such best efforts withdrawals, it will advise Customer by posting on its Internet Website. However, no presumption will exist for non-routine situations (e.g. withdrawals in excess of 10% of Customer's Winter Contract Demand or sustained withdrawals of more than five days) and, in such non-routine situations, Customer must give 24 hours advance written notice to Texas Gas of quantities it desires to withdraw from storage, so that Texas Gas can determine the extent to which it can make such withdrawals and adjust its operations accordingly.

11.6 To assist Texas Gas' operational and maintenance scheduling through the Summer Season, Customer will notify Texas Gas by March 15 of each year, with updates monthly, of the quantities it intends to inject monthly during the immediately upcoming Summer Season; such injection schedule provided by Customer is a best efforts estimate and may be revised as necessary. Texas Gas will use its reasonable efforts to coordinate its test, maintenance, alteration and repair activities during such Summer Season to accommodate Customer's request.

12. Shoulder Month Flexibility

12.1 During the Shoulder Months of April and October, Texas Gas will deliver to Customer at the city-gate the Customer's Shoulder Month Contract Demand, which shall, unless otherwise agreed, be the sum of Customer's Nominated Daily Quantity, Customer's Excess Unnominated Quantity and the applicable percentage as set forth below of Customer's Unnominated Daily Quantity for the Winter Season:

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</table>

In the event that Customer's Unnominated Seasonal Quantity is available in quantities sufficient to support additional access to Customer's Unnominated Daily Quantity the applicable percentage available to Customer during such Shoulder Month will be as follows:

<table>
<thead>
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<th>Shoulder Month</th>
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</tr>
<tr>
<td>95%</td>
<td></td>
<td>70%</td>
</tr>
</tbody>
</table>

Such Shoulder Month Contract Demand shall be available during any day of the Shoulder Month for a minimum of fifteen (15) gas days during such month; provided, however, Shoulder Month Contract Demand shall be available for additional gas days to the extent operationally feasible.

12.2 In the event that Customer's Unnominated Seasonal Quantity has been exhausted prior to the April Shoulder Month period, Customer shall retain access to 50% of its Unnominated Daily Quantity up to an aggregate monthly total equivalent to 10% of
Customer's Unnominated Seasonal Quantity, as set forth above from that date until April 30.

13. Supply Lateral Capacity

The provisions of Section 6.8[6] of the General Terms and Conditions of this Tariff, Supply Lateral Capacity, shall apply to SGT service, except that SGT customers may be allocated or may bid on supply lateral capacity on the basis of their Nominated Daily Quantities rather than their Contract Demand.

14. Capacity Release

14.1 Customer under the Rate Schedule SGT may not release and assign all or any part of its SGT Service pursuant to the provisions of Section 6.16, Capacity Release Program, of Texas Gas' General Terms and Conditions.

14.2 A Customer receiving SGT service under this Rate Schedule may not receive service as a Replacement Customer or from another Replacement Shipper unless the Customer has exhausted its daily entitlement under the Rate Schedule SGT.

15. Hourly Deliveries

Texas Gas shall not be obligated to deliver to Customer at all points of delivery in any hour more than one-sixteenth of Customer's Contract Demand, subject to Section 6.18(i) of the General Terms and Conditions of this Tariff.

16. Penalty for Failure to Redeliver Borrowed Gas Prior to Contract Termination

In the event Customer fails to deliver in kind to Texas Gas any portion of its Unnominated Seasonal Quantity it has borrowed from Texas Gas prior to termination of its contract for service under this Rate Schedule, Customer shall, within 30 days of contract termination, pay Texas Gas an amount equal to the greater of 200% of Texas Gas' book value of its working gas in storage or 200% of the highest monthly average index price calculated pursuant to Section 6.14 of the General Terms and Conditions, using a twelve month period ending on the date of contract termination.

17. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable to and are hereby incorporated as a part of this Rate Schedule SGT.
Rate Schedule SGL
Small Customer General Transportation Service
(Customers with SGL Winter Contract Demands of Less than 7,500 MMBtu/d and Total Firm Contract Demands Not Exceeding 10,000 MMBtu/d)

1. Availability

1.1 This rate schedule is available for the transportation of natural gas by Texas Gas for any Customer:

(a) Who was receiving firm bundled city-gate service from Texas Gas on May 18, 1992; and
(b) Who has elected to receive SGT service on the effective date of Texas Gas’ compliance filing pursuant to 18 C.F.R. Section 284.14; and
(c) Who has met the credit requirements of Section 6.5 of the General Terms and Conditions; and
(d) Whose winter SGL Contract Demand is less than 7,500 MMBtu per day, and whose total Contract Demand under all firm Rate Schedules does not exceed 10,000 MMBtu/d; and
(e) Who has executed a Transportation Service Agreement with Texas Gas for service under Rate Schedule SGL for a term of not less than one (1) contract year ending March 31st; and
(f) Who is not physically connected to any other pipelines.

1.2 A Customer receiving SGL service under this Rate Schedule may not receive service under Texas Gas’ IT Rate Schedule for the transportation of its system supply. Additionally, a customer receiving SGL service cannot receive service as a replacement customer or from another Replacement Shipper, under Texas Gas’ Capacity Release Program, for system supply, except as provided in Section 5.7[14.2], herein.

1.3 Notwithstanding anything in this Section 5.7[1] to the contrary, if an SGL customer ceases to qualify for SGL service because it no longer meets all of the requirements for SGL service set forth in Section 5.7[1.1] above, the customer’s SGL service agreement will be deemed to be converted to an NNL service agreement at the existing contract demand levels in effect for the remainder of the service agreement term; provided, however, that if an SGL customer ceases to qualify for SGL service because the SGL customer ceases to meet the requirement for SGL service in Section 5.7[1.1(d)], above, the SGL customer will be allowed to maintain service under the SGL Rate Schedule for the assets previously qualifying for SGT service (for the purposes of this Section 5.6[1.3], “SGL Assets”) as long as: (1) the SGL Assets continue to meet the volume limitations set forth in Section 5.7[1.1(d)]; (2) the SGL Assets remain physically segregated from the customer’s other assets and also operate in a separate rate zone or state; and (3) the SGL Assets otherwise continue to meet all requirements for SGL service set forth in Section 5.7[1.1] above, including Section 5.7[1.1(d)]. When a customer no longer meets the requirements for SGL service outlined in Section 5.7[1.1] above and is required to convert from SGL service to NNL service in accordance with this Section 5.7[1.3], the conversion of the customer’s service from SGL to NNL will be effective the first day of the month following the day that Texas Gas provides the customer with written notice of such conversion.

2. Applicability and Character of Service
2.1 The transportation service provided under this Rate Schedule is a firm service being offered in compliance with 18 C.F.R. Section 284.8(a)(4) and shall be performed under Subparts B or G of Part 284 of the Commission’s Regulations, or any other applicable commission regulations governing such transportation service.

2.2 The transportation service offered under this Rate Schedule is provided by combining pipeline capacity and storage capacity into a single no-notice service for small general service customers. Customer’s Seasonal Contract Demands are thus supplied by a combination of Nominated (pipeline) and Unnominated (storage) Quantities as more fully defined below and as set forth in Customer’s SGL Service Agreement.

2.3 Service under this Rate Schedule is identical in all practical respects to service under Rate Schedule SGT except that Customer shall provide its own Unnominated Gas Quantities for the storage component of no-notice service hereunder. Customer shall not borrow any Unnominated Gas Quantities in-kind from Texas Gas except for those limited quantities as provided in Sections 5.7[10.5] and 5.7[12.2] hereof.

2.4 As necessary to facilitate delivery of gas pursuant to this Rate Schedule and Customer’s SGL Service Agreement or to clear storage gas from storage at the termination of Customer’s SGL Service Agreement, Texas gas will allow Customer to nominate the Unnominated Daily Quantity in its SGL service to allow delivery from its SGL storage account. Gas from an SGL storage account may only be nominated for delivery to delivery point locations permitted by Customer’s SGL Service Agreement. Provided Texas Gas’ prior consent is obtained, Customer may nominate quantities of gas from storage in excess of the Unnominated Daily Quantity on any day if such withdrawal and transportation of such gas can be accomplished by Texas Gas without detriment to any other Customer under any of Texas Gas’ storage and transportation rate schedules (see Section 6.12 of the General Terms and Conditions of this Tariff) and if such delivery from storage and transportation is compatible to Texas Gas’ system operation requirements. Subject to the foregoing restrictions, Texas Gas’ consent shall not be unreasonably withheld.

3. Categories and Priorities of Transportation Services

Refer to Section 6.12 of the General Terms and Conditions of this Tariff.

4. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for firm transportation service to each zone are set forth on currently effective Section 4.7 and Section 4.16 of this Tariff, and these rates are incorporated herein by reference.

4.1 Rates

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay Texas Gas the Maximum SGL Commodity Rate per MMBtu of gas delivered by Texas Gas for SGL services rendered to Customer. In addition, Customer shall pay any and all currently effective imputed demand or commodity surcharges, including but not limited to, the FERC ACA Unit Charge, Texas Gas’ Take-or-Pay surcharge, and Order 636 Transition Costs surcharge.

4.2 Fuel, Company Use, and Unaccounted For Quantities
Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this tariff.

4.3 Processing Rights

Processing rights and the transportation of liquids/liquefiables shall be in accordance with Section 6.22 of the General Terms and Conditions of this tariff.

4.4 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

4.5 Secondary Point(s) in Zone Outside Transportation Path

Customer may not designate a secondary point in a zone outside of its transportation path unless Customer agrees in writing to pay the SGL rate applicable to such zones as shown in Section 4.7 and Section 4.16 associated with volumes transported to such zones.

5. Minimum Contribution to Fixed Costs

Beginning on November 1, 2001, Customer agrees to pay a Minimum Contribution to Fixed Costs (MCFC) for any Responsibility Period (defined as November 1 through October 31) when the aggregate quantities transported by all Customers under this Rate Schedule during the Responsibility Period total less than the aggregate Annual Minimum SGL Quantities (AMQ) of all Customers under this Rate Schedule and the Customer transports less than the Customer's Annual Minimum SGL Quantity.

For each Customer served under this Rate Schedule, the AMQ equals the product of the Customer's Annual Contract Demand (i.e., the sum of Customer's Daily Contract Demands) for the Responsibility Period multiplied by 20%. For each zone, the AMQ is calculated by multiplying 20% by the sum of each Customer's Annual Contract Demands for the Responsibility Period. The MCFC applicable to each Customer is calculated by multiplying (1) the respective zone's fixed costs per MMBtu embedded in the currently effective one-part rate for service under this Rate Schedule by (2) the net deficiency of all Customers defined as the amount by which the AMQ of all Customers in the zone exceeds the aggregate quantities transported by all customers in that zone under this Rate Schedule for the Responsibility Period, then multiplied by (3) the ratio of the Customer's net deficiency (the amount by which the Customer's AMQ exceeds the Customer's actual quantity transported) to the net deficiency of all customers in that zone.

The MCFC charge shall be billed to Customer in three equal installments in the succeeding months January through March. SGL customers receiving only SGL service to its city gate and receiving no transportation of FT, capacity release, or IT, nor any other secondary deliveries, during the entire responsibility period, shall not be billed an MCFC charge.

6. Daily Overruns

6.1 Unauthorized Overrun Quantity
If Customer takes under this rate schedule on any day a quantity of gas which is greater than the applicable Contract Demand, the excess shall constitute an Unauthorized Overrun Quantity.

6.2 Payment for Unauthorized Overrun Quantity

In any month in which Customer takes an Unauthorized Overrun Quantity, Customer shall pay to Texas Gas, in addition to the charges otherwise payable pursuant to Section 5.7[4.1] herein above:

(a) A "Nominal Overrun Penalty" equal to twice the effective FT Overrun Rate for all Unauthorized Overrun Quantities taken on any day in excess of 250 MMBtu; and

(b) An "Excess Overrun Penalty" of $10.00 per MMBtu for all Unauthorized Contract Demand Overrun Quantities on any day in excess of 375 MMBtu.

In the event a Customer incurs an Excess Overrun Penalty, Texas Gas will credit any amounts collected as a Nominal Overrun Penalty against amounts collected as an Excess Overrun Penalty, so that the total Overrun Penalty collected does not exceed $10.00 per MMBtu for overruns in excess of 375 MMBtu.

No overrun penalty shall be payable for any day in which the Unauthorized Overrun quantity is less than 250 MMBtu.

The payment of a penalty for an Unauthorized Overrun Quantity by a Customer shall not under any circumstances be considered as giving such Customer the right to take an Unauthorized Overrun Quantity nor shall such payment be considered as a substitute for any other remedies available to Texas Gas or any or Texas Gas' other customers against the offending Customer for failure to respect its obligation to adhere to the provisions of its contract with Texas Gas.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any Nominal Overrun Penalty for an Unauthorized Overrun if, on the day when the Unauthorized Overrun was taken, deliveries to Texas Gas' other customers were not adversely affected by the taking of such Unauthorized Overrun or if Texas Gas' pipeline operations, including gas storage operations, were not impaired thereby. Texas Gas must waive any Excess Overrun Penalty if the Unauthorized Overrun occurs in a non-critical situation and does not cause operational problems.

Texas Gas shall be obligated to waive any penalty for an Unauthorized Overrun Quantity:

(i) when such overrun is taken under circumstances beyond the control of Customer due to emergency conditions on Texas Gas’ facilities, or

(ii) when such overrun is due to accident to or breakage of pipelines, machinery or equipment of the Customer; provided, however, Customer shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to repair or otherwise remedy the situation and furnish Texas Gas satisfactory evidence that such accident or breakage was not due to Customer's gross negligence.
7. Election of Rate Schedule


8. Reimbursement of Fees and Taxes

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a nondiscriminatory basis in the event of an administrative error.

9. Nominations, Receipts, and Deliveries

Customer shall be responsible for nominating gas supply into Texas Gas' system up to Customer's Nominated Daily Quantity, pursuant to 6.12 of the General Terms and Conditions. Receipts and deliveries under this Rate Schedule shall be governed by Section 6.6[3] of the General Terms and Conditions.


During the Winter Season, Texas Gas will deliver to Customer up to Customer's Winter Contract Demand and Customer's Winter Quantity Entitlement as set forth below.

10.1 Customer will only be required to nominate into Texas Gas' system a quantity of gas up to the Nominated Daily Quantity.

10.2 In addition to the Nominated Daily Quantity actually scheduled by Customer, Texas Gas will adjust deliveries from storage up to Customer's Unnominated Daily Quantity to meet Customer's city-gate requirements up to Customer's Winter Contract Demand.

10.3 In addition, Customer may exceed its Unnominated Daily Quantity by a quantity equal to its Excess Unnominated Daily Quantity (i.e. 10% of its Winter Contract Demand) for up to two (2) consecutive gas days without a penalty; however, total deliveries to the Customer may not exceed the Customer's Winter Contract Demand. Texas Gas will notify the Customer within four (4) hours of the end of the gas day in which Customer has exceeded its Unnominated Daily Quantity. If the Customer does not cease taking such Excess Unnominated Daily Quantity from Texas Gas' storage after two (2) consecutive gas days, then Texas Gas may assess a penalty of $15 per MMBtu of such excess gas taken and may issue an operational flow order requiring Customer to immediately inject additional gas supply and/or reduce city-gate deliveries so that the customer is no longer exceeding its Unnominated Daily Quantity.

10.4 Monthly Maximum Withdrawal: No more than 50% of Customer's Unnominated Seasonal Quantity shall be withdrawn in any consecutive thirty (30) day period.

10.5 Seasonal Minimum and Maximum Withdrawal: No more than 105% of Customer's Unnominated Seasonal Quantity shall be withdrawn by March 1 of the Winter Season; provided further, that no less than 53% and no more than 100% of Customer's Unnominated Seasonal Quantity shall be withdrawn by April 1 (the end of the Winter Season).

10.6 Adjusted Unnominated Daily Quantity: As Customer's Unnominated Seasonal Quantity is withdrawn, that portion of Customer's Unnominated Daily Quantity available to
Customer shall be adjusted. Customer's Adjusted Unnominated Daily Quantity shall be equal to the greater of its average winter daily unnominated quantity (i.e., the Customer's USQ divided by the total number of Winter days the UDQ is available) or the applicable percentage of its Unnomimated Daily Quantity as set forth in the following table:

<table>
<thead>
<tr>
<th>% USQ Withdrawn</th>
<th>% UDQ Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>90%</td>
</tr>
<tr>
<td>80%</td>
<td>85%</td>
</tr>
<tr>
<td>85%</td>
<td>80%</td>
</tr>
<tr>
<td>90%</td>
<td>75%</td>
</tr>
</tbody>
</table>

10.7 During the Winter Season, Texas Gas will also inject gas into storage on a best efforts basis as part of SGL service. Although such injections will be done on a best efforts basis, Texas Gas will be presumed, unless it gives notice to the contrary, to be able to inject into storage such quantities of gas as to take into account routine variations in no-notice deliveries. If Texas Gas is unable to make such best efforts injections, it will advise Customer by posting on its Internet Website. However, no presumption will exist for non-routine situations (e.g. injections in excess of 15% of Customer's Winter Contract Demand or sustained injections of more than five days) and, in such non-routine situations, Customer must give 24 hours advance written notice to Texas Gas of quantities it desires to inject into storage, so that Texas Gas can determine the extent to which it can make such injections and adjust its operations accordingly.


11.1 Texas Gas shall be obligated to deliver to Customer at the city-gate during each Summer Season up to the Customer's Summer Contract Demand and Adjusted Summer Quantity Entitlement.

11.2 Pursuant to the provisions set forth below, Customer shall deliver to Texas Gas during each Summer Season a quantity of gas equal to Customer's Unnominated Seasonal Quantity or that portion of Customer's Unnominated Seasonal Quantity actually utilized by Customer during the prior Winter Season (as well as any Shoulder Month quantities delivered to customer during the Summer Season). Customer shall reserve and utilize such portion of its Summer Contract Demand as necessary to redeliver such volumes into storage.

11.3 Maximum Daily Injection Quantity:

To protect the storage formations and allow uniform filling of the storage reservoirs, Customer will be required to adhere to certain injection limits (calculated as a percentage of the Unnominated Seasonal Quantity), throughout the summer injection period. During the Summer Season Customer may, on a daily basis, inject according to the following table, but not to exceed Customer’s Summer Contract Demand:

<table>
<thead>
<tr>
<th>% of Unnominated Seasonal Quantity Injected</th>
<th>Maximum Available Injection Rate (% of USQ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% - 65%</td>
<td>1.3%</td>
</tr>
<tr>
<td>65% - 90%</td>
<td>1.1%</td>
</tr>
<tr>
<td>&gt;90%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>
11.4 Inventory verification tests will be conducted as operationally necessary, but in no event less than once per calendar year. These tests require the temporary suspension of individual storage field activities (injections and withdrawals) for a period of approximately two (2) weeks. If conditions will not permit the full maximum daily injection or withdrawal quantity, Texas Gas may temporarily adjust the limit and allow make-up quantities on succeeding days. Texas Gas will provide at least 45 days notice on its Internet Website in regard to the scheduling of these shut-in periods to allow Customers to adjust for the interruption of storage.

11.5 During the Summer Season, in addition to the Nominated Daily Quantity actually scheduled by Customer, Texas Gas will adjust deliveries from storage up to Customer's Unnominated Summer Daily Quantity to meet Customer's city-gate requirement. Notwithstanding the previous sentence, during the Summer Season (except as provided in Section 5.7[11.4] above), Texas Gas will also, on a best efforts basis only, withdraw gas from storage (i) in excess of Customer's Unnominated Daily Quantity, or (ii) if Customer's SGL Service Agreement does not include an Unnominated Summer Daily Quantity, in excess of Customer's Nominated Daily Quantity; however, total deliveries to the Customer may not exceed the Summer Contract Demand. Although such withdrawals will be done on a best efforts basis, Texas Gas will be presumed, unless it gives notice to the contrary, to be able to withdraw from storage such quantities of gas as to take into account routine variations in no-notice services. If Texas Gas is unable to make such best efforts withdrawals, it will advise Customer by posting on its Internet Website. However, no presumption will exist for non-routine situations (e.g. withdrawals in excess of 10% of Customer's Winter Contract Demand or sustained withdrawals of more than five days) and, in such non-routine situations, Customer must give 24 hours advance written notice to Texas Gas of quantities it desires to withdraw from storage, so that Texas Gas can determine the extent to which it can make such withdrawals and adjust its operations accordingly.

11.6 To assist Texas Gas' operational and maintenance scheduling through the Summer Season, Customer will notify Texas Gas by March 15 of each year, with updates monthly, of the quantities it intends to inject monthly during the immediately upcoming Summer Season; such injection schedule provided by Customer is a best efforts estimate and may be revised as necessary. Texas Gas will use its reasonable efforts to coordinate its test, maintenance, alteration and repair activities during such Summer Season to accommodate Customer's request.

12. Shoulder Month Flexibility

12.1 During the Shoulder Months of April and October, Texas Gas will deliver to Customer at the city-gate the Customer's Shoulder Month Contract Demand, which shall, unless otherwise agreed, be the sum of Customer's Nominated Daily Quantity, Customer's Excess Unnominated Quantity and the applicable percentage as set forth below of Customer's Unnominated Daily Quantity for the Winter Season:

<table>
<thead>
<tr>
<th>Shoulder Month</th>
<th>Percent of Unnominated Daily Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>50%</td>
</tr>
<tr>
<td>October</td>
<td>70%</td>
</tr>
</tbody>
</table>

In the event that Customer's Unnominated Seasonal Quantity is available in quantities sufficient to support additional access to Customer's Unnominated Daily Quantity the
applicable percentage available to Customer during such Shoulder Month will be as follows:

<table>
<thead>
<tr>
<th>Shoulder Month</th>
<th>% of Unnominated Seasonal Quantity Withdrawn</th>
<th>% of Unnominated Daily Quantity Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>April/October</td>
<td>75%</td>
<td>90%</td>
</tr>
<tr>
<td></td>
<td>80%</td>
<td>85%</td>
</tr>
<tr>
<td></td>
<td>85%</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>90%</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>95%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Such Shoulder Month Contract Demand shall be available during any day of the Shoulder Month for a minimum of fifteen (15) gas days during such month; provided, however, Shoulder Month Contract Demand shall be available for additional gas days to the extent operationally feasible.

12.2 In the event that Customer's Unnominated Seasonal Quantity has been exhausted prior to the April Shoulder Month period, Customer shall retain access to 50% of its Unnominated Daily Quantity up to an aggregate monthly total equivalent to 10% of Customer's Unnominated Seasonal Quantity, as set forth above from that date until April 30. This Section shall not apply if the SGL agreement expires prior to April 1 (see Section 5.7[17] below).

13. Supply Lateral Capacity

The provisions of Section 6.8[6] of the General Terms and Conditions of this Tariff, Supply Lateral Capacity, shall apply to SGL service, except that SGL customers may be allocated or may bid on supply lateral capacity on the basis of their Nominated Daily Quantities rather than their Contract Demand.

14. Capacity Release

14.1 Customer under the Rate Schedule SGL may not release and assign all or any part of its SGL Service pursuant to the provisions of Section 6.16, Capacity Release Program, of Texas Gas' General Terms and Conditions.

14.2 A Customer receiving SGL service under this Rate Schedule may not receive service as a Replacement Customer or from another Replacement Shipper unless the Customer has exhausted its daily entitlement under the Rate Schedule SGL.

15. Hourly Deliveries

Texas Gas shall not be obligated to deliver to Customer at all points of delivery in any hour more than one-sixteenth of Customer's Contract Demand, subject to Section 6.18[i] of the General Terms and Conditions of this Tariff.

16. Failure to Withdraw Gas from Storage before SGL Contract Termination

An SGL Customer is required to withdraw or otherwise diminish, as set forth in the following sentence, 100% of its Unnominated Seasonal Quantity before its SGL service agreement terminates or expires so that the storage balance in its SGL account is zero by April 1. Immediately prior to the termination of Customer's SGL service agreement, Customer may
make in-field transfers of gas to clear any remaining balance in Customer's SGL account. Customer may make such in-field transfers of gas to any other storage account, except SGT or SGL, provided that the total quantity of any in-field transfer is limited to only the amount required to clear any such remaining balance in Customer’s SGL account and does not exceed the seasonal storage capacity of the party receiving the transferred quantities. In no case shall any in-field transfer of gas be permitted which would result in a negative balance of gas in Customer’s SGL account. If such in-field transfer is to an NNS, NNL, SNS, WNS, FSS, ISS, FSS-M or ISS-M account or Customer, the SGL Customer making such transfer shall be assessed the applicable charge(s) for the transportation of such transferred gas to storage. In the event that Unnominated Seasonal Quantities remain in storage on April 1, these volumes will be subject to cash out at the system average "Index Price" for the month of April determined in accordance with 6.14(7) of the General Terms and Conditions of this Tariff, and Texas Gas shall pay Customer for its net storage balance (in MMBtu) according to the following table:

<table>
<thead>
<tr>
<th>Net Percentage of Unnominated Seasonal Quantity Remaining in Storage</th>
<th>Percentage of Index Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to 5%</td>
<td>100%</td>
</tr>
<tr>
<td>&gt;5% - 10%</td>
<td>90%</td>
</tr>
<tr>
<td>&gt;10% - 15%</td>
<td>80%</td>
</tr>
<tr>
<td>&gt;15% - 20%</td>
<td>70%</td>
</tr>
<tr>
<td>&gt;20%</td>
<td>60%</td>
</tr>
</tbody>
</table>

17. Redelivery of Borrowed Gas and Penalty for Failure to Redeliver Borrowed Gas Prior to Contract Termination

If Customer borrows gas in-kind from Texas Gas by withdrawing more than 100% of its Unnominated Seasonal Quantity pursuant to 5.7[10.5] hereof, then all quantities injected into Customer’s Unnominated storage thereafter shall be treated as repayment in kind of such borrowed gas until such gas is repaid.

In the event Customer fails to deliver in kind to Texas Gas any portion of such gas it has borrowed from Texas Gas prior to termination of its contract for service under this Rate Schedule, Customer shall, within 30 days of contract termination, pay Texas Gas an amount equal to the greater of 200% of Texas Gas’ book value of its working gas in storage or 200% of the highest monthly average index price calculated pursuant to Section 6.14 of the General Terms and Conditions, using a twelve month period ending on the date of contract termination.

18. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable to and are hereby incorporated as a part of this Rate Schedule SGL.
Rate Schedule SNS
Summer No-Notice Service

1. Availability

1.1 This rate schedule is available for the firm transportation of natural gas by Texas Gas for any Customer that:

(a) Has submitted a valid request for firm service pursuant to this Rate Schedule SNS;
(b) Is the successful bidder for available capacity;
(c) Has met the credit requirements of Section 6.5 of the General Terms and Conditions;
(d) Will deliver or cause to be delivered natural gas to Texas Gas for delivery by Texas Gas to or for the account of Customer in one or more of Texas Gas’ Service Zones; and
(e) Has executed a Transportation Service Agreement with Texas Gas for service under Rate Schedules SNS-SL, SNS-1, SNS-2, SNS-3, SNS-4, SNS-Fayetteville, or SNS-Greenville.

1.2 No-notice service under this Rate Schedule SNS is available only at an SNS Customer’s primary delivery point(s) and only during the summer season.

1.3 Service under this Rate Schedule SNS is available to any Customer, provided that such service can be performed from currently available pipeline and off-peak storage capacity not otherwise subscribed and that there are operational and/or administrative arrangements in place to meet the requirements of such service.

2. Applicability and Character of Service

2.1 The transportation service provided under this Rate Schedule is a firm service being offered in compliance with 18 C.F.R. Section 284.8(a)(4) and shall be performed under Subparts B or G of Part 284 of the Commission’s regulations, or any other applicable commission regulations governing such no-notice transportation service.

2.2 The transportation service offered under this Rate Schedule is provided by combining pipeline capacity and available short-term firm storage capacity into a single no-notice service. Customer’s Contract Demand is thus supplied by a combination of Nominated (pipeline) and Unnominated (storage) Quantities as more fully defined below and as set forth in Customer’s SNS Service Agreement.

2.3 Notwithstanding any other provision hereof, Customer shall be required to nominate any Unnominated Daily Quantity-SNS at a primary delivery point where an Operational Balancing Agreement is in effect.

3. Categories and Priorities of Transportation Services

Refer to Section 6.12 of the General Terms and Conditions of this Tariff.
4. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for firm transportation service to each zone are set forth in currently effective Section 4.8 and Section 4.16 of this Tariff, and these rates are incorporated herein by reference.

4.1 Rates

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay to Texas Gas each month a Reservation Charge which shall consist of the applicable Contract Demand as specified in Customer’s SNS Service Agreement multiplied by the applicable demand rate per MMBtu. The Reservation Charge shall be billed as of the effective date of the SNS Service Agreement.

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall also pay to Texas Gas each month the applicable Maximum Commodity Rates per MMBtu of gas delivered by Texas Gas for no-notice transportation services rendered to Customer up to Customer’s applicable Contract Demand. For all gas quantities delivered in excess of Customer’s applicable Contract Demand on any day, Customer shall pay the SNS Overrun Rate per MMBtu under this Rate Schedule. In addition, Customer shall pay any and all currently effective surcharges, including but not limited to, the FERC ACA Unit Charge, Texas Gas’ Take-or-Pay surcharge, and Order 636 Transition Costs surcharge.

4.2 Fuel, Company Use, and Unaccounted For Quantities

Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

4.3 Processing Rights

Processing rights and the transportation of liquids/liquefiables shall be in accordance with Section 6.22 of the General Terms and Conditions of this Tariff.

4.4 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

5. Minimum Monthly Bill

5.1 The minimum monthly bill for transportation service rendered hereunder on a firm basis shall consist of the monthly Reservation Charge as described in Section 5.8[4.1] of this Rate Schedule.

5.2 There shall be no minimum commodity bill for transportation service rendered hereunder on a firm basis.
6. Authorized Hourly Overrun

Customer may request that Texas Gas allow hourly overruns in excess of the variable hourly flow permitted pursuant to Section 5.8[16] of this rate schedule. To the extent Texas Gas is operationally able to provide such hourly overrun without adversely impacting other firm services on its system, Texas Gas may agree to and authorize such hourly overruns by setting flow control at a quantity greater than otherwise permissible under Section 5.8[16]. For any such volumes delivered during any hour in excess of that which Texas Gas is obligated to deliver under Section 5.8[16], Customer agrees to and shall pay an hourly overrun charge in an amount per MMBtu as set forth in the currently effective Section 4.8 and Section 4.16 of this Tariff. For purposes of billing such hourly overrun, an "hour" shall mean a period of sixty consecutive minutes beginning at the top of the hour (e.g., 9:00) or such other period of sixty consecutive minutes mutually agreeable to Customer and Texas Gas.

7. Daily and Hourly Overrun

7.1 Authorized Daily Overruns, Allowable Variation, and Unauthorized Contract Demand Overrun Quantity

(a) Authorized Daily Overrun

Where Customer has obtained Texas Gas’ prior consent to transport quantities on any day in excess of its Daily Contract Demand, such excess quantities shall be considered authorized overruns. In such circumstances, Customer shall pay the SNS overrun rate for such authorized overruns and no penalty shall be assessed.

(b) Allowable Variation

Notwithstanding anything herein to the contrary, Customer takes between 100% of Contract Demand and 102% of Contract Demand shall be considered an allowable variation in the delivery of the Contract Demand and shall not require Texas Gas’ prior consent. In such circumstances, the Customer shall pay the SNS Overrun Rate for such takes and no penalty shall be assessed. Customer may rely on daily operational information provided by Texas Gas to determine if its takes have exceeded its daily Contract Demand and, if so, whether such excess takes are within 102% of Contract Demand and shall be considered allowable variation. Texas Gas shall use the lesser of operational information or actual data to determine whether Customer’s excess takes are allowable variation or unauthorized overrun quantity.

(c) Unauthorized Contract Demand Overrun Quantity

Customer takes in excess of 102% of the Contract Demand on any day, without Texas Gas’ prior consent, shall constitute Unauthorized Contract Demand Overrun Quantity.

7.2 Unauthorized Contract Demand Overrun Penalty

In any month in which Customer takes an Unauthorized Contract Demand Overrun, Customer shall pay to Texas Gas the following penalties in addition to the charges otherwise payable hereunder:
(a) A "Nominal Overrun Penalty" equal to twice the effective FT Overrun Rate for all Unauthorized Contract Demand Overrun Quantities taken on any day over 102% of the Contract Demand; and

(b) An "Excess Overrun Penalty" of $10.00 per MMBtu for all Unauthorized Contract Demand Overrun Quantities taken on any day in excess of 105% of Contract Demand.

In the event a Customer incurs an Excess Overrun Penalty, Texas Gas will credit any amounts collected as a Nominal Overrun Penalty against amounts collected as an Excess Overrun Penalty, so that the total Overrun Penalty collected does not exceed $10.00 per MMBtu for overruns in excess of 105% of Contract Demand.

The payment of a penalty for Unauthorized Contract Demand Overrun by a Customer shall not under any circumstances be considered as giving such Customer the right to take Unauthorized Contract Demand Overrun nor shall such payment be considered as a substitute for any other remedies available to Texas Gas or any of Texas Gas’ other Customers against the offending Customer for failure to respect its obligation to adhere to the provisions of its contract with Texas Gas.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any Nominal Overrun Penalty for an Unauthorized Contract Demand Overrun if, on the day when the Unauthorized Contract Demand Overrun was taken, deliveries to Texas Gas’ other Customers were not adversely affected by the taking of such Unauthorized Contract Demand Overrun or if Texas Gas’ pipeline operations, including gas storage operations, were not impaired thereby. Texas Gas must waive any Excess Overrun Penalty if the Unauthorized Contract Demand Overrun occurs in a non-critical situation and does not cause operational problems.

Texas Gas shall be obligated to waive any penalty for Unauthorized Contract Demand Overrun:

(i) when such overrun is taken under circumstances beyond the control of Customer due to emergency conditions on Texas Gas’ facilities, or

(ii) when such overrun is due to accident to or breakage of pipelines, machinery or equipment of the Customer; provided, however, Customer shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to repair or otherwise remedy the situation and furnish Texas Gas satisfactory evidence that such accident or breakage was not due to Customer’s gross negligence.

8. Seasonal Quantity Entitlement Overrun Charge and Nominal Penalty

8.1 If Customer takes quantities of gas during the seven-month period commencing April 1 of each year in excess of the Summer Quantity Entitlement-SNS, such excess shall constitute Seasonal Quantity Entitlement Overrun.

8.2 In addition to all other applicable charges, if Customer takes quantities of gas in any season in excess of the applicable Seasonal Quantity Entitlement, there shall be a penalty of twice the effective FT Overrun Rate; provided, however, such seasonal penalties shall be charged only for unauthorized seasonal overruns.
Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any penalty under this Section 5.8[8.2] for Seasonal Quantity Entitlement Overrun if, as a result of such overrun, deliveries to Texas Gas' other Customers were not adversely affected or if Texas Gas' pipeline operations, including gas storage operating, were not impaired thereby.

8.3 Texas Gas will assess only one penalty for any infraction (i.e., a Customer will not incur both unauthorized Contract Demand overrun and seasonal quantity overrun charges or penalties based on a single infraction).

9. Unnominated Quantity Overrun

9.1 Unnominated Daily Quantity-SNS Overrun Charge and Penalty

If Customer automatically takes quantities of gas from storage or injects quantities of gas into storage without nomination on any day in excess of Customer's Unnominated Daily Quantity-SNS, such excess shall constitute "Unnominated Daily Quantity-SNS Overrun."

In addition to all other applicable charges, if Customer incurs an Unnominated Daily Quantity-SNS Overrun, there shall be a penalty of $10.00 per MMBtu for such excess quantities up to 105% of the Unnominated Daily Quantity-SNS and a penalty of $25.00 per MMBtu for such excess quantities in excess of 105% of the Unnominated Daily Quantity-SNS.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any penalty under this Section 5.8[9.1] for Unnominated Daily Quantity-SNS Overrun if, as a result of such overrun, deliveries to Texas Gas' other Customers were not adversely affected or if Texas Gas' pipeline operations, including gas storage operating, were not impaired thereby.

9.2 Maximum Unnominated Quantity-SNS Overrun Charge and Penalty

If Customer's cumulative injections into or withdrawals from storage at any time exceed its Maximum Unnominated Quantity-SNS, then such excess shall constitute Maximum Unnominated Quantity-SNS Overrun.

In addition to all other applicable charges, if Customer incurs a Maximum Unnominated Quantity-SNS Overrun, there shall be a penalty $10.00 per MMBtu for such excess quantities up to 105% of the Maximum Unnominated Quantity-SNS and a penalty of $25.00 per MMBtu for such excess quantities in excess of 105% of the Maximum Unnominated Quantity-SNS.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any penalty under this Section 5.8[9.2] for Maximum Unnominated Quantity-SNS Overrun if, as a result of such overrun, deliveries to Texas Gas' other Customers were not adversely affected or if Texas Gas' pipeline operations, including gas storage operating, were not impaired thereby.

9.3 Texas Gas will assess only one penalty for any infraction (i.e., a Customer will not incur both Unnominated Daily Quantity-SNS Overrun and Maximum Unnominated Quantity-SNS Overrun penalties based on a single infraction).
10. Reimbursement of Fees and Taxes

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a non-discriminatory basis in the event of an administrative error.

11. Nominations, Receipts, and Deliveries

Customer shall be responsible for nominating gas supply into Texas Gas’ system up to Customer’s Nominated Daily Quantity, pursuant to Section 6.12 of the General Terms and Conditions. Receipts and deliveries under this Rate Schedule shall be governed by Section 6.6(4) of the General Terms and Conditions.


During the Summer Season, Texas Gas will deliver to Customer up to Customer’s Contract Demand and Customer’s Summer Quantity Entitlement-SNS as set forth below.

12.1 Customer may nominate into Texas Gas’ system a quantity of gas up to the Contract Demand.

12.2 In addition to the Nominated Daily Quantity-SNS actually scheduled by Customer, Texas Gas will adjust deliveries from or injections into storage from Customer’s available Unnominated Daily Quantity-SNS to meet Customer’s requirements up to Customer’s Contract Demand. Although a formal nomination is not required to receive Customer’s available Unnominated Daily Quantity-SNS, Customer shall provide operational notice to Texas Gas of its anticipated needs.

12.3 Texas Gas shall maintain an account reflecting the net amount of Unnominated Daily Quantity-SNS actually utilized by Customer, which net amount shall not exceed the Maximum Unnominated Quantity-SNS. The initial balance in this account shall be zero and the closing balance at the earlier of the end of the summer season or the end of the Contract term, shall also be zero. Subject to its actual physical requirements, Customer shall use its best efforts to maintain, as near as practicable, an account balance of zero during the Summer Season. Texas Gas may give notice requiring a Customer to return its account balance to zero (i) within 24 hours if the balance is equal to or less than the Customer’s daily Contract Demand, (ii) within 48 hours if the balance exceeds the Customer’s daily Contract Demand but is equal to or is less than twice the Customer’s daily Contract Demand or (iii) within 72 hours if the balance exceeds twice the Customer’s Contract Demand. If the Customer fails to return its account balance to zero consistent with such notice, the Customer shall pay a penalty of up to $50 per MMBtu per day for each MMBtu remaining out of balance.

12.4 During the Summer Season, Texas Gas will also inject gas into storage on a best efforts basis as part of SNS service. Although such injections will be done on a best efforts basis, Texas Gas will be presumed, unless it gives notice to the contrary, to be able to inject into storage such quantities of gas as to take into account routine variations in no-notice deliveries. If Texas Gas is unable to make such best efforts injections, it will advise Customer by posting on its Internet Website. However, no presumption will exist for non-routine situations (e.g. sustained injections of more than three days) and, in such non-routine situations, Customer must give 24 hours advance written notice to Texas Gas of quantities it desires to inject into storage, so that Texas
Gas can determine the extent to which it can make such injections and adjust its operations accordingly.

13. Shoulder Month Limitations

Such Shoulder Month Contract Demand shall be available during any day of the Shoulder Month for a minimum of fifteen (15) gas days during such month; provided, however, Shoulder Month Contract Demand shall be available for additional gas days to the extent operationally feasible. In the event Texas Gas is unable to provide both Shoulder Month service under Rate Schedule SNS and Shoulder Month service pursuant to the Shoulder Month Flexibility provisions of either 5.4[12] of Rate Schedule NNS, Section 5.5[12] of Rate Schedule NNL, or Section 5.6[12] of Rate Schedule SGT, or Section 5.7[12] of Rate Schedule SGL, then service pursuant to the Shoulder Month Flexibility provisions of Rate Schedules NNS, NNL, SGT, and SGL shall take priority over shoulder month service under Rate Schedule SNS.

14. Storage Inventory Tests

Inventory verification tests of Texas Gas' storage fields will be conducted as operationally necessary, but in no event less than once per calendar year. These tests require the temporary suspension of individual storage field activities (injections and withdrawals) for a period of approximately two weeks. If conditions will not permit the injection or withdrawal of the full Unnominated Daily Quantity-SNS, Texas Gas may temporarily adjust the limit and allow make-up quantities on succeeding days. Texas Gas will provide at least 45 days prior notice in regard to the scheduling of these shut-in periods.

15. Supply Lateral Capacity


16. Hourly Deliveries

Texas Gas shall not be obligated to deliver to Customer at the primary point of delivery in any hour more than one-sixteenth of Customer's Contract Demand, subject to Section 6.18[l] of the General Terms and Conditions of this Tariff. Notwithstanding the foregoing, hourly overruns may be authorized pursuant to Section 5.8[6] above.

17. Penalty for Failure to Close Maximum Unnominated Quantity-SNS Account

In the event Customer fails to deliver in kind to Texas Gas any portion of its Maximum Unnominated Quantity-SNS it has borrowed from Texas Gas prior to the end of the Summer Season and/or termination of its contract for service under this Rate Schedule, if Customer has not contracted for a full season of service, Customer shall, within 10 days of invoice from Texas Gas, pay Texas Gas an amount equal to the greater of 200% of Texas Gas' book value of its working gas in storage or 200% of the highest monthly average index price calculated pursuant to Section 6.14 of the General Terms and Conditions during the past twelve month period. Likewise, if Customer fails to remove from storage any portion of its Maximum Unnominated Quantity-SNS it has injected into storage prior to the end of the Summer Season and/or termination of its contract for service under this Rate Schedule, Customer shall forfeit such remaining gas to Texas Gas. For Customers with multiple year SNS service agreements, immediately prior to the end of the Summer Season or the applicable summer month in which an SNS service agreement ends, or immediately prior to the termination of Customer's SNS service agreement for any SNS customer, Customer may make in-field transfers of gas to clear
any remaining balance in Customer’s SNS account. Customer may make such in-field transfers to any other storage account, except SGT or SGL, provided that the total quantity of any in-field transfer is limited to only the amount required to clear any such remaining balance in Customer’s SNS account and does not exceed the seasonal storage capacity of the party receiving the transferred quantities. In no case shall any in-field transfer of gas be permitted which would result in a negative balance of gas in Customer’s SNS account. If such in-field transfer is to an FSS, ISS, FSS-M or ISS-M account or Customer, the SNS Customer making such transfer shall be assessed the applicable charge(s) for the transportation of such transferred gas to storage.

18. Capacity Release

A Customer under the Rate Schedule SNS may release and assign all or any part of its SNS service pursuant to the provisions of Section 6.16, Capacity Release Program, of Texas Gas’ General Terms and Conditions.

19. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable to and are hereby incorporated as a part of this Rate Schedule SNS.
Rate Schedule WNS
Winter No-Notice Service

1. Availability

1.1 This rate schedule is available for the firm transportation of natural gas by Texas Gas for any Customer that:

   (a) Has submitted a valid request for firm service pursuant to this Rate Schedule WNS;
   (b) Is the successful bidder for available capacity;
   (c) Has met the credit requirements of Section 6.5 of the General Terms and Conditions;
   (d) Will deliver or cause to be delivered natural gas to Texas Gas for delivery by Texas Gas to or for the account of Customer in one or more of Texas Gas' Service Zones; and
   (e) Has executed a Transportation Service Agreement with Texas Gas for service under Rate Schedules WNS-SL, WNS-1, WNS-2, WNS-3, WNS-4, WNS-Fayetteville, or WNS-Greenville.

1.2 No-notice service under this Rate Schedule WNS is available only at a WNS Customer's primary delivery point(s) and only during the winter season.

1.3 Service under this Rate Schedule WNS is available to any Customer, provided that such service can be performed from currently available firm pipeline and storage capacity and that there are operational and/or administrative arrangements in place to meet the requirements of such service.

2. Applicability and Character of Service

2.1 The transportation service provided under this Rate Schedule is a firm service being offered in compliance with 18 C.F.R. Section 284.7(a)(4) and shall be performed under Subparts B or G of Part 284 of the Commission's regulations, or any other applicable commission regulations governing such no-notice transportation service.

2.2 The transportation service offered under this Rate Schedule is provided by combining firm pipeline and storage capacity into a single no-notice service. Customer's Contract Demand is thus supplied by a combination of Nominated (pipeline) and Unnominated (storage) Quantities as more fully defined below and as set forth in Customer's WNS Service Agreement.

2.3 Notwithstanding any other provision hereof, Customer shall be required to nominate any Unnominated Daily Quantity-WNS at a primary delivery point where an Operational Balancing Agreement is in effect.

3. Categories and Priorities of Transportation Services

Refer to Section 6.12 of the General Terms and Conditions of this Tariff.
4. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for firm transportation service to each zone are set forth on currently effective Section 4.9 and Section 4.16 of this Tariff, and these rates are incorporated herein by reference.

4.1 Rates

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay to Texas Gas each month a Reservation Charge which shall consist of the applicable Contract Demand as specified in Customer's WNS Service Agreement multiplied by the applicable demand rate per MMBtu. The Reservation Charge shall be billed as of the effective date of the WNS Service Agreement.

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall also pay to Texas Gas each month the applicable Maximum Commodity Rates per MMBtu of gas delivered by Texas Gas for no-notice transportation services rendered to Customer up to Customer's applicable Contract Demand. For all gas quantities delivered in excess of Customer's applicable Contract Demand on any day, Customer shall pay the WNS Overrun Rate per MMBtu under this Rate Schedule. In addition, Customer shall pay any and all currently effective surcharges, including but not limited to the FERC ACA Unit Charge.

4.2 Fuel, Company Use, and Unaccounted For Quantities

Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

4.3 Processing Rights

Processing rights and the transportation of liquids/liquefiables shall be in accordance with Section 6.22 of the General Terms and Conditions of this Tariff.

4.4 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

5. Minimum Monthly Bill

(a) The minimum monthly bill for transportation service rendered hereunder on a firm basis shall consist of the monthly Reservation Charge as described in Section 5.9[4.1] of this Rate Schedule.

(b) There shall be no minimum commodity bill for transportation service rendered hereunder on a firm basis.

6. Authorized Hourly Overrun

Customer may request that Texas Gas allow hourly overruns in excess of the variable hourly flow permitted pursuant to Section 5.9[14] of this rate schedule. To the extent Texas Gas is
operationally able to provide such hourly overrun without adversely impacting other firm services on its system, Texas Gas may agree to and authorize such hourly overruns by setting flow control at a quantity greater than otherwise permissible under Section 5.9[14]. For any such volumes delivered during any hour in excess of that which Texas Gas is obligated to deliver under Section 5.9[14], Customer agrees to and shall pay an hourly overrun charge in an amount per MMBtu as set forth in the currently effective Section 4.9 and Section 4.16 of this Tariff. For purposes of billing such hourly overrun, an "hour" shall mean a period of sixty consecutive minutes beginning at the top of the hour (e.g., 9:00) or such other period of sixty consecutive minutes mutually agreeable to Customer and Texas Gas.

7. Daily and Hourly Overrun

7.1 Authorized Daily Overruns, Allowable Variation, and Unauthorized Contract Demand Overrun Quantity

(a) Authorized Daily Overrun

Where Customer has obtained Texas Gas' prior consent to transport quantities on any day in excess of its Daily Contract Demand, such excess quantities shall be considered authorized overruns. In such circumstances, Customer shall pay the WNS overrun rate for such authorized overruns and no penalty shall be assessed.

(b) Allowable Variation

Notwithstanding anything herein to the contrary, Customer takes between 100% of Contract Demand and 102% of Contract Demand shall be considered an allowable variation in the delivery of the Contract Demand and shall not require Texas Gas' prior consent. In such circumstances, the Customer shall pay the WNS Overrun Rate for such takes and no penalty shall be assessed. Customer may rely on daily operational information provided by Texas Gas to determine if its takes have exceeded its daily Contract Demand and, if so, whether such excess takes are within 102% of Contract Demand and shall be considered allowable variation. Texas Gas shall use the lesser of operational information or actual data to determine whether Customer's excess takes are allowable variation or unauthorized overrun quantity.

(c) Unauthorized Contract Demand Overrun Quantity

Customer takes in excess of 102% of the Contract Demand on any day, without Texas Gas' prior consent, shall constitute Unauthorized Contract Demand Overrun Quantity.

7.2 Unauthorized Contract Demand Overrun Penalty

In any month in which Customer takes an Unauthorized Contract Demand Overrun, Customer shall pay to Texas Gas the following penalties in addition to the charges otherwise payable hereunder:

(a) A "Nominal Overrun Penalty" equal to twice the effective FT Overrun Rate for all Unauthorized Contract Demand Overrun Quantities taken on any day over 102% of the Contract Demand; and
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Version 10.0.0
Effective On: December 1, 2016

(b) An "Excess Overrun Penalty" of $10.00 per MMBtu for all Unauthorized Contract Demand Overrun Quantities taken on any day in excess of 105% of Contract Demand.

In the event a Customer incurs an Excess Overrun Penalty, Texas Gas will credit any amounts collected as a Nominal Overrun Penalty against amounts collected as an Excess Overrun Penalty, so that the total Overrun Penalty collected does not exceed $10.00 per MMBtu for overruns in excess of 105% of Contract Demand.

The payment of a penalty for Unauthorized Contract Demand Overrun by a Customer shall not under any circumstances be considered as giving such Customer the right to take Unauthorized Contract Demand Overrun nor shall such payment be considered as a substitute for any other remedies available to Texas Gas or any of Texas Gas’ other Customers against the offending Customer for failure to respect its obligation to adhere to the provisions of its contract with Texas Gas.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any Nominal Overrun Penalty for an Unauthorized Contract Demand Overrun if, on the day when the Unauthorized Contract Demand Overrun was taken, deliveries to Texas Gas’ other Customers were not adversely affected by the taking of such Unauthorized Contract Demand Overrun or if Texas Gas’ pipeline operations, including gas storage operations, were not impaired thereby. Texas Gas must waive any Excess Overrun Penalty if the Unauthorized Contract Demand Overrun occurs in a non-critical situation and does not cause operational problems.

Texas Gas shall be obligated to waive any penalty for Unauthorized Contract Demand Overrun:

(i) when such overrun is taken under circumstances beyond the control of Customer due to emergency conditions on Texas Gas’ facilities, or

(ii) when such overrun is due to accident to or breakage of pipelines, machinery or equipment of the Customer; provided, however, Customer shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to repair or otherwise remedy the situation and furnish Texas Gas satisfactory evidence that such accident or breakage was not due to Customer’s gross negligence.

8. Seasonal Quantity Entitlement Overrun Charge and Nominal Penalty

8.1 If Customer takes quantities of gas during the five-month period commencing November 1 of each year in excess of the Winter Quantity Entitlement-WNS, such excess shall constitute Seasonal Quantity Entitlement Overrun.

8.2 In addition to all other applicable charges, if Customer takes quantities of gas in any season in excess of its Winter Quantity Entitlement-WNS, there shall be a penalty of twice the effective FT Overrun Rate; provided, however, such seasonal penalties shall be charged only for unauthorized seasonal overruns.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any penalty under this Section 5.9[8.2] for Seasonal Quantity Entitlement Overrun if, as a result of such overrun, deliveries to Texas Gas’ other Customers were...
not adversely affected or if Texas Gas’ pipeline operations, including gas storage operating, were not impaired thereby.

8.3 Texas Gas will assess only one penalty for any infraction (i.e., a Customer will not incur both unauthorized Contract Demand overrun and seasonal quantity overrun charges or penalties based on a single infraction).

9. Unnominated Quantity Overrun

9.1 Unnominated Daily Quantity-WNS Overrun Charge and Penalty

If Customer automatically takes quantities of gas from storage or injects quantities of gas into storage without nomination on any day in excess of Customer’s Unnominated Daily Quantity-WNS, such excess shall constitute Unnominated Daily Quantity-WNS Overrun.

In addition to all other applicable charges, if Customer incurs an Unnominated Daily Quantity-WNS Overrun, there shall be a penalty of $10.00 per MMBtu for such excess quantities up to 105% of the Unnominated Daily Quantity-WNS and a penalty of $25.00 per MMBtu for such excess quantities in excess of 105% of the Unnominated Daily Quantity-WNS.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any penalty under this Section 5.9[9.1] for Unnominated Daily Quantity-WNS Overrun if, as a result of such overrun, deliveries to Texas Gas’ other Customers were not adversely affected or if Texas Gas’ pipeline operations, including gas storage operating, were not impaired thereby.

9.2 Maximum Unnominated Quantity-WNS Overrun Charge and Penalty

If Customer’s cumulative injections into or withdrawals from storage at any time exceed its Maximum Unnominated Quantity-WNS, then such excess shall constitute Maximum Unnominated Quantity-WNS Overrun.

In addition to all other applicable charges, if Customer incurs a Maximum Unnominated Quantity-WNS Overrun, there shall be a penalty $10.00 per MMBtu for such excess quantities up to 105% of the Maximum Unnominated Quantity-WNS and a penalty of $25.00 per MMBtu for such excess quantities in excess of 105% of the Maximum Unnominated Quantity-WNS.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any penalty under this Section 5.9[9.2] for Maximum Unnominated Quantity-WNS Overrun if, as a result of such overrun, deliveries to Texas Gas’ other Customers were not adversely affected or if Texas Gas’ pipeline operations, including gas storage operating, were not impaired thereby.

9.3 Texas Gas will assess only one penalty for any infraction (i.e., a Customer will not incur both Unnominated Daily Quantity-WNS Overrun and Maximum Unnominated Quantity-WNS Overrun penalties based on a single infraction).
10. Reimbursement of Fees and Taxes

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a non-discriminatory basis in the event of an administrative error.

11. Nominations, Receipts, and Deliveries

Customer shall be responsible for nominating gas supply into Texas Gas’ system up to Customer’s Nominated Daily Quantity, pursuant to Section 6.12 of the General Terms and Conditions. Receipts and deliveries under this Rate Schedule shall be governed by Section 6.6[4] of the General Terms and Conditions.


During the Winter Season, Texas Gas will deliver to Customer up to Customer’s Contract Demand and Customer’s Winter Quantity Entitlement-WNS as set forth below. Customer’s Contract Demand may vary each month of the five-month Winter Season; provided, however, the Contract Demand in any month may not be zero and must be at least 50% of the highest agreed Contract Demand quantity of any other month.

12.1 Customer may nominate into Texas Gas’ system a quantity of gas up to Customer’s Nominated Daily Quantity-WNS.

12.2 In addition to the Nominated Daily Quantity-WNS actually scheduled by Customer, Texas Gas will adjust deliveries from or injections into storage from Customer’s available Unnominated Daily Quantity-WNS to meet Customer’s requirements up to Customer’s Contract Demand. Although a formal nomination is not required to receive Customer’s available Unnominated Daily Quantity-WNS, Customer shall provide operational notice to Texas Gas of its anticipated needs.

12.3 Texas Gas shall maintain an account reflecting the net amount of Unnominated Daily Quantity-WNS actually utilized by Customer, which net amount shall not exceed the Maximum Unnominated Quantity-WNS. The initial balance in this account shall be zero and the closing balance at the earlier of the end of the Winter Season or the end of the Contract term, shall also be zero. Customer shall maintain a positive account balance during the Winter Season to meet its Unnominated Daily Quantity-WNS. To the extent operationally possible and without impact on any other firm customer, Texas Gas may, upon request by Customer and approval by Texas Gas, allow a Customer to withdraw more gas from storage than is in its account; provided, however, that Texas Gas may give notice requiring the Customer to return its account balance to zero within 24 hours. If the Customer fails to return its account balance consistent with such notice, the Customer shall pay a penalty of up to $50 per MMBtu per day for each MMBtu remaining out of balance.

12.4 During Winter Season, Texas Gas will also inject gas into storage on a best efforts basis as part of WNS service. Although such injections will be done on a best efforts basis, Texas Gas will be presumed, unless it gives notice to the contrary, to be able to inject into storage such quantities of gas as to take into account routine variations in no-notice deliveries. If Texas Gas is unable to make such best efforts injections, it will advise Customer by posting on its Internet Website. However, no presumption will exist for non-routine situations (e.g. sustained injections of more than three days) and, in
such non-routine situations, Customer must give 24 hours advance written notice to Texas Gas of quantities it desires to inject into storage, so that Texas Gas can determine the extent to which it can make such injections and adjust its operations accordingly.

13. Supply Lateral Capacity


14. Hourly Deliveries

Texas Gas shall not be obligated to deliver to Customer at the primary point of delivery in any hour more than one-sixteenth of Customer's Contract Demand, subject to Section 6.18 of the General Terms and Conditions of this Tariff. Notwithstanding the foregoing, hourly overruns may be authorized pursuant to Section 5.9[6] above.

15. Penalty for Failure to Close Maximum Unnominated Quantity-WNS Account

In the event Customer fails to deliver in kind to Texas Gas any portion of its Maximum Unnominated Quantity-WNS it has borrowed from Texas Gas prior to the end of the Winter Season and/or termination of its contract for service under this Rate Schedule, Customer shall, within 10 days of invoice from Texas Gas, pay Texas Gas an amount equal to the greater of 200% of Texas Gas' book value of its working gas in storage or 200% of the highest monthly average index price calculated pursuant to Section 6.14 of the General Terms and Conditions during the past twelve month period. Likewise, if Customer fails to remove from storage any portion of its Maximum Unnominated Quantity-WNS it has injected into storage prior to the end of the Winter Season and/or termination of its contract for service under this Rate Schedule, Customer shall forfeit such remaining gas to Texas Gas.

16. Capacity Release

A Customer under the Rate Schedule WNS may release and assign all or any part of its WNS service pursuant to the provisions of Section 6.16, Capacity Release Program, of Texas Gas' General Terms and Conditions.

17. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable to and are hereby incorporated as a part of this Rate Schedule WNS.
1. Availability

1.1 This Rate Schedule is available for the transportation of natural gas by Texas Gas for any Customer:

(a) Who has executed a Transportation Service Agreement with Texas Gas for firm or no-notice transportation service under Rate Schedules FT-SL, FT-1, FT-2, FT-3, FT-4; FT-Fayetteville, FT-Greenville; STF-SL, STF-1, STF-2, STF-3, STF-4; STF-Fayetteville, STF-Greenville; NNS-SL, NNS-1, NNS-2, NNS-3, NNS-4; NNS-Fayetteville, NNS-Greenville; NNL-SL, NNL-1, NNL-2, NNL-3, NNL-4; NNL-Fayetteville, NNL-Greenville; SGT; SGL; SNS-SL, SNS-1, SNS-2, SNS-3, SNS-4; SNS-Fayetteville, SNS-Greenville; WNS-SL, WNS-1, WNS-2, WNS-3, WNS-4; WNS-Fayetteville, WNS-Greenville; or FLS.

(b) Who has met the credit requirements of Section 6.5 of the General Terms and Conditions; and

(c) Who desires to enhance its firm or no-notice transportation service by executing an ENS Addendum to an FT, STF, NNS, NNL, SGT, SGL, SNS, WNS, or FLS Service Agreement permitting Customer to nominate during the additional nomination cycles identified in Section 5.10[5.2] below.

1.2 Texas Gas will evaluate all requests for ENS Service and only execute contracts with those seeking service under this Rate Schedule from physical receipt points on Texas Gas' system where (i) the point operator has personnel available twenty-four (24) hours a day to provide confirmations; and (ii) there is electronic measurement and flow control operated by Texas Gas, to Customer's primary delivery point(s). Texas Gas will post such eligible physical receipt points to its Internet Web Site.

1.3 Texas Gas shall not be required to perform service under this Rate Schedule, subject to obtaining any necessary approvals, on behalf of any Customer that fails to comply with any and all of the terms of this Rate Schedule and with the terms of Customer's Transportation Service Agreement with Texas Gas.

2. Applicability and Character of Service

2.1 This Rate Schedule is subject to all the terms and conditions of Rate Schedule FT, STF, NNS, NNL, SGT, SGL, SNS, WNS, or FLS.

3. Quantities

All quantities designated for service under Rate Schedule ENS shall be the same as those quantities designated as Contract Demand under the base FT or STF Transportation Service Agreement and Nominated Daily Quantity under the base NNS, NNL, SGT, SGL, SNS, WNS, or FLS Transportation Service Agreement to which the ENS Service is appended.

4. Rates and Charges

4.1 The applicable rates per MMBtu under this Rate Schedule ENS for enhanced nomination service are set forth on currently effective Section 4.10 of this Tariff, and these rates are incorporated herein by reference. Such rates are in addition to any rates charged for service under Rate Schedule FT, STF, NNS, NNL, SGT, SGL, SNS, WNS, or FLS.
4.2 Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of this rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

5. Nominations, Receipts, and Deliveries

5.1 Customer shall be able to submit additional intraday nominations during the additional nomination cycles set forth in Section 5.10[5.2] below to request early, short notice scheduling of gas supplies from physical receipt points on the Texas Gas system, as described in Section 5.10[1.2] above, to Customer’s primary delivery point(s) to fulfill its nomination request. These additional nomination cycles will be in addition to the standard nomination cycles outlined in Section 6.12 of the General Terms and Conditions of this Tariff.

Nominations for the additional intraday cycles will be confirmed and scheduled in accordance with Section 6.12 of the General Terms and Conditions of this Tariff.

5.2 Additional Nomination Cycles

<table>
<thead>
<tr>
<th>TIME</th>
<th>ADDITIONAL CYCLE NO.</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>08:00 a.m. CCT</td>
<td>Cycle 1</td>
<td>Nomination Deadline</td>
</tr>
<tr>
<td>09:00 a.m. CCT</td>
<td>Cycle 1</td>
<td>Confirmation Deadline</td>
</tr>
<tr>
<td>10:00 a.m. CCT</td>
<td>Cycle 1</td>
<td>Effective Flow Time</td>
</tr>
<tr>
<td>10:00 a.m. CCT</td>
<td>Cycle 2</td>
<td>Nomination Deadline</td>
</tr>
<tr>
<td>11:00 a.m. CCT</td>
<td>Cycle 2</td>
<td>Confirmation Deadline</td>
</tr>
<tr>
<td>12:00 p.m. CCT</td>
<td>Cycle 2</td>
<td>Effective Flow Time</td>
</tr>
<tr>
<td>12:00 p.m. CCT</td>
<td>Cycle 3</td>
<td>Nomination Deadline</td>
</tr>
<tr>
<td>01:00 p.m. CCT</td>
<td>Cycle 3</td>
<td>Confirmation Deadline</td>
</tr>
<tr>
<td>02:00 p.m. CCT</td>
<td>Cycle 3</td>
<td>Effective Flow Time</td>
</tr>
<tr>
<td>02:00 p.m. CCT</td>
<td>Cycle 4</td>
<td>Nomination Deadline</td>
</tr>
<tr>
<td>03:00 p.m. CCT</td>
<td>Cycle 4</td>
<td>Confirmation Deadline</td>
</tr>
<tr>
<td>04:00 p.m. CCT</td>
<td>Cycle 4</td>
<td>Effective Flow Time</td>
</tr>
<tr>
<td>04:00 p.m. CCT</td>
<td>Cycle 5</td>
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<tr>
<td>05:00 p.m. CCT</td>
<td>Cycle 5</td>
<td>Confirmation Deadline</td>
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<tr>
<td>06:00 p.m. CCT</td>
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<td>Effective Flow Time</td>
</tr>
<tr>
<td>06:00 p.m. CCT</td>
<td>Cycle 6</td>
<td>Nomination Deadline</td>
</tr>
<tr>
<td>07:00 p.m. CCT</td>
<td>Cycle 6</td>
<td>Confirmation Deadline</td>
</tr>
<tr>
<td>08:00 p.m. CCT</td>
<td>Cycle 6</td>
<td>Effective Flow Time</td>
</tr>
</tbody>
</table>
Note: Prior to the Confirmation Deadline, Texas Gas will make available preliminary Scheduled Quantities to affected shippers and point operators, including notice to bumped parties. The Effective Flow Time shall be when Scheduled Quantities are made available by Texas Gas to affected shippers and point operators, including notice to bumped parties.

6. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable to and are hereby incorporated as a part of this Rate Schedule ENS.
1. **Availability**

1.1 This Rate Schedule is available for the transportation of natural gas by Texas Gas for any Customer which will deliver or cause to be delivered natural gas to Texas Gas for redelivery by Texas Gas to Customer or for the account of Customer in one or more of Texas Gas' Service Zones; which has met the credit requirements of Section 6.5 of the General Terms and Conditions; and which has executed a Transportation Service Agreement with Texas Gas for service under Rate Schedules IT-SL, IT-1, IT-2, IT-3, IT-4, IT-Fayetteville, or IT-Greenville.

1.2 Customer, Texas Gas, and third-party transporters have obtained, as appropriate, or will obtain, all State and Federal approvals for services to be provided by Customer, Texas Gas, and third-party transporters related to those rendered under this Rate Schedule.

2. **Applicability and Character of Service**

2.1 This Rate Schedule shall apply to all transportation services performed by Texas Gas for Customer under each Transportation Service Agreement for service under this Rate Schedule during the term identified in the Transportation Service Agreement. The transportation service rendered shall be on an interruptible basis. The transportation service provided under this Rate Schedule shall be performed under Subpart E of Part 157, Subparts B, G, H, or I of Part 284, or any other applicable commission regulation governing such transportation, including transportation performed on an "on behalf of" basis under Subpart B. Such service shall apply to all gas transported by Texas Gas for Customer under this Rate Schedule up to the transportation Contract Demand set forth in the Transportation Service Agreement.

Transportation service rendered hereunder which is interruptible in character will be performed provided Texas Gas has capacity sufficient to perform the service.

If the total quantities nominated for transportation pursuant to this Rate Schedule for a particular point of receipt and/or point of delivery by all interruptible customers exceed the total capacity available at that point, quantities scheduled for receipt and/or delivery will be allocated on a last-on, first-off basis in accordance with Section 6.12 of the General Terms and Conditions in Texas Gas' FERC Gas Tariff.

Interruptible service provided under this Rate Schedule shall be subject to interruption pursuant to Section 6.12 of the General Terms and Conditions of this Tariff. Interruption of service includes decreasing, suspending, or discontinuing both the receipt and delivery of gas. Texas Gas shall not be liable in damages or otherwise to Customer for any such curtailment or interruption. Curtailment of interruptible transportation service will be on a last-on, first-off basis in accordance with Section 6.12 of the General Terms and Conditions contained in Texas Gas' FERC Gas Tariff.

2.2 Provided Texas Gas' prior consent is obtained, Customer may tender quantities of gas in excess of the Transportation Quantity on any day if such tender and transportation of such gas can be accomplished by Texas Gas without detriment to any other Customer.
under any of Texas Gas’ transportation rate schedules (see Section 6.12 of the General Terms and Conditions of this Tariff) if such transportation is compatible to Texas Gas’ system operation requirements. Subject to the foregoing restrictions, Texas Gas’ consent shall not be unreasonably withheld.

3. Categories and Priorities of Transportation Services

Refer to Section 6.12 of the General Terms and Conditions of this Tariff.

4. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for interruptible transportation service in each zone are set forth in currently effective Section 4.11 and Section 4.16 of this Tariff, and these rates are incorporated herein by reference.

4.1 Rates

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay to Texas Gas each month the maximum Commodity Charge (plus any currently effective surcharges including but not limited to the FERC ACA Unit Charge, Take-or-Pay surcharges, and Order 636 Transition Costs surcharge) per MMBtu of gas delivered by Texas Gas.

4.2 Fuel, Company Use, and Unaccounted For Quantities

Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

4.3 Processing Rights

Processing rights and the transportation of liquids/liquefiables shall be in accordance with Section 6.22 of the General Terms and Conditions of this Tariff.

4.4 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

5. Minimum Monthly Bill

None

6. Unauthorized Overrun

(a) Unauthorized Overrun Quantity

If Customer takes under this rate schedule on any day a quantity of gas which is greater than the applicable Contract Demand, the excess shall constitute an Unauthorized Overrun Quantity.

(b) Payment for Unauthorized Overrun Quantity
In any month in which Customer takes an Unauthorized Overrun Quantity, Customer shall pay to Texas Gas, in addition to the charges otherwise payable pursuant to Section 5.11[4.1] herein and Section 6.9[1] of the General Terms and Conditions:

(i) A "Nominal Overrun Penalty" equal to twice the effective FT Overrun Rate for all Unauthorized Overrun Quantities taken on any day in excess of 250 MMBtu; and

(ii) An "Excess Overrun Penalty" of $10.00 per MMBtu for all Unauthorized Overrun Quantities on any day in excess of 375 MMBtu.

In the event a Customer incurs an Excess Overrun Penalty, Texas Gas will credit any amounts collected as a Nominal Overrun Penalty against amounts collected as an Excess Overrun Penalty, so that the total Overrun Penalty collected does not exceed $10.00 per MMBtu for overruns in excess of 375 MMBtu.

No overrun penalty shall be payable for any day in which the Unauthorized Overrun Quantity is less than 250 MMBtu.

The payment of a penalty for an Unauthorized Overrun Quantity by a Customer shall not under any circumstances be considered as giving such Customer the right to take an Unauthorized Overrun Quantity nor shall such payment be considered as a substitute for any other remedies available to Texas Gas or any of Texas Gas' other customers against the offending Customer for failure to respect its obligation to adhere to the provisions of its contract with Texas Gas.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any Nominal Overrun Penalty for an Unauthorized Overrun if, on the day when the Unauthorized Overrun was taken, deliveries to Texas Gas' other customers were not adversely affected by the taking of such Unauthorized Overrun or if Texas Gas' pipeline operations, including gas storage operations, were not impaired thereby. Texas Gas must waive any Excess Overrun Penalty if the Unauthorized Overrun occurs in a non-critical situation and does not cause operational problems.

Texas Gas shall be obligated to waive any penalty for an Unauthorized Overrun Quantity:

(aa) when such overrun is taken under circumstances beyond the control of Customer due to emergency conditions on Texas Gas' facilities, or

(bb) when such overrun is due to accident to or breakage of pipelines, machinery or equipment of the Customer; provided, however, Customer shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to repair or otherwise remedy the situation and furnish Texas Gas satisfactory evidence that such accident or breakage was not due to Customer's gross negligence.

7. Reimbursement of Fees and Taxes

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a nondiscriminatory basis in the event of an administrative error.
8. Uniform Flows

Customer shall deliver or cause to be delivered to Texas Gas and receive or cause to be received from Texas Gas gas in as nearly as possible uniform hourly quantities during any day and in as nearly as possible uniform daily quantities during any month.

9. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable and are hereby incorporated as a part of this Rate Schedule IT.
Rate Schedule FSS
Firm Storage Service

1. Availability

This Rate Schedule is available for the purchase of storage service from the Pipeline for any Customer subject to the following limitations:

(a) Pipeline has determined that it has sufficient available and uncommitted storage capacity to perform service requested by Customer; and
(b) Pipeline and Customer have executed an Agreement under this Rate Schedule; and
(c) Pipeline and Customer have executed applicable transportation agreements or Customer has arranged applicable transportation service to enable the delivery of gas to Pipeline’s storage facilities and the redelivery of gas to Customer; and
(d) Customer has met the credit requirements of Section 6.5 of the General Terms and Conditions; and
(e) Customer has the option to provide its own gas for storage or may purchase such gas from the Pipeline at the greater of a negotiated market price or Pipeline’s book cost of gas, unless the available storage capacity to be used to provide service to Customer is filled, in whole or in part, with working gas owned by Pipeline, in which case either the Customer or another buyer must agree to purchase such working gas inventory from Pipeline at the greater of a negotiated market price or Pipeline’s book cost of such gas. Such purchase must be made prior to the commencement of service under this rate schedule. The book cost of such gas is defined as the unit cost of working gas as reflected in FERC Account 117.3 on the Pipeline’s books. Pipeline will be required, however, to allow such purchase of gas in place only if inventory levels are sufficient to, in Pipeline’s reasonable judgment, permit such purchase without adversely affecting the storage deliverability required to perform any of Pipeline’s other services including no-notice service for NNS, NNL, SGT, and SGL customers; Pipeline will sell such gas unless such a sale would hamper its ability to provide no-notice service or to balance Pipeline’s system.

2. Applicability & Character of Service

The service provided hereunder provides for the firm receipt and injection of Customer’s gas into storage during the Summer Season and the subsequent firm withdrawal and delivery of the gas during the Winter Season. The service is a contract storage service which requires the Customer to schedule and nominate quantities to be injected into or withdrawn from storage. Withdrawals during the Summer Season and injections during the Winter Season will be permitted on an interruptible basis, subject to Pipeline’s discretion.

3. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for firm storage service are set forth in currently effective Section 4.13 of this Tariff and these rates are incorporated herein by reference. The amounts which shall be paid by Customer to Pipeline for each Month during the period of service hereunder shall include the sum of the amounts due under the subsections of this Section 5.12[3] and charges under Section 5.12[4] that are applicable to Customer for such Month.
3.1 Storage Rates:
(a) Reservation Rates:
1. A FSS Deliverability Reservation Rate shall be paid for each MMBtu of Customer's Maximum Daily Withdrawal Quantity times the number of days in the month being billed.
2. A FSS Daily Capacity Reservation Rate shall be paid for each MMBtu of Customer's Maximum Seasonal Quantity times the number of days in the month being billed.
(b) Commodity Rate: An Injection/Withdrawal Commodity Rate shall be paid for each MMBtu of gas which is delivered to or for Customer during the Month. Such charges shall be applicable both on injection and on withdrawal.
(c) Surcharges: Customer shall pay all surcharges specified in the General Terms and Conditions or which otherwise may be applicable to service under this Rate Schedule from time to time including, but not limited to, the G.R.I. Funding Unit. An FSS customer will only pay the G.R.I. charge one time for gas transported and stored on Pipeline's system, unless applicable regulations require double-counting to recover Pipeline's costs.

3.2 Fuel, Company Use and Unaccounted for Quantities
Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

3.3 Adjustment of Rates: Texas Gas shall have the right to propose and file with the Commission, or other body having jurisdiction, changes and revisions of any effective rate schedule or to propose and file superseding rate schedules for the purpose of changing the rate charges or other provisions thereof effective as to Customer.

3.4 Excess Withdrawals: In the event Customer withdraws gas on any day in excess of Customer's FSS storage balance, then such gas will be subject to cash-out provisions at 150% of the highest weekly average for the month pursuant to Section 6.14 of the General Terms and Conditions of this Tariff.

4. Additional Charges and Reimbursement of Fees and Taxes
4.1 Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a non-discriminatory basis in the event of an administrative error.

5. Storage Overrun Service
5.1 Storage Overrun Quantities: Customer may request Pipeline to inject for Storage quantities of gas for Customer on any day during the Summer Period in excess of Customer's Maximum Daily Injection Quantity or to withdraw quantities of gas from Storage for Customer on any Day during the Winter Period in excess of Customer's Maximum Daily Withdrawal Quantity or to withdraw quantities of gas from Storage for
Customer for any consecutive thirty (30) day period during the Winter Period in excess of Customer's Monthly Maximum Withdrawal Quantity. Customer may also request Pipeline to inject quantities of gas for Storage for Customer on any Day during the Winter Period or withdraw quantities of gas from Storage for Customer on any Day during the Summer Period. Customer may request Pipeline to accept deliveries of quantities of gas in excess of the Maximum Seasonal Quantity during any Summer Period and Customer may request Pipeline to redeliver quantities of gas in excess of the Maximum Seasonal Quantity during any Winter Period; provided, however, that at no time may Customer's Working Storage Gas exceed Customer's Maximum Seasonal Quantity. Pipeline may do so on an interruptible basis if it can do so without adverse effect on Pipeline's operations or its ability to meet all other service obligations. Customer shall pay an Overrun Service charge pursuant to Section 5.12[5.2] of this Rate Schedule FSS for such overrun storage service.

5.2 Overrun Service Charge: The Overrun Service Rate shall be paid for each MMBtu of gas which is injected or withdrawn on behalf of Customer during the Month pursuant to this Rate Schedule unless such overrun service, with Pipeline's concurrence, is make up quantities of gas that Pipeline previously failed to inject into storage or withdraw from storage and Customer agrees to forego the monthly bill reduction in Section 5.12[3.1(a)(3)]. The FSS Overrun Service Rate shall be the 100% load factor rate which is the sum of (a) the Daily Deliverability Reservation Rate, (b) the Daily Capacity Reservation Rate, and (c) the Injection/Withdrawal Commodity Rate.

6. Transfer of Gas in Place

Pipeline shall permit transfers of title of gas in inventory provided both Customers have executed a service agreement under Rate Schedule FSS, ISS, NNS, NNL, SNS, WNS, FSS-M, or ISS-M, both have executed transportation service agreements which will permit the delivery of the gas, and such transfer does not result in either customer exceeding its Maximum Seasonal Quantity.


During the Winter Season, Pipeline will deliver to Customer up to Customer's Maximum Daily Withdrawal Quantity and Customer's Maximum Seasonal Quantity as set forth below.

7.1 Customer will be required to nominate from storage into Pipeline's system a quantity of gas up to the Maximum Daily Withdrawal Quantity.

7.2 Monthly Maximum Withdrawal: No more than 50% of Customer's Maximum Seasonal Quantity shall be withdrawn in any consecutive 30 day period during the period November through March.

7.3 Seasonal Minimum & Maximum Withdrawal - No more than 100% of Customer's Maximum Seasonal Quantity shall be withdrawn by March 1 of any Winter Season; provided further, that no less than 53% of Customer's Maximum Seasonal Quantity shall be withdrawn each Winter Season if Customer has renewed its FSS service for the subsequent storage contract year.

7.4 Customer electing not to renew their FSS service for the Storage Contract Year will be required to withdraw 100% of Customer's Maximum Seasonal Quantity such that its storage balance is zero by April 1. In the event that Seasonal Quantities remain in storage on April 1, these volumes will be subject to cash out at the system average
"Index Price" for the month of April determined in accordance with Section 6.14[7] of the General Terms and Conditions of this Tariff, and Texas Gas shall pay Customer for its net storage balance (in MMBtu) according to the following table:

<table>
<thead>
<tr>
<th>Net Percentage of Maximum Seasonal Quantity (MSQ) Remaining in Storage</th>
<th>Percentage of Index Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to 5%</td>
<td>100%</td>
</tr>
<tr>
<td>&gt;5% - 10%</td>
<td>90%</td>
</tr>
<tr>
<td>&gt;10% - 15%</td>
<td>80%</td>
</tr>
<tr>
<td>&gt;15% - 20%</td>
<td>70%</td>
</tr>
<tr>
<td>&gt;20%</td>
<td>60%</td>
</tr>
</tbody>
</table>

7.5 When 75% of Customer's Maximum Seasonal Quantity (MSQ) has been withdrawn from storage, each Customer shall have rights to the greater of its Average Daily Seasonal Quantity (DSQ) or 90% of its Maximum Daily Quantity (MDQ). Subsequent ratchet points as follows:

* 80% MSQ withdrawn - 85% MDQ available, or Average DSQ, whichever is greater.
* 85% MSQ withdrawn - 80% MDQ available, or Average DSQ, whichever is greater.
* 90% MSQ withdrawn - 75% MDQ available, or Average DSQ, whichever is greater.

7.6 Pipeline shall deliver to Customer gas for Customer's account only when Customer's storage inventory is greater than zero.


Pursuant to the provisions set forth below, Pipeline shall receive from Customer during each Summer Season up to the Maximum Seasonal Quantity at daily rates not to exceed the Maximum Daily Injection Quantity as defined below.

8.1 Maximum Daily Injection Quantity - To protect the storage formations and allow uniform filling of the storage reservoirs, Customers will be required to adhere to certain injection limits (calculated as a percentage of the Maximum Seasonal Quantity) throughout the summer injection period. During the Summer Season, each FSS Customer may on a daily basis inject up to 1.3% of its Maximum Seasonal Quantity until 65% of Customer's Nominated Seasonal Quantity has been filled. A Customer's Daily Injection Quantities will be limited to 1.1% of its Maximum Seasonal Quantity whenever 65% to 90% of that Customer's Maximum Seasonal Quantity has been filled. A Customer's Daily Injection Quantities will be limited to 0.6% of its Maximum Seasonal Quantity after 90% of that Customer's Maximum Seasonal Quantity has been filled.

8.2 Inventory verification tests will be conducted as operationally necessary, but in no event less than once per calendar year. These tests require the temporary suspension of individual storage field activities (injections and withdrawals) for a period of approximately two weeks. If conditions will not permit the full maximum daily injection or withdrawal quantity, Texas Gas may temporarily adjust the limit and allow make-up quantities on succeeding days. Texas Gas will provide at least 45 days notice on its Internet Website with regard to the scheduling of these shut-in periods to allow Customers to adjust for the interruption of storage.
8.3 To assist Pipeline’s operational and maintenance scheduling through the Summer Season, Customer will notify Pipeline by March 15 of each year, with updates monthly, of the quantities it intends to inject monthly during the immediately upcoming Summer Season; such injection schedule provided by Customer is a best-effort estimate and may be revised as necessary. Pipeline will use its reasonable efforts to coordinate its test, maintenance, alteration and repair activities during such Summer Season to accommodate Customer’s request.

8.4 If Customer desires Pipeline to store gas for Customer’s account under this Rate Schedule, it shall give notice to Pipeline specifying the quantity of gas which Customer desires to be injected into storage under this Rate Schedule on such day. Pipeline shall thereupon inject the quantity of gas so nominated subject to the limitations set forth herein.

8.5 Pipeline shall be obligated to accept gas for storage for Customer’s account only when Customer’s Storage Inventory is less than Customer’s Maximum Seasonal Quantity.

9. General Terms and Conditions

All General Terms and Conditions of this Tariff are applicable to this Rate Schedule and are hereby incorporated as a part of this Rate Schedule FSS.
Rate Schedule ISS
Interruptible Storage Service

1. Availability

This Rate Schedule is available for the purchase of storage service from the Pipeline for any Customer subject to the following limitations:

(a) Pipeline has determined that it has sufficient available and uncommitted storage capacity to perform service requested by Customer; and
(b) Pipeline and Customer have executed an Agreement under this Rate Schedule; and
(c) Customer has met the credit requirements of Section 6.5 of the General Terms and Conditions; and
(d) Pipeline and Customer have executed applicable transportation agreements or Customer has arranged applicable transportation service to enable the delivery of gas to Pipeline's storage facilities and the redelivery of gas to Customer; and
(e) Customer has the option to provide its own gas for storage or may purchase such gas from Pipeline at the greater of a negotiated market price or Pipeline's book cost of gas, unless the available storage capacity to be used to provide service to Customer is filled, in whole or in part, with working gas owned by Pipeline, in which case either the Customer or another buyer must agree to purchase such working gas inventory from Pipeline at the greater of a negotiated market price or Pipeline's book cost of such gas. Such purchase must be made prior to the commencement of service under this rate schedule. The book cost of such gas is defined as the unit cost of working gas as reflected in FERC Acct. 117.3 on the Pipeline's books. Pipeline will be required, however, to allow such purchase of gas in place only if inventory levels are sufficient to, in Pipeline's reasonable judgment, permit such purchase without adversely affecting the storage deliverability required to perform any of Pipeline's other services including no-notice service for NNS, NNL, SGT, and SGL customers; Pipeline will sell such gas unless such a sale would hamper its ability to provide no-notice service or to balance Pipeline's system.

2. Applicability & Character of Service

The service provided hereunder provides for the receipt and injection of Customer's gas into storage during the Summer Season and the subsequent withdrawal and delivery of the gas during the Winter Season, all on an interruptible basis. The service is a contract storage service which requires the Customer to schedule and nominate quantities to be injected into or withdrawn from storage. Withdrawals during the Summer Season and injections during the Winter Season will be permitted on an interruptible basis, subject to Pipeline's discretion.

Daily withdrawal and injection Quantities of Gas shall be subject to available capacity and ISS Stored Volume attributable to a Customer. All services performed under this Rate Schedule shall be performed on a capacity available basis. ISS service will only be available to the extent that injection, storage, and withdrawal capacity is not required to satisfy Texas Gas' firm service obligations under Rate Schedules NNS, NNL, SGT, SGL, and FSS or to otherwise ensure system operational integrity. To the extent that Texas Gas cannot fulfill these firm obligations due to ISS service activity, Customer may be required to withdraw all, or any part, of its Stored Volume under this ISS Rate Schedule within 30 Days following notification from Texas Gas. Any Stored Volume not withdrawn within 30 Days of Texas Gas giving Shipper notice shall become the property of Texas Gas at no cost to Texas Gas, free and clear of any adverse claims.
Texas Gas Transmission, LLC  
FERC NGA Gas Tariff  
Fourth Revised Volume No. 1  
Effective On: December 1, 2016

Section 5.13  
Rate Schedules - ISS

Maximum Daily Withdrawal Quantities and Maximum Daily Injection Quantities shall be defined in the ISS Service Agreement but shall not exceed 1/100th of the Maximum Seasonal Quantity and 1/200th of Maximum Seasonal Quantity, respectively. In the event that Customer is required to withdraw its remaining seasonal quantity in the aforementioned 30-day period, Texas Gas will waive the MDWQ & MDIQ limitations to the extent necessary to accommodate said withdrawals or injections within the 30-day period. Maximum Daily Withdrawal Quantities will be subject to the following ratchets:

<table>
<thead>
<tr>
<th>Remaining Gas in Storage as a Percentage of Maximum Seasonal Quantity (MSQ)</th>
<th>Maximum Daily Withdrawal Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% to 20%</td>
<td>100% of MDWQ</td>
</tr>
<tr>
<td>&lt;20% to 0%</td>
<td>80% of MDWQ</td>
</tr>
</tbody>
</table>

3. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for interruptible storage service are set forth in currently effective Section 4.13 of this Tariff and these rates are incorporated herein by reference. The amounts which shall be paid by Customer to Pipeline for each Month during the period of service hereunder shall include the sum of the amounts due under the subsections of this Section 5.13[3] and charges under Section 5.13[4] that are applicable to Customer for such Month.

3.1 Storage Rates:

(a) Monthly Inventory Charge

Customer shall pay a Monthly Inventory Charge which shall be the product of the applicable inventory charge per MMBtu as set forth in the effective Tariff Section 4.13 and the average daily ISS Stored Volume for the Month.

(b) Injection Charge

Customer shall pay an Injection Charge which shall be the product of the Quantity of Gas actually injected into Storage by Texas Gas during the Month times the applicable injection charge per MMBtu as set forth in the effective Tariff Section 4.13.

(c) Withdrawal Charge

Customer shall pay a Withdrawal Charge which shall be the product of the Quantity of Gas actually withdrawn from Storage by Texas Gas during the Month times the applicable withdrawal charge per MMBtu as set forth in the effective Tariff Section 4.13.

(d) Surcharges

Customer shall pay all surcharges specified in the General Terms and Conditions or which otherwise may be applicable to service under this Rate Schedule from time to time, including, but not limited to, the G.R.I. Funding Unit Charge. An ISS customer will only pay the G.R.I. charge one time for gas
transported and stored on Pipeline’s system, unless applicable regulations require double-counting to recover Pipeline’s costs.

3.2 Fuel, Company Use and Unaccounted for Quantities

Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

3.3 Adjustment of Rates: Texas Gas shall have the right to propose and file with the Commission, or other body having jurisdiction, changes and revisions of any effective rate schedule or to propose and file superseding rate schedules for the purpose of changing the rate charges or other provisions thereof effective as to Customer.

3.4 Excess Withdrawals: In the event Customer withdraws gas on any day in excess of Customer's ISS storage balance, then such gas will be subject to cash-out provisions at 150% of the highest weekly average for the month pursuant to Section 6.14 of the General Terms and Conditions of this Tariff.

4. Additional Charges and Reimbursement of Fees and Taxes

4.1 Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a non-discriminatory basis in the event of an administrative error.

5. Storage Overrun Service

5.1 Storage Overrun Quantities: Customer may request Pipeline to inject for storage quantities of Gas for Customer on any day during the Summer Period in excess of Customer’s Maximum Daily Injection Quantity or to withdraw quantities of Gas from Storage for Customer on any Day during the Winter Period in excess of Customer's Maximum Daily Withdrawal Quantity. Customer may also request Pipeline to inject quantities of Gas for Storage for Customer on any Day during the Winter Period or withdraw quantities of Gas from Storage for Customer on any Day during the Summer Period. Customer may request Pipeline to accept deliveries of quantities of Gas in excess of the Maximum Seasonal Quantity during any Summer Period and Customer may request Pipeline to redeliver quantities of Gas in excess of the Maximum Seasonal Quantity during any Winter Period; provided, however, that at no time may Customer's Working Storage Gas exceed Customer's Maximum Seasonal Quantity. Pipeline may do so on an interruptible basis if it can do so without adverse effect on Pipeline's operations or its ability to meet all other service obligations. Customer shall pay an Overrun Service charge pursuant to Section 5.13[5.2] of this Rate Schedule ISS for such overrun storage service.

5.2 Overrun Service Charge: The Overrun Service Rate shall be paid for each MMBtu of gas which is injected or withdrawn on behalf of Customer during the Month in excess of customer's MDIQ or MDWQ unless such overrun service, with Pipeline's concurrence, is make up quantities of Gas that Pipeline previously failed to inject into storage or withdraw from storage. The ISS Overrun Service Rate is set forth in Section 4.13 of this Tariff.

6. Transfer of Gas in Place
Pipeline shall permit transfers of title of gas in inventory provided both Customers have executed service agreements under these Rate Schedules ISS, FSS, NNS, NNL, SNS, WNS, FSS-M, or ISS-M, both have executed transportation service agreements which will permit the delivery of the gas, and such transfer does not result in either customer exceeding its Maximum Seasonal Quantity.


During the Winter Season, Pipeline will deliver to Customer up to Customer's Maximum Daily Withdrawal Quantity and Customer's Maximum Seasonal Quantity as set forth below.

7.1 Customer will be required to nominate from storage into Pipeline's system a quantity of gas up to the Maximum Daily Withdrawal Quantity.

7.2 Seasonal Minimum & Maximum Withdrawal - No less than 53% of Customer's Maximum Seasonal Quantity shall be withdrawn each Winter Season if Customer has renewed its ISS service for the subsequent storage contract year. If ISS service has not been renewed, Customer will be required to withdraw 100% of its Seasonal Quantity such that its storage balance is zero before March 31 of the Storage Contract Year.

7.3 Customer electing not to renew their ISS service for the subsequent Storage Contract Year must withdraw any remaining volumes within 30 days or forfeit said volumes to pipeline.

7.4 Pipeline shall deliver to Customer gas for Customer's account only when Customer's storage inventory is greater than zero.


Pipeline shall receive from Customer during each Summer Season up to the Maximum Seasonal Quantity at daily rates not to exceed the Maximum Daily Injection Quantity.

8.1 Inventory verification tests will be conducted as operationally necessary, but in no event less than once per calendar year. These tests require the temporary suspension of individual storage field activities (injections and withdrawals) for a period of approximately two weeks. If conditions will not permit the full maximum daily injection or withdrawal quantity, Texas Gas may temporarily adjust the limit. Texas Gas will provide at least 45 days notice on its Internet Website with regard to the scheduling of these shut-in periods to allow customers to adjust for the interruption of storage.

8.2 To assist Pipeline's operational and maintenance scheduling through the Summer Season, Customer will notify Pipeline by March 15 of each year, with updates monthly, of the quantities it intends to inject monthly during the immediately upcoming Summer Season; such injection schedule provided by Customer is a best efforts estimate and may be revised as necessary. Pipeline will use its reasonable efforts to coordinate its test, maintenance, alteration and repair activities during such Summer Season to accommodate Customer's request.

8.3 If Customer desires Pipeline to store gas for Customer's account under this Rate Schedule, it shall give notice to Pipeline specifying the quantity of gas which Customer desires to be injected into storage under this Rate Schedule on such day. Pipeline shall
thereupon inject the quantity of gas so nominated subject to the limitations set forth herein.

8.4 Pipeline shall be obligated to accept gas for storage for Customer's account only when Customer's Storage Inventory is less than Customer's Maximum Seasonal Quantity.

9. General Terms and Conditions

All General Terms and Conditions of this Tariff are applicable to this Rate Schedule and are hereby incorporated as a part of this Rate Schedule ISS.
Rate Schedule TAPS
Transportation Aggregation Pooling Service

1. Availability

1.1 This Rate Schedule is available for any Customer which will deliver or cause to be delivered natural gas to Texas Gas for aggregation and redelivery by Texas Gas to a Pooling Delivery Point in one of Texas Gas' Service Zones; which has met the credit requirements of Section 6.5 of the General Terms and Conditions; and which has executed a Transportation Aggregation Pooling Service Agreement with Texas Gas for service under this Pooling Rate Schedule. A separate Transportation Aggregation Pooling Service Agreement will be executed for each of Texas Gas' Service Zones, and (if applicable) each pooling area within a Service Zone, in which service is provided.

1.2 Customer, Texas Gas, and third-party transporters have obtained, as appropriate, or will obtain, all State and Federal approvals for services to be provided by Customer, Texas Gas, and third-party transporters related to those services rendered under this Rate Schedule.

A request for an increase in transportation quantity will be considered to be a request for new service and, therefore, will be processed on a first-come, first-served basis, subject to the requirements of Section 6.8 of the General Terms and Conditions.

2. Applicability and Character of Service

2.1 This Rate Schedule shall apply to all aggregation services performed by Texas Gas for Customer under each Transportation Aggregation Pooling Service Agreement for service under this Rate Schedule during the term identified in the Transportation Aggregation Pooling Service Agreement. Transportation service provided under this Rate Schedule shall be performed under Subpart E of Part 157, Subparts B, G, H, or I of Part 284, or any other applicable commission regulation governing such transportation, including transportation performed on an "on behalf of" basis under Subpart B. Such service shall apply to all gas transported by Texas Gas for Customer under this Rate Schedule up to the transportation Contract Demand set forth in the Transportation Service Agreement.

A Transportation Aggregation Pooling Service Agreement shall contain all receipt points available for transportation which are located in the same service zone (and, if applicable, pooling area) as the Pooling Delivery Point.

Deliveries under a Transportation Aggregation Pooling Service Agreement must equal the total daily quantities of gas nominated for receipt at the Pooling Delivery Point under Corresponding Transportation Agreements. Daily imbalances under separate Pooling Aggregation Service Agreements cannot be netted to offset imbalances. However, Texas Gas will allow, provided capacity exists at the time the request is made, a Transportation Aggregation Pooling Service Customer to transport gas from one service zone/pooling area to another service zone/pooling area under a transportation agreement.

Quantities of gas delivered at a Pooling Delivery Point under a Transportation Aggregation Pooling Service Agreement shall be deemed to have been delivered to the Corresponding Transportation Customer. It shall be the responsibility of the
Transportation Aggregation Pooling Service Customer to assure that the total nominations of gas to be received at the Pooling Point under Corresponding Transportation Agreements are equal to the total amount of gas such Transportation Aggregation Pooling Service Customer causes to be received into Texas Gas' system.

The priority for allocation of capacity for gas receipts under a Transportation Aggregation Pooling Service Agreement is based on the transportation service type (i.e., FT, STF, NNS, NNL, SGT, SGL, SNS, WNS, IT) of the Corresponding Transportation Service Agreement as provided in Section 6.12[10] of the General Terms and Conditions. If the total quantities nominated for transportation pursuant to this Rate Schedule for a particular point of receipt exceed the total capacity available at that point, quantities scheduled for receipt will be allocated in accordance with Sections 6.12[10] and 6.12[11] of the General Terms and Conditions in Texas Gas' FERC Gas Tariff.

Gas quantities scheduled at receipt points under this Rate Schedule shall be subject to curtailment or interruption in accordance with Section 6.12[11] of the General Terms and Conditions contained in Texas Gas' FERC Gas Tariff. Interruption of service includes decreasing, suspending, or discontinuing the receipt of gas. Texas Gas shall not be liable in damages or otherwise to Customer for any such curtailment or interruption.

Priority for scheduling gas deliveries to Customer's Pooling Delivery Point pursuant to this Rate Schedule shall be dependent on the receipt point priority of the downstream Corresponding Transportation Agreement nominating gas receipts from Customer's Pooling Delivery Point. Curtailment or interruption of service to Customer receiving service pursuant to a downstream Corresponding Transportation Agreement pursuant to Section 6.12[10] or 6.12[12] of the General Terms and Conditions of this Tariff shall result in interruption of service under this Rate Schedule. Texas Gas shall not be liable in damages or otherwise to Customer for any such curtailment or interruption.

2.2 Provided Texas Gas' prior consent is obtained, Customer may tender quantities of gas in excess of the Transportation Quantity on any day if such tender and transportation of such gas can be accomplished by Texas Gas without detriment to any other Customer under any of Texas Gas' Transportation Rate Schedules (see Section 6.12 of the General Terms and Conditions of this Tariff) if such transportation is compatible to Texas Gas' system operation requirements. Subject to the foregoing restrictions, Texas Gas' consent shall not be unreasonably withheld.

3. Categories and Priorities of Transportation Services

Refer to Section 6.12 of the General Terms and Conditions of this Tariff.

4. Rates and Charges

4.1 Texas Gas shall not charge Customer a rate for service under this Rate Schedule.

4.2 Texas Gas will not retain any fuel on service provided under this Transportation Aggregation Pooling Service Rate Schedule. All customers nominating receipts under Corresponding Transportation Agreements shall incur the applicable fuel retainage on their transportation service.
4.3 Processing rights and the transportation of liquids/liquefiables shall be in accordance with Section 6.22 of the General Terms and Conditions of this Tariff.

4.4 Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective Rate Schedule, or to propose and file superseding Rate Schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

5. Minimum Monthly Bill

None

6. Commission and Other Regulatory Fees

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a nondiscriminatory basis in the event of an administrative error.

7. Pooling Agreements Term of Service

The duration of service for all pooling agreements is five years unless terminated by Texas Gas or Customer upon at least thirty (30) days prior written notice; provided however, that Texas Gas shall not terminate a Customer’s pooling agreement as long as the Customer complies with all terms and conditions of this TAPS Rate Schedule.

8. Uniform Flows

Customer shall deliver and receive gas in as nearly as possible uniform hourly quantities during any day and in uniform daily quantities during any month.

9. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable and are hereby incorporated as a part of this Rate Schedule TAPS.
1. **Availability**

1.1 This rate schedule is available for the interruptible parking and loan of natural gas by Texas Gas for any Customer

(a) Who desires Parking and Loan Service under this Rate Schedule; and
(b) Who has submitted a valid request in accordance with Section 6.8 of the General Terms and Conditions (and Texas Gas is able to render such service); and
(c) Who has met the credit requirements of Section 6.5 of the General Terms and Conditions; and
(d) Who has executed a Service Agreement with Texas Gas for service under this Rate Schedule.

1.2 Texas Gas shall provide notice of the availability of services under this Rate Schedule on its Internet Website. Texas Gas is not required to provide any requested service under this Rate Schedule unless Texas Gas determines, at its sole discretion, that it has operational flexibility to provide service. In addition, Texas Gas will, at its sole discretion, determine whether notification pursuant to Section 5.15[7] herein is necessary.

2. **Applicability and Character of Service**

This Rate Schedule shall apply to all Parking and Loan Service rendered by Texas Gas for Customer pursuant to Texas Gas' blanket certificate or Part 284 of the regulations of the FERC and the executed service agreement for service under this Rate Schedule.

2.1 Service under this Rate Schedule shall be provided as follows:

(a) Parking Service. Parking Service is an interruptible service which provides for:
   (a) the receipt by Texas Gas of gas quantities that have been delivered by Customer under any gas transportation agreement between Texas Gas and Customer to any of the Parking points that Texas Gas shall designate on its system; (b) Texas Gas holding the parked quantities on Texas Gas’ system; and (c) return of the parked quantities to Customer. Texas Gas shall park quantities of gas for Customer up to the maximum parked quantity as specified in the executed Service Agreement. Texas Gas shall then return such parked gas to Customer at the point where Customer tendered gas to Texas Gas, subject to Section 5.15[4] of this rate schedule.

(b) Loan Service. Loan service is an interruptible service which provides for (a) Customer receiving gas quantities from Texas Gas at any of the Loan points designated by Texas Gas on its system and (b) the subsequent return of the loaned quantities of gas to Texas Gas at the point which Customer borrowed the gas, subject to Section 5.15[4] of this rate schedule. Texas Gas shall make available for loan those quantities of gas up to the maximum loaned quantity specified in the executed Service Agreement.
2.2 Service under this Rate Schedule shall be provided for a minimum of 1 day and a maximum of 31 days; provided however such maximum period may be extended by Texas Gas at Texas Gas' sole discretion. The term of each PAL arrangement with Customer shall be as set forth on Exhibit A to the Form of Service Agreement hereunder.

2.3 Transportation of gas quantities for or on behalf of Customer to or from the Loan or Parking point(s) will not be performed under this Rate Schedule. Customer shall make any necessary arrangements with Texas Gas or third parties to receive or deliver gas quantities at the Loan or Parking point(s). Such arrangements must be compatible with the operating conditions of Texas Gas' system. Texas Gas shall not be required to receive or deliver gas quantities under this Rate Schedule on any day for which there is insufficient available capacity under Customer's transportation service agreement(s) to deliver or receive gas at the Parking or Loan point(s).

2.4 Service under this Rate Schedule shall be confirmed only after all other services offered by Texas Gas are scheduled and confirmed.

3. Rates and Charges

3.1 The maximum and minimum unit rates for service under this Rate Schedule are shown in the effective Section 4.14 and Section 4.16 of this Tariff. Customer shall pay the maximum rates for service under this Rate Schedule unless Texas Gas, in its sole judgment, agrees to discount its rates to Customer under this Rate Schedule. The rate or rates for service under this Rate Schedule shall not be discounted below the minimum rate, it being understood that each Customer shall pay the maximum rate unless such rates are discounted to such specific Customer.

3.2 The Daily Parking Charge shall be the daily unit rate per MMBtu as set forth in the Service Agreement multiplied by the total quantity (MMBtu) parked each day.

3.3 The Daily Loan Charge shall be the daily unit rate per MMBtu as set forth in the Service Agreement multiplied by the total quantity (MMBtu) borrowed each day.

4. PAL Points of Service

Texas Gas will post on its Internet Website the available Parking and/or Loan Point(s) of Service. Texas Gas may, at its sole discretion, post from time to time additions or deletions to the list of available points. If Texas Gas terminates a point where parked quantities are to be returned to Buyer or loaned quantities are to be returned to Texas Gas, such point(s) shall remain available for the limited purpose of completing such outstanding transactions unless Buyer and Texas Gas mutually agree to utilize a different Point of Service.

5. Nominations and Scheduling

Customer shall notify or cause Texas Gas to be notified of Customer's service requirement under this Rate Schedule in advance of such requirements in accordance with the nomination deadlines as provided in Section 6.12 of the General Terms and Conditions of this Tariff. Texas Gas, in its sole judgment, may waive any nomination deadlines, on a non-discriminatory basis, if Texas Gas determines that operating conditions permit. With respect to Customer's desired levels of service under this Rate Schedule, Customer shall nominate to Texas Gas the desired Parking and/or Loan quantities as well as the point at which such service is requested. Such nominated quantities shall be subject to confirmation by Texas Gas. Such confirmed quantity...
shall be deemed the scheduled quantity. Customer and Texas Gas shall have scheduling personnel available to be contacted 7 days a week, 24 hours a day.

6. Allocation of Service

In allocating or curtailing service among Customers under this Rate Schedule, Texas Gas shall give service priority based upon the highest unit Parking or Loan rate paid (not to exceed the maximum rate for such service under this Rate Schedule). Service will be allocated on a pro-rata basis among Customers willing to pay the same unit rate for such service.

7. Notification from Texas Gas

7.1 Customer may be required, upon notification from Texas Gas, to cease or reduce deliveries to, or receipts from, Texas Gas' Parking and Loan service within the gas day consistent with Texas Gas' operating conditions. Further, Customer may be required to return loaned quantities or remove parked quantities upon notification by Texas Gas. Such notification may be by written communication, telecopy, telephone or Internet Website posting. Texas Gas' notification shall specify the time frame within which parked quantities shall be removed and/or loaned quantities shall be returned, consistent with Texas Gas' operating conditions, but in no event shall the specified time frame be less than three (3) calendar days from the date of Texas Gas' notification.

7.2 Any parked quantity not removed within the time frame specified by Texas Gas' notice shall become the property of Texas Gas at no cost to Texas Gas, free and clear of any adverse claims. Such gas retained by Texas Gas shall be credited back to the customers through Texas Gas' annual fuel tracker. Any loaned quantity not returned within the time frame specified by Texas Gas' notice shall be sold to Customer at 150% of the highest weekly average price for the month as determined pursuant to Section 6.14[7] of the General Terms and Conditions of this Tariff.

8. General Terms and Conditions

All of the applicable General Terms and Conditions of this Tariff are hereby incorporated by reference and made a part hereof. However, in the event of any inconsistencies between the General Terms and Conditions and this Rate Schedule PAL, the terms and conditions of this Rate Schedule PAL shall control.
1. **Availability**

   1.1 This rate schedule is available to any Delivery Point Operator (or its designated agent) at any delivery point where:

   (a) Transportation service is being received from Texas Gas for any Customer(s) under any rate schedule(s); and

   (b) The Delivery Point Operator has submitted a valid request for service hereunder, has met the credit requirements of Section 6.5 of the General Terms and Conditions and has executed an Hourly Overrun Transportation Service Agreement for such delivery point.

2. **Applicability and Character of Service**

   2.1 Pursuant to this rate schedule, a Delivery Point Operator may request Texas Gas to allow hourly overruns in excess of the sum of the hourly flow rights under all transportation service agreements delivering quantities to the subject delivery point.

   2.2 To the extent Texas Gas is operationally able to provide such hourly overrun service without adversely impacting firm or higher priority interruptible services on its system, Texas Gas shall agree to and authorize such hourly overruns by setting flow control at a quantity greater than otherwise permissible under the transportation service agreement(s) delivering gas to the subject delivery point.

   2.3 Hourly overrun service hereunder is completely interruptible at any time and is the lowest priority service offered by Texas Gas.

   2.4 Hourly overrun service hereunder shall not increase any Customer's daily deliveries, but shall merely provide for additional hourly flexibility in the delivery of those daily quantities.

3. **Nomination and Scheduling of Daily Quantities Unchanged**

   3.1 Except for unnominated daily deliveries pursuant to Rate Schedules NNS, NNL, SGT, SGL, SNS, and WNS, all daily quantities shall be nominated and scheduled in accordance with the nomination deadlines provided in Section 6.12 of the General Terms and Conditions of this Tariff. With respect to a Delivery Point Operator's desired levels of hourly overrun service under this rate schedule, the Delivery Point Operator shall provide adequate operational notice (generally one to four hours) of the hourly flows desired, which hourly flows must be confirmed by Texas Gas.

4. **Allocation of Service**

   In allocating or curtailing hourly overrun service among Delivery Point Operators under this Rate Schedule, Texas Gas shall give service priority based upon the highest unit rate paid (not to exceed the maximum rate for such service). Service will be allocated on a pro-rata basis among Delivery Point Operators or Customers willing to pay the same rate for such service.

5. **Rates and Charges**
5.1 Maximum Rates

Unless otherwise agreed to in writing by Texas Gas and the Delivery Point Operator, for any quantities delivered in any hour in excess of the sum of the hourly flow rights under transportation service agreements delivering quantities to the subject delivery point, the Delivery Point Operator shall pay an hourly overrun charge in an amount per MMBtu as set forth in the currently effective Section 4.15 and Section 4.16 of this Tariff. For purposes of billing such hourly overrun, an “hour” shall mean a period of sixty consecutive minutes beginning at the top of the hour (e.g., 9:00) or such other period of sixty consecutive minutes mutually agreeable to the Delivery Point Operator and Texas Gas.

5.2 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to the Delivery Point Operator.

6. General Terms and Conditions

All of the General Terms and Conditions of this Tariff may apply to and are hereby incorporated as part of this Rate Schedule HOT.
Rate Schedule FSS-M
Firm Storage Service With Market Based Rates

1. Availability

This Rate Schedule applies to the 8,400,000 MMBtu of storage and 93,855 MMBtu/day of deliverability for which Pipeline has received approval to charge market based rates. This Rate Schedule is available for the purchase of such storage service from the Pipeline for any Customer subject to the following limitations:

(a) Pipeline has determined that it has sufficient available and uncommitted storage capacity to perform service requested by Customer;
(b) Customer has submitted a Winning Bid for such uncommitted storage capacity pursuant to Section 6.11[2] of the General Terms and Conditions of Texas Gas' FERC Gas Tariff;
(c) Pipeline and Customer have executed an Agreement under this Rate Schedule;
(d) Customer has met the credit requirements of Section 6.5 of the General Terms and Conditions;
(e) Pipeline and Customer have executed applicable transportation agreements or Customer has arranged applicable transportation service to enable the delivery of gas to Pipeline's storage facilities and the redelivery of gas to Customer; and
(f) Customer shall provide its own gas for storage or may have the option to purchase such gas from the Pipeline, if available, at the greater of a negotiated market price or Pipeline's book cost of gas, unless the available storage capacity to be used to provide service to Customer is filled, in whole or in part, with working gas owned by Pipeline, in which case either the Customer or another buyer must agree to purchase such working gas inventory from Pipeline at the greater of a negotiated market price or Pipeline's book cost of such gas. Such purchase must be made prior to the commencement of service under this rate schedule. The book cost of such gas is defined as the unit cost of working gas as reflected in FERC Account 117.3 on the Pipeline's books. Pipeline will be required, however, to allow such purchase of gas in place only if inventory levels are sufficient to, in Pipeline's reasonable judgment, permit such purchase without adversely affecting the storage deliverability required to perform any of Pipeline's other services including no-notice service for NNS, NNL, SGT, and SGL customers; Pipeline will sell such gas unless such a sale would hamper its ability to provide no-notice service or to balance Pipeline's system.

2. Applicability & Character of Service

The service provided hereunder provides for the firm receipt and injection of Customer's gas into storage during the Summer Season and the subsequent firm withdrawal and delivery of the gas during the Winter Season. The service is a contract storage service which requires the Customer to schedule and nominate quantities to be injected into or withdrawn from storage. Withdrawals during the Summer Season and injections during the Winter Season will be permitted on an interruptible basis, subject to Pipeline's discretion.

3. Rates and Charges

3.1 Market Based Rates

The applicable rate for service under this FSS-M Rate Schedule shall be a negotiated market-based rate as provided in the FSS-M Agreement between Customer and Pipeline.
3.2 Fuel, Company Use and Unaccounted for Quantities

Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

3.3 Excess Withdrawals

In the event Customer withdraws gas on any day in excess of Customer's FSS-M storage balance, then such gas will be subject to cash-out provisions at 150% of the highest weekly average for the month pursuant to Section 6.14 of the General Terms and Conditions of this Tariff.

4. Storage Overrun Service

4.1 Customer may request Pipeline to inject for Storage quantities of Gas for Customer on any day during the Summer Period in excess of Customer's Maximum Daily Injection Quantity or to withdraw quantities of Gas from Storage for Customer on any Day during the Winter Period in excess of Customer's Maximum Daily Withdrawal Quantity or to withdraw quantities of Gas from Storage for Customer for any consecutive thirty (30) day period during the Winter Period in excess of Customer's Monthly Maximum Withdrawal Quantity. Customer may also request Pipeline to inject quantities of Gas for Storage for Customer on any Day during the Winter Period or withdraw quantities of Gas from Storage for Customer on any Day during the Summer Period. Customer may request Pipeline to accept deliveries of quantities of Gas in excess of the Maximum Seasonal Quantity during any Summer Period and Customer may request Pipeline to redeliver quantities of Gas in excess of the Maximum Seasonal Quantity during any Winter Period; provided, however, that at no time may Customer's Working Storage Gas exceed Customer's Maximum Seasonal Quantity. Pipeline may do so on an interruptible basis if it can do so without adverse effect on Pipeline's operations or its ability to meet all other service obligations. Customer shall pay an Overrun Service charge pursuant to Section 5.17[4.2] of this Rate Schedule FSS-M for such overrun storage service.

4.2 Overrun Service Charge: The Overrun Service Charge shall be paid for each MMBtu of gas which is injected or withdrawn on behalf of Customer during the month pursuant to this Rate Schedule, unless such overrun service, with Pipeline's concurrence, is make up quantities of gas that Pipeline previously failed to inject into storage or withdraw from storage. The FSS-M Overrun Service Rate is a negotiated market based rate as provided in the FSS-M Agreement between Customer and Pipeline.

5. Transfer of Gas in Place

Pipeline shall permit transfers of title of gas in inventory provided both Customers have executed a service agreement under Rate Schedule FSS, FSS-M, ISS, ISS-M, NNS, NNL, SNS, or WNS, both have executed transportation service agreements which will permit the delivery of the gas, and such transfer does not result in either customer exceeding its Maximum Seasonal Quantity.


During the Winter Season, Pipeline will deliver to Customer up to Customer's Maximum Daily Withdrawal Quantity and Customer's Maximum Seasonal Quantity as set forth below.
6.1 Customer will be required to nominate from storage into Pipeline’s system a quantity of gas up to the Maximum Daily Withdrawal Quantity.

6.2 Monthly Maximum Withdrawal: No more than 50% of Customer's Maximum Seasonal Quantity shall be withdrawn in any consecutive 30 day period during the period November through March.

6.3 Seasonal Minimum & Maximum Withdrawal - No more than 100% of Customer's Maximum Seasonal Quantity shall be withdrawn by March 1 of any Winter Season; provided further, that no less than 53% of Customer's Maximum Seasonal Quantity shall be withdrawn each Winter Season if Customer has renewed its FSS-M service for the subsequent storage contract year.

6.4 Customer electing not to renew their FSS-M service for the Storage Contract Year will be required to withdraw 100% of Customer's Maximum Seasonal Quantity such that its storage balance is zero by April 1. In the event that Seasonal Quantities remain in storage on April 1, these volumes will be subject to cash out at the system average "Index Price" for the month of April determined in accordance with Section 6.14 of the General Terms and Conditions of this Tariff, and Texas Gas shall pay Customer for its net storage balance (in MMbtu) according to the following table:

<table>
<thead>
<tr>
<th>Net Percentage of Maximum Seasonal Quantity (MSQ) Remaining in Storage</th>
<th>Percentage of Index Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to 5%</td>
<td>100%</td>
</tr>
<tr>
<td>&gt;5% - 10%</td>
<td>90%</td>
</tr>
<tr>
<td>&gt;10% - 15%</td>
<td>80%</td>
</tr>
<tr>
<td>&gt;15% - 20%</td>
<td>70%</td>
</tr>
<tr>
<td>&gt;20%</td>
<td>60%</td>
</tr>
</tbody>
</table>

6.5 When 75% of Customer’s Maximum Seasonal Quantity (MSQ) has been withdrawn from storage, each Customer shall have rights to the greater of its average Daily Seasonal Quantity (DSQ) or 90% of its Maximum Daily Quantity (MDQ). Subsequent ratchet points as follows:

* 80% MSQ withdrawn - 85% MDQ available, or average DSQ, whichever is greater.
* 85% MSQ withdrawn - 80%MDQ available, or average DSQ, whichever is greater.
* 90% MSQ withdrawn - 75% MDQ available, or average DSQ, whichever is greater.

6.6 Pipeline shall deliver to Customer gas for Customer’s account only when Customer's storage inventory is greater than zero.

7. Summer Season Provisions

Pursuant to the provisions set forth below, Pipeline shall receive from Customer during each Summer Season up to the Maximum Seasonal Quantity at daily rates not to exceed the Maximum Daily Injection Quantity as defined below.

7.1 Maximum Daily Injection Quantity - To protect the storage formations and allow uniform filling of the storage reservoirs, Customers will be required to adhere to certain injection
limits (calculated as a percentage of the Maximum Seasonal Quantity) throughout the summer injection period. During the Summer Season, each FSS-M Customer may on a daily basis inject up to 1.3% of its Maximum Seasonal Quantity until 65% of Customer's Nominated Seasonal Quantity has been filled. A Customer's Daily Injection Quantities will be limited to 1.1% of its Maximum Seasonal Quantity whenever 65% to 90% of that Customer's Maximum Seasonal Quantity has been filled. A Customer's Daily Injection Quantities will be limited to 0.6% of its Maximum Seasonal Quantity after 90% of that Customer's Maximum Seasonal Quantity has been filled.

7.2 Inventory verification tests will be conducted as operationally necessary, but in no event less than once per calendar year. These tests require the temporary suspension of individual storage field activities (injections and withdrawals) for a period of approximately two weeks. If conditions will not permit the full maximum daily injection or withdrawal quantity, Texas Gas may temporarily adjust the limit and allow make-up quantities on succeeding days. Texas Gas will provide at least 45 days notice on its Internet Website with regard to the scheduling of these shut-in periods to allow Customers to adjust for the interruption of storage.

7.3 To assist Pipeline's operational and maintenance scheduling through the Summer Season, Customer will notify Pipeline by March 15 of each year, with updates monthly, of the quantities it intends to inject monthly during the immediately upcoming Summer Season; such injection schedule provided by Customer is a best-effort estimate and may be revised as necessary. Pipeline will use its reasonable efforts to coordinate its test, maintenance, alteration and repair activities during such Summer Season to accommodate Customer's request.

7.4 If Customer desires Pipeline to store gas for Customer's account under this Rate Schedule, it shall give notice to Pipeline specifying the quantity of gas which Customer desires to be injected into storage under this Rate Schedule on such day. Pipeline shall thereupon inject the quantity of gas so nominated subject to the limitations set forth herein.

7.5 Pipeline shall be obligated to accept gas for storage for Customer's account only when Customer's Storage Inventory is less than Customer's Maximum Seasonal Quantity.

8. General Terms and Conditions

All General Terms and Conditions of this Tariff are applicable to this Rate Schedule and are hereby incorporated as a part of this Rate Schedule FSS-M.
Rate Schedule ISS-M
Interruptible Storage Service With Market Based Rates

1. Availability

This Rate Schedule applies to the 8,400,000 MMBtu of storage and 93,855 MMBtu/day of deliverability for which Pipeline has received approval to charge market based rates. This Rate Schedule is available for the purchase of storage service from the Pipeline for any Customer subject to the following limitations:

(a) Pipeline has determined that it has sufficient available and uncommitted storage capacity to perform service requested by Customer;

(b) Pipeline and Customer have executed an Agreement under this Rate Schedule;

(c) Customer has met the credit requirements of Section 6.5 of the General Terms and Conditions;

(d) Pipeline and Customer have executed applicable transportation agreements or Customer has arranged applicable transportation service to enable the delivery of gas to Pipeline's storage facilities and the redelivery of gas to Customer; and

(e) Customer shall provide its own gas for storage or may have the option to purchase such gas from Pipeline, if available, at the greater of a negotiated market price or Pipeline's book cost of gas, unless the available storage capacity to be used to provide service to Customer is filled, in whole or in part, with working gas owned by Pipeline, in which case either the Customer or another buyer must agree to purchase such working gas inventory from Pipeline at the greater of a negotiated market price or Pipeline's book cost of such gas. Such purchase must be made prior to the commencement of service under this rate schedule. The book cost of such gas is defined as the unit cost of working gas as reflected in FERC Acct. 117.3 on the Pipeline's books. Pipeline will be required, however, to allow such purchase of gas in place only if inventory levels are sufficient to, in Pipeline's reasonable judgment, permit such purchase without adversely affecting the storage deliverability required to perform any of Pipeline's other services including no-notice service for NNS, NNL, SGT, and SGL customers; Pipeline will sell such gas unless such a sale would hamper its ability to provide no-notice service or to balance Pipeline's system.

2. Applicability & Character of Service

The service provided hereunder provides for the receipt and injection of Customer's gas into storage during the Summer Season and the subsequent withdrawal and delivery of the gas during the Winter Season, all on an interruptible basis. The service is a contract storage service which requires the Customer to schedule and nominate quantities to be injected into or withdrawn from storage. Withdrawals during the Summer Season and injections during the Winter Season will be permitted on an interruptible basis, subject to Pipeline's discretion.

Daily withdrawal and injection Quantities of Gas shall be subject to available capacity and ISS-M Stored Volume attributable to a Customer. All services performed under this Rate Schedule shall be performed on a capacity available basis. ISS-M service will only be available to the extent that injection, storage, and withdrawal capacity is not required to satisfy Texas Gas' firm service obligations under Rate Schedule FSS-M or to otherwise ensure system operational
integrity. To the extent that Texas Gas cannot fulfill these firm obligations due to ISS-M service activity, Customer may be required to withdraw all, or any part, of its Stored Volume under this ISS-M Rate Schedule within 30 Days following notification from Texas Gas.

Any Stored Volume not withdrawn within 30 Days of Texas Gas giving Shipper notice shall become the property of Texas Gas at no cost to Texas Gas, free and clear of any adverse claims.

Maximum Daily Withdrawal Quantities and Maximum Daily Injection Quantities shall be defined in the ISS-M Service Agreement but shall not exceed 1/100th of the Maximum Seasonal Quantity and 1/200th of Maximum Seasonal Quantity, respectively. In the event that Customer is required to withdraw its remaining seasonal quantity in the aforementioned 30-day period, Texas Gas will waive the MDWQ & MDIQ limitations to the extent necessary to accommodate said withdrawals or injections within the 30-day period. Maximum Daily Withdrawal Quantities will be subject to the following ratchets:

<table>
<thead>
<tr>
<th>Remaining Gas in Storage as a Percentage of Maximum Seasonal Quantity (MSQ)</th>
<th>Maximum Daily Withdrawal Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% to 20%</td>
<td>100% of MDWQ</td>
</tr>
<tr>
<td>&lt;20% to 0%</td>
<td>80% of MDWQ</td>
</tr>
</tbody>
</table>

3. Rates and Charges

3.1 Market Base Storage Rates:

The applicable rate for service under this ISS-M Rate Schedule shall be a negotiated market-based rate as provided in the ISS-M Agreement between Customer and Pipeline.

3.2 Fuel, Company Use and Unaccounted for Quantities

Fuel, company use gas, and unaccounted for quantities shall be in accordance with Section 6.9[2] of the General Terms and Conditions of this Tariff.

3.3 Excess Withdrawals

In the event Customer withdraws gas on any day in excess of Customer's ISS-M storage balance, then such gas will be subject to cash-out provisions at 150% of the highest weekly average for the month pursuant to Section 6.14 of the General Terms and Conditions of this Tariff.

4. Storage Overrun Service

4.1 Customer may request Pipeline to inject for storage quantities of Gas for Customer on any day during the Summer Period in excess of Customer's Maximum Daily Injection Quantity or to withdraw quantities of Gas from Storage for Customer on any Day during the Winter Period in excess of Customer's Maximum Daily Withdrawal Quantity. Customer may also request Pipeline to inject quantities of Gas for Storage for Customer on any Day during the Winter Period or withdraw quantities of Gas from Storage for Customer on any Day during the Summer Period. Customer may request Pipeline to accept deliveries of quantities of Gas in excess of the Maximum Seasonal Quantity
during any Summer Period and Customer may request Pipeline to redeliver quantities of Gas in excess of the Maximum Seasonal Quantity during any Winter Period; provided, however, that at no time may Customer's Working Storage Gas exceed Customer's Maximum Seasonal Quantity. Pipeline may do so on an interruptible basis if it can do so without adverse effect on Pipeline's operations or its ability to meet all other service obligations. Customer shall pay an Overrun Service charge pursuant to Section 5.18(4.2) of this Rate Schedule ISS-M for such overrun storage service.

4.2 Overrun Service Charge: The Overrun Service Charge shall be paid for each MMBtu of gas which is injected or withdrawn on behalf of Customer during the Month in excess of Customer's MDIQ or MDWQ unless such overrun service, with Pipeline's concurrence, is make up quantities of Gas that Pipeline previously failed to inject into storage or withdraw from storage. The ISS-M Overrun Service Rate is a negotiated market based rate as provided in the ISS-M Agreement between Customer and Pipeline.

5. Transfer of Gas in Place

Pipeline shall permit transfers of title of gas in inventory provided both Customers have executed service agreements under these Rate Schedules ISS-M, ISS, FSS-M, FSS, NNS, NNL, SNS, or WNS, both have executed transportation service agreements which will permit the delivery of the gas, and such transfer does not result in either customer exceeding its Maximum Seasonal Quantity.


During the Winter Season, Pipeline will deliver to Customer up to Customer's Maximum Daily Withdrawal Quantity and Customer's Maximum Seasonal Quantity as set forth below.

6.1 Customer will be required to nominate from storage into Pipeline's system a quantity of gas up to the Maximum Daily Withdrawal Quantity.

6.2 Seasonal Minimum & Maximum Withdrawal - No less than 53% of Customer's Maximum Seasonal Quantity shall be withdrawn each Winter Season if Customer has renewed its ISS-M service for the subsequent storage contract year. If ISS-M service has not been renewed, Customer will be required to withdraw 100% of its Seasonal Quantity such that its storage balance is zero before March 31 of the Storage Contract Year.

6.3 Customer electing not to renew their ISS-M service for the subsequent Storage Contract Year must withdraw any remaining volumes within 30 days or forfeit said volumes to pipeline.

6.4 Pipeline shall deliver to Customer gas for Customer's account only when Customer's storage inventory is greater than zero.

7. Summer Season Provisions

Pipeline shall receive from Customer during each Summer Season up to the Maximum Seasonal Quantity at daily rates not to exceed the Maximum Daily Injection Quantity.

7.1 Inventory verification tests will be conducted as operationally necessary, but in no event less than once per calendar year. These tests require the temporary suspension of individual storage field activities (injections and withdrawals) for a period of
approximately two weeks. If conditions will not permit the full maximum daily injection or withdrawal quantity, Texas Gas may temporarily adjust the limit. Texas Gas will provide at least 45 days notice on its Internet Website with regard to the scheduling of these shut-in periods to allow customers to adjust for the interruption of storage.

7.2 To assist Pipeline's operational and maintenance scheduling through the Summer Season, Customer will notify Pipeline by March 15 of each year, with updates monthly, of the quantities it intends to inject monthly during the immediately upcoming Summer Season; such injection schedule provided by Customer is a best efforts estimate and may be revised as necessary. Pipeline will use its reasonable efforts to coordinate its test, maintenance, alteration and repair activities during such Summer Season to accommodate Customer's request.

7.3 If Customer desires Pipeline to store gas for Customer's account under this Rate Schedule, it shall give notice to Pipeline specifying the quantity of gas which Customer desires to be injected into storage under this Rate Schedule on such day. Pipeline shall thereupon inject the quantity of gas so nominated subject to the limitations set forth herein.

7.4 Pipeline shall be obligated to accept gas for storage for Customer's account only when Customer's Storage Inventory is less than Customer's Maximum Seasonal Quantity.

8. General Terms and Conditions

All General Terms and Conditions of this Tariff are applicable to this Rate Schedule and are hereby incorporated as a part of this Rate Schedule ISS-M.
Reserved
Rate Schedule FLS
Firm Transportation Lateral Service

1. Availability

This Rate Schedule is available for the transportation of natural gas by Texas Gas for any Customer on a Customer Lateral:

1.1 Where Customer:

(a) Has requested gas to be transported on a firm basis and is eligible for firm transportation on a portion of the Texas Gas system which has been designated a Customer Lateral pursuant to this Rate Schedule and Section 6.8 of the General Terms and Conditions;

(b) Is the successful bidder for available capacity or for capacity released by a Customer having an FLS Service Agreement pursuant to the terms and conditions of the Capacity Release Program in Section 6.16 of the General Terms and Conditions of this Tariff;

(c) Has met the credit requirements of Section 6.5 of the General Terms and Conditions;

(d) Will deliver or cause to be delivered natural gas to Texas Gas for delivery by Texas Gas to or for the account of Customer on a Customer Lateral; and

(e) Has executed a Transportation Service Agreement with Texas Gas for service on a specific Customer Lateral under Rate Schedule Option FLS-FT; or who has executed a Transportation Service Agreement with Texas Gas for no-notice transportation service under Rate Schedules NNS, NNL, SNS, or WNS; or for enhanced firm transportation service under Rate Schedule EFT on Texas Gas' mainline system ("Base Contract") and also has executed an FLS Addendum to the such Base Contract for service on a specific Customer Lateral under Rate Schedule Options FLS-NNS, FLS-NNL, FLS-SNS, FLS-WNS, or FLS-EFT which contains the same term and Contract Demands as the Base Contract.

1.2 Customer, Texas Gas, and third-party transporters, have obtained, as appropriate, or will obtain all State and Federal approvals for services to be provided by Customer, Texas Gas, and third-party transporters related to those rendered under this Rate Schedule.

2. Applicability and Character of Service

2.1 The transportation service provided under this Rate Schedule shall be performed under Subparts B, G, H or I of Part 284, or any other applicable commission regulation governing such transportation, including transportation performed on an "on behalf of" basis under Subpart B. Such service shall apply to all gas transported by Texas Gas for Customer under this Rate Schedule up to the transportation Contract Demand set forth in the Transportation Service Agreement.

2.2 Receipts and deliveries under this Rate Schedule shall be governed by Section 6.6[6] of the General Terms and Conditions of this Tariff.
2.3 Notwithstanding anything in the Rate Schedule or Section 6.6[6] of the General Terms and Conditions of this Tariff, the parties may agree at the time of contract execution that the Contract Demand will increase by specified amounts at specific points in time.

2.4 Service Options: Customer must request one of the following service options to receive service under this Rate Schedule FLS.

2.4.1 Firm Transportation Option (FLS-FT): Except anything to the contrary established in this Rate Schedule FLS, Rate Schedule Option FLS-FT is subject to all the terms and conditions of Rate Schedule FT.

2.4.2 No-Notice Option (FLS-NNS or FLS-NNL): Except anything to the contrary established in this Rate Schedule FLS, Rate Schedule Option FLS-NNS and FLS-NNL is subject to all the terms and conditions of Rate Schedules NNS or NNL, as applicable.

2.4.3 Summer No-Notice Option (FLS-SNS): Except anything to the contrary established in this Rate Schedule FLS, Rate Schedule Option FLS-SNS is subject to all the terms and conditions of Rate Schedule SNS.

2.4.4 Winter No-Notice Option (FLS-WNS): Except anything to the contrary established in this Rate Schedule FLS, Rate Schedule Option FLS-WNS is subject to all the terms and conditions of Rate Schedule WNS.

2.4.5 Enhanced Firm Transportation Option (FLS-EFT): Except anything to the contrary established in this Rate Schedule FLS, Rate Schedule Option FLS-EFT is subject to all the terms and conditions of Rate Schedule EFT.

3. Categories and Priorities of Transportation Services

Refer to Section 6.12 of the General Terms and Conditions of this Tariff.

4. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for each service Option on a Customer Lateral are set forth on a separate tariff record for each Customer Lateral in Section 4.20 of this Tariff, and these rates are incorporated herein by reference.

4.1 Rates

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay to Texas Gas each month a Reservation Charge which shall consist of the transportation Contract Demand as specified in Customer's Transportation Service Agreement multiplied by the applicable demand rate per MMBtu. The Reservation Charge shall be billed as of the effective date of the Transportation Service Agreement. Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall also pay Texas Gas the Maximum Commodity Rate per MMBtu of gas delivered by Texas Gas for firm transportation services rendered to Customer up to Customer's transportation Contract Demand. For all gas quantities delivered in excess of Customer's transportation Contract Demand on any day, Customer shall pay the FLS Overrun Rate per MMBtu under this Rate Schedule. In addition, Customer shall pay any and all currently effective demand or commodity surcharges, including but not limited to, the FERC ACA Unit Charge.
4.2 Fuel, Company Use, and Unaccounted For Quantities

If compression is installed on a Customer Lateral, fuel, company use gas, and unaccounted for quantities shall be set forth in Section 4.20 for the applicable Customer Lateral.

4.3 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

4.4 Lateral-Only Secondary Rights

4.4.1 Customer may not utilize a secondary point outside of the Customer Lateral on which such FLS Customer holds a firm transportation path unless Customer executes an Additional Zone Letter Agreement.

4.4.2 A Customer that does not hold a firm transportation path on a Customer Lateral may not designate secondary points on such Customer Lateral unless the Customer executes an Additional Zone Letter Agreement for service on that Customer Lateral.

5. Reimbursement of Fees and Taxes

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a nondiscriminatory basis in the event of an administrative error.

6. General Terms and Conditions

All of the General Terms and Conditions of this Tariff are applicable to and are hereby incorporated as a part of this Rate Schedule FLS.
Rate Schedule ILS
Interruptible Transportation Lateral Service

1. Availability

1.1 This Rate Schedule is available for the transportation of natural gas by Texas Gas for any Customer on a Customer Lateral which has met the credit requirements of Section 6.5 of the General Terms and Conditions; and which has executed a Transportation Service Agreement with Texas Gas for service on a specific Customer Lateral under Rate Schedule ILS.

1.2 Customer, Texas Gas, and third-party transporters have obtained, as appropriate, or will obtain, all State and Federal approvals for services to be provided by Customer, Texas Gas, and third-party transporters related to those rendered under this Rate Schedule.

2. Applicability and Character of Service

2.1 This Rate Schedule shall apply to all transportation services performed by Texas Gas for Customer under each Transportation Service Agreement for service under this Rate Schedule during the term identified in the Transportation Service Agreement. The transportation service rendered shall be on an interruptible basis. The transportation service provided under this Rate Schedule shall be performed under Subpart E of Part 157, Subparts B, G, H, or I of Part 284, or any other applicable commission regulation governing such transportation, including transportation performed on an "on behalf of" basis under Subpart B. Such service shall apply to all gas transported by Texas Gas for Customer under this Rate Schedule up to the transportation Contract Demand set forth in the Transportation Service Agreement.

Transportation service rendered hereunder which is interruptible in character will be performed provided Texas Gas has capacity sufficient to perform the service.

If the total quantities nominated for transportation pursuant to this Rate Schedule for a particular point of receipt and/or point of delivery by all interruptible customers exceed the total capacity available at that point, quantities scheduled for receipt and/or delivery will be allocated on a last-on, first-off basis in accordance with Section 6.12 of the General Terms and Conditions contained in Texas Gas' FERC Gas Tariff.

Interruptible service provided under this Rate Schedule shall be subject to interruption pursuant to Section 6.12 of the General Terms and Conditions of this Tariff. Interruption of service includes decreasing, suspending, or discontinuing both the receipt and delivery of gas. Texas Gas shall not be liable in damages or otherwise to Customer for any such curtailment or interruption. Curtailment of interruptible transportation service will be on a last-on, first-off basis in accordance with Section 6.12 of the General Terms and Conditions contained in Texas Gas' FERC Gas Tariff.

2.2 Provided Texas Gas' prior consent is obtained, Customer may tender quantities of gas in excess of the Transportation Quantity on any day if such tender and transportation of such gas can be accomplished by Texas Gas without detriment to any other Customer under any of Texas Gas' transportation rate schedules (see Section 6.12 of the General Terms and Conditions of this Tariff) if such transportation is compatible to Texas Gas'
system operation requirements. Subject to the foregoing restrictions, Texas Gas’ consent shall not be unreasonably withheld.

3. Categories and Priorities of Transportation Services

Refer to Section 6.12 of the General Terms and Conditions of this Tariff.

4. Rates and Charges

The applicable rates per MMBtu under this Rate Schedule for interruptible transportation service on a Customer Lateral are set forth on a separate tariff record for each Customer Lateral in Section 4.21 of this Tariff, and these rates are incorporated herein by reference.

4.1 Rates

Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay to Texas Gas each month the maximum Commodity Charge (plus any currently effective surcharges including but not limited to the FERC ACA Unit Charge) per MMBtu of gas delivered by Texas Gas.

4.2 Fuel, Company Use, and Unaccounted For Quantities

If compression is installed on a Customer Lateral, fuel, company use gas, and unaccounted for quantities shall be in accordance with the rate set forth in Section 4.21 for the applicable Customer Lateral.

4.3 Adjustment of Rates

Texas Gas shall have the right to propose and file with the Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, or other provisions thereof effective as to Customer.

5. Unauthorized Overrun

(a) Unauthorized Overrun Quantity

If Customer takes under this rate schedule on any day a quantity of gas which is greater than the applicable Contract Demand, the excess shall constitute an Unauthorized Overrun Quantity.

(b) Payment for Unauthorized Overrun Quantity

In any month in which Customer takes an Unauthorized Overrun Quantity, Customer shall pay to Texas Gas, in addition to the charges otherwise payable pursuant to Section 5.21[4.1] herein and Section 6.9[1] of the General Terms and Conditions:

(i) A “Nominal Overrun Penalty” equal to twice the effective FLS Overrun Rate for all Unauthorized Overrun Quantities taken on any day in excess of 250 MMBtu; and
An "Excess Overrun Penalty" of $10.00 per MMBtu for all Unauthorized Overrun Quantities on any day in excess of 375 MMBtu.

In the event a Customer incurs an Excess Overrun Penalty, Texas Gas will credit any amounts collected as a Nominal Overrun Penalty against amounts collected as an Excess Overrun Penalty, so that the total Overrun Penalty collected does not exceed $10.00 per MMBtu for overruns in excess of 375 MMBtu.

No overrun penalty shall be payable for any day in which the Unauthorized Overrun Quantity is less than 250 MMBtu.

The payment of a penalty for an Unauthorized Overrun Quantity by a Customer shall not under any circumstances be considered as giving such Customer the right to take an Unauthorized Overrun Quantity nor shall such payment be considered as a substitute for any other remedies available to Texas Gas or any of Texas Gas’ other customers against the offending Customer for failure to respect its obligation to adhere to the provisions of its contract with Texas Gas.

Texas Gas shall have the right, without obligation, to waive, on a non-discriminatory basis, any Nominal Overrun Penalty for an Unauthorized Overrun if, on the day when the Unauthorized Overrun was taken, deliveries to Texas Gas’ other customers were not adversely affected by the taking of such Unauthorized Overrun or if Texas Gas’ pipeline operations, including gas storage operations, were not impaired thereby. Texas Gas must waive any Excess Overrun Penalty if the Unauthorized Overrun occurs in a non-critical situation and does not cause operational problems.

Texas Gas shall be obligated to waive any penalty for an Unauthorized Overrun Quantity:

(aa) when such overrun is taken under circumstances beyond the control of Customer due to emergency conditions on Texas Gas’ facilities, or

(bb) when such overrun is due to accident to or breakage of pipelines, machinery or equipment of the Customer; provided, however, Customer shall promptly and diligently take such action as may be necessary and practicable under the then existing circumstances to repair or otherwise remedy the situation and furnish Texas Gas satisfactory evidence that such accident or breakage was not due to Customer’s gross negligence.

6. Reimbursement of Fees and Taxes

Customer shall reimburse Texas Gas for all fees, if any, required by the Commission or any regulatory body related to service provided under this Rate Schedule, including filing, reporting, and application fees. Provided, however, Texas Gas may waive filing fees for Customer on a nondiscriminatory basis in the event of an administrative error.

7. Uniform Flows

Customer shall deliver or cause to be delivered to Texas Gas and receive or cause to be received from Texas Gas in as nearly as possible uniform hourly quantities during any day and in as nearly as possible uniform daily quantities during any month.

8. General Terms and Conditions
All of the General Terms and Conditions of this Tariff are applicable and are hereby incorporated as a part of this Rate Schedule ILS.
Rate Schedule EPS
Enhanced Parking Service

1. Availability

1.1 This Rate Schedule is available beginning November 1, 2019, for the parking of natural gas by Texas Gas for any Customer

   (a) Who desires Enhanced Parking Service under this Rate Schedule; and
   (b) Who has submitted a valid request in accordance with Section 6.8 of the General Terms and Conditions (and Texas Gas is able to render such service); and
   (c) Who has met the credit requirements of Section 6.5 of the General Terms and Conditions; and
   (d) Who has executed a Service Agreement with Texas Gas for service under this Rate Schedule.

1.2 Upon request by Customer, Texas Gas shall determine the availability of the service under this Rate Schedule pursuant to Section 6.8 of the General Terms and Conditions. Texas Gas is not required to provide any requested service under this Rate Schedule unless Texas Gas determines, at its sole discretion, that it has operational flexibility to provide service.

2. Applicability and Character of Service

This Rate Schedule shall apply to all Enhanced Parking Service rendered by Texas Gas for Customer pursuant to Texas Gas' blanket certificate or Part 284 of the regulations of the FERC and the executed service agreement for service under this Rate Schedule.

2.1 Service under this Rate Schedule provides for: (a) the receipt by Texas Gas of gas quantities that have been delivered by Customer to any of the Parking points that Texas Gas shall designate on its system; (b) Texas Gas holding the parked quantities on Texas Gas' system; and (c) return of the parked quantities to Customer. Texas Gas shall park quantities of gas for Customer up to the Maximum Contract Park Quantity and Maximum Daily Park Quantity as specified in the executed Service Agreement. Texas Gas shall then return such parked gas up to the Maximum Contract Park Quantity and Maximum Daily Unpark Quantity to Customer at the point where Customer tendered gas to Texas Gas, subject to Section 5.15[4] of this rate schedule.

2.2 Service under this Rate Schedule shall be provided for a minimum of twelve (12) months; provided, however, such period may be shortened by Texas Gas at Texas Gas’ sole discretion. The term of each EPS arrangement with Customer shall be set forth on Exhibit A to the Form of Service Agreement hereunder.

2.3 Transportation of gas quantities for or on behalf of Customer to or from the Parking point(s) will not be performed under this Rate Schedule. Customer shall make any necessary arrangements with Texas Gas or third parties to receive or deliver gas quantities at the Parking point(s). Such arrangements must be compatible with the operating conditions of Texas Gas’ system.

2.4 Service under this Rate Schedule shall be confirmed in accordance with Section 6.12 of this Tariff.
2.5 Texas Gas shall not agree to provide service under this Rate Schedule if, in its reasonable judgment at the time a Customer requests EPS service pursuant to Section 6.8 of the General Terms and Conditions, providing such service would interfere with the primary rights of any Customer that holds or Texas Gas reasonably anticipates will hold firm transportation capacity during the term of the requested EPS Service Agreement.

3. Rates and Charges

3.1 The maximum and minimum unit rates for service under this Rate Schedule are shown in the effective Section 4.22 of this Tariff, and these rates are incorporated herein by reference. Customer shall pay the maximum rates for service under this Rate Schedule unless Texas Gas, in its sole judgment, agrees to discount its rates to Customer under this Rate Schedule. The rate or rates for service under this Rate Schedule shall not be discounted below the minimum rate, it being understood that each Customer shall pay the maximum rate unless such rates are discounted to such specific Customer.

3.2 Unless otherwise agreed to in writing by Texas Gas and Customer, Customer shall pay to Texas Gas each month a reservation charge which shall consist of the Maximum Contract Park Quantity as specified in Customer's service agreement multiplied by the applicable demand rate per MMBtu. The reservation charge shall be billed as of the effective date of the EPS service agreement.

3.3 EPS service is subject to the applicable demand charge credits under Section 6.25 of the General Terms and Conditions if Texas Gas is unable to provide the nominated EPS service quantities. If Customer and Texas Gas make mutually agreeable arrangements as a substitute for curtailed EPS service, Texas Gas shall not provide demand charge credits to the extent Texas Gas provides such alternate arrangements at no costs to Customer.

4. EPS Points of Service

Texas Gas will post on its Internet Website the available Parking Point(s) of Service provided, however, the availability of EPS at any of the posted points is still subject to evaluation of availability by Texas Gas as described in Section 6.8 of the General Terms and Conditions. Texas Gas may, at its sole discretion, post from time to time additions or deletions to the list of available points. If Texas Gas terminates a point where parked quantities are to be returned to Customer, such point(s) shall remain available for the limited purpose of completing such outstanding transactions unless Customer and Texas Gas mutually agree to utilize a different Point of Service.

5. Nominations and Scheduling

Customer shall notify or cause Texas Gas to be notified of Customer's service requirement under this Rate Schedule in advance of such requirements in accordance with the nomination deadlines as provided in Section 6.12 of the General Terms and Conditions of this Tariff. Texas Gas, in its sole judgment, may waive any nomination deadlines, on a non-discriminatory basis, if Texas Gas determines that operating conditions permit. With respect to Customer's desired levels of service under this Rate Schedule, Customer shall nominate to Texas Gas the desired Parking quantities as well as the point at which such service is requested. Such nominated quantities shall be subject to confirmation by Texas Gas. Such confirmed quantity shall be
deemed the scheduled quantity. Customer and Texas Gas shall have scheduling personnel available to be contacted 7 days a week, 24 hours a day.

6. Allocation of Service

Service under this Rate Schedule shall be allocated in accordance with Section 6.12 of the General Terms and Conditions of this Tariff.

7. Notification from Texas Gas

7.1 Consistent with Sections 6.12 and 6.18, Customer may be required, upon notification from Texas Gas, to cease or reduce deliveries to, or receipts from, EPS within the gas day consistent with Texas Gas’ operating conditions. Further, Customer may be required to remove parked quantities upon notification by Texas Gas. Such notification may be by written communication, telecopy, telephone or Internet Website posting. Texas Gas’ notification shall specify the time frame within which parked quantities shall be removed, consistent with Texas Gas’ operating conditions, but in no event shall the specified time frame be less than three (3) calendar days from the date of Texas Gas’ notification. The obligation of Customer to comply with the issued notification shall be monitored until such time as Company is able to recommence the provisions of EPS.

7.2 Any parked quantity not removed within the time frame specified by Texas Gas’ notice shall become the property of Texas Gas at no cost to Texas Gas, free and clear of any adverse claims. Such gas retained by Texas Gas shall be credited back to the customers through Texas Gas’ annual fuel tracker.

8. General Terms and Conditions

All of the applicable General Terms and Conditions of this Tariff are hereby incorporated by reference and made a part hereof. However, in the event of any inconsistencies between the General Terms and Conditions and this Rate Schedule EPS, the terms and conditions of this Rate Schedule EPS shall control.