

GENERAL TERMS AND CONDITIONS

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Part 6.1 Definitions (0.0.0) A

1. DEFINITIONS

In some instances, definitions are set forth in the Rate Schedules, General Terms and Conditions and the Forms of Service Agreements.

The term “Agreement” shall mean the agreement executed by the Shipper and Transporter and any applicable exhibits, appendices, attachments and/or amendments thereto.

The term “Backhaul” shall mean the movement of Gas from a Receipt Point to a Delivery Point that is at all times and at all points during the Gas Day along the path in a direction opposite to the actual flow of Gas in the pipeline.

The term “BTU” shall mean one (1) British thermal unit, the amount of heat required to raise the temperature of one (1) pound of water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit, (BTU is measured and reported on a dry basis at 14.73 psia and 60 degrees Fahrenheit).

The term “Business Day” shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the United States.

The term “Cashout” shall mean the monetary settlement of quantities of Gas owed to or by Transporter or third parties, as further described in Section 8 of these General Terms and Conditions.

The term “Cashout Party” shall mean any Shipper or other contractually liable entity who has an imbalance under any Agreement, which imbalance will be resolved in accordance with Section 8 of these General Terms and Conditions.

The term “Cashout Price” shall mean the price determined pursuant to Section 8 of these General Terms and Conditions.

The term “Central Clock Time” or “CCT” shall mean Central Standard Time (“CST”) except when Daylight Savings Time is in effect, when it shall mean one hour in advance of CST. All times referenced in Transporter’s Tariff shall be in CCT.

The term “Commission” or “FERC” shall mean the Federal Energy Regulatory Commission or any successor regulatory authority.

The term “Confirmed Price” shall mean the Transportation rate inclusive of all applicable fees and surcharges agreed upon, in writing and/or via the EBB, by Transporter and Shipper or as otherwise required in this Tariff.

The term “Day” or “Gas Day” shall mean 9:00 a.m. to 9:00 a.m. (Central Clock Time).

The term “Dekatherm” (or “Dth”) shall mean the quantity of heat energy which is equivalent to one (1) million (1,000,000) BTU.

The term “Delivery Point” shall mean an interconnection point on Transporter’s pipeline system where Gas transported by Transporter exits Transporter’s facilities.

The term “Delivery Point Operator” shall mean the party that is responsible for operating the facilities that are immediately downstream of the applicable Delivery Point.

The term “Discount Confirmation” shall mean an electronic mail (e-mail) message sent by Transporter to Shipper to confirm the terms of the discount granted pursuant to Section 34 of the General Terms and Conditions of Transporter’s Tariff.

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

The term “Elapsed Prorated Scheduled Quantity” shall mean that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the Intraday Nomination being confirmed based on a uniform hourly flow rate.

The term “Electronic Bulletin Board” or “EBB” shall mean Transporter’s computerized system for the posting, sending and receiving of notices and other communications under this Tariff.

The term “Electronic Communication” shall mean the transmission of information via Transporter’s EBB, Electronic Delivery Mechanism prescribed by NAESB or other mutually agreed communication methodologies used to transmit and receive information.

The term “Electronic Delivery Mechanism” or “EDM” shall mean the Electronic Communication methodology used to transmit and receive data related to Gas transactions. Transporter and Shipper shall designate an electronic “site” at which Shippers and Transporter may exchange data electronically. All data provided at such site shall be considered as being delivered to the appropriate party. Transporter’s use and implementation of EDM shall conform to all appropriate NAESB standards.

The term “Force Majeure” as used herein shall mean acts of God, strikes, lockouts, or other industrial disturbances; acts of the public enemy, terrorist attacks, vandalism, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, crevasses, floods, washouts, arrests and restraints of the government, either

Federal or State, civil or military, civil disturbances. Force Majeure shall also mean shutdowns due to power outages and/or for purposes of necessary repairs, relocation, or construction of facilities; failure of electronic data capability; breakage or accident to machinery or lines of pipe; the necessity of making repairs or alterations to machinery or lines of pipe; failure of surface equipment or pipe lines; accidents, breakdowns, inability to obtain necessary materials, supplies or permits, or labor to perform or comply with any obligation or condition of service, rights of way; and any other causes, whether of the kind herein enumerated or otherwise which are not reasonably in Transporter's control. For the sole purpose of calculating Reservation Charge Adjustments pursuant to Section 38 of these General Terms and Conditions, outages due to scheduled or routine maintenance shall not be considered *Force Majeure* events. The settlement of strikes or lockouts or controversies with landowners involving rights of way shall be entirely within Transporter's discretion and that the requirement in Section 15.1 of the General Terms and Conditions that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts or controversies with landowners involving rights of way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of Transporter.

The term "Gas" shall mean natural gas, including cap gas, casinghead gas produced with crude oil, gas from gas wells, gas from condensate wells, synthetic natural gas, or any mixture of these gases meeting the quality standards under Section 3 of these General Terms and Conditions.

The term "Gas Delivered Hereunder" shall mean the quantities of Gas allocated to Shipper by Transporter, as determined in accordance with the provisions of Section 7 of these General Terms and Conditions.

The term "High Common" shall mean the highest price listed under the heading "Common" in "Platts Gas Daily" "Daily Price Survey" for the applicable Day.

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

The term "Imbalance Management Services" shall mean the options available to Shippers for resolution of imbalances including the application of the Cashout mechanism set forth in Section 8 of the General Terms and Conditions. These options include service under Rate Schedule PALS, Imbalance Netting and Trading and, as a final resolution, Cashout.

The term "Internet Web site" or "Web site" shall mean Transporter's HTML site accessible via the Internet's World Wide Web located at <https://adelphiagateway.com>.

The term "LAUF" shall mean lost and unaccounted for Gas.

The term "Low Common" shall mean the lowest price listed under the heading "Common" in "Platts Gas Daily" "Daily Price Survey" for the applicable Day.

The term “Maximum Daily Delivery Obligation” or “MDDO” shall mean the greatest number of Dekatherms that Transporter is obligated to deliver, on a Priority Class One basis to or on behalf of Shipper on any Day at the applicable Primary Delivery Point(s) as provided for in Section 4.2 of Rate Schedule FTS or, for capacity release transactions, as displayed by Transporter in the EBB. The aggregate of the Maximum Daily Delivery Obligation(s) may not exceed the MDQ set forth in the Agreement.

The term “Maximum Daily Quantity” or “MDQ” shall mean the greatest number of Dekatherms that Transporter is obligated to transport, on a firm basis, to or on behalf of Shipper on any Day.

The term “Maximum Daily Receipt Obligation” or “MDRO” shall mean the greatest number of Dekatherms that Transporter is obligated to receive, on a Priority Class One basis, pursuant to Section 5.3(a)(1)(ii) of the General Terms and Conditions, for or on behalf of Shipper on any Day at the applicable Primary Receipt Point(s). The aggregate of the MDROs may not exceed the MDQ set forth in the Agreement.

The term “Maximum Loan Quantity” shall mean the greatest number of Dekatherms that Shipper may have loaned under its Rate Schedule PALS Agreement at any time.

The term “Maximum Park Quantity” shall mean the greatest number of Dekatherms that Shipper may have parked under its Rate Schedule PALS Agreement at any time.

The term “Maximum Recourse Rate” shall mean the highest cost based rate that Transporter is allowed to charge a Shipper who has an Agreement for Transportation Service.

The term “Mcf” shall mean one (1) thousand (1,000) cubic feet of Gas. (Mcf is measured on a dry basis at 14.73 psia. and 60 degrees Fahrenheit.)

The term “Minimum Recourse Rate” shall mean the lowest cost based rate that Transporter is allowed to charge a Shipper who has an Agreement for Transportation Service.

The term “Month” shall mean the period beginning on the first Day of a calendar Month and ending at the same hour on the first Day of the next succeeding calendar Month.

The term “Monthly Imbalance” shall mean a Shipper’s monthly quantity subject to resolution through the Cashout mechanism described in Section 8 of the General Terms and Conditions, calculated as the difference between (i) allocated quantities received from a Cashout Party for the Month, as determined in accordance with Section 7 of the General Terms and Conditions, adjusted for Transporter’s Use, and (ii) allocated quantities delivered to a Cashout Party for the Month, as determined in accordance with Section 7.

The term “Negotiated Rate” shall mean a rate or rate formula for computing a rate for service under a single Agreement. For scheduling and curtailment purposes, a Shipper paying a Negotiated Rate in excess of the Maximum Recourse Rate will be considered to be paying the Maximum Recourse Rate.

The term “Netting” shall be used to describe the process of resolving imbalances for a Shipper within an Operational Impact Area. There are two types of Netting:

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

The term “North American Energy Standards Board” or “NAESB” shall mean the accredited organization established to set standards for certain natural gas industry business practices and procedures.

The term “Operational Balancing Agreement” shall mean a contract between two parties which specifies the procedures to manage operating variances at an interconnect.

The term “Operational Flow Order” shall mean an order issued to alleviate conditions which threaten or could threaten the safe operations or system integrity of Transporter’s system or to maintain operations required to provide efficient and reliable firm service. Whenever Transporter experiences these conditions, any pertinent order shall be referred to as an Operational Flow Order.

The term “Operational Impact Area” shall describe a Transportation Service Provider’s (as defined by the NAESB Standards) designation of the largest possible area(s) on its system in which imbalances have a similar operational impact. For Transporter, each Zone shall be a separate Operational Impact Area.

The term “Primary Delivery Point” shall mean the Delivery Point(s) as specified in the Appendix 1 to Shipper’s FTS Agreement or, for capacity release agreements, pursuant to an addendum to Shipper’s Capacity Release Umbrella Agreement.

The term “Primary Receipt Point” shall mean the Receipt Point(s) as specified in the Appendix 1 to Shipper’s FTS Agreement or, for capacity release agreements, pursuant to an addendum to Shipper’s Capacity Release Umbrella Agreement.

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

The term “Rate Default” shall mean, for index-based capacity release transactions, the non-biddable rate specified in the Releasing Shipper’s Notice to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be

computed. If a Rate Default is not otherwise specified, the Rate Floor shall serve as the Rate Default.

The term “Rate Floor” shall mean, for index-based capacity release transactions, the lowest rate specified in the Releasing Shipper’s Notice in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Transporter’s minimum reservation rate or zero cents where there is no stated minimum reservation rate.

The term “Receipt Point” shall mean an interconnection point on Transporter’s pipeline system where Gas enters Transporter’s facilities for Transportation.

The term “Receipt Point Operator” shall mean the party that is responsible for operating the facilities that are immediately upstream of the applicable Receipt Point.

The term “Reput” shall mean the reinstatement of a capacity release transaction that was recalled.

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

The term “Secondary Delivery Point” shall mean a Delivery Point that is not specified as a Primary Delivery Point.

The term “Secondary Receipt Point” shall mean a Receipt Point that is not specified as a Primary Receipt Point.

The term “Segment” shall mean the portion of the pipeline on which Shipper has the firm contract right to move from one point to the next point.

The term “Segment Path Right” shall mean the quantity of Gas for which Shipper has the primary firm contract right to move within the Segment.

The term “Service Day” shall mean the Day during which Shipper receives Transportation Service pursuant to a nomination in accordance with Section 4 of the General Terms and Conditions.

The term “Service Month” shall mean the Month during which Shipper receives services under this Tariff.

The term “Shipper” shall mean any person, corporation, limited liability company, partnership or any other legal entity who enters into an Agreement for service with Transporter.

The term “Tariff” or “FERC Gas Tariff” shall mean Transporter’s FERC Gas Tariff as effective from time to time.

The term “Tender of Gas” shall mean that the delivering party is able and willing, and offers, to deliver Gas to the receiving party at the appropriate Receipt Point or Delivery Point.

The term “Title Transfer” shall mean the change of title to Gas between parties at a location.

The term “Title Transfer Tracking” shall mean the process of accounting for the progression of title changes from party to party which process does not effect a physical movement of the Gas.

The term “Title Transfer Tracking Service Provider” or “TTTSP” shall mean a party conducting Title Transfer Tracking activities.

The terms “Transportation” and “Transportation Service” shall mean transportation of Gas by forward haul, displacement or Backhaul, or any combination thereof.

The term “Transportation Path” shall mean (i) for a firm Agreement that is not the result of a capacity release, all Segments within the Zone(s) specified in Appendix 1 to Shipper’s FTS Agreement, (ii) for capacity release transactions, the Segment(s) for which the Segment Path Right is greater than zero, and (iii) for an interruptible Agreement, the portion of the Pipeline from the Zone in which the Receipt Point lies to the Zone in which the Delivery Point lies.

The term “Transporter” shall mean Adelpia Gateway, LLC.

The term “Transporter’s Use” shall mean the quantity of Gas required by Transporter for compressor fuel, other company use and lost-and-unaccounted for Gas for service under each Agreement, and shall be equal to the Transporter’s Use (%) under each such Agreement multiplied by the quantities tendered to Transporter.

The term “Transporter’s Use (%)” shall mean the applicable percentage of Transporter’s Use, which shall be an allocable amount of Transporter’s Use, as calculated pursuant to Section 22.1, provided, however, that only the LAUF component of Transporter’s Use (%) shall be assessed on Backhaul Transportation and Rate Schedule PALS transactions. The applicable percentage is shown in the Statement of Additional Charges and

Surcharges and shall be annually redetermined and filed to be made effective April 1 of each year in accordance with Section 22.1 of these General Terms and Conditions.

The “Usage-1 Rate” shall be stated in the Statement of Transportation Rates and shall be assessed as described in Section 3 of Rate Schedules FTS and ITS.

The “Usage-2 Rate” shall be stated in the Statement of Transportation Rates and shall be assessed as described in Section 3 of Rate Schedules FTS and ITS.

The term “Zone” shall mean any of Zone North A, Zone North B, or Zone South, as applicable.

The term “Zone North A” includes those facilities extending north from the interconnection with Texas Eastern Transmission, LP in Bucks County, Pennsylvania to the Martins Creek Terminal, Martins Creek, Pennsylvania.

The term “Zone North B” includes those facilities extending north from the interconnection with Transcontinental Gas Pipe Line Company, LLC in Northampton County, Pennsylvania to the Martins Creek Terminal, Martins Creek, Pennsylvania.

The term “Zone South” includes those facilities extending south from the interconnection with Texas Eastern Transmission, LP in Bucks County, Pennsylvania to Marcus Hook, Pennsylvania, including the Tilghman and Claymont laterals extending from the Marcus Hook Compressor Station to interconnections in Chester, Delaware County, Pennsylvania and Claymont, New Castle County, Delaware.

2. MEASUREMENT AND MEASUREMENT EQUIPMENT

- 2.1 (a) Measurement equipment for receipt and delivery (meters) shall be constructed and installed, and whose computations of quantity are made in accordance with the provisions of API 14.3/AGA Report #3, AGA Report #7, AGA Report #9 and the latest revision thereof.
- (b) Meters shall be maintained and operated, and auxiliary measuring equipment shall be installed, maintained and operated, in accordance with generally accepted industry practices and Transporter's Standard Operating Procedures (SOP).
- 2.2 (a) The volume of Gas delivered at each Receipt Point and Delivery Point shall be calculated by means of an electronic flow computer located at each Receipt Point or each Delivery Point, in the following manner:
- (1) The Gas shall have its volume, mass, gravity, composition or energy content, determined and calculated in accordance with applicable AGA standards including, but not limited to, ANSI/API 14.3.1&2/AGA Report No. 3, latest edition, AGA Report No. 5, latest edition, AGA 8 for super compressibility, AGA Report No. 7, latest edition and API Chapter 21.1 latest edition for measurement by electronic flow computers.
- (b) The volume of Gas delivered shall be computed using the standards and factors determined as follows:
- (1) The unit of volume for the purpose of measurement shall be one thousand cubic feet of Gas at a temperature of sixty (60) degrees Fahrenheit and a pressure of 14.73 pounds per square inch absolute. For the purpose of pricing hereunder, the Dekatherm equivalent of such unit of volume shall be determined by multiplying each such unit of volume by the total heating value per cubic foot of the Gas delivered hereunder (adjusted to a common temperature and pressure base) and by dividing the result by one thousand (1000).
- (2) The average absolute atmospheric (barometric) pressure at each Receipt Point and each Delivery Point shall be assumed to be 14.7, irrespective of the actual location or elevation above sea level of the Receipt Point or Delivery Point or of variations in actual atmospheric pressure from time to time.

- (3) The static pressure and temperature of the Gas at flowing conditions through a meter and, where applicable, the differential pressure across the orifice plate of an orifice meter shall be determined by means of instruments of standard manufacture accepted in the industry for these purposes.

2.3 All flow measuring, testing and related equipment shall be of standard manufacture and type approved by Transporter. If applicable, Transporter or Shipper may install check measuring equipment and telemetering equipment, provided that such equipment shall be so installed as not to interfere with the operations of the operator. Transporter, or Shipper, in the presence of the other party, shall have access to measuring equipment at all reasonable times, but the reading, calibrating, and adjusting thereof shall be done by the operator of the facilities. Transporter or Shipper shall have the right to be present at the time of the installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done by the operator of the measuring equipment. The records from such measuring equipment shall remain the property of the operator, but upon request the other party may request records including charts, together with calculations therefrom for inspection, subject to return within thirty (30) days after receipt thereof. Reasonable care shall be exercised in the installation, maintenance and operation of the measuring equipment so as to avoid any inaccuracy in the determination of the volume of Gas received and delivered.

The accuracy of all measuring equipment shall be verified by operator at least once each year and if requested, in the presence of representatives of the other party, but neither Transporter nor Shipper shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. If the operator agrees to verification and test of measuring equipment and fails to perform such verification and testing, then the other party shall have the right to cease or temporarily discontinue service relative to such measuring equipment. If either party at any time desires a special test of any measuring equipment, it will promptly notify the other party and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. Transportation and related expenses involved in the testing of meters shall be borne by the party incurring such expenses, provided, however, that Shipper shall not be responsible for such Transportation and related expenses if the special testing reveals that the meter(s) is (are) not operating within the required tolerance level of one percent (1%).

The operator, for purposes of this section, shall be the owner of the equipment referenced herein, or the agent of such owner, or such other person as the parties may agree in writing.

If, upon any test, any measuring equipment is found to be in error, such errors shall be taken into account in a practical manner in computing the deliveries. If

the resultant aggregate error in the computed receipts or deliveries is not more than one percent (1%), then previous receipts or deliveries shall be considered accurate. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in computing receipts or deliveries exceeds one percent (1%), the previous recordings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test.

- 2.4 In the event any measuring equipment is out of service, or is found registering inaccurately and the error is not determinable by test, previous recordings of receipts or deliveries through such equipment shall be determined as follows; provided, however, that measurement data corrections shall be processed within six (6) Months of the production Month, with a three (3) Month rebuttal period and provided, further, that such standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard:
- (a) by using the registration of any check meter or meters if installed and accurately registering, or in the absence of (a);
 - (b) by correcting the error if the percentage of error is ascertainable by calibration, special test or mathematical calculation, or in the absence of both (a) and (b) then;
 - (c) by estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the meter was registering accurately.

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

- 2.5 If at any time during the term hereof, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted upon mutual agreement thereto by both parties.
- 2.6 The parties agree to preserve for a period of at least three (3) years or such longer period as may be required by public authority, all test data, if any, and other similar records.
- 2.7 Shipper or Transporter may install, maintain, and operate odorizing (at a Delivery Point only), regulating, telemetering, heating and fogging equipment at its own expense as it shall desire at each Receipt Point or Delivery Point, and the operator

of such equipment at its own expense shall provide the other party a suitable site therefore and allow the other party free access to and use of the site; provided that such equipment shall be so installed, maintained and operated as not to interfere with the operation or maintenance of the operating party's measuring equipment at each Receipt Point or Delivery Point. All such equipment as Shipper or Transporter shall desire to install shall be constructed, installed and operated to conform to the other party's requirements.

3. QUALITY OF GAS

3.1 Except as expressly set forth herein to the contrary, the Gas received or delivered by Transporter shall be a combustible Gas consisting of methane and such other hydrocarbon constituents or a mixture of two or more of them which, in any case, meets the following qualify specifications:

- (a) The Gas shall have a total heating value not less than nine hundred eighty (980) BTU per cubic foot of Gas nor greater than one thousand one hundred (1,100) BTU per cubic foot of Gas;
- (b) Transporter may not refuse to accept delivery of Gas with a hydrocarbon dew point equal to or less than 15 degrees Fahrenheit, provided that such Gas satisfies all other applicable provisions of Transporter's Tariff.
 - (1) To the extent operationally practicable through aggregation or other reasonable means, Transporter may accept Gas with a higher hydrocarbon dew point than that established in 3.1(b), but not exceeding (.032) gallons per Mcf (GPM) of C6+.
- (c) The Gas shall be commercially free, under continuous Gas flow conditions, from objectionable odors, solid matter, dust, gums, gum-forming constituents, water or any other solid or liquid matter which might cause damage to or interference with proper operations of the pipeline, compressor stations, meters, regulators or other appliances through which the Gas flows;
- (d) The Gas shall not have uncombined oxygen content in excess of two-tenths (0.2) of one percent (1%) by volume;
- (e) The Gas shall not contain more than three (3.0%) by volume, of a combined total of carbon dioxide and nitrogen;
- (f) The Gas shall not contain more than one-quarter (0.25) grain of hydrogen sulfide per one-hundred (100) cubic feet;
- (g) The Gas shall not contain more than ten (10) grains of total sulphur, excluding any mercaptan sulphur, per one-hundred (100) cubic feet;
- (h) The flowing Gas shall not have a temperature of more than one-hundred twenty degrees (120) Fahrenheit.

- (i) The Gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the Gas is received and delivered.
 - (j) The Gas shall not contain in excess of seven (7) pounds of water vapor per million cubic feet;
 - (k) The Gas shall not contain, either in the Gas or in any liquids with the Gas, any microbiological organism, active bacteria or bacterial agent capable of contributing to or causing corrosion and/or operational and/or other problems. Microbiological organisms, bacteria or bacterial agents include, but are not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (APB). Tests for bacteria or bacterial agents shall be conducted on samples taken from the meter run or the appurtenant piping using American Petroleum Institute (API) test method API-RP38 or any other test method acceptable to Transporter and Shipper which is currently available or may become available at any time.
- 3.2 The test equipment and methodology utilized by Transporter to determine whether Gas meets the quality specifications set forth in Section 3.1 shall be posted on its EBB.
- 3.3 At Transporter's request, Shipper shall use all reasonable efforts to obtain and provide to Transporter all records regarding Gas quality kept by upstream pipelines transporting the Gas received by Transporter for Shipper's account. Shipper shall use all reasonable efforts to ensure and verify for Transporter that such upstream pipelines are using appropriate equipment to monitor compliance with the Gas quality specifications applicable on Transporter's system as stated in this Section 3.
- 3.4 If the Gas tendered for Shipper's account to Transporter shall fail at any time to conform to any of the specifications set forth in this Section 3 or in Transporter's reasonable judgment, may cause harm to its facilities or diminish the quality of Gas in the system, then Transporter shall have the right, after either written, oral or telephonic notice to Shipper, to refuse to accept all or any portion of such quality deficient Gas. In the event Transporter refuses to accept Gas tendered by Shipper because such Gas does not conform to the specifications set forth herein, Shipper shall not be relieved of its obligation to pay any Reservation Charge provided for in Shipper's Agreement. If the Gas tendered by Transporter for Shipper's account shall fail at any time to conform to any of the specifications set forth in this Section 3 then Shipper shall notify Transporter of such deficiency and may, at its option, refuse to accept delivery pending correction by Transporter.
- 3.5 Transporter may waive the requirements set forth in Section 3.1 in order to allow Shipper to tender, or cause to be tendered, Gas which does not when injected into Transporter's pipeline meet the quality specifications set forth in Section 3.1;

provided that Transporter's acceptance of such Gas shall not adversely impact Transporter's system facilities or operations, and further provided that once such Gas has been blended, to the extent blending occurs, the commingled Gas stream at any Delivery Point on Transporter's system shall be compliant with the quality specifications set forth in Section 3.1. Transporter shall implement this Section 3.5 on a non-discriminatory basis and may cancel any waiver at any time if necessary to assure that the commingled Gas stream is compliant with the quality specifications set forth in Section 3.1 at any Delivery Point on Transporter's system.

- 3.6 Odorization. Transporter shall have no obligation to odorize the Gas tendered by Shipper other than to conform to the regulations of appropriate governmental authorities having jurisdiction. However, if Transporter odorizes the Gas, such odorization shall be by use of a malodorant agent of such character as to indicate by a distinctive odor the presence of Gas. Whenever odorized Gas is delivered, the quality and specifications, as set forth in this Section 3, of such Gas shall be determined prior to the addition of malodorant or with proper allowance for changes or additions due to such malodorant. Such odorization of the Gas by Transporter shall be for the purpose of detection of the Gas only during the time when the Gas is in the possession of Transporter, prior to delivery to the Shipper.

Part 6.4 Nominations (0.0.0) A

4. NOMINATIONS

4.1 Transporter shall accept nominations twenty-four (24) hours a day via the EBB or EDM. All nominations must contain the mandatory data elements included in the NAESB standards and any additional business-conditional or mutually agreeable data elements applicable to Transporter's services. All nominations shall include Shipper defined begin dates and end dates. All nominations excluding Intraday Nominations shall have roll-over options. Specifically, Shippers have the ability to nominate for several Days, Months, or years, provided the nomination begin and end dates are within the term of the Shipper's Agreement. Nominations must specify the daily scheduled quantity, and all quantities must be stated in Dekatherms. At the end of each Gas Day, Transporter will provide the final scheduled quantities for the just completed Gas Day. With respect to the implementation of this process via the EDI/EDM, Transporter shall send an end of Gas Day Scheduled Quantity (NAESB WGQ Standard No. 1.4.5) and Scheduled Quantity for Operator (NAESB WGQ Standard No. 1.4.6). A receiver of either of these documents can waive Transporter's requirement to send such documents.

- (a) All nominations for Gas to flow at the beginning of a Service Day must be submitted to Transporter via the EBB or EDM unless another method of communication is mutually agreed upon by Transporter and Shipper, and must be submitted in accordance with the standard nomination timelines for the Timely and Evening Nomination Cycles set forth in this Section 4.1(a). All nominations are considered original nominations and will be replaced when changed. When a nomination for a date range is received, each Day within that range is considered an original nomination. When a subsequent nomination is received for one or more Days within that range, the previous nomination is superseded by the subsequent nomination only for the Day(s) specified in such revised nomination. The Days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

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

- (1) The Timely Nomination Cycle
On the day prior to Gas flow:

1:00 p.m. Nominations leave control of the Shipper;

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

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

(2) The Evening Nomination Cycle
On the day prior to Gas flow:

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

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

For purposes of Section 4.1(a)(2), “provides” shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (b) Shipper shall include in its nominations the desired order of priority of receipts and deliveries under each Agreement which Transporter will use when taking action to change receipts and/or deliveries according to Sections 5.2, 5.3 and 5.4. The order of priority shall indicate that a

priority of one (1) shall be the last to be affected by changes. Nominations with the same priority will be adjusted pro rata.

- (c) If Shipper completes and resubmits an otherwise incomplete nomination, then Transporter will process the nomination in the first nomination cycle that occurs where the Shipper's complete nomination meets the deadline for nominations.
- (d) Variations by Shipper of actual receipts and deliveries from the nominated receipts and deliveries shall be kept to a minimum. Receipts and deliveries shall be made at uniform hourly rates unless provisions to deliver the Gas at a non-uniform rate are confirmed by Transporter's Gas Control Department prior to Gas flowing. Under no circumstances shall Transporter be obligated to deliver to any Shipper, on any Day, a quantity of Gas under any Agreement greater than Transporter received at the Receipt Point(s) on behalf of such Shipper under such Agreement.

4.2 Implementation of Intraday Nominations.

- (a) All Intraday Nominations for Gas to flow subsequent to the beginning of a Service Day for the remainder of that Service Day must be submitted to Transporter via the EBB or EDM unless another method of communication is mutually agreed upon by Transporter and Shipper.
- (b) All nominations, including Intraday Nominations, shall be based on a daily quantity; thus, an intra-day nominator need not submit an hourly nomination. Intraday Nominations shall include an effective date and time. Intraday Nominations do not rollover (i.e. Intraday Nominations span one Gas Day only). Intraday Nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an Intraday Nomination modifies an existing nomination.
- (c) Subject to upstream and downstream operators' confirmations and Transporter's operating conditions, an Intraday Nomination submitted pursuant to this Section 4.2 can be used to request increases or decreases in total flow, changes to Receipt Points, or changes to Delivery Points of scheduled Gas.
- (d) With respect to Intraday Nominations for reductions in previously scheduled quantities, Transporter will accept, subject to the limitations set forth in Section 4.1(a), any explicitly confirmed quantity, down to and including zero, for such Intraday Nomination; provided, however, if such Intraday Nomination requires confirmation from an upstream and/or downstream interconnected pipeline then any Intraday Nomination to reduce previously scheduled quantities will be subject to, and limited to,

the reduced quantity confirmed by such upstream and/or downstream interconnected pipeline.

- (e) Transporter shall allow Shipper to alter the order of priority of receipts and deliveries upon which Transporter shall rely in taking actions to adjust receipts and/or deliveries under Section 4.1 above, provided that such changes are submitted via the EBB or EDM in accordance with the nomination deadlines set forth in 4.1(a), above.
- (f) Notice. For purposes of providing notice of any nomination changes (including where an interruptible Shipper's nomination is bumped by a firm Shipper's Intraday Nomination) to a Shipper and/or Shipper's agent, Transporter shall use Electronic Communication.
- (g) Intraday Nominations shall be submitted and processed in accordance with the minimum standard timelines for Intraday Nominations set forth in this Section 4.2(g).

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

(1) The Intraday 1 Nomination Cycle
On the current Gas Day:

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

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

(2) The Intraday 2 Nomination Cycle
On the current Gas Day:

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

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

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

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

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

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

For purposes of Section 4.2(g) “provides” shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (h) Bump Protection: Transporter shall not schedule an intraday or hourly nomination change, if the result of scheduling such nomination would be to bump flowing and/or scheduled service under any firm primary or secondary service. Transporter shall give an Intraday Nomination

submitted by a firm Shipper priority over nominated and scheduled volumes for Shippers flowing volumes with a priority below secondary firm service. Transporter will not permit bumping of any services, including interruptible services, for Intraday Nominations submitted after the Intraday 2 Nomination Cycle deadline. Once all or a portion of a Shipper's nomination is accepted and scheduled during any nomination period, such scheduled service shall not be interrupted unless: (1) such capacity is required to provide a higher priority service prior to the end of the Intraday 2 Nomination Cycle as described in Section 4.2(g)(2) above; or (2) curtailment is necessary pursuant to the provisions of Section 6.3 of the General Terms and Conditions. Transporter shall provide bump notice to bumped Shippers by 1:00 p.m. as to Intraday Nominations submitted by the Intraday 1 Nomination Cycle, by 9:00 p.m. as to Intraday Nominations submitted by the Evening Nomination Cycle, and by 5:30 p.m. as to Intraday Nominations submitted by the Intraday 2 Nomination Cycle. Transporter shall provide bump notice to the bumped Shippers by the notice procedures set forth in Section 13.5 of the General Terms and Conditions.

5. PRIORITY OF SERVICE

- 5.1 Transporter shall have the right to curtail or discontinue services, in whole or in part, on all or a portion of its system at any time for reasons of Force Majeure or when capacity or operating conditions so require, or it is necessary to make modifications, repairs or operating changes to its system. Transporter shall provide Shipper notice of such curtailment as is reasonable under the circumstances. Notwithstanding anything to the contrary contained in this Section 5.1, Transporter will schedule routine repairs and maintenance in a manner that to the greatest extent possible will not disrupt the flow of quantities scheduled and confirmed in accordance with Section 4 of the General Terms and Conditions.
- 5.2 Throughput Scheduling Priority: For each nomination cycle, Transporter shall allocate throughput capacity pursuant to Sections 6.1 and 6.2 of these General Terms and Conditions utilizing the priorities of service described below:
- (a) Priority Class One. Among Rate Schedule FTS nominations where such nomination (or portion thereof) meets all of the following criteria:
- (1) utilizes a Primary Receipt Point at which the nominated quantity is within the MDRO;
 - (2) utilizes a Primary Delivery Point at which the nominated quantity is within the Agreement's Maximum Daily Delivery Obligation; and
 - (3) is within the Agreement's Segment Path Right for each Segment traversed by the nomination.
- (b) Priority Class Two. Among Rate Schedule FTS nominations where each nomination (or portion thereof):
- (1) (i) utilizes a Primary Delivery Point in Excess of the MDDO, or utilizes a Primary Receipt Point in excess of the MDRO; or
(ii) utilizes a Secondary Receipt Point and/or a Secondary Delivery Point, and
 - (2) is within the Agreement's Segment Path Right for each Segment traversed by the nomination.

- (c) Priority Class Three. Among Rate Schedule FTS nominations where each nomination (or portion thereof):
 - (1) exceeds the Agreement's Segment Path Right for one or more Segments traversed by the nomination, or
 - (2) is a Backhaul (a nomination on a contract that has a direction of flow that is opposite of the Transportation Path).
- (d) Priority Class Four. Rate Schedule ITS, Rate Schedule PALS.
- (e) Priority Class Five. Make-up Gas for FTS Agreements, then make-up Gas for ITS.

5.3 Receipt/Delivery Point Scheduling Priority: For each nomination cycle, Transporter shall schedule Receipt Point capacity or Delivery Point capacity pursuant to Sections 6.1 and 6.2 of these General Terms and Conditions utilizing the priorities of service described below:

- (a) Priority Class One - Among Rate Schedule FTS nominations:
 - (1) For Receipt Point restrictions, nominations (or portion thereof) that are within the MDRO at the point of restriction.
 - (2) For Delivery Point restrictions, nominations (or portion thereof) that are within the Agreement's MDDO at the point of the restriction.
- (b) Priority Class Two. Among Rate Schedule FTS nominations where the nominations meet both of the requirements below:
 - (1) the nomination (or portion thereof) exceeds the MDRO or MDDO, as applicable, at the point, and
 - (2) the nomination (or portion thereof) is within the Agreement's Segment Path Right at the point.
- (c) Priority Class Three. Among Rate Schedule FTS nominations that:
 - (1) (i) exceed the MDRO or MDDO, as applicable, at the point, and
 - (ii) exceed the Agreement's Segment Path Right at the point, or
 - (2) are Backhauls (a nomination on a contract that has a direction of flow that is opposite of the Transportation Path).

- (d) Priority Class Four. Rate Schedule ITS, Rate Schedule PALS.
- (e) Priority Class Five. Make-up Gas for FTS Agreements, then make-up Gas for ITS.

5.4 Overlapping Nominations

For the purposes of Sections 5.2 and 5.3 above, in the event that a Releasing Shipper and/or its Replacement Shipper(s) submit overlapping nominations which in sum exceed in any Segment or at any point the level of entitlement for which the Releasing Shipper originally contracted, the relative priority of each nomination shall be determined first according to the scheduling procedures in Sections 5.2 and 5.3 of the General Terms and Conditions, as applicable, and then by applying the overlap priorities provided in the Releasing Shipper's offer to release capacity pursuant to Section 25.1(h)(15) of the General Terms and Conditions.

6. SCHEDULING AND CURTAILMENT

6.1 Scheduling Capacity during a Start of Day Nomination Cycle.

- (a) Transporter shall allocate its pipeline capacity as well as each Receipt Point and each Delivery Point capacity on the basis of the priority classes listed in Section 5 above as follows:
 - (i) prorata for Priority Class One nominations; then
 - (ii) prorata for Priority Class Two; then
 - (iii) prorata for Priority Class Three; then
 - (iv) on the basis of Confirmed Price for Priority Class Four; then
 - (v) make-up Gas for FTS Agreements, then make-up Gas for ITS Agreements.
- (b) Ties within any Priority Class shall be allocated pro rata based on nominations.

6.2 Scheduling Available Capacity during an Intraday Nomination Cycle. Transporter shall schedule available capacity during each of the Intraday Nomination Cycles in accordance with Section 6.1 above. Bumping of service is not allowed during the Intraday 3 Nomination Cycle.

6.3 Curtailment of Scheduled Volumes during a Day. If, at any time, Transporter determines that the capacity of its system, or portion(s) thereof, is insufficient to serve all scheduled service, or to accept the quantities of Gas tendered, capacity which requires curtailment shall be curtailed so as to provide the service which is feasible in the order prescribed for Scheduling in Section 6.1 above; provided, however, once scheduled, Priority Class Two and Priority Class Three will have the same curtailment priority as Priority Class One; and provided, further, if a capacity constraint occurs on the upstream or downstream system which results in a curtailment, the upstream or downstream operator shall determine the change in scheduled nominations of its Shippers. Such change in scheduled nominations shall be confirmed via the EBB or EDM. To enable prompt action in an emergency situation where capacity is insufficient, Transporter shall have the authority to take all necessary and appropriate actions, as then may appear necessary, to preserve the operational integrity of its system. Transporter shall notify Shippers of the existence of any such emergency situation by use of Electronic Communication, as soon as it is reasonably practicable.

- 6.4 Scheduling of Maintenance. Transporter shall have the right to curtail, interrupt, discontinue, or not schedule service in whole or in part on all or a portion of its system from time to time to perform repair and maintenance on Transporter's system as necessary to maintain the operational capability of Transporter's system or to comply with applicable regulatory requirements, except that Transporter shall not have the right to curtail service that Shipper has nominated and Transporter has scheduled in order to perform routine repair or maintenance. Transporter shall exercise due diligence to schedule routine repair and maintenance so as to minimize disruptions of service to Shipper and shall provide reasonable notice of the same to Shipper.
- 6.5 Segmentation of Capacity by Nomination. Any Shipper receiving Transportation Service under Rate Schedule FTS shall have the right to segment its firm capacity by utilizing multiple Receipt Points and Delivery Points within the Zone(s) included in Shipper's Transportation Path. The right to segment is subject to the requirement that a Shipper's firm capacity utilization pursuant to its Rate Schedule FTS Agreement and, if such Agreement is the result of capacity release, the firm capacity utilization of all other Shippers of capacity rights derived from the initial Rate Schedule FTS Agreement, does not exceed, in the aggregate (based on all relevant Shipper firm capacity utilization), the contract entitlements of the initial Rate Schedule FTS Agreement in any Segment or at any point where the nominated Segments overlap. For the purpose of determining whether there is an overlap of MDQ, a forward haul and a Backhaul nominated to the same Delivery Point at the same time shall not be deemed to be an overlap at that point. For the purpose of determining whether there is an overlap of MDQ on a Segment, a forward haul and a Backhaul nominated on the same Segment at the same time shall be deemed to be an overlap on the Segment. As a general matter, Shipper will have the right to segment its capacity so long as it is utilizing its Primary Receipt Point(s) and Primary Delivery Point(s), as well as all Secondary Receipt Points and Secondary Delivery Points, as long as such use does not impair Transporter's ability to render firm Transportation Service, does not adversely affect Shippers' firm Transportation Service rights, and/or does not adversely affect the safe and reliable operation of Transporter's pipeline system.
- 6.6 Segmentation of Capacity by Capacity Release. Releasing Shippers can also segment capacity through capacity release in accordance with Section 25 of the General Terms and Conditions of Transporter's Tariff, subject to the requirement that the release (or multiple releases) does not increase the total contract entitlements in any Segment or at any point above the contract entitlement of the initial Rate Schedule FTS Agreement. For the purpose of determining whether there is an overlap of MDQ, a forward haul and a Backhaul nominated to the same Delivery Point at the same time shall not be deemed to be an overlap at that point. As a general matter, Shipper will have the right to segment its capacity so long as it is utilizing its Primary Receipt Point(s) and Primary Delivery Point(s), as well as all Secondary Receipt Points and Secondary Delivery Points, as long as such use does not impair Transporter's ability to render firm Transportation

Service, does not adversely affect Shippers' firm Transportation Service rights, and/or does not adversely affect the safe and reliable operation of Transporter's pipeline system and/or does not result in quantities being nominated in any manner that is inconsistent with Section 25.1(a) of these General Terms and Conditions.

Part 6.7 Determination of Daily Allocated Receipts Delivery (0.0.0) A

7. DETERMINATION OF DAILY ALLOCATED RECEIPTS AND DELIVERIES

- 7.1 Allocation of Receipts/Deliveries. Unless Transporter and Operator mutually agree to allocate deliveries each Day using ranked, pro rata, percentage, swing or operator-provided value methodologies, such deliveries will be allocated through the meter pro rata, to the extent applicable, based on confirmed nominations.

Operator shall notify Transporter via the EBB after or during confirmation and before start of the Day, that it desires to establish allocation priorities at Receipt and/or Delivery Points using any of the following methodologies: ranked, prorata, percentage, swing or operator-provided value; provided, however, Transporter will not be required to agree to any of such allocation methodologies if they are operationally or administratively infeasible.

Transporter shall advise such Operator of the confirmed nominations at such Receipt/Delivery Point.

Operator shall establish separate allocation priorities for over and under production at the level of detail that the confirmed nominations are provided, and advise Transporter of such priorities via the EBB before the beginning of the Day. Any confirmed nominations that do not have established allocation priorities shall be prorated based upon confirmed nominations and shall be allocated after all confirmed nominations that have established allocation priorities.

In the case of under production, such allocation priorities shall be used by Transporter to allocate Gas, such that Transporter shall allocate Gas to each Shipper, in order of priority designated by the Operator, up to the full nomination of that Shipper, until the entire gross measured volume at such Receipt/Delivery Point is allocated.

In the case of over production, such allocation priorities shall be used by Transporter to allocate Gas, such that Transporter shall allocate Gas to each Shipper, in order of priority designated by the Operator, equal to the full nomination of that Shipper, with any over produced quantities being allocated to the Shipper(s) with the lowest priority, until the entire gross measured volume at such Receipt/Delivery Point is allocated.

Simultaneous Receipts and Deliveries. To the extent that both receipts and deliveries have been nominated at the same meter for any Day:

If the actual flow through the meter represents a delivery by Transporter, then the nominated receipts shall be allocated as confirmed and scheduled and the sum of such receipts shall be added to the metered quantity before any allocation is made in accordance with Section 7.1; or

If the actual flow through the meter represents a receipt by Transporter, then the nominated deliveries shall be allocated as confirmed and scheduled and the sum of such deliveries shall be added to the metered quantity before any allocation is made in accordance with Section 7.1.

7.2 Prior Period Adjustments.

In accordance with the provisions of Sections 2 and 11 of these General Terms and Conditions, Transporter shall use the best information available to close its allocation of quantities for a Service Month five (5) Business Days after such Service Month. To the extent that adjustments are made after the date of such close, such adjustments (“Prior Period Adjustments” or “PPA”) shall be treated under this Section 7.2. If the PPA is due to the correction of measurement data or allocations, such adjustments shall be processed within six (6) Months of the applicable Service Month. The time limitation for disputes of allocations shall be six (6) months from the date of the initial month-end allocation with a three (3) month rebuttal period. Notwithstanding the above-specified deadlines for processing/rebutting PPAs, such deadlines shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties’ other statutory or contractual rights shall not otherwise be diminished by this standard. In addition, for a period of up to six (6) months after the end of the applicable Service Month, Transporter will accept an adjustment for a scheduled nomination and/or allocation methodology provided that the requested change (i) is agreed upon in writing, including email, (or if such adjustment is within three (3) Business Days after the Gas Day in which such adjustment is requested, such adjustment must be agreed upon electronically in the EBB) by all affected upstream and/or downstream parties and Transporter and (ii) does not impact Transporter in a detrimental manner. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

8. IMBALANCE RESOLUTION PROCEDURES

- 8.1 For the purposes of this Section 8, “Receipt” or “Receipts” shall mean quantities of Gas allocated pursuant to Section 7 of these General Terms and Conditions, net of Transporter’s Use, and “Delivery” or “Deliveries” shall mean quantities of Gas allocated pursuant to Section 7. After the end of each Service Month, Transporter shall render to Cashout Party a statement detailing any imbalance between Monthly Receipts, adjusted for Transporter’s Use, and Monthly Deliveries under all of Cashout Party’s Transportation Agreements (“Imbalance Statement”). Such Imbalance Statement shall be rendered on an electronic basis by email notification to Cashout Party that the Imbalance Statement is available on Transporter’s EBB pursuant to Section 9 of these General Terms and Conditions.
- 8.2 Cumulative Daily Transportation Imbalances shall be subject to the following imbalance resolution procedures.
- (a) Definition of Transportation Imbalance: “Transportation Imbalance” shall mean the difference between a Shipper’s allocated Receipts, adjusted for Transporter’s Use, and allocated Deliveries under any firm or interruptible Agreement. All imbalances will be calculated on a daily basis and designated to be at the applicable Receipt Point.
 - (b) Definition of an Imbalance Due Cashout Party: “Due Cashout Party” shall mean that Deliveries under an Agreement at the Delivery Point are less than Receipts at the Receipt Point, adjusted for Transporter’s Use; such difference in quantity is “Due To” a Cashout Party (or its Agent).
 - (c) Definition of an Imbalance Due Transporter: “Due Transporter” shall mean that Deliveries under an Agreement at the Delivery Point exceed Receipts at the Receipt Point, adjusted for Transporter’s Use; such difference in quantity is “Due From” a Cashout Party (or its Agent).
- 8.3 Netting: For each Month, all cumulative Transportation Imbalances within an Operational Impact Area will be netted among each of Cashout Party’s firm and interruptible Agreements.
- 8.4 Trading: Posting and trading of the previous Month’s netted Transportation Imbalances will be allowed within each Operational Impact Area between imbalance agents (or the Cashout Party, if no imbalance agent exists) from the first calendar day of the current Month until the end of the 17th Business Day of the current Month. Imbalances to be posted for trading shall be authorized by the

Cashout Party. An authorization to post imbalances (pursuant to NAESB WGQ Standard No. 2.4.9) that is received by Transporter by 11:45 a.m. shall be effective by 8:00 a.m. the next Business Day. An imbalance that is previously authorized for posting shall be posted on or before the ninth Business Day of the Month. Transporter shall provide the ability to view and, upon request, download posted imbalances. Transporter shall not be required to post zero imbalances. When trading imbalances, a quantity must be specified. Trading will be allowed only when (i) imbalances are within the same Operational Impact Area and (ii) the resulting trade will reduce the imbalances for each Cashout Party or its imbalance agent. Transporter shall allow Cashout Parties to trade imbalances with other Cashout Parties within the same Operational Impact Area if the two Cashout Parties' imbalances are offsetting balances such that the net imbalance for each Cashout Party after the completion of the trade would be reduced to a quantity closer to zero.

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

An imbalance trade can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. An imbalance trade is considered final when confirmed by the confirming trader and effectuated by Transporter.

- 8.5 Final Resolution of Transportation Imbalances: If Cashout Party has a Transportation Imbalance remaining after the close of the trading period, such Transportation Imbalance will be cashed out in accordance with the Cashout provisions set forth in Section 8.7 below.

- 8.6 All balancing shall be based on the applicable Delivery Point within an Operational Impact Area. Cashout Party or its Agent(s) may nominate transactions (in accordance with Section 4 of the General Terms and Conditions) during the Month to correct Transportation Imbalances within an Operational Impact Area. Transporter's ability to receive or deliver imbalance quantities shall be dependent upon Transporter's physical operations, and Transporter is under no obligation to allow receipt or delivery of such quantities for resolution of Transportation Imbalances if it determines, such activity would jeopardize pipeline operations.
- 8.7 Cashout Provision. At the time Transporter tenders an invoice(s) to Cashout Party for Transportation Service during the previous Month, Transporter shall invoice Cashout Party, or credit Cashout Party's invoice, as appropriate, to resolve in cash any net Monthly Imbalance remaining between actual Receipts, adjusted for Transporter's Use, and actual Deliveries after the period during which the relevant Transportation Imbalance quantities have been subjected to the imbalance resolution mechanisms set forth in this Section 8. Transporter will send with each invoice an Imbalance Statement detailing the unresolved imbalance amount and detailing the amount due in accordance with the following calculations.
- (a) Cashout Price. The Cashout Price shall be determined on a daily and monthly basis.
- (i) Zone North A; Zone South: The Cashout High Common price shall be determined by use of the highest daily price for the Month and the first seven days of the subsequent Month as published in Platts Gas Daily "Daily Price Survey" postings for Common prices for "Tx. Eastern, M-3". The Cashout Low Common price shall be determined by use of the lowest daily price for the Month and the first seven days of the subsequent Month as published in Platts Gas Daily "Daily Price Survey" postings for Common prices for "Tx. Eastern, M-3". The average Midpoint price shall be determined by the arithmetical average of Platts Gas Daily "Daily Price Survey" "Midpoint" price for "Tx. Eastern, M-3" for the Month and the first seven days of the subsequent Month. The daily fuel cost shall be calculated by multiplying (1) the Platts Gas Daily "Daily Price Survey Midpoint for "Tx. Eastern, M-3" for the day by (2) the applicable Transporter's Use % listed on the Statement of Additional Charges and Surcharges.
- (ii) Zone North B: The Cashout High Common price shall be determined by use of the highest daily price for the Month and the first seven days of the subsequent Month as published in Platts Gas Daily "Daily Price Survey" postings for Common prices for

“Transco, zone 6 non-N.Y.”. The Cashout Low Common price shall be determined by use of the lowest daily price for the Month and the first seven days of the subsequent Month as published in Platts Gas Daily “Daily Price Survey” postings for Common prices for “Transco, zone 6 non-N.Y.”. The average Midpoint price shall be determined by the arithmetical average of Platts Gas Daily “Daily Price Survey” “Midpoint” price for “Transco, zone 6 non-N.Y.”, plus the Rate Schedule ITS maximum recourse rate and the daily fuel cost, for the Month and the first seven days of the subsequent Month. The daily fuel cost shall be calculated by multiplying (1) Platts Gas Daily “Daily Price Survey” “Midpoint” for the “Transco, zone 6 non-N.Y.” for the day by (2) the applicable Transporter’s Use % listed on the Statement of Additional Charges and Surcharges.

All references to “Cashout Price” in these General Terms and Conditions refer to the “Midpoint” price contemplated in this Section 8.7(a), with the exception of this Section 8 (which refers to the “Midpoint” price only if the context so requires).

In the event that a more representative posting than the prices described above is established, Transporter will file to change its Tariff. In the event that the prices described in this Section 8.7(a) are no longer published, Transporter will file to change its Tariff and may, at its discretion, select an appropriate price for the interim period.

- (b) Imbalance Due Transporter. In the event a Monthly Imbalance is an Imbalance Due Transporter, Transporter shall charge Cashout Party for such excess Deliveries plus an allowance for fuel calculated by multiplying such excess Deliveries by the applicable Transporter’s Use %. If a Cashout Party’s Monthly Imbalance is less than or equal to 5%, the monthly Cashout bill will be based on the average Midpoint price contemplated in Section 8.7(a). If a Cashout Party’s Monthly Imbalance is greater than 5%, the monthly Cashout bill will be based on the accumulated sum of the results of the formulas listed below such that, and until, the total Monthly Imbalance is fully accounted for:

<u>Imbalance Level</u>	<u>Factor</u>	<u>Applicable Cashout Price</u>
0% - = <5%	1.00	average Midpoint
> 5% - =<10%	1.10	(High Common x quantity > 5%) + level above
>10% - =<15%	1.20	(High Common x quantity >10%) + levels above
>15% - =<20%	1.30	(High Common x quantity >15%) + levels above
>20% - =<25%	1.40	(High Common x quantity >20%) + levels above
>25%	1.50	(High Common x quantity >25%) + levels above

For purposes of determining the appropriate Cashout Factor, Cashout Party's imbalance level shall be determined by taking the lower of (a) the level of imbalance supplied pursuant to Section 24.2, or (b) the imbalance computed by comparing (i) the Deliveries at the Delivery Point and (ii) the Receipts at the Receipt Point and by dividing the amount of the excess Deliveries by the Receipts less the Transporter's Use. For OBA imbalances that are resolved pursuant to this Section 8, the calculation of Cashout charges relating to excess Deliveries shall also include a Transportation imbalance charge, which shall be calculated by multiplying the excess Delivery quantity by the actual weighted average of all applicable usage rates owed on all quantities of Gas delivered during the Month to that OBA Party.

- (c) Imbalance Due Cashout Party. In the event of a Monthly Imbalance which is an Imbalance Due Cashout Party, Transporter shall make a Cashout payment to Cashout Party reflecting such excess Receipts.

If a Cashout Party's Monthly Imbalance is less than or equal to 5%, the monthly Cashout bill will be based on the average Midpoint price contemplated in Section 8.7(a). If a Cashout Party's Monthly Imbalance is greater than 5%, the monthly Cashout bill will be based on the accumulated sum of the results of the formulas listed below such that, and until, the total Monthly Imbalance is fully accounted for:

<u>Imbalance Level</u>	<u>Factor</u>	<u>Applicable Cashout Price</u>
0% - = <5%	1.00	average Midpoint
>5% - =<10%	.90	(Low Common x quantity > 5%) + level above
>10% - =<15%	.80	(Low Common x quantity >10%) + levels above
>15% - =<20%	.70	(Low Common x quantity >15%) + levels above
>20% - =<25%	.60	(Low Common x quantity >20%) + levels above
>25%	.50	(Low Common x quantity >25%) + levels above

For purposes of determining the appropriate Cashout Factor, Cashout Party's imbalance level shall be determined by taking the lower of (a) the level of imbalance supplied pursuant to Section 24.2, or (b) the imbalance computed by comparing (i) the Deliveries at the Delivery Point and (ii) the Receipts at the Receipt Point and by dividing the excess Receipts by the total Receipts less Transporter's Use. For OBA imbalances that are resolved pursuant to this Section 8, the calculation of the amount due the Cashout Party relating to excess Receipts shall also include a Transportation imbalance credit, which shall be calculated by multiplying the excess Receipt quantity by the actual weighted average of all applicable usage rates owed on all quantities of Gas delivered during the

Month to that OBA Party. Transporter shall have no responsibility for the distribution of funds beyond the initial distribution, in accordance with this resolutions procedure, to the Cashout Party.

- (d) A Cashout of Transportation Imbalances at prices above or below the average Midpoint price shall not occur if it has been determined that such Transportation Imbalances are due to Transporter's negligence. Additionally, a Cashout of Transportation Imbalances due to Imbalance Due Transporter quantities or Imbalance Due Cashout Party quantities shall be limited to the average Midpoint price if such imbalances occurred during circumstances of Force Majeure that directly affect the Transporter's or upstream or downstream facilities over which Gas is transported under the applicable Agreement, or during circumstances of Force Majeure that directly affect Shipper's facilities for the period until Shipper has an opportunity to adjust its nominations (Shipper shall give written notice within forty-eight (48) hours of such Force Majeure event), or were the direct result of an OFO issued to the Shipper or its supplier.

8.8 Cashout of Transportation Imbalances at Agreement Expiration. At the time of expiration of an Agreement, all Transportation Imbalances shall be resolved pursuant to the provisions of Section 8.7 above.

8.9 Annual System Cashout Mechanism. Transporter shall establish an annual mechanism to determine the costs of implementing this Cashout provision. Such mechanism shall calculate, on a system-wide basis, the annual gross balance (positive or negative) derived from the Cashout program, which will be accounted for and disposed of in accordance with Section 22.2 of the General Terms and Conditions.

9. BILLING

- 9.1 Transporter shall render an invoice(s) to Shipper for each Month for (i) all Transportation Services provided pursuant to this Tariff during the preceding Month; and (ii) any other charges for which Shipper is liable under the Tariff or Shipper's other obligations. Such invoice shall be delivered to Shipper or its agent by posting Shipper's final invoice on Transporter's EBB and posting a general notice of the availability of the final invoices on Transporter's Informational Postings Web site. Transporter will provide an e-mail notification, if an e-mail address has been designated by Shipper, contemporaneously with the posting of the final invoice on Transporter's EBB. It is the Shipper's responsibility to furnish to Transporter e-mail address information for receipt of invoices and to update such e-mail information as necessary. Shipper may designate an agent to receive invoices and may designate such agent to receive the e-mail notifications of the availability of Shipper's final invoice on Transporter's EBB.
- 9.2 The Imbalance Statement shall be rendered prior to or with the Transportation invoice(s), and the Transportation invoice(s) shall be rendered on or before the 9th Business Day after the end of the production Month. Rendered is defined as postmarked, time-stamped, and delivered (made available) to the designated site or designated as approved or final on the EBB. Prior Period Adjustment time limits shall be 6 Months from the date of the initial Transportation invoice(s) and seven (7) Months from date of initial sales invoice with a 3-Month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. Prior Period Adjustments shall be reported by production date, but do not have to be invoiced separately by production Month nor is each production Month a separate paper invoice page.
- 9.3 With respect to Cashout invoices, an Imbalance Statement and associated invoice shall be rendered in the second Month after the Monthly Transportation Imbalance occurs, which shall reflect the amount Due Transporter or a credit for the amount Due Cashout Party, as determined in Section 8 herein will be rendered with the Monthly Transportation invoice.
- 9.4 Both Transporter and Shipper shall have the right to examine at any reasonable time the applicable records of the other to the extent necessary to verify the accuracy of any statement made under or pursuant to the provisions of the Agreement. Upon receipt of a request, the recipient will either send the relevant information to the requestor or will provide the requestor the right to review such information in the recipient's offices.

Part 6.10 Payments (0.0.0) A

10. PAYMENTS

- 10.1 All payments for invoices due to Transporter by Shipper shall be made by Shipper to a depository designated by Transporter via electronic funds transfers within ten (10) days of the day the invoice is rendered, (the “Payment Due Date”). Shipper shall submit any necessary supporting documentation with its payment except as provided below; Transporter shall apply payment per supporting documentation provided by Shipper, and if payment differs from the invoiced amount, remittance detail shall be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment date. Invoice number(s) shall be identified on all payments. If presentation of an invoice to Shipper is delayed after the 10th calendar day after the end of the Service Month, the Payment Due Date shall be extended by an equal number of days, unless Shipper is responsible for such delay.
- 10.2 Should Shipper fail to pay all of the amount of any invoice as herein provided, on or before the Payment Due Date, Shipper shall pay a charge for late payment which shall be included by Transporter on the next regular Monthly bill rendered to Shipper under this Section 10. Such charge for late payment shall be determined by multiplying (a) the unpaid portion of the invoice, by (b) the ratio of the number of days from the Payment Due Date to the date of actual payment to 365 (366 in a leap year), by (c) the interest rate determined in accordance with Section 154.501(d) of FERC’s regulations. If such failure to pay continues for 30 days after the Payment Due Date, Transporter, in addition to any other remedy it may have under the relevant Agreement, may terminate such Agreement and suspend further delivery of Gas, provided Transporter provides Shipper and the Commission with 30 days’ prior written notice of such termination and provided further such termination shall not be effective if, prior to the date of termination Shipper complies with the billing dispute procedure in Section 10.4 of the General Terms and Conditions of Transporter’s Tariff.
- 10.3 In the event an error is discovered in the amount billed in any statement rendered by Transporter, such error shall be adjusted within 30 days of the determination of the error; provided that any claim therefore shall have been made within 60 days of discovery of such error and, in any event, within 6 Months from the date of the statement claimed to be in error. Billing errors shall be corrected as follows:
- (a) Where Shipper has been overcharged and has paid the statement, in the event the overcharge is not the result of Transporter’s negligence or bad faith, fraud or willful misconduct, the amount of the overpayment will be

refunded to Shipper without interest provided the overpayment is refunded within 30 days. Overpayments not refunded within 30 days will be subject to interest charges at the interest rate determined in accordance with Section 154.501(d) of FERC's regulations from the date of the overpayment to the date of the refund. Where the refund is provided to Shipper by way of credit on a subsequent invoice rendered to Shipper by Transporter, the overpayment will be deemed to have been refunded on the date the credited invoice was received by Shipper.

- (b) Where Shipper has been undercharged by Transporter, Shipper will pay the amount of the undercharge without interest provided the undercharge is paid within 30 days. Undercharge amounts not paid within 30 days will be subject to interest charges at the interest rate determined in accordance with Section 154.501(d) of FERC's regulations from the date of the statement. Shipper shall have the right to review all records pertaining to its performance under Shipper's Agreement to verify the amount payable by Shipper to Transporter under the Agreement in any Month, so long as such review shall be completed within two years following the end of the calendar year in which such amount is payable. Such review shall be conducted during normal business hours, upon written request to Transporter and at Shippers' own expense.

10.4 If an invoice is in dispute, Shipper shall pay the portion not in dispute and provide documentation identifying the basis for the dispute. If Shipper in good faith:

- (a) disputes the amount of any such bill or part thereof;
- (b) pays to Transporter such amounts as it concedes to be correct;
- (c) provides Transporter with a written notice including a full description of the reasons for the dispute, together with copies of supporting documents; and
- (d) at any time thereafter within 30 days of a demand made by Transporter furnishes good and sufficient surety bond, guaranteeing payment to Transporter of the amount ultimately found due upon such bill after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Transporter shall not be entitled to suspend further services because of such non-payment pursuant to Section 10.2 unless and until default be made in the conditions of such bond.

10.5 In the event that Shipper does not pay the full amount due Transporter in accordance with this Section 10, Transporter, without prejudice to any other rights or remedies it may have, shall have the right to withhold and set off payment of any amounts of monies due or owing by Transporter to Shipper, against any and

all amounts or monies due or owing by Shipper to Transporter for Transportation Services provided.

- 10.6 Any payments received under this Section 10 shall first be applied to accrued interest, then to additional charges due, then to the previously outstanding principle, and lastly, to the most current principle due.

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Part 6.11 Possession of Gas (0.0.0) A

11. POSSESSION OF GAS

Unless otherwise provided in the Agreement or applicable Rate Schedule, as between Transporter and Shipper, Shipper shall be deemed to be in exclusive control and possession of the Gas (i) prior to receipt by Transporter at the Receipt Point(s) and (ii) after delivery by Transporter at the Delivery Point(s); otherwise, Transporter shall be in exclusive control and possession of the Gas. The party which shall be in exclusive control and possession of the Gas shall be responsible for all injury or damage caused thereby to any third party except any injury or damage caused by Gas provided by Shipper that fails to conform with the specifications set forth in Section 3 of these General Terms and Conditions. In the absence of bad faith or willful misconduct on the part of Transporter, Shipper waives any and all claims and demands against Transporter, its officers, employees or agents, arising out of or in any way connected with (i) the quality, use or condition of the Gas after delivery from Transporter for the account of such Shipper, (ii) any losses or shrinkage of Gas during or resulting from Transportation hereunder, and (iii) all other claims and demands arising out of Transporter's performance of its duties hereunder.

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Part 6.12 Receipt and Delivery Point Pressure (0.0.0) A

12. RECEIPT AND DELIVERY POINT PRESSURE

- 12.1 All Gas tendered by or on behalf of Shipper to Transporter will be delivered at Receipt Points at a pressure sufficient to enter Transporter's system up to Transporter's Maximum Allowable Operating Pressure for Transporter's facilities at such Receipt Point.
- 12.2 Unless otherwise agreed to, Transporter will redeliver Gas at the Delivery Points nominated by Shipper at Transporter's prevailing line pressure ("Minimum Delivery Pressure"). If Transporter and Shipper otherwise agree on the Minimum Delivery Pressure at a Delivery Point(s), it will be set forth on Appendix 1 of the Agreement.

13. OPERATIONAL FLOW ORDERS (“OFOs”)

- 13.1 Notification of Conditions that May Require the Issuance of an OFO or Action Alert: Transporter shall provide prior notice, via posting on the EBB and to affected Shippers and point operators through the affected party’s choice of Electronic Delivery Mechanism(s), of upcoming events that may affect Transporter’s pipeline system such as anticipated weather patterns or operational situations that may necessitate the issuance of an OFO pursuant to this Section 13.
- 13.2 Circumstances Warranting Issuance of an Operational Flow Order: Transporter shall have the right to issue Operational Flow Orders as specified in this Section 13 that require actions by Shippers/point operators in order (1) to alleviate conditions that threaten to impair Transporter’s ability to provide reliable service, (2) to maintain pipeline operations at the pressures required to provide efficient and reliable service, (3) to have adequate Gas supplies in Transporter’s system to receive and deliver Gas consistent with its firm Transportation Service obligations, (4) to maintain Transportation Service to all firm Shippers and for all firm Transportation Services, and (5) to maintain Transporter’s system in balance for the foregoing purposes. Transporter shall lift any effective Operational Flow Order, promptly upon the cessation of operating conditions that caused the relevant system problem(s). Routine repairs and maintenance will not be used as a basis for issuing OFOs. Transporter will plan routine repairs and maintenance by scheduling such activities in advance.
- 13.3 Voluntary Actions to be Taken to Avoid Issuance of an Operational Flow Order: Transporter shall, to the extent practicable, take all reasonable actions necessary to avoid issuing an Operational Flow Order. Such actions may include (1) working with point operators to temporarily adjust, by mutual agreement, receipts and/or deliveries at relevant Receipt Point(s) or Delivery Point(s), (2) working with Shippers/point operators to adjust, by mutual agreement, scheduled flows on Transporter’s system, (3) issuing an Action Alert designed to mitigate the conditions which, if continued, would require the issuance of an Operational Flow Order, or (4) taking any other reasonable action designed to mitigate the system problem. After taking all such reasonable actions to avoid issuing an Operational Flow Order, Transporter will have the right to issue Operational Flow Orders, if necessary, in the circumstances described in Sections 13.2 and 13.7.
- 13.4 Applicability of Operational Flow Orders or Action Alerts: Transporter shall issue an Operational Flow Order or Action Alert as localized as is reasonably practicable based on Transporter’s good faith judgment concerning the situations requiring remediation such that an Operational Flow Order or Action Alert will be

directed (1) to Shippers/point operators causing the problem necessitating the Operational Flow Order or Action Alert or transporting Gas in the area of Transporter's system in which there is an operational problem, and (2) to those Shippers/point operators transporting Gas in the area of Transporter's system where action is required to correct the problem necessitating the Operational Flow Order or Action Alert. Transporter will tailor the Operational Flow Order or Action Alert to match the severity of the known or anticipated operational problem requiring remediation as more fully set forth in subsections 13.6 and 13.7.

- 13.5 Notice: All Operational Flow Orders and Action Alerts will be issued via posting on the EBB to be followed by facsimile or telephone notification to the affected Shippers and point operators and notification to the affected parties through the affected party's choice of Electronic Delivery Mechanism(s). The Operational Flow Order/Action Alert will set forth (1) the time and date of issuance and effectiveness, (2) the actions a Shipper/point operator is required to take, (3) the time by which a Shipper/point operator must be in compliance with the Operational Flow Order/Action Alert, (4) the anticipated duration of the Operational Flow Order/Action Alert, and (5) any other terms that Transporter may reasonably require to ensure the effectiveness of the Operational Flow Order or Action Alert. Each Shipper and point operator must designate one or more persons for Transporter to contact on operating matters at any time, on a 24-Hour a day, 365-day a year basis. Such contact persons must have adequate authority and expertise to deal with such operating matters. If Transporter cannot contact any Shipper/point operator because that Shipper/point operator has failed to designate a contact person or Shipper's/point operator's contact person is unavailable, Transporter shall not be responsible for any consequences that result from its subsequent actions taken to alleviate the system problem. Transporter, however, will make reasonable continuing efforts to notify the affected Shipper/point operator. In addition to the other information contemplated by this Section 13.5, such notice shall also include information about the status of operational variables that determine when an Operational Flow Order or Action Alert will begin and end, and Transporter shall post periodic updates of such information, promptly upon occurrence of any material change in the information. Transporter will post a notice on the EBB informing the Shipper/point operator when any Operational Flow Order or Action Alert in effect will be cancelled and specifying the factors that caused the Operational Flow Order or Action Alert to be issued and then lifted, to the extent such factors are known.
- 13.6 Action Alerts: In the event that, in Transporter's judgment, action is required to avoid a system integrity issue, Transporter may issue Action Alerts.
- (a) Issuance of Action Alerts: Action Alerts will be noticed in accord with the procedures set forth in Section 13.5 and will be issued a minimum of four hours, or such shorter period of time as Transporter deems reasonable

under the circumstances, prior to the required action by the Shipper/point operator.

- (b) Required Actions: Action Alerts can be issued to effect any of the following:
- (i) curtailment of interruptible services;
 - (ii) restrictions of receipts or deliveries at specific Receipt or Delivery Point(s) covered by an Operational Balancing Agreement to the aggregate MDQ under the firm Agreements whose Primary Receipt Points and/or Primary Delivery Points are at the affected locations;
 - (iii) forced balancing such that point operators will be required to assure that nominations equal flows or that receipts and deliveries fall within the tolerance level designated in the Action Alert; and/or
 - (iv) any action required to maintain the integrity of Transporter's System.

13.7 Operational Flow Orders: In the event that (1) Shipper/point operator does not respond to an Action Alert, or (2) the actions taken thereunder are insufficient to correct the system problem for which the Action Alert was issued, or (3) there is insufficient time to carry out the procedures with respect to Action Alerts, Transporter may periodically take unilateral action, including the curtailment of firm Transportation Service, to maintain the operational integrity of Transporter's system (or any portion thereof). For purposes of this Section 13.7, the operational integrity of Transporter's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered. Notice of an Operational Flow Order will be provided pursuant to and in accordance with Section 13.5 above.

13.8 Penalties: If a Shipper/point operator fails to comply with an Action Alert or Operational Flow Order, the Shipper/point operator shall be subject to a penalty as follows:

Action Alert penalty for each Dekatherm of Gas by which Shipper/point operator deviated from the requirements of the Action Alert equal to the product of 200% times the average Cashout price as determined pursuant to Section 8.7(a) of these General Terms and Conditions, for each Day that said Action Alert is in effect.

Operational Flow Order penalty for each Dekatherm of Gas by which Shipper/point operator deviated from the requirements of the Operational Flow Order equal to the product of 500% times the average Cashout price as determined pursuant to Section 8.7(a) of these General Terms and Conditions, for each Day that said Operational Flow Order is in effect.

Any penalty revenues received by Transporter as a result of the operation of Section 13.8 above will be credited pursuant to Section 23.2 of the General Terms and Conditions.

- 13.9 Liability of Transporter: Transporter shall not be liable for any costs or damages incurred by any Shipper/point operator in complying with an Operational Flow Order. Transporter shall not be liable for any costs or damages that result from any interruption in Shipper's/point operator's service that is a result of a Shipper's/point operator's failure to comply promptly and fully with an Operational Flow Order. Shipper/point operator shall indemnify Transporter against any claims of liability, provided, however, that Transporter shall use reasonable efforts to minimize any such costs or damages.

14. WARRANTY OF TITLE

- 14.1 This section shall apply to all service unless otherwise provided in the applicable Rate Schedule or Agreement.
- 14.2 Shipper warrants for itself, its successors and assigns, that it will have, at the time of delivery of Gas hereunder, good title to the Gas it delivers, that the Gas it delivers hereunder shall be free and clear of all liens, encumbrances and claims whatsoever, that it will indemnify the Transporter and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of any adverse claims of any and all persons to said Gas and/or to royalties, taxes, license fees, or charges thereon which are applicable for such delivery of Gas and that it will indemnify the Transporter and save it harmless from all taxes or assessments which may be levied and assessed upon such delivery and which are by law payable by and the obligation of the party making such delivery.
- 14.3 If Shipper's title or right to deliver Gas to be transported is questioned or involved in any action, Shipper shall not qualify for or shall be ineligible to continue to receive service until such time as Shipper's title or right to deliver is free from question; provided, however, Transporter shall allow Shipper to qualify for or continue receiving service under this Tariff if Shipper furnishes a bond satisfactory to Transporter.
- 14.4 Title to the Gas received by Transporter at the Receipt Point(s) shall not pass to Transporter, except that title to Gas delivered for Transporter's system fuel and uses and Gas lost and unaccounted for shall pass to Transporter upon delivery at the Receipt Point(s).

15. FORCE MAJEURE

15.1 If either Transporter or Shipper fails to perform any obligations under an Agreement due to an event of Force Majeure, such failure shall be deemed not to be a breach of such obligations and neither party shall be liable in damages or otherwise as a result of an event of Force Majeure. A party that fails to perform any obligations under an Agreement where such failure is caused by an event of Force Majeure shall promptly remedy the cause of the Force Majeure insofar as it is reasonably able to do so.

15.2 Notwithstanding the above provisions, no event of Force Majeure shall:

- (a) relieve any party from any obligation or obligations pursuant to an Agreement unless such party gives notice with reasonable promptness of such event to the other party;
- (b) relieve any party from any obligation or obligations pursuant to an Agreement after the expiration of a reasonable period of time within which, by the use of its due diligence, such party could have remedied or overcome the consequences of such event of Force Majeure; or
- (c) relieve either party from its obligations to make payments of amounts as provided in the applicable Rate Schedule, subject to any credit provided for in the applicable Rate Schedule.

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Part 6.16 Notices (0.0.0) A

16. NOTICES

Except when the terms of this Tariff require or allow for communication via the EBB or EDM, any communication, notice, request, demand, statement, or bill provided for in the Tariff or in an Agreement or OBA, or any notice which either Transporter or Shipper may desire to give to the other, shall be in writing and shall be considered as duly presented, rendered, or delivered when mailed by either post-paid registered or ordinary mail or when sent by express mail service, or such other method mutually agreed upon between the parties. The material so sent shall be addressed to the pertinent party at its last known post office address, or at such other address as either party may designate.

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Part 6.17 Modification (0.0.0) A

17. MODIFICATION

No modification of the terms and provisions of an Agreement shall be made except by the execution of written contracts.

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Part 6.18 Waiver (0.0.0) A

18. WAIVER

- 18.1 Transporter may waive any of its rights or any obligations of Shipper hereunder as to any specific right or obligation that has already arisen or in advance as to any specific, temporary issue on a case-by-case basis that is not unduly discriminatory.
- 18.2 No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provisions of the Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

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Part 6.19 Schedules and Contracts Subject to Regulation (0.0.0) A

19. SCHEDULES AND CONTRACTS SUBJECT TO REGULATION

This Tariff, including these General Terms and Conditions and the respective obligations of the parties under an Agreement, are subject to valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction and are subject to change from time to time by addition, amendment, or substitution as provided by law.

20. OPERATIONAL BALANCING AGREEMENTS (“OBAs”)

20.1 For the purposes of minimizing operational conflicts between various natural Gas facilities with respect to the delivery of Gas to and from Transporter’s facilities, Transporter may negotiate and execute on a not-unduly discriminatory basis mutually agreeable OBAs with appropriate parties that operate natural Gas facilities interconnecting with Transporter’s system (any such party will be referred to herein as the “OBA Party”). Transporter must enter into OBAs at all points of interconnection between its system and the system of another interstate or intrastate pipeline. Such OBAs shall specify the Gas custody transfer procedures to be followed by Transporter and the OBA Party for the confirmation of scheduled quantities to be received by Transporter at Receipt Point(s) and delivered by Transporter at Delivery Point(s). Such OBA will provide that any variance between actual quantities and scheduled quantities at the point where the OBA is in place for any Day shall be resolved pursuant to the terms of the OBA.

To facilitate such determination of variances on a timely basis, Transporter and the OBA Party will agree in the OBA on necessary measurement and accounting procedures. Transporter shall post on the EBB a list of those Receipt Point(s) and Delivery Point(s) at which an OBA is in effect.

20.2 Transporter shall have no obligation to negotiate and execute OBAs with any OBA Party that:

- (a) is not creditworthy as determined pursuant to Section 27 of the GT&C; for purposes of such provision, references to Shipper shall refer to the OBA Party;
- (b) does not maintain dispatching operations which are staffed on a continuous around-the-clock basis every day of the year;
- (c) would cause the level of regulation which Transporter is subject to prior to the execution of the applicable OBA to increase; or
- (d) does not commit to timely determination of variances based on reasonable available measurement technology;
- (e) has not demonstrated operational consistency commensurate with the OBA relationship over a minimum period of three years.

- 20.3 If Receipt Point Operators or Delivery Point Operators have not executed an OBA with Transporter as described in Section 20.1, then any variance between actual quantities and scheduled quantities for any Day for that Receipt or Delivery Point shall be cumulated for the Month for the Shipper(s) responsible for the imbalance, and such Monthly Imbalances will be subject to the Cashout of Monthly Imbalances as set forth in Section 8 herein.
- 20.4 Resolution of OBA Imbalance: Transporter and the OBA Party shall resolve any imbalances in accordance with the procedures set forth in the OBA. Unless otherwise agreed, OBA imbalances shall be resolved on a monthly basis by Cashout mechanism.
- 20.5 Nothing in this Section 20 nor any executed OBA shall limit Transporter's rights to take action as may be required to adjust receipts and deliveries under any Agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Transporter's system, including maintenance of service to higher priority Shippers and/or services.

Part 6.21 New Facilities Policy (0.0.0) A

21. NEW FACILITIES POLICY

- 21.1 Unless otherwise mutually agreed to by the parties, Transporter shall not be required to own, construct and install any facilities to perform any service requested by a Shipper under this Tariff. In the event Transporter agrees to own, construct and install facilities to perform services requested including, but not limited to, hot tap, side valve, measurement, Gas supply lateral lines, looping and/or compression facilities, Transporter shall do so on a not unduly discriminatory basis. Shipper shall reimburse Transporter (a) for the costs of such facilities installed by Transporter to receive, measure, transport or deliver natural Gas for Shipper's account and (b) for any and all filings and approval fees required in connection with such construction that Transporter is obligated to pay to the Commission or any other governmental authority having jurisdiction. Nothing in this Section 21 shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7 (c) of the Natural Gas Act. Nothing in this Section 21, further, shall prevent Transporter from contesting an application for service filed pursuant to Section 7(a) of the Natural Gas Act.
- 21.2 Transporter may waive from time to time, at its discretion, all or a portion of the monetary reimbursement requirement set forth in Section 21.1 if it determines that construction of the facilities would be economic to Transporter, based on Shipper assurance of Transportation throughput through the proposed facilities and other matters, as described below. All requests for waiver shall be handled by Transporter in a manner which is not unduly discriminatory. For purposes of determining whether a project is economic, Transporter will evaluate projects on the basis of various economic criteria, which may include, without limitation, the estimated Transportation throughput, cost of the facilities, operating, maintenance, administrative and general expenses attributable to the facilities, the system net revenues Transporter estimates will be generated subsequent to such construction, and the availability of capital funds on terms and conditions acceptable to Transporter. In estimating the system net revenues to be generated, Transporter will evaluate the existence of capacity limitations of the existing facilities, the marketability of the capacity, the location of the markets, the nature of the Transportation service, and other factors which impact the utilization of Transporter's system.
- 21.3 Any monetary reimbursement due Transporter by Shipper pursuant to this Section 21 shall be due and payable to Transporter prior to Transporter's commencement of construction of facilities to be constructed unless otherwise agreed by Transporter and within ten (10) days of receipt by Shipper of Transporter's

invoice(s) for same; provided, however, subject to Transporter's written consent, such monetary reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to exceed the primary contract term of any Agreement for service between Transporter and Shipper. Carrying charges shall be computed utilizing interest factors acceptable to both Transporter and Shipper. Unless Transporter and Shipper otherwise agree on interest factors for computing the carrying charges for new facilities, the interest rates determined by the Commission under Section 154.501(d) of the Commission's regulations shall apply.

- 21.4 In order to maintain and expand service and utilization of Transporter's system, Transporter may negotiate Agreements with Shippers in connection with which Transporter could make a contribution in aid of construction (CIAC) to the Shipper. The Shipper would use such funds to assist in the development of its natural Gas related facilities. For any newly agreed to CIAC, Transporter will post on the EBB for a period of thirty (30) days (1) the amount of the CIAC, (2) the name of the Shipper receiving the CIAC, and (3) the economic feasibility of the CIAC. Such CIACs are includible in Transporter's jurisdictional rate base and amortizable. All CIACs entered into pursuant to this provision shall be subject to review and challenge by the Commission and all parties in a general rate case requesting inclusion of such costs.

22. PERIODIC RATE ADJUSTMENTS

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

22.1 Transporter's Use.

- (a) The initial Transporter's Use (%) will be established by calculating a percentage for compressor fuel, other company use and lost-and-unaccounted for Gas for Transporter's facilities based upon appropriate engineering principles. On the first April 1 after one complete year of operation and each April 1 thereafter, Transporter's Use (%) will be redetermined by dividing Transporter's projection for the next 12 Months beginning April 1 of fuel usage and any lost and unaccounted-for Gas for Transporter's facilities by Transporter's projection of applicable deliveries for the account of Shippers for the next 12 Months beginning April 1. The resulting percentage will go into effect on April 1. Transporter may file interim proposals between annual filings subject to approval by the Commission.
- (b) Pursuant to Section 22.2, Transporter shall maintain a separate System Balancing Adjustment account. This account shall be credited for all sales of excess fuel collected under Transporter's Use, debited for all purchases for Transporter's Use and further adjusted for the operational activities enumerated in Section 22.2(a).
- (c) To the extent that Transporter installs compression facilities powered by electricity or other facilities and Transporter incurs costs relating to the provision of such electricity service, Transporter shall establish an Electric

Charge Adjustment which shall recover the actual costs of providing such electricity service. Transporter shall file to recover such cost in conjunction with its Transporter's Use (%) filing made with the Commission.

22.2 System Balancing Adjustment. In order to maintain an operational system balance on its system, Transporter will calculate a system balancing adjustment ("SBA") charge.

- (a) Transporter's SBA balance shall be the sum of:
 - (1) The net annual system Cashout balance determined in accordance with Section 8 of the General Terms and Conditions and OBA Cashouts;
 - (2) The net Transporter's Use Adjustment balance, determined in accordance with Section 22.1 of the General Terms and Conditions; and
 - (3) Any other account balance as may be approved by the FERC.
- (b) The net SBA balance determined in Section 22.2(a), through December 31 of the calendar year immediately prior to the year in which the filing pursuant to Section 22.2(c) is made, will be refunded or recovered from Shipper pursuant to the procedures in this Section 22.2. Upon determining the net SBA balance at the end of the accumulation period, Transporter shall calculate surcharges or refunds designed to allocate such balance to Shippers based upon each Shipper's actual throughput during the twelve-Month accumulation period. A Shipper's net debit or credit for the accumulation period shall be due and payable sixty (60) days after the Commission's acceptance of the filing pursuant to Section 22.2(c). Notwithstanding the immediately preceding sentence, if the net SBA balance results in a surcharge/debit, each Shipper who is allocated a surcharge/debit shall have the right by providing notice to Transporter within the sixty (60)-day period to elect to pay the surcharge/debit ratably over the twelve (12)-Month period, commencing with the first day of the first calendar Month following the last day of the sixty (60)-day period, with interest calculated for each payment from the end of the sixty (60)-day period until the payment is made (at the rate set forth in Section 154.501(d) of the Commission's regulations).
- (c) Transporter shall file on March 1, 2019, and on March 1 of each year thereafter, to establish the SBA refund or surcharge determined pursuant to the procedures in this Section 22.2.

22.3 Federal Energy Regulatory Commission Annual Charge Adjustment

- (a) Purpose. The purpose of this Section 22.3 is to establish an Annual Charge Adjustment (“ACA”) surcharge as permitted by Section 154.402 of the Commission’s Regulations to permit Transporter to recover from its Shippers all annual charges assessed it by the Commission under Part 382 of the Commission’s Regulations. For the period during which this Section 22.3 is effective, it is Transporter’s intent not to seek recovery of any annual charges assessed Transporter pursuant to Part 382 of the Commission's Regulations and Order Nos. 472 and 472-B except as permitted by this Section 22.3. This ACA surcharge is in addition to any amounts otherwise payable to Transporter under said Rate Schedules.
- (b) Applicable Rate Schedules. The ACA surcharge as set forth in the Statement of Additional Charges and Surcharges of this Tariff, is applicable to quantities transported for Shipper’s account under Transporter's Rate Schedules FTS and ITS.
- (c) Payment by Customer. The amount of the applicable Shipper’s ACA surcharge shall be due and payable with the bill for the month of each such Shipper.
- (d) Remittance to the Commission. Transporter shall remit to the Commission, not later than forty-five (45) days after receipt of the annual charge billing, the total annual charge stated on such billing.
- (e) Basis of the Annual Charge Adjustment. The Rate Schedules specified in Section 22.3(b) hereof shall include an increment for an ACA for costs specified in Section 22.3(a), above. Such adjustment shall be the billable charge factor from the Commission, adjusted to the Transporter’s pressure base and heating value, if required, which the Commission publishes in an annual notice on its website (<http://www.ferc.gov>) entitled “FY [Year] Gas Annual Charges Correction for Annual Charges Unit Charge.”

23. PENALTIES AND PENALTY CREDITING MECHANISM

23.1 Rate Schedule PALS Penalties

- (a) **Penalty for PALS Non-compliance.** In the event that a Shipper incurs a penalty pursuant to Section 4.1(b) of Rate Schedule PALS, which section is applicable if a Shipper does not comply with Transporter's notice given pursuant to Section 4.1(a) of Rate Schedule PALS to either remove Park service quantities or to return Loan service quantities, Transporter shall credit the penalty revenue received for the applicable Month in which penalties were incurred, net of costs, to all other Shippers with an executed PALS service agreement that did not incur penalties pursuant to Section 4.1(b) or Section 4.2 of Rate Schedule PALS within that same Month ("Qualifying PALS Shipper") based on the ratio of the Usage charges incurred by each Qualifying PALS Shipper to the total Usage charges incurred by all Qualifying PALS Shippers within that same Month.
- (b) **Balances Remaining Upon PALS Contract Termination.** In the event that Transporter receives penalty revenue from a PALS Shipper as the result of the application of Section 4.2 of Rate Schedule PALS to such PALS Shipper's unresolved balance, Transporter shall credit the penalty revenue received for the applicable Month in which penalties were incurred, net of costs, to all other Qualifying PALS Shippers based on the ratio of the Usage charges incurred by each Qualifying PALS Shipper to the total Usage charges incurred by all Qualifying PALS Shippers within that same Month.

23.2 Action Alert/Operational Flow Order Penalties

Any penalty revenue collected by Transporter pursuant to Section 13.8 of the General Terms and Conditions will be credited, net of costs, to any firm or interruptible Shipper that did not incur penalties pursuant to Section 13.8 of the General Terms and Conditions in the Month for which penalty revenues were received ("Non-Offending Shipper"), based on the ratio of the actual quantities taken by the Non-Offending Shipper to the actual quantities taken by all Non-Offending Shippers in such Month. In the event that for any Month there are no Non-Offending Shipper(s), then the amount of the penalty revenue for that Month shall be applied in the next subsequent Month where there is a Non-Offending Shipper(s), and Transporter shall have the right to offset any costs associated with actions taken to manage the Action Alert or Operational Flow Order. If such penalty revenues have been held for a period of at least two (2)

years, then Transporter shall distribute such revenues to all shippers pursuant to Section 23.4 of the General Terms and Conditions.

23.3 Scheduling Penalties

In the event that Transporter receives penalty revenue from a Shipper as the result of the application of Section 3.3 of Rate Schedule FTS or Rate Schedule ITS, Transporter shall credit the penalty revenue received for the applicable Month in which Scheduling Penalties were incurred, net of costs, to all other Shippers with service agreements under Rate Schedules FTS or ITS that nominated quantities and did not incur Scheduling Penalties for that same Month (“Qualifying Transportation Shipper”) based on the ratio of the Reservation and Usage charges incurred by each Qualifying Transportation Shipper and the total Reservation and Usage charges incurred by all Qualifying Transportation Shippers within that same Month. In the event that for any Month there are no Qualifying Transportation Shipper(s), then the amount of the penalty revenue for that Month shall be applied in the next subsequent Month where there is a Qualifying Transportation Shipper(s), and Transporter shall have the right to offset any costs associated with actions taken to manage the Scheduling Penalties. If such penalty revenues have been held for a period of at least two (2) years, then Transporter shall distribute such revenues to all shippers pursuant to Section 23.4 of the General Terms and Conditions.

23.4 Any penalty revenue credited pursuant to Sections 23.1, 23.2, or 23.3, shall be made within 90 days following each anniversary of the initial in-service date of Transporter’s system and shall include interest at the rate determined in accordance with Section 154.501(d) of FERC’s regulations.

24. ELECTRONIC COMMUNICATION

24.1. System Description

- (a) Transporter provides for interactive Electronic Communications with its Shippers and other parties through its electronic bulletin board (hereinafter called the “Electronic Bulletin Board” or “EBB”). The EBB shall be available on a nondiscriminatory basis to any party (such party is referred to herein as the “Subscriber”), provided that such party (i) has established its business entity in the EBB, and (ii) if such party desires to transmit information to or receive information from Transporter via electronic data interchange, has a trading partner agreement along with a related exhibit and worksheet (collectively referred to as the “Trading Partner Agreement”) that was requested and has executed a Trading Partner Agreement. A party to a Trading Partner Agreement is responsible for ensuring that the individual executing such agreement on its behalf has the appropriate authority. Use of the EBB by such individual is acknowledgement of that authority. Transporter shall not be responsible for verifying the authority of an individual to execute a Trading Partner Agreement on behalf of a party.

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

Transporter reserves the right to implement enhancements to the EBB at its sole discretion; provided however, all such enhancements when fully operational shall be available to all Subscribers. Transporter will exercise due diligence to ensure the EBB operates correctly and will provide timely and non-discriminatory access to on-line EBB help features and to any information available on the EBB that Subscriber is entitled to access.

- (b) Shippers’ Notices pursuant to Section 9 of the General Terms and Conditions shall be submitted electronically and, in addition, posted electronically by the Shipper via the EBB. Electronic Communications may also be transmitted, where applicable, via electronic data interchange, which will be available on a nondiscriminatory basis to any Subscriber, provided such Subscriber has entered into a Trading Partner Agreement with Transporter pursuant to Section 24.1(a) above. Specifically, a Subscriber has the option of utilizing the EBB for purposes of:

- (1) requesting service under Transporter's rate schedules set forth in Volume No. 1 of Transporter's Tariff;
- (2) tracking certain Service Agreements under Transporter's rate schedules set forth in Volume No. 1 of Transporter's Tariff;
- (3) providing nominations and viewing allocations and operational imbalances under all rate schedules as a Shipper of Transporter pursuant to the applicable rate schedule and the GT&C;
- (4) exercising its rights as a Shipper of Transporter pursuant to Section 9 of the GT&C or submitting a bid as a Replacement Shipper of Transporter under such section;
- (5) exercising its rights as a Shipper of Transporter pursuant to Section 9 of the GT&C (which, if submitted utilizing the EBB, will be posted at that time) or submitting a bid as a Replacement or Prearranged Shipper of Transporter pursuant to such section, or posting a Capacity Request for capacity release pursuant to such section;
- (6) viewing and downloading operational data for any Gas Day on the second subsequent Gas Day;
- (7) viewing Transporter's notice of an OFO as contemplated by Section 10 of the GT&C;
- (8) effectuating Imbalance Netting and Trading pursuant to Sections 11.4 and 11.5 of the GT&C;
- (9) requesting a discount of the Maximum Recourse Rate(s) for service under Transporter's open-access rate schedules or viewing such discounts previously granted; and
- (10) such other functions as may be available on the EBB from time to time.

24.2 Information. The EBB and the Web site will indicate whether the capacity is available from Transporter directly or through Transporter's capacity release mechanism as set forth in Section 9 of the GT&C. The EBB and the Web site will provide information that Transporter is required to post pursuant to the Commission's regulations, or other information Transporter chooses to post in furtherance of the operation of its system. Transporter shall maintain on the EBB a Master Location List containing the following information for each Point of Receipt and Point of Delivery on Transporter's system:

- (1) name of the point;
- (2) meter number of the point;
- (3) location (legal description) of the point;
- (4) name and phone number of operator to the extent available; and
- (5) whether there is an Operational Balancing Agreement in effect at the point.

24.3. Authorized Use of EBB; Confidentiality

- (a) Subscriber shall submit contact information to Transporter using the applicable form, as such form is updated from time to time. In addition, Subscriber shall be required to submit updated contact information to Transporter as such information changes. Such revised information shall supersede in its entirety any contact information previously submitted to Transporter.
- (b) Subscriber shall not disclose to persons other than Users that are employed by Subscriber, or properly designated affiliates or agents of Subscriber, and shall otherwise keep confidential, all USERIDs and passwords. In addition, Subscriber shall cause User(s) to refrain from disclosing to any other person, whether or not employed by Subscriber, and shall otherwise keep confidential, the individualized USERID and password issued to each such User.
- (c) Subscriber shall be solely responsible for any unauthorized or otherwise improper use of USERIDs and passwords, including, but not limited to, the use of such USERIDs and passwords by Users who are not within Subscriber's employment or control.
- (d) Transporter reserves the right to disable for due cause any USERID issued to any User. Transporter shall provide notice to Subscriber or User, as applicable, at the time that the USERID is disabled by Transporter. In addition, upon thirty (30) days' prior notice to the User, Transporter will disable any USERID that has not been used to access the EBB for fifteen (15) consecutive Months.
- (e) Transporter warrants that, without the express consent of Subscriber or as otherwise provided in this Tariff, no Transporter employee or agent will disclose to any third party any non-public information regarding research performed through the use of the EBB by Subscriber.

24.4 Liability

- (a) Transporter shall not be liable to Subscriber nor any other party in damages for any act, omission or circumstance related to the EBB occasioned by or in consequence of an event of Force Majeure as defined in Section 26 of these GT&C, that is not within the control of Transporter and which by the exercise of due diligence Transporter is unable to prevent or overcome. To the extent the information displayed on the EBB is originated solely by Transporter and such information is subsequently determined to be inaccurate, Subscriber shall not be subject to any penalties otherwise collectable by Transporter based on Shipper conduct attributable to such inaccuracy during the period the inaccurate information was displayed on the EBB.

- (b) Subscriber shall defend, indemnify and hold harmless Transporter from and against any and all claims, demands and/or actions, and/or any and all resulting loss, costs, damages, and/or expenses (including court costs and reasonable attorney's fees) of any nature whatsoever, that may be asserted against or imposed upon Transporter by any party as a result of the unauthorized or otherwise improper use of any USERID and/or password issued to or by Subscriber or any other unauthorized or improper use of the EBB by any User or Subscriber unless such improper use is the result of Transporter's negligence or willful misconduct, including, but not limited to, distribution of USERIDs or passwords to persons that are not employed by, or agents or affiliates of, Subscriber.

24.5 Electronic Mail (E-mail) Notification. For system-wide notices of general applicability, any provisions of this Tariff requiring that these matters be written or in writing are satisfied by Transporter utilizing electronic transmission through the EBB in accordance with the procedures for utilization of the EBB or through electronic data interchange as provided for in Commission-approved or permitted data sets. Critical system-wide notices will be in a separate category from notices that are not critical. Transporter will use electronic mail (e-mail) in order to facilitate certain notifications to Shippers as required by this Tariff. Shipper shall provide Transporter with at least one e-mail address to which these notifications can be sent, and shall be responsible for updating such information as necessary. In addition to the requirement specified in Sections 8 and 10 of these GT&C to post notices on the EBB, Transporter shall provide such notifications via e-mail communication to those Shippers that have provided such e-mail address information and have requested, via the EBB, e-mail notification of critical notices issued by Transporter. Shipper shall be responsible for providing accurate e-mail notification information to Transporter, including timely updates to such information as necessary. All other provisions, including Service Agreement-specific notices, requiring items or information to be written or in writing remain unchanged unless otherwise agreed by Transporter and Shipper.

Part 6.25 Capacity Release Provisions (0.0.0) A

25. CAPACITY RELEASE PROVISIONS

This section sets forth the terms and conditions that are applicable to the release of firm entitlements under various services that are provided pursuant to this Tariff.

25.1 Procedure. Capacity released shall be subject to the terms and conditions of this Section 25.1.

- (a) Eligibility. Any Shipper (“Releasing Shipper”) under Rate Schedule FTS of this Tariff, shall be entitled, subject to the terms and conditions of this Section 25.1, to release any or all of its firm Transportation entitlements held under an Agreement, but only to the extent that the capacity so released is acquired by another Shipper (“Replacement Shipper”) pursuant to the provisions of this Section 25.1. Any such release shall result in a temporary suspension of the Releasing Shipper’s right to use released firm entitlements.
- (b) The sum of the firm entitlements for a given point or Segment across a releasing Agreement and its replacement Agreement(s) shall not exceed the corresponding firm entitlement of the releasing Agreement.
- (c) Released Capacity shall be made available on a basis that is not unduly discriminatory, and any Replacement Shipper shall be entitled to acquire Releasing Shipper’s capacity subject to the terms and conditions under this Section 25.1, provided the Replacement Shipper meets all provisions governing eligibility under this Tariff in a timely manner. A Replacement Shipper shall be entitled to release acquired capacity to another Replacement Shipper, subject to the requirement that the original Replacement Shipper satisfies all of the provisions of this Section 25.1 as if such Replacement Shipper were a Releasing Shipper, and the new Replacement Shipper meets all provisions governing eligibility under this Tariff in a timely manner, provided, however, that a Replacement Shipper that acquired released capacity through a volumetric bid shall not be entitled to re-release that capacity.
- (d) Term. Any release under this Section 25 shall not extend beyond the expiration of the initial primary term of the Agreement that is released.

(e) Recall / Reput Rights.

(1) Recall Provisions.

Releasing Shipper's rights to recall capacity on a full Day or partial Day basis shall be stated clearly in the Releasing Shipper's offer to release capacity ("Releasing Shipper's Notice"). Purchase of Gas by a Releasing Shipper from a Replacement Shipper at the Releasing Shipper's Primary Delivery Point(s) shall not be deemed to be the exercise of a recall by the Releasing Shipper.

The Releasing Shipper shall provide capacity recall notification to Transporter via Transporter's EBB. The recall notification shall specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the capacity being recalled.

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

Timely Recall Notification:

- A Releasing Shipper recalling capacity shall provide notice of such recall to Transporter and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due;

Early Evening Recall Notification:

- A Releasing Shipper recalling capacity shall provide notice of such recall to Transporter and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due;

Evening Recall Notification:

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

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

Intraday 1 Recall Notification:

- A Releasing Shipper recalling capacity shall provide notice of such recall to Transporter and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due; and

Intraday 2 Recall Notification:

- A Releasing Shipper recalling capacity shall provide notice of such recall to Transporter and the first Replacement Shipper no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due.

Intraday 3 Recall Notification:

- A Releasing Shipper recalling capacity shall provide notice of such recall to Transporter and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due.

For recall notification provided to Transporter prior to the recall notification deadline specified above and received between 7:00 a.m. and 5:00 p.m., Transporter shall provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notification provided to Transporter after 5:00 p.m. and prior to 7:00 a.m., Transporter shall provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification.

Transporter's notices of recalled capacity to all affected Replacement Shippers shall be provided via the EBB, along with written notice via e-mail communication to the individual the

Replacement Shipper identified in the Replacement Shipper's bid submitted pursuant to Section 25.1(i) of these General Terms and Conditions. Such notices shall contain the information required to uniquely identify the capacity being recalled, and shall indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall. Upon receipt of notification of the recall from Transporter, each affected Replacement Shipper shall revise its nominations within the applicable nomination cycle in order to implement the recall. Each affected Replacement Shipper will be solely responsible for adjusting its supply and Transportation arrangements, which may be necessary as a result of such recall. Replacement Shippers involved in re-release transactions may receive notice slightly after the first Replacement Shipper receives notice. The recalling Releasing Shipper may nominate the recalled capacity consistent with the applicable nomination cycle, pursuant to Section 4 of these General Terms and Conditions.

If, on the Day of a partial Day recall, the quantity of Gas delivered to the Replacement Shipper is in excess of the MDQ remaining on the replacement contract after the partial Day recall and/or the quantity of Gas delivered to the Releasing Shipper that recalled the capacity is in excess of the MDQ recalled by the Releasing Shipper, then the Shipper(s) to whom such excess Gas is delivered will be charged the applicable Usage-2 Rate pursuant to Section 3.2(b) of Rate Schedule FTS on such excess quantities of Gas in addition to all other applicable charges.

(2) Partial Day Recall Quantity.

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

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

In the recall notification provided to Transporter by the Releasing Shipper, the quantity to be recalled shall be expressed in terms of the adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. In the event of a partial Day capacity recall, Transporter shall determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity only in the case of (ii) above.

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

(3) Reput Provisions.

Transporter shall support the function of Reputting by the Releasing Shipper. The Releasing Shipper may Reput previously recalled capacity to the Replacement Shipper pursuant to the Reput rights and methods identified in Releasing Shipper's Notice, as required by Section 25.1(h)(10) below. When capacity is recalled, such capacity may not be Reput for the same Gas Day. The deadline for the Releasing Shipper to notify Transporter of a Reput of capacity is 8:00 a.m. to allow the Replacement Shipper to submit timely nominations for Gas to flow on the next Gas Day.

- (f) Bidding Period. Releasing Shipper may specify the date and time that the Bidding Period starts and the date that the Bidding Period ends, provided, however, that the Bidding Period shall not commence or end any later than the times set forth in Section 25.1(g) below. Releasing Shipper's Notice shall be posted for the Bidding Period; provided, however, that the Releasing Shipper will have the right to withdraw its Releasing Shipper's Notice any time prior to the close of the Bid Period associated with such Releasing Shipper's Notice where unanticipated circumstances justify the withdrawal and no bids meeting the minimum conditions of Releasing Shipper's Notice have been made.

Offers shall be legally binding until notice of withdrawal is received by Transporter via the EBB. Transporter shall post offers and bids, including prearranged deals, upon receipt. A Releasing Shipper may request a later posting time for posting of such offer, and Transporter shall support such request insofar as it comports with the standard capacity release timeline specified in Section 25.1(g) below. Releasing Shipper shall not be allowed to specify an extension of the original bid period or the prearranged deal match period without posting a new release.

- (g) The capacity release timeline applies to all parties involved in the capacity release process provided that (1) all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined

to be creditworthy before the capacity release bid is tendered, (2) for index-based capacity release transactions, the Releasing Shipper has provided Transporter with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and (3) there are no special terms or conditions of the release. Transporter may complete the capacity release process on a different timeline if Releasing Shipper's Notice includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by Transporter).

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

- Offers shall be tendered such that they can be posted by 9:00 a.m. on a Business Day;
- Open season ends at 10:00 a.m. on the same or a subsequent Business Day;
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken);
- If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.;
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m. Noon;
- The contract is issued within one hour of the award posting (with a new contract number, when applicable); and
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

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

- Offers shall be tendered such that they can be posted by 9:00 a.m. on a Business Day;
- Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days;
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken;
- If no match is required, the evaluation period ends and award is posted by 11:00 a.m.;
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 p.m. Noon;
- The contract is issued within one hour of award posting (with a new contract number, when applicable); and
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(3) For non-biddable releases:

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

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

- The contract is issued within one hour of the award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

(4) Notwithstanding the standard timelines specified in Section 25.1(g)(3) above, Transporter shall support a process to allow the Releasing Shipper and the Prearranged Shipper to create and finalize prearranged non-biddable capacity release transactions to be effective for a given Gas Day at any time prior to 7:00 a.m. on the calendar day on which that Gas Day ends.

(h) Required Information for the Release of Capacity. The Releasing Shipper shall submit the following information, objectively stated and applicable to all potential Shippers on a non-discriminatory basis, to Transporter via the EBB:

- (1) The Releasing Shipper's legal name, contract number, and the name, e-mail address and phone and fax number of the individual who will authorize the release of capacity for the Releasing Shipper.
- (2) Whether the capacity is biddable.
- (3) The level of daily firm entitlements that the Releasing Shipper elects to release, expressed as a numeric quantity per Day for Transportation, which will be displayed in the EBB posting for prospective Replacement Shippers as the available MDQ.
- (4) The Transportation Path(s) or Segment within such Transportation Path(s), and quantity to be released.

- (5) The requested effective date and the term of the release.
- (6) The minimum acceptable period of release and minimum acceptable quantities (if any).
- (7) The Releasing Shipper's maximum reservation rates (including any demand type surcharges, direct bills, or similar mechanisms), any minimum rate requirement, and whether bids are to be submitted on a reservation or volumetric basis. The Releasing Shipper shall specify which one of the following methods is acceptable for bidding on a given Releasing Shipper's Notice:
 - Non-Index-based release – dollars and cents,
 - Non-Index-based release – percentage of Maximum Recourse Rate, or
 - Index-based formula as detailed in the Releasing Shipper's Notice.

The bids for the given Releasing Shipper's Notice shall adhere to the method specified by the Releasing Shipper. The maximum and minimum rates may separately identify surcharges and direct bills, or such amounts can be included in the total rate. For purposes of this Section 25, the maximum reservation rate(s) for Shipper paying a Negotiated Rate will be deemed to be the Maximum Recourse Rate(s) as set forth on the Statement of Transportation Rates. Any maximum and/or minimum rate specified by the Releasing Shipper can exceed the Maximum Recourse Rate for the applicable service if (i) the term of the proposed release is one (1) year or less, and (ii) the effective date of the proposed release is on or before one (1) year from the date on which Transporter is notified of the release.

- (8) Whether the Releasing Shipper is requesting that Transporter actively market the capacity to be released.
- (9) The legal name of the Replacement Shipper that is designated in any pre-arranged release ("Prearranged Shipper").
- (10) Whether the capacity is to be released on a recallable basis, and, if so, (i) the terms and conditions of such recall, including whether it is recallable on a full Day or a partial Day basis, (ii) whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day, (iii) which recall notification period(s), as identified in Section 25.1(e) above, will be available for use by the parties, and (iv) any Reput methods and rights associated with returning the previously recalled capacity to the Replacement Shipper.

- (11) Whether the capacity to be released is contingent on the release of other capacity, or on certain terms and conditions, and if so, the capacity, terms and/or conditions upon which the release is contingent.
- (12) The terms and conditions under which Releasing Shipper will accept contingent bids, including bids that are contingent upon the Replacement Shipper acquiring Transportation on a pipeline interconnected to Transporter, the method for evaluating contingent bids, what level of proof is required by the contingent bidder to demonstrate that the contingency did not occur, and for what time period the next highest bidder will be obligated to acquire the capacity if the next winning contingent bidder declines the release.
- (13) For the capacity release business timing model, only the following methodologies are required to be supported by Transporter and provided to Releasing Shippers as choices from which they may select and, once chosen, shall be used in determining the awards from the bid(s) submitted. They are: (1) highest rate, (2) net revenue and (3) present value. For index-based capacity release transactions, the Releasing Shipper shall provide the necessary information and instructions to support the chosen methodology. Transporter may also support an alternative Releasing Shipper defined bid evaluation method pursuant to Section 25.1(h)(14) below; provided, however, that Transporter shall not be required to process the capacity release transaction using the standard process timeline should the Releasing Shipper elect an alternative method of bid evaluation.
- (14) At the Releasing Shipper's option and in lieu of Transporter implementing the Best Bid determination stated in Section 25.1(i), the Releasing Shipper may state the bid evaluation method. Such bid evaluation method shall be objectively stated, applicable to all Replacement or Prearranged Shippers and not unduly discriminatory and shall enable Transporter to rank the bids received by utilizing the weight assigned by the Releasing Shipper to each element of the Releasing Shipper's Notice.
- (15) The priorities that Transporter is authorized to utilize in the event that overlapping nominations submitted by the Releasing Shipper and any Replacement Shipper are in excess of the Releasing Shipper's original MDQ.
- (16) Whether the proposed release is to an asset manager as part of an asset management arrangement as defined in Section 284.8(h)(3)

of the Commission's regulations or to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations, and, if the proposed release is part of an asset management arrangement, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect.

- (17) Any other additional information that Transporter deems necessary, from time to time, to effectuate releases hereunder.

Transporter shall not be liable for information provided by Releasing Shipper to Transporter, including any such information that is posted on the EBB.

- (i) Open Bidding Process. Prospective Shippers wishing to acquire capacity available for release ("Bidding Shipper"), shall place a bid on the EBB for the available capacity during the Posting Period. If such bid is not expressly labeled as a contingent bid, such bid shall be binding. The bid shall contain the following information:
 - (1) The Bidding Shipper's legal name and the name, phone number and e-mail address of the individual who will authorize the acquisition of the available capacity.
 - (2) The level of daily firm entitlements that the Bidding Shipper requests and the minimum quantity it will accept.
 - (3) The requested effective date and the term of the acquisition.
 - (4) The Bidding Shipper's bid, addressing all criteria required by the Releasing Shipper. The Bidding Shipper shall be entitled to withdraw its bid via the EBB, prior to the end of the bidding period. Bidding Shipper cannot withdraw its bid after the Bidding Period ends. If Bidding Shipper withdraws its bid, it may not resubmit a lower bid. If Bidding Shipper submits a higher bid, lower bids previously submitted by Bidding Shipper will be automatically eliminated. A Bidding Shipper may have only one valid bid posted. Transporter shall post all information provided by Bidding Shippers, except the information provided in Section 25.1(h)(1), above.

No bid shall exceed the applicable Maximum Recourse Rates, in addition to any and all applicable fees and surcharges, as specified in this Tariff; provided, however, the rate specified by the Bidding Shipper may exceed the Maximum Recourse Rate for the applicable service if (i) the term of the proposed release is one (1)

year or less, and (ii) the effective date of the proposed release is on or before one (1) year from the date on which Transporter is notified of the release. The quantity or the requested term of the release of such bid shall not exceed the maximum quantity or primary term specified in the executed Agreement.

- (j) Pre-Arranged Release. Releasing Shipper shall have the right to elect not to post a release for bidding (1) if the proposed capacity release has a duration of thirty-one (31) Days or less and Releasing Shipper has obtained a Prearranged Shipper, (2) for proposed capacity releases with a term of more than one (1) year for which Releasing Shipper has obtained a Prearranged Shipper and the Prearranged Shipper is paying the Maximum Recourse Rate and all other terms and conditions of the release are met, (3) for any release of capacity to an asset manager (as defined in Section 284.8(h)(3) of the Commission's regulations), or (4) for any release of capacity to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations. Transporter will support the creation of prearranged deals in the EBB. If Releasing Shipper exercises such right, Releasing Shipper must notify Transporter pursuant to Sections 25.1(g)(3) and 25.1(g)(4) above and the Prearranged Shipper must initiate confirmation of the prearranged deal electronically via the EBB. Replacement Shipper shall adhere to the requirements set forth in Section 25.2. Any release, with the exception of releases to an asset manager or to a marketer participating in a state-regulated retail access program, with a term that is greater than thirty-one (31) Days and less than or equal to one (1) year must be posted for bidding pursuant to Section 25.1(g) above, regardless of the proposed rate.
- (k) Matching Rights. A Prearranged Shipper shall have matching rights for the time period set forth in Section 25.1(g) above following the time the Prearranged Shipper has been notified of the winning bid ("Matching Period"). In the event a higher bid is received, Transporter shall notify the Prearranged Shipper via the EBB of the terms and conditions of the higher bid by the deadline specified in Section 25.1(g). Prearranged Shipper will have an opportunity during the Matching Period to match such higher bid by responding via the EBB prior to the end of the Matching Period. Absent a response from the Prearranged Shipper prior to the end of the Matching Period, the capacity shall be awarded to the higher Bidding Shipper in accordance with Section 25.1(l) below.
- (l) Awarding of Capacity Available for Release. Capacity will be awarded in accordance with the timelines set forth in Section 25.1(g). The capacity available for release shall be awarded to the Bidding Shipper with the highest bid ("Best Bid") matching all terms and conditions provided by the Releasing Shipper. If multiple bids meet the minimum conditions

stated in the Releasing Shipper's Notice, Transporter shall award the capacity, best bid first, until all offered capacity has been awarded. If bids are received that do not match all the terms and conditions provided by the Releasing Shipper, bids will be evaluated by the criteria provided by the Releasing Shipper. If no criteria are provided by the Releasing Shipper, the Bidding Shipper bidding the highest present value shall be awarded the capacity. Present value shall be determined based on a 10% discount rate.

Transporter shall not award capacity release offers to the Replacement Shipper until and unless the Replacement Shipper meets Transporter's creditworthiness requirements applicable to all services that it receives from Transporter, including the service represented by the capacity release.

- (m) Remaining Capacity. In the event that a Releasing Shipper does not release all of its firm entitlements, the Releasing Shipper shall remain responsible for the remaining entitlements and is entitled to utilize the remaining entitlements with the MDQ reduced accordingly by the released capacity quantities.
- (n) No Rollover. When a release of capacity for a period of thirty-one (31) Days or less is not subject to the bidding requirements under this Section 25.1, a Releasing Shipper may not rollover, extend, or in any way continue the capacity release to the same Replacement Shipper which utilizes the same capacity or overlaps such capacity using the thirty-one (31) Days or less bidding exemption described in Section 25.1(j)(1) above until twenty-eight (28) Days after the first release period has ended. The twenty-eight (28) Day hiatus does not apply to any re-release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding described in Section 25.1(j) above.
- (o) Obligations of Replacement or Prearranged Shippers. The Replacement or Prearranged Shipper must satisfy all other provisions of this Tariff governing Shipper eligibility and must execute all required agreements and acknowledgements before it may contract with Transporter for the released capacity. In addition, as a pre-requisite to becoming a Replacement or Prearranged Shipper, a party must have been placed by Transporter on Transporter's pre-approved bidder list that is posted on the EBB. To be placed on such list, a party must have been accepted by Transporter as satisfying the credit standards of Section 27 of these General Terms and Conditions, must have executed a Capacity Release Umbrella Agreement and must continue to satisfy the credit standards of Section 27 when its bid is made and accepted or it is offered as a Prearranged Shipper, as applicable. Transporter shall process requests for credit approval with diligence. Any previously listed party that fails to

continue to satisfy the standards of Section 27 shall be deleted from the list. Transporter will waive the credit requirements of Section 27 on a non-discriminatory basis for Replacement or Prearranged Shipper and permit such Replacement or Prearranged Shipper to submit bids, if the Releasing Shipper provides Transporter with a guarantee or other form of credit assurance in form and substance satisfactory to Transporter of all financial obligations of the Replacement or Prearranged Shipper with respect to the capacity being released by Releasing Shipper prior to the commencement of service to the Replacement or Prearranged Shipper if the release is pre-arranged and not subject to bidding or prior to the close of the bid period if the release is subject to bidding requirements of this Section 25. Any bid submitted will legally bind the Replacement or Prearranged Shipper to the terms of the bid if Transporter chooses such bid as the Best Bid until notice of withdrawal is received by Transporter via the EBB. Bids cannot be withdrawn after the bid period ends. Once the Replacement or Prearranged Shipper is awarded capacity, the Replacement or Prearranged Shipper becomes an existing Shipper like any other Shipper and is subject to the applicable provisions of Transporter's Tariff, including, but not limited to, Transporter's billing and payment and operational provisions.

In addition, the Replacement or Prearranged Shipper as an existing Shipper may also release its capacity pursuant to this Section 25. Nominations may be submitted upon the award of capacity, and such nominations will be processed in accordance with the nomination and scheduling requirements of Sections 4 and 6 of these General Terms and Conditions; provided, however, in no circumstances will Gas flow prior to the effective date of the release as specified in the Releasing Shipper's Notice.

- (p) Capacity Release Umbrella Agreement. All nominations, scheduling and billing will be done under the contract number provided in the Addendum.

25.2 Obligations of the Parties.

- (a) Contractual Obligations. All Replacement Shippers shall be required to comply with the provisions of Rate Schedule FTS and these General Terms and Conditions and to accept by a release all Transportation rights and obligations of the Releasing Shipper with respect to the capacity released, including, but not limited to, nominations and Transportation Paths. Furthermore, the Releasing Shipper shall remain fully liable to Transporter for all reservation rates, including reservation type surcharges and direct bills that were due under the Releasing Shipper's Agreement. In the event that the Replacement Shipper invoiced amounts for reservation rates are in arrears by 60 days or more, the Releasing Shipper

shall be responsible for paying all such amounts with the next invoice rendered to the Releasing Shipper by Transporter.

- (b) Billing. Pursuant to Sections 9 and 10, Replacement Shipper shall be billed for all reservation type charges contained within its bid and all usage charges according to Section 3 of Rate Schedule FTS.
- (c) Credits. Except as otherwise agreed to between Transporter and Releasing Shipper, Releasing Shipper shall receive a credit against its Monthly Reservation Charges equal to the amount of reservation rates contained within the Replacement Shipper's bid subject to the obligations of Releasing Shipper under Section 25.2(a).
- (d) Refunds. Releasing Shipper and any Replacement Shipper must track any changes in Transporter's rates approved by the Commission. In the event the Commission orders refunds of any such rates charged by Transporter and previously approved, Transporter and/or Releasing Shipper, as the case may be, must make corresponding refunds to such Releasing Shipper or any Replacement Shipper, to the extent that Releasing Shipper or Replacement Shipper(s) has paid a rate in excess of Transporter's just and reasonable, applicable Maximum Recourse Rates. Transporter shall assume no liability or responsibility whatsoever for the failure of the Releasing Shipper to comply with its obligations under this Section 25.2(d). The rate paid by a Replacement Shipper in any capacity release transaction with a term of one (1) year or less which is not subject to the maximum rate cap will be deemed to be a final rate and is not subject to refund if the effective date of the release was on or before one (1) year from the date on which Transporter was notified of the release.

25.3 Posting of Purchase Offers. Transporter shall allow a potential Replacement Shipper to post for at least thirty (30) days its offers to acquire released firm entitlements. The offer must contain the following information:

- (a) The potential Replacement Shipper's legal name and the name, title, address, phone number and e-mail address of the individual who will authorize the acquisition of the available capacity.
- (b) The daily quantities of capacity which the potential Replacement Shipper requests.
- (c) The Receipt Points and/or Delivery Points where capacity is requested, as applicable.
- (d) The requested effective date and the term of the acquisition.

- (e) The maximum rate(s) that the potential Replacement Shipper will pay for the service.
- 25.4 Marketing Fee. Transporter shall be entitled, upon Releasing Shipper's request, to actively market the capacity available for release on Releasing Shipper's behalf. Transporter and Releasing Shipper will negotiate the terms and conditions upon which Transporter will market the Releasing Shipper's capacity.
- 25.5 Permanent Releases. A Shipper which has a currently effective executed Agreement with Transporter under Transporter's Rate Schedule FTS may release, pursuant to the procedures specified in this Section 25, all or any part of its firm capacity to a Replacement Shipper for the remaining primary term of the contract and be relieved of all liability under its Agreement prospectively from the effective date of such release, provided that the following conditions are satisfied:
- (a) The Replacement Shipper executes a new Agreement under the applicable Rate Schedule;
 - (b) The Replacement Shipper agrees that the minimum bid acceptable to Transporter shall be a bid for the remainder of the term of Releasing Shipper's Agreement at the rate(s) Releasing Shipper is obligated to pay Transporter for the capacity to be permanently released and accepts all obligations of the Releasing Shipper;
 - (c) The Replacement Shipper meets all of the creditworthiness requirements contained in Section 27 of the General Terms and Conditions of Transporter's Tariff.
 - (d) Transporter may refuse to allow a permanent capacity release if it has a reasonable basis to conclude that it will not be financially indifferent to the release. If Shipper's request to permanently release capacity is denied by Transporter, Transporter shall notify Shipper via e-mail and shall include in the notification the reasons for such denial.
- 25.6 Transporter's Rights to Suspend and/or Terminate Temporary Capacity Release Transactions.
- (a) In the event of a temporary release for which: (i) the Releasing Shipper no longer maintains creditworthiness as outlined in Section 27 of Transporter's General Terms and Conditions and Transporter has terminated Releasing Shipper's Agreement; and (ii) the reservation charge specified in the applicable Addendum is less than the level of the reservation charge which the Releasing Shipper was obligated to pay Transporter (or, if the Releasing Shipper is paying a Negotiated Rate, the sum of all reservation-type and commodity-type charges), then Transporter shall be entitled to terminate the service described in the

Addendum, upon 30 days' written notice to the Replacement Shipper, unless the Replacement Shipper agrees, at its sole election, prior to the end of said 30-day notice period to pay for the remainder of the term specified in the Addendum one of the following: (i) the reservation and commodity charges at levels which the Releasing Shipper was obligated to pay Transporter, (ii) the applicable Maximum Recourse Rate, or (iii) such rate as mutually agreed to by Transporter and Replacement Shipper.

- (b) In the event of a temporary release for which the Replacement Shipper no longer satisfies Transporter's credit requirements as set forth in Section 27 of the General Terms and Conditions: (i) Transporter may notify the Releasing Shipper, without any liability or prior notice to Replacement Shipper, that the Replacement Shipper no longer meets the credit requirements of Transporter's Tariff; and (ii) subject to Transporter exercising its rights under Section 27 of the General Terms and Conditions to suspend and/or terminate such capacity release transaction, the firm capacity subject to the release transaction shall revert to Releasing Shipper immediately upon the effectiveness, and for the duration, of such suspension or permanently if the release transaction is terminated.

25.7 Notices to Releasing Shippers. Transporter shall provide the original Releasing Shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Transporter to the Releasing Shipper's Replacement Shipper(s), of the following:

- (a) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to Transporter's Tariff;
- (b) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;
- (c) Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and
- (d) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to Transporter's Tariff.

25.8 Index-based Capacity Release Transactions

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

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

Releasing Shipper may specify another method in the special terms and conditions; however, the Releasing Shipper's Notice may not be processed within the capacity release timeline specified in Section 25.1(g) above.

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

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

- (d) For invoicing of volumetric index-based capacity release transactions, where the result of the formula detailed in the capacity release award is to be applied on a daily basis, if the calculated daily rate exceeds Transporter's applicable maximum reservation rate or is less than the Rate Floor specified in the capacity release award, Transporter's maximum reservation rate or the Rate Floor, respectively, shall apply.
- (e) Transporter shall support two non-public price index references that are representative of Receipt Points and Delivery Points on its system for fixed-price transactions with next-day or next-month delivery obligations. In any event, Transporter shall support all price indices it references in its Tariff. In addition, Transporter shall evaluate those publicly available price index references requested by its Shippers that do not require any license(s)/subscription(s) for their use and support those that are representative of the applicable Receipt Points and Delivery Points. Further:

- (1) The identity of all supported price index references shall be posted on Transporter's Informational Postings Web site, including the duration of the license(s)/subscription(s) for posted price index reference(s).
- (2) Upon request of a Shipper holding capacity that can be released on Transporter's system, Transporter, in consultation with its Shippers, shall review the price index references (including publicly available price index references), and update the price index references to reflect the agreed upon results of that consultation. All parties shall act reasonably and in good faith in the review process. Transporter shall not unreasonably withhold agreement to such proposed changes. Such review shall occur no more frequently than annually.
- (3) Releasing Shippers requesting the use of price index references not supported by Transporter will be responsible for providing/maintaining adequate license(s)/subscription(s) for Transporter for such additional price index reference(s) such that Transporter is able to reasonably determine that it is adequately licensed to fulfill its business responsibilities associated with index-based capacity release transactions. Such license(s)/subscription(s) shall, at a minimum be for the term of the initial release(s) that use such index references or until such index reference becomes generally supported by Transporter as referenced above. These price index reference(s) will then be supported by Transporter and available for index-based capacity release transactions for the duration of the license(s)/subscription(s) and their identity(ies) posted on Transporter's Informational Postings Web site.
- (4) Regarding paragraphs (2) and (3) above, Transporter reserves the right, in its own discretion, to review any license(s)/subscription(s) that would legally bind Transporter and to evaluate the legal propriety of same as it pertains to Transporter. Transporter may, with reasonable cause, require modification of the license(s)/subscription(s) to resolve its concerns relative to any license(s)/subscription(s) that would legally bind Transporter.
- (5) Each party involved in an index-based release activity assumes no liability for the use of price index information by other parties to the release. Transporter's support of any price index reference does not make it responsible for ensuring that Releasing Shipper(s) or Replacement Shipper(s) possesses any license(s)/subscriptions(s) that may be required to use such price index reference.

(f) For index-based capacity release transactions, upon mutual agreement between Releasing Shipper and Transporter, Releasing Shipper shall provide Transporter and Replacement Shipper with the detailed calculation of the reservation rate(s). Except as provided below, this rate(s) will be stated on the invoice provided by Transporter to Replacement Shipper pursuant to the capacity release award. The results of Releasing Shipper's calculations shall conform to the capacity release award and/or to Transporter's minimum and maximum reservation rates, as applicable.

- For reservation and monthly volumetric index-based capacity release transactions, the detailed calculation shall be provided in a mutually agreed upon format no later than the second Business Day of the Month following the Transportation under the release.
- For volumetric index-based capacity release transactions requiring a daily rate calculation, the detailed calculation shall be provided in a report pursuant to Section 25.8(i) below.

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

Upon notification to Transporter by both Releasing Shipper and Replacement Shipper that prior period adjustments to the calculated reservation rates used in the invoice are appropriate, invoiced amounts can be revised subsequently, upward or downward, to conform to the capacity release award, subject to the standards governing prior period adjustments within the NAESB WGQ Invoicing Related Standards and the provisions of Section 6 of these General Terms and Conditions.

(g) For index-based capacity release transactions, the rate to be used in the invoice shall be the greater of:

- the results of the calculation of the formula from the capacity release award (if the formula cannot be calculated, the Rate Default specified in the Releasing Shipper's Notice), or
- the Rate Floor plus any differential as specified in the capacity release award.

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

- (h) For index-based capacity release transactions, Transporter shall support the ability of Releasing Shipper to specify in the Releasing Shipper's Notice a non-biddable Rate Default. The Rate Default cannot be less than the Rate Floor, if any.
- (i) For volumetric index-based capacity release transactions, where Releasing Shipper performs invoicing calculations pursuant to Section 25.8(f) above, Transporter shall provide allocated quantities to Releasing Shipper according to a mutually agreed upon timetable. Releasing Shipper shall have at least one Business Day to process the quantities prior to returning such invoicing information to Transporter in a tabular format.

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

26. PROCEDURES FOR CONTRACTING FOR AND ABANDONMENT OF SERVICE

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

Adelphia Gateway, LLC
Attention: Adelphia Gateway Marketing
1415 Wyckoff Road
Wall, New Jersey 07719
Telephone: (848) 206-8400
Email: AdelphiaMarketing@AdelphiaGateway.com

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

26.2 Requests for Service.

- (a) Persons desiring a new service or an amendment to existing service under one of Transporter's Rate Schedules set forth in Volume No. 1 of Transporter's Tariff must be an EBB User pursuant to Section 24 of these General Terms and Conditions and must submit a request for service electronically via the EBB.
- (b) A request for a new service or an amendment to an existing service shall contain the information identified on the Request for Service Information List posted on Transporter's public Web site, as such list may be amended from time to time. Requests to amend existing service that will affect a Shipper's financial obligations to Transporter, without regard to the impact of any applicable discount or Negotiated Rates, are referred to as Billing Amendments. Requests to amend existing service that will not affect a Shipper's financial obligations to Transporter, without regard to the impact of any applicable discount or Negotiated Rates, are referred to as Non-Billing Amendments. A Shipper requesting a new service or an amendment to existing service shall also provide the following to Transporter:
 - (1) Either at the time of the request for new service or an amendment to existing service is submitted to Transporter or at the time of execution of the Agreement, such other information (if any), in writing, as may be required to comply with regulatory reporting or filing requirements; and

(2) Within ten (10) Business Days of the submittal of the request for new service or a request for a Billing Amendment, any credit information required to be provided pursuant to Section 27 of the General Terms and Conditions.

(c) If Shipper does not submit the information required in Section 26.2(b) above within the required timeframes, the request for service shall be rejected by Transporter. In addition, Transporter shall reject any request for service created in the EBB by Shipper, but not submitted to Transporter within ninety (90) days of Shipper's creation of such request.

(d) Neither a request for new service nor a request that would result in a Billing Amendment shall be deemed to have been received by Transporter until Shipper has submitted such request online via the EBB and Transporter has received the information required or requested pursuant to this Section 26.2 and Section 27 of the General Terms and Conditions. A request that would result in a Non-Billing Amendment shall be deemed to have been received on the date such request is submitted in the EBB. If Transporter requests additional information or assurance in accordance with Sections 26.2 and 27 herein, and such additional information or assurance is received within ten (10) Business Days of Transporter's request, Shipper's request for service shall be deemed to have been received on the date on which Shipper's additional financial information is received by Transporter; otherwise, Shipper's request for service shall be rejected by Transporter.

26.3 All firm Transportation requests for service shall be subject to the following conditions:

(a) No request for Transportation from a Primary Receipt Point or to a Primary Delivery Point shall be considered valid or be granted if to do so would impair Transporter's ability to render existing services pursuant to Transporter's firm service rate schedule(s).

(b) The date of request for such Shipper's new Receipt Point(s) and/or Delivery Point(s) shall be the date on which Shipper submits the fully completed request for such new Receipt Point(s) and/or Delivery Point(s). However, requests for amendments to any Agreement to increase a daily quantity or change or add a new Receipt Point(s) and/or Delivery Point(s) will be considered a new request for purposes of complying with Section 26.2(d) herein, if such request would result in a Billing Amendment as defined in Section 26.2(b) above.

(c) In certain situations, Transporter may use an accounting meter number to represent a physical location on its pipeline system. A Delivery Point identified on Shipper's executed Agreement(s) may be designated in the

EBB by means of an accounting meter number and description that differs from the physical meter number and description specified on the Agreement. The same rights and obligations exist for both Transporter and Shipper regardless of whether a location is identified in Shipper's executed Agreement by means of a physical meter number or an accounting meter number.

26.4 Execution of Agreement and Amendments.

- (a) An Agreement and/or an amendment to an existing Agreement shall be executed, as specified in this Section 26.4, by Shipper and Transporter following the completion of the approval process.
- (b) All Agreements shall be executed in writing. An Agreement shall be executed within fifteen (15) Days of the tender of an Agreement by Transporter.
- (c) For each of Transporter's firm Rate Schedule(s), the Agreement executed in writing by Shipper and Transporter, the Appendices executed in writing by Shipper and Transporter, the applicable Rate Schedule, the General Terms and Conditions of this Tariff, and any applicable Negotiated Rate or Discount Confirmation will comprise the entire agreement between Shipper and Transporter.
- (d) For each of Transporter's interruptible Rate Schedule(s), the Agreement executed by Shipper and Transporter, the Appendices executed by Shipper and Transporter, the applicable Rate Schedule, the General Terms and Conditions of this Tariff, and any applicable Negotiated Rate or Discount Confirmation will comprise the entire agreement between Shipper and Transporter.

26.5 Extension of Agreements. Prior to the expiration of the term of an Agreement and prior to Transporter's posting the availability of capacity under Transporter's Right of First Refusal provisions, if applicable, Transporter and Shipper may mutually agree to an extension of the term of the Agreement (the exact length of which is to be negotiated on a case-by-case basis, in a not unduly discriminatory manner).

26.6 Allocation of Available Firm Capacity

- (a) Firm capacity that is or becomes available on Transporter's system from time to time shall be allocated pursuant to this Section 26.6.
 - (1) Firm capacity will be allocated to that request(s) generating the highest net present value to Transporter. Net present value will be determined based on the discounted cash flow of revenues to

Transporter produced, lost, or affected by the request(s) for service. In determining the highest net present value, Transporter will consider objective criteria only. Such criteria may include, without limitation, the maximum contract quantity requested, the term of the service requested, the date on which the requested service would commence, and such other objective criteria available based on the requests for service received by Transporter. The net present value evaluation shall include only revenues generated by the reservation rate component except that under a Negotiated Rate Agreement with a minimum quantity or bill, the net present value evaluation shall also include the fixed cost component of the usage revenue at the minimum quantity or bill. In determining the highest net present value in connection with a Shipper paying a Negotiated Rate higher than the Maximum Recourse Rate, such Negotiated Rate Shipper will be deemed to be paying a rate equal to the Maximum Recourse Rate. In making the determination of net present value, Transporter shall apply the rate, as of the date of the review, stated in accordance with Section 154.501(d) of the Commission's regulations, to all bids.

- (2) For requests for firm service with a term of less than ninety (90) Days, Transporter shall have the right, but shall not be obligated, to post on its EBB notice of request(s) for service received and prescribe a period of time ("open season") for receiving additional requests to be evaluated contemporaneously.
- (3) For requests for firm service with a term equal to or greater than ninety (90) Days, Transporter shall conduct an open season for the purpose of receiving additional requests to be evaluated contemporaneously.
- (4) To the maximum extent possible, Transporter will attempt to structure any such open season posting pursuant to this Section 26.6(a) so as not to identify specifically the Shipper or potential Shipper submitting the request and/or the specific location of the market(s) to be served.
- (5) For any open season conducted pursuant to this Section 26.6(a), such open season shall be held for a minimum of (i) one (1) Business Day for service offerings with a term of less than ninety (90) Days; or (ii) five (5) Business Days from the posting of the notice of request for service for the capacity or seven (7) Business Days from the date the capacity in question was first posted as being available for contracting, whichever is the later calendar date, for service offerings with a term of ninety (90) Days or longer. In no event shall the open season be for a period greater

than one (1) calendar Month. All open seasons shall end at 2:00 p.m. CT not less than one (1) Business Day prior to the date service would be available.

- (6) Any Shipper desiring to place a bid for any capacity posted pursuant to this Section 26.6 must submit its bid online via the EBB.
- (7) In the event that Transporter receives two (2) or more requests for service which produce an equivalent net present value, whether during an open season or otherwise, any available capacity will be allocated between or among such requests on a pro rata basis; provided, however, if one or more party(s) is offered capacity on a pro rata basis pursuant to this Section 26.6(a) and any party declines, by notifying Transporter via the EBB within one (1) Business Day, to contract for such capacity, such party's request shall be rejected by Transporter and the available capacity will be reallocated among such requests which produce an equivalent net present value.
- (8) Transporter shall post the winning request(s) and the method of evaluating such request(s) on the EBB within twenty-four (24) hours after the award of capacity.
- (9) In the event that the "best bid" is based upon a bid rate that is less than the applicable Maximum Recourse Rate, Shipper must submit a discount request online via the EBB and receive approval from Transporter pursuant to the provisions of Section 34 of these General Terms and Conditions in order for the bid rate to become effective.
- (10) In addition to the procedures set forth in this Section 26.6(a), Transporter shall have the right, but shall not be obligated, from time to time to hold open seasons for potential expansion projects or for available capacity for which no request has been received. During any such open season, Transporter shall allocate the capacity subject to such open season on the basis of the highest net present value to Transporter, as determined pursuant to the method described in Section 26.6(a)(1).
- (11) To the extent Transporter has (i) available capacity or (ii) capacity under expiring or terminating Agreements where such capacity is not subject to a right of first refusal or Shipper does not exercise its right of first refusal, Transporter reserves the right, but shall not be obligated, to reserve such capacity for a future expansion project. Transporter may reserve capacity for a future expansion project for

which an open season has been held or will be held within twelve (12) Months of the date that Transporter posts such capacity as being reserved. Any capacity reserved pursuant to this Section 26.6(a)(11) must first be posted as available capacity on Transporter's Web site for at least five (5) Business Days. Such posting will indicate that Transporter plans to reserve the posted capacity for a future expansion project to the extent that the posted capacity is not acquired by Shippers during the open season for capacity to be reserved.

Any minimum terms and conditions imposed in an open season for capacity to be reserved must not materially differ so as to be more restrictive than the terms and conditions imposed in the expansion project open season. In the event that a subsequent expansion project open season imposes minimum terms and conditions that are materially different from the minimum terms and conditions imposed for the reserved capacity open season, Transporter shall hold another open season for the reserved capacity that uses the same minimum terms and conditions as were imposed for the expansion project open season.

Any capacity reserved under this Section 26.6(a)(11) may be reserved for up to twelve (12) Months prior to the time Transporter files for certificate approval for proposed construction of a related project and thereafter until all expansion facilities are placed into service. Any capacity reserved under this Section 26.6(a)(11) shall be made available, pursuant to the provisions of Section 26.6(a)(12) of these General Terms and Conditions, for Transportation Service on an interim basis up to, but not including, the in-service date of the related expansion project(s). For such interim service, Transporter reserves the right to limit any Shipper's renewal rights that might otherwise apply to such service, including Shipper's right of first refusal, if applicable. Any capacity reserved for a future expansion project that does not go forward for any reason shall be reposted as generally available within thirty (30) days of the date the capacity becomes available.

- (12) Interim Service. Capacity that is under contract for a future period pursuant to 26.6(a)(11), this Section 26.6(a)(12) or Section 26.6(e) will be made available on an interim basis up to the service commencement date of such contract for a future period ("Interim Capacity") and will be sold pursuant to the provisions of this Section 26.6. The availability of Interim Capacity, including any limitations on the renewal rights for such capacity, will be posted on Transporter's EBB in accordance with Section 26.6(b). Any party desiring to submit a bid for such Interim Capacity must

submit its bid online via the EBB in accordance with the provisions of Section 26.6(a)(6). Such Interim Capacity shall be available for bidding for at least one (1) Business Day, as set forth in Section 26.6(a)(5) above. Transporter shall award the Interim Capacity and post a notice of the winning bid(s) on the EBB, in accordance with Sections 26.6(a)(7) through 26.6(a)(9). The right of first refusal will not be applicable to any Agreement entered into pursuant to this Section 26.6(a)(12).

- (b) Transporter will post notices of available capacity on the EBB before it provides such information to any potential Shipper.
- (c) Transporter reserves the right to reject any request for service (i) at less than the Maximum Recourse Rate, (ii) which may detrimentally impact the operational integrity of Transporter's system, (iii) which does not satisfy all the terms of a specific posting and/or (iv) which contains terms and conditions other than those contained in Transporter's Tariff. If Transporter rejects any request for available capacity, Transporter will notify Shipper via e-mail of its reason(s) for such rejection.
- (d) All requests received during an open season remain binding on the requesting party through the end of the open season, unless withdrawn by the requesting party prior to the close of the open season; provided, however, a requesting party may withdraw its previous request and submit a request with a higher net present value during the open season, but neither the requesting party nor an affiliate thereof may submit a request with a lower net present value during the open season. At the end of the open season, all requests either withdrawn or not accepted shall be rejected by Transporter. If the winning bid is submitted by the requesting party and the requesting party has complied with the requirements of Sections 26 and 27 of these General Terms and Conditions, such winning bid shall be binding on the requesting party and an Agreement shall be executed pursuant to the requirements of Section 26 of these General Terms and Conditions; in the event Shipper does not execute the Agreement as required by Section 26, Shipper shall nonetheless be bound by the terms of its winning bid and the provisions of such Agreement as though it had been fully executed. In the event the winning bidder is not the requesting party, the winning bidder must submit a request for service pursuant to Section 26.2 above, and the winning bidder shall be required to comply with the provisions of Section 26; if the winning bidder does not execute the Agreement as required by Section 26.4, such winning bidder shall nonetheless be bound by the terms of its winning bid and the provisions of such Agreement as though it had been fully executed. If Transporter is unable to approve the winning bidder's request for service, the capacity shall be awarded to the party that submits the next highest bid for the posted capacity, subject to the requirements of

Sections 26 and 27 of these General Terms and Conditions, unless, within one (1) Business Day of notification of the award of capacity, such party provides Transporter with written notification that it rejects such award.

- (e) Prospective Sale of Available Capacity and Minimum Terms of Any Awards.

Unless otherwise agreed by Transporter, Shipper may request available capacity for service to commence at a future date only within the following timelines:

- (1) For service with a primary term of less than ninety (90) Days, the requested service shall commence no later than five (5) days from the date the capacity is awarded;
- (2) For service with a primary term of ninety (90) Days or more but less than one (1) year, the requested service shall commence no later than thirty (30) days from the date the capacity is awarded; and
- (3) For service with a primary term of one (1) year or longer, the requested service shall commence no later than six (6) Months from the date the capacity is awarded.

In the event that Transporter allows a variation from the schedule defined in this Section 26.6(e), the variation shall be detailed in the open season posting. In addition, unless otherwise agreed to by Transporter, all awards of capacity pursuant to this Section 26.6(e) must be for continuous service at a constant MDQ at the Maximum Recourse Rates for the entire term of the service. If Transporter agrees to consider varying from the schedule described above by conducting an open season, then Transporter is free to reject any bid that meets the minimum terms if the bid is for less than the contract term defined in the open season posting. Any deviations from this schedule or minimum terms shall only be done in a not unduly discriminatory manner consistent with Commission regulations.

27. CREDITWORTHINESS

27.1 General Credit Procedures

- (a) Transporter shall not be required to (i) execute an Agreement providing for service under the applicable Rate Schedule for any Shipper who fails to meet Transporter's standards for creditworthiness, or (ii) initiate service for a Shipper who subsequently fails to meet Transporter's standards for creditworthiness, or (iii) continue service for any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate creditworthiness pursuant to Transporter's standards.
- (b) To permit Transporter to conduct a creditworthiness review, a Shipper shall, upon request by Transporter, render to Transporter: (i) complete and current financial statements, including annual reports, 10K reports or other filings with regulatory agencies, prepared in accordance with generally accepted accounting principles, or for non U.S.-based Shippers, prepared in accordance with equivalent principles; (ii) a list of corporate affiliates, parent companies and subsidiaries; and (iii) any credit reports available from credit reporting agencies. In addition to the establishment of creditworthiness: (i) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws such as an assignment for the benefit of creditors, or any informal creditors' committee agreement; (ii) Shipper should not be subject to the uncertainty of pending liquidation or regulatory proceedings which could cause a substantial deterioration in its financial condition, a condition of insolvency, or the inability of Shipper to exist as an ongoing business entity; (iii) if Shipper has an ongoing business relationship with Transporter, no undisputed delinquent balances should be consistently outstanding for any services performed previously by Transporter, and Shipper must have paid its account in the past according to the credit terms and contract provisions and not made deductions or withheld payment for claims not authorized by contract; and (iv) no significant collection, lawsuits or judgments are outstanding which would adversely impact the ability of Shipper to remain solvent.
- (c) For purposes of Section 27.1(b) above, the insolvency of a Shipper shall be presumed by the filing by such Shipper or any parent entity thereof of a voluntary petition in bankruptcy or the entry of a decree or order by a court having proper jurisdiction adjudging the Shipper or any parent entity

thereof bankrupt or insolvent. The insolvency of a Shipper shall also be presumed by the filing by the Shipper or its parent entity of a voluntary or involuntary proceeding, reorganization, receivership, liquidation, a debt reduction procedure, assignment for the benefit of creditors, formal or informal creditor restructuring agreement, or the filing of any case under the United States Bankruptcy Code, or any other applicable federal or state law.

- (d) If any of the events or actions described in Section 27.1(c) above shall be initiated or imposed during the term of service hereunder, Shipper shall provide notification thereof to Transporter within two (2) Business Days of any such initiated or imposed event or action.

27.2 Credit Requirements

Shipper shall at all times comply with one of the following creditworthiness requirements:

- (a) **Open Line of Credit.** Shipper (or an affiliate which guarantees Shipper's obligations under the Agreement) (i) has an investment grade rating for its long-term senior unsecured debt from Moody's Investors Service, Inc. ("Moody's") of at least Baa3 with a stable outlook and from Standard & Poor's ("S&P") of at least BBB- with stable outlook; and (ii) has a sufficient open line of credit with Transporter. If Shipper is rated by only one of the foregoing credit rating agencies, Shipper shall be creditworthy if it has the rating described in the foregoing sentence from the agency by which it is rated. If Shipper is rated by both of the rating agencies described above but one such agency's rating is lower than the other agency's rating (herein a "split rating"), then Shipper's creditworthiness shall be determined based on the lower of the Moody's or S&P rating. A Shipper who qualifies under this category initially but is later downgraded below such investment grade will be required to qualify pursuant to Section 27.2(b) below.

A Shipper whose long term senior unsecured debt does not have an acceptable rating as set forth in this Section 27.2(a) will be accepted as creditworthy if Transporter determines that, notwithstanding the absence of an acceptable rating, the financial position of Shipper (or an affiliate who guarantees Shipper's obligations under the Agreement) is acceptable to Transporter and its lenders.

- (b) **Guaranty and Collateral Options.** If a Shipper fails to establish creditworthiness as provided in Section 27.2(a), Shipper may still receive Transportation Service if Shipper furnishes and maintains in effect one of the following at Shipper's discretion and acceptable to Transporter: (i) a written guarantee for unconditional payment from a third party which is

creditworthy as determined above; or (ii) an irrevocable standby letter of credit; or (iii) an Advance Deposit equal to the amount which would be charged to Shipper for three (3) Month's service or the term of service, whichever is less, plus an amount equal to the three highest Cashout payments, if any, incurred during the previous twelve Months, plus an amount equal to the cost of Gas associated with any lending requirements requested under Rate Schedule PALS (if no prior history exists between the parties, Transporter shall determine the amount of advance payment hereunder to be deposited with Transporter); or (iv) other security acceptable to Transporter.

- (c) New Construction. Nothing herein shall be read to preclude Transporter from requiring, and enforcing for the term of the contracts, a greater amount of security in agreements supporting an application for a certificate to construct new or expanded facilities, including any replacement contract entered into upon a permanent release of capacity under such contract, any assignment of such contract or any resale of capacity subject to such contract in the event of a default. In the event that a precedent agreement for a new or an expansion project contains credit provisions applicable to Shipper's capacity related to such project, the credit requirements applicable to the Agreement related to such project will be the credit requirements set forth in that certain precedent agreement for the new or expansion project between Transporter and Shipper.
- (d) Notice. Transporter shall provide such Shipper with a written statement supporting Transporter's request for the security amount requested at the time such security is requested. If Transporter rejects the security provided by Shipper in accordance with Section 27.2(b)(i)-(iii) above, Transporter shall re-issue its request for the security and include a written explanation for the rejection of the security previously provided by Transporter.
- (e) If a Shipper fails to maintain creditworthiness, as determined by Transporter in accordance with Sections 27.2(a), 27.2(b) and 27.2(c), Shipper may continue to receive service for fifteen (15) days after written notice from Transporter of such failure, provided, however, that Shipper furnishes and maintains in effect one of the following at Shipper's discretion and acceptable to Transporter: (i) a written guarantee for unconditional payment from a third party which is creditworthy as determined above; or (ii) an irrevocable standby letter of credit; or (iii) an amount equal to the amount which would be charged to Shipper for three (3) Month's service or the term of service, whichever is less, plus an amount equal to the three highest Cashout payments, if any, incurred during the previous twelve Months, plus an amount equal to the cost of Gas associated with any lending requirements requested under Rate Schedule PALS; or (iv) other security acceptable to Transporter. If Shipper fails to provide Transporter with the appropriate credit under this

Section 27.2(e) within such fifteen (15) day notice period, then Transporter may, without waiving any rights or remedies it may have, and subject to a 30 day notice to both the Commission and the Shipper, suspend further service until Shipper's compliance with 27.2(b) is obtained, provided, however, that if compliance is not made within the 30 day notice period, Transporter shall no longer be obligated to continue to provide service to such Shipper. Transporter shall not be permitted to impose Reservation Charges during the period in which Shipper's firm service is suspended pursuant to this Section 27.2(e).

- (f) Transporter's credit appraisal procedures involve the establishment of dollar credit limits on a standardized nondiscriminatory basis which appraisal shall consider a number of relevant factors including but not limited to the cost of constructing any applicable facilities. To the extent that a Shipper's account(s) with Transporter do not exceed such limits and/or provided no new information regarding Shipper's financial or business position becomes known to Transporter, no new credit approval shall be necessary for Shipper's existing Agreement(s) unless subsequently amended; provided however, that Transporter shall have the right, with Shipper's assistance and cooperation, to update Shipper's credit file at any time.

Part 6.28 Right of First Refusal (0.0.0)A

28. RIGHT OF FIRST REFUSAL (“ROFR”)

- 28.1 Purpose. The purpose of this Section 28 is to provide the necessary information pertaining to the right of long-term firm Shippers to continue firm Transportation Service at the expiration of their Agreements by exercising a right of first refusal (“ROFR”).
- 28.2 Eligibility. Any Shipper with a ROFR Agreement is entitled to exercise a right of first refusal for all or a volumetric portion of such service pursuant to this Section 28.
- 28.3 Abandonment Authorization. Except as provided in this Section 28, Transporter shall have all necessary abandonment authorizations under the Natural Gas Act upon the (i) expiration of the contractual term of the ROFR Agreement, or (ii) partial reduction of service levels pursuant to a right of first refusal under this Section 28, or (iii) termination of the ROFR Agreement.
- 28.4 Shipper Election to Waive ROFR Rights. At the time that Shipper provides to Transporter a notice to terminate a ROFR Agreement pursuant to the applicable provision of such Agreement, or at any time during the right of first refusal process set forth in this Section 28, Shipper may, at its sole option, notify Transporter that it shall not exercise its right to match the “best bid(s)” as determined pursuant to Section 28.6(c) herein. In the event that such notice is provided by Shipper prior to the date on which the capacity is posted pursuant to Section 28.6(a) below, the right of first refusal process shall not be applicable to such capacity and the capacity shall be posted on Transporter’s Informational Postings Web site as available capacity and marketed pursuant to Section 26 of these General Terms and Conditions. If such notice is provided by Shipper subsequent to the posting of the ROFR capacity and prior to the deadline for the submission of bids, as set forth in Sections 28.6(a) and 28.6(b)(1), respectively, the right of first refusal process will continue to be applicable to such capacity, but Shipper shall not have the right to match the best bid(s).
- 28.5 Continuation of Service. If Shipper satisfies the bid matching requirements of this Section 28, Shipper may retain all or a volumetric portion of its capacity under a ROFR Agreement and which is to be unsubscribed as a result of (i) the expiration of the contracted term, (ii) the partial reduction of service levels pursuant to this Section 28, or (iii) the termination by either Shipper or Transporter of the Agreement pursuant to the provisions of the Agreement and applicable provisions of the Tariff, and continue to receive firm service under a new Agreement.

28.6 Procedures.

- (a) Posting of ROFR Capacity. Eleven (11) Months prior to the effective date of the partial reduction of service levels pursuant to a ROFR Agreement or the termination of a ROFR Agreement, Transporter shall post on the EBB and the Web site the following information:
 - (1) the specific quantity available under the Agreement to be terminated,
 - (2) the applicable Primary Point(s) of Receipt and Primary Point(s) of Delivery,
 - (3) the date of expiration,
 - (4) the current maximum rate applicable to the Agreement to be terminated.

- (b) Bidding on ROFR Capacity.
 - (1) Submittal of Bids. Any party that desires service to be provided in whole or in part by the capacity posted pursuant to Section 28.6(a) above (“ROFR Bidder”) must submit, via the EBB, a bid for such capacity no later than the last day of the fourth Month following the Month in which Transporter posts an applicable notice pursuant to Section 28.6(a) above (“Bidding Period”). To be a valid bid, ROFR Bidder must provide all information and data required by Sections 26 and 27 of these General Terms and Conditions.
 - (2) Rejection of Bids. Transporter may reject all bids which would require Transporter to discount below a specified rate and/or for a discount period not agreeable to Transporter. If Transporter rejects any bid(s), Transporter will notify ROFR Bidder(s) via email of its reason(s) for such rejection.

- (c) Determination and Communication of the Best Bid(s).
 - (1) At the close of the Bidding Period, Transporter shall review all bids received pursuant to Section 28.6(b) above, which have not been rejected by Transporter, to determine which bid(s) is the “Best Bid(s)”. For purposes of this Section 28.6(c), the “Best Bid(s)” shall be the bid(s) which yields to Transporter the highest net present value. Net present value shall be calculated on the basis of the present value of the reservation charge per unit to Transporter except that under a Negotiated Rate agreement with a minimum quantity, the net present value evaluation shall also include the fixed cost component of the usage revenue at the

minimum quantity. In making the determination of net present value, Transporter shall apply the rate, as of the date of the review, stated in accordance with Section 154.501(d) of the Commission's regulations, to all bids.

- (2) Transporter shall select, from among the valid bids, the Best Bid(s) and shall, within three (3) Business Days of the close of the Bidding Period, relay the relevant terms of such Best Bid(s) to the Shipper that is the party to the ROFR Agreement.
- (d) Matching of the Best Bid(s).
- (1) Upon receipt from Transporter of the Best Bid(s), Shipper that is the party to the ROFR Agreement shall have the right for a thirty (30) day period to determine whether it is willing to match the Best Bid(s) for all or a volumetric portion of the capacity posted pursuant to Section 28.6(a) above.
 - (2) If Shipper elects to match the Best Bid(s), Shipper shall notify Transporter of such election via the EBB and shall be entitled to retain its capacity and continue to receive firm service under a new Agreement which reflects the matching of the relevant contractual provisions of the Best Bid(s). To determine whether Shipper has matched the Best Bid(s), Transporter shall use the same methodology as was used in the evaluation of the valid bids. Transporter shall not be obligated to provide service at less than the Maximum Recourse Rate(s). A Shipper paying a Negotiated Rate which exceeds the Maximum Recourse Rate will be considered for purposes of this Section 28.6 to be paying the Maximum Recourse Rate as set forth in the Statement of Transportation Rates.
 - (3) Failure of the Shipper to give timely notice specified in Section 28.6(d)(2) above shall constitute a waiver of the Shipper's right of first refusal and Transporter shall have all necessary abandonment authorization under the Natural Gas Act. In the event there is no Best Bid(s) for Shipper to match, the provisions of Section 28.7 shall determine whether Shipper shall be entitled to retain its capacity and continue to receive service.
- (e) Discounted or Negotiated Rates. In the event Transporter agrees to accept a rate that is less than the applicable Maximum Recourse Rate, Transporter and Shipper must agree upon a Negotiated Rate pursuant to the provisions of Section 30 of these General Terms and Conditions or Shipper must submit a discount request online via the EBB and Transporter must approve such request pursuant to the provisions of

Section 34 of these General Terms and Conditions, as applicable, in order for such rate to become effective.

- 28.7 In the event Transporter does not receive any bids pursuant to Section 28.6(b)(1) above or Transporter rejects all bids received as permitted herein, Transporter and Shipper may mutually agree upon the terms and conditions under which Shipper shall be entitled to retain its capacity and continue to receive service. In no event shall Transporter and Shipper agree upon terms which yield to Transporter a net present value less than any bid received pursuant to Section 28.6(b)(1) above and rejected by Transporter and in no event shall Transporter be obligated to sell capacity at less than the applicable Maximum Recourse Rate for such capacity. In the event Transporter and Shipper have not reached agreement on the terms and conditions under which service will be extended, at Shipper's election, such election to be exercised prior to the date which is five Months before the termination date of the ROFR Agreement, Transporter shall tender and Shipper shall execute within twenty (20) days of receipt, a new Agreement reflecting service for all or part of the contractual quantity, so long as such Shipper agrees to pay the applicable Maximum Recourse Rate; provided, however, if Transporter and Shipper mutually agree to a lower rate which yields to Transporter a net present value equal to or greater than any bid received pursuant to Section 28.6(b)(1) above and rejected by Transporter, Shipper does not have to pay the Maximum Recourse Rate to retain the capacity. The new Agreement must meet all the requirements of the definition of ROFR Agreement for Shipper to continue to have the right of first refusal pursuant to this Section 28.
- 28.8 In the event Transporter and Shipper do not execute a new Agreement pursuant to the provisions of this Section 28, Transporter shall have all necessary pregranted abandonment authorization as to any part of the contractual quantity which is not covered by a new Agreement.
- 28.9 Capacity which is not subject to the right of first refusal claim pursuant to this Section 28 shall be posted as available capacity on Transporter's Web site and shall be marketed in accordance with Section 26 of Transporter's General Terms and Conditions.

Adelphia Gateway, LLC as of 05/15/2024
Adelphia Tariff Database 1
Effective Date: 01/13/2020

Part 6.29 Incorporation in Rate Schedules and Agreements (0.0.0) A

29. INCORPORATION IN RATE SCHEDULES AND AGREEMENTS

These General Terms and Conditions are incorporated in and are a part of Transporter's Rate Schedules and Agreements. To the extent there is any inconsistency between terms in these General Terms and Conditions and terms in Transporter's Rate Schedules or Agreements, these General Terms and Conditions shall govern.

30. NEGOTIATED RATES

- 30.1 Availability. Notwithstanding anything to the contrary contained in this Tariff, Transporter and Shipper may mutually agree to a Negotiated Rate and contract term for all or any portion of the capacity under any Part 284 Agreement. If only a portion of the capacity under any Agreement will be priced at Negotiated Rates, the original Agreement must first be bifurcated, and the existing Maximum Recourse Rates or discounted rates will continue to apply to the Agreement not subject to the Negotiated Rates. If Transporter and Shipper fail to agree to a Negotiated Rate, Shipper may receive service at the applicable Maximum Recourse Rate, including surcharges, for service under the Rate Schedule applicable to the service.
- 30.2 Filing Requirement. Transporter will submit to the Commission a Statement of Negotiated Rates prior to the commencement of service under a Negotiated Rate Agreement or, for those Negotiated Rate Agreements between Transporter and a Replacement Shipper that incorporate a Negotiated Rate for usage and/or fuel charges flowed through to the Replacement Shipper pursuant to Section 30.2(b), as soon as reasonably practicable following the award of the capacity to the Replacement Shipper pursuant to Section 25 of the General Terms and Conditions. The Statement of Negotiated Rates will reflect the exact legal name of the Shipper, the Negotiated Rate, the rate schedule, the contract term, the Receipt Point(s), Delivery Point(s), the MDQ, and where applicable, the exact formula underlying a Negotiated Rate for any Negotiated Rate Agreement. Unless Transporter executes and files a non-conforming Agreement, such Statement of Negotiated Rates will contain a statement that the Negotiated Rate Agreement does not deviate in any material respect from the Form of Service Agreement for the applicable Rate Schedule.
- 30.3 Limitations. This Section 30 does not authorize Transporter to negotiate terms and conditions of service.
- 30.4 Right of First Refusal. For purposes of exercising rights to continue service pursuant to Section 28 of these General Terms and Conditions, the highest rate that a Shipper must match if it desires to retain all or a portion of its capacity, and continue to receive firm service under the same rate schedule beyond the expiration date of such long-term firm Agreement, is the Maximum Recourse Rate for such service.
- 30.5 Accounting Treatment. Transporter shall maintain a separate account within Account 489.2, Revenues from Transportation of Gas of others through

transmission facilities, for recording all revenues associated with charging Negotiated Rates. Transporter shall record each volume transported, billing determinant, rate component, surcharge, and the revenue associated with its Negotiated Rates so that this information can be filed, separately identified, and separately totaled, as part of and in the format of Statements G, I, and J in Transporter's next Section 4 rate case.

- 30.6 Documentation. Any Negotiated Rate agreed to by Transporter and Shipper pursuant to this Section 30 shall be implemented by Transporter's completion of a pro forma Statement of Negotiated Rates with the applicable Negotiated Rate-related provisions as described in Section 30.2 herein. Transporter shall tender such pro forma Statement of Negotiated Rates to Shipper together with a transmittal letter for counter-execution by Shipper, which transmittal letter shall have the sole purpose of memorializing Transporter's and Shipper's mutual agreement to the rate-related provisions reflected on such attached pro forma Statement of Negotiated Rates. After execution by both Transporter and Shipper, Transporter shall file a Statement of Negotiated Rates with the Commission which shall contain rate-related provisions identical to the rate-related provisions reflected on the pro forma Statement of Negotiated Rates agreed to by Transporter and Shipper.
- 30.7 Effective Date of Negotiated Rate. Any Negotiated Rate agreed to pursuant to this Section 30 shall become effective only after acceptance by the Commission; prior to such date the rate applicable to any such service shall be the Maximum Recourse Rate.

Part 6.31 NAESB Standards (3.0.0) A

31. NORTH AMERICAN ENERGY STANDARDS BOARD (“NAESB”) STANDARDS

Transporter has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 CFR Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the Tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Standards not Incorporated by Reference and their Location in Tariff:

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

Transporter has elected to reproduce only the following Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, that are protected by NAESB’s copyright. With respect to each reproduced standard, Transporter incorporates the following: © 1996 - 2020 NAESB, all rights reserved.

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32. DEFAULT AND TERMINATION

- 32.1 Except where different procedures for termination of an Agreement are expressly provided in the General Terms and Conditions, if Transporter or Shipper shall fail to perform any of the covenants or obligations imposed upon it under any Agreement into which these General Terms and Conditions are incorporated, then in such event the other party may, at its option, terminate such Agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default stating specifically the default under the Agreement and declaring it to be the intention of the party giving the notice to terminate such Agreement; thereupon the party in default shall have 30 days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the default notice and if within the said 30 day period the party in default does so remove and remedy said cause or causes and fully indemnifies the party not in default for any and all consequences of such default, then such default notice shall be withdrawn and the Agreement shall continue in full force and effect.
- 32.2 In the event the party in default does not so remedy and remove the cause or causes, or does not indemnify the party giving the default notice for any and all consequences of such default within the said period of 30 days, then, after any necessary authorization by regulatory bodies having jurisdiction, at the option of the party giving such default notice, the Agreement shall terminate.
- 32.3 Any termination of the Agreement pursuant to the provisions of this Section 32 shall be without prejudice to the right of Transporter to collect any amounts then due to it for Gas delivered or service provided prior to the date of termination, and shall be without prejudice to the right of Shipper to receive any Gas which it has not received but the Transportation of which has been paid prior to the date of termination, and without waiver of any other remedy to which the party not in default may be entitled for breaches of the Agreement.

33. STANDARDS OF CONDUCT COMPLIANCE PROCEDURES.

33.1 Complaints. In the event that a Shipper or potential Shipper has a complaint relative to service under this Tariff or Transporter's Standards of Conduct compliance procedures, the Shipper shall provide a description of the complaint, including the identification of the Transportation request (if applicable) and a clear and complete statement of the nature and basis of the complaint, together with supporting documentation, if any, to the appropriate contact personnel whose name(s) shall be posted on Transporter's Internet Web site.

Transporter shall respond to a complaint within forty-eight (48) hours, and in writing within thirty (30) days advising Shipper or potential Shipper of the disposition of the complaint. In the event the required date of Transporter's response falls on a Saturday, Sunday, or a holiday that affects Transporter, Transporter shall respond by the next Business Day.

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

34. DISCOUNT POLICY

- 34.1 Any Shipper desiring a discount of the Maximum Recourse Rates for service under Transporter's Rate Schedules must submit a valid request for such discount pursuant to the procedures of this Section 34. To be considered a valid request, Shipper must complete and submit a request for discount via the EBB, specifically including the information for all mandatory fields. Upon receipt of a valid request for a discount, Transporter will log such request and either deny or grant such request.
- 34.2 If and when Transporter discounts the rates applicable for service under any Agreement under Rate Schedules included in Transporter's Tariff, the amount of any such discount shall be accounted for as a reduction of Maximum Recourse Rates in the following sequence to the extent any of the following components are included in the Maximum Recourse Rates; the first item discounted shall be trackable rate components (if any), to the extent not otherwise agreed to in approved settlements, followed by the base rate (maximum less minimum rate and excluding all other components specified here).
- 34.3 In the event that Transporter agrees to discount its Maximum Recourse Rates under any of its rate schedules, Transporter and Shipper may agree to the types of discounts specified herein without such discounts constituting a material deviation from Transporter's pro forma service agreement. Transporter and Shipper may agree that a specified discounted rate will apply:
- (i) only to specified quantities under the Agreement;
 - (ii) only if specified quantities are achieved or only with respect to quantities below a specified level;
 - (iii) only during specified periods of the year or for a specifically defined period;
 - (iv) only to specified points, combination of points, markets, Transportation Paths or other defined geographic area(s);
 - (v) only to reserves committed by Shipper;
 - (vi) only in a specified relationship to the quantities actually delivered (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually delivered);
 - (vii) so that the applicable rate may be adjusted in the following manner: when one rate component, which was equal to or within the applicable Maximum Recourse Rates and Minimum Recourse Rates at the time Shipper received the Discount Confirmation pursuant to Section 34.5 below specifying the terms of the discount, subsequently exceeds the applicable Maximum Recourse Rate or is below the applicable Minimum

Recourse Rate, so that such rate component must be adjusted downward or upward to equal the new applicable Maximum Recourse Rate or Minimum Recourse Rate, then other rate components may be adjusted upward or downward to achieve the agreed-upon overall rate, so long as none of the resulting rate components exceed the Maximum Recourse Rate or are below the Minimum Recourse Rate applicable to the rate component (such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts a revised Statement of Transportation Rates; however, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a Discount Confirmation exceeded rates which ultimately are found to be just and reasonable); and/or

- (viii) based upon published index prices for specific Receipt Points and/or Delivery Points or other agreed-upon published pricing reference points for price determination (such discounted rate may be based upon a single published index price or the differential between published index prices or arrived at by formula);

provided that the discounted rate shall not change the underlying rate design, shall not include any minimum bill or minimum take obligation, and shall define the rate component to be discounted. Notwithstanding the foregoing, no discounted rate shall be less than the applicable Minimum Recourse Rate.

- 34.4 In the event that Transporter rejects Shipper's request for a discounted rate, Transporter shall notify Shipper via e-mail of the reason for such rejection.
- 34.5 The terms of any discount request granted by Transporter pursuant to this Section 34 shall be transmitted by e-mail to Shipper in the form of a Discount Confirmation. The Discount Confirmation shall identify the applicable Shipper's name, contract number, rate schedule, term of the discount, discount rate, applicable quantities, Receipt Point(s) and Delivery Point(s), and/or the pipeline path being discounted. The Discount Confirmation may also include other information required for posting under the Commission's regulations and other conditions consistent with Section 34.3. No particular discount transaction shall be contractually binding on either Transporter or Shipper until Transporter has confirmed the terms of the discount upon Transporter's e-mail to Shipper of the Discount Confirmation for the transaction, subject to the underlying Agreement being fully executed. All discounts granted shall be effective no sooner than the beginning of the next Gas Day following the Gas Day on which the request is granted by Transporter. Once the discount is contractually binding, the Discount Confirmation will constitute an addendum to the underlying Agreement. Each such addendum is an integral part of the underlying Agreement as if executed by both parties and fully copied and set forth at length therein.

34.6 If Transporter's recourse rates are subject to refund at any time during the effectiveness of a Discount Confirmation, with respect to the applicable discounted rate, Shipper shall be entitled to refunds of payments made by Shipper only in the event that the final, non-appealable Maximum Recourse Rate, whether usage-based or reservation-based, as determined by the Commission for a given time period is lower than the rate actually paid by Shipper during such time period. Subject to the condition precedent set forth in the immediately preceding sentence, Shipper's principal refund amount shall be equal to (i) with respect to usage-based rates, the product of (aa) the positive difference between the final, non-appealable Maximum Recourse Rate and the discounted rate, and (bb) the quantities of Gas delivered to Shipper, or for Shipper's account, during the refund period; and (ii) with respect to reservation-based rates, the product of (cc) the positive difference between the final, non-appealable Maximum Recourse Rate and the discounted rate, (dd) the MDQ covered by the discounted rate, and (ee) the number of Months in the refund period (partial Months shall be prorated for the number of Days in the Month that fall within the refund period and a discounted rate that is not a Monthly rate shall be adjusted for purposes of this calculation to reflect the Monthly equivalent of the rate).

Adelphia Gateway, LLC as of 05/15/2024
Adelphia Tariff Database 1
Effective Date: 01/13/2020

Part 6.35 Off-System Pipeline Capacity (0.0.0) A

35. OFF-SYSTEM PIPELINE CAPACITY

From time to time, Transporter may enter into Transportation and/or storage agreements with other interstate or intrastate pipeline companies (individually, an “off-system pipeline”). In the event that Transporter acquires capacity on an off-system pipeline, Transporter will use such capacity for operational reasons and will only render Transportation Service to Shippers on the acquired capacity pursuant to Transporter’s Tariff and subject to Transporter’s approved rates, as such Tariff and rates may change from time to time. For purposes of Transportation Service on an off-system pipeline, the “shipper must have title” requirement is waived, permitting a Shipper utilizing such service to have title to the Gas on such off-system pipeline.

36. HOURLY FLOWS

- 36.1 Unless otherwise agreed, Shipper shall deliver, or cause to be delivered and Transporter shall receive at each Receipt Point, Gas at uniform rates over a twenty-four (24) hour period to the extent practicable. In addition, Transporter may deliver to Shipper(s), on an interruptible basis and with no additional charge for the additional hourly flexibility, Gas at hourly flows rates in excess of Shipper's(s') primary point hourly flow rights so long as such excess hourly flows do not adversely affect Transporter's ability to meet other scheduled firm and interruptible services or otherwise affect the safe and reliable operation of Transporter's system.
- 36.2 Transporter shall recognize that the parties may be unable to control exactly the quantities of Gas received and delivered on any Day and that the quantities received by Transporter may vary from the quantities delivered on any Day. Such variations shall be kept to a minimum and shall be balanced as soon as practicable. Shipper and Transporter shall manage the receipts and deliveries so that the difference between receipt quantities and delivery quantities shall be kept as near zero as practicable, taking into account Transporter's Use and other deductions. Further, Transporter shall be under no obligation to accept from Shipper Gas in excess of the scheduled amount for the Receipt Point for that Day.

Adelphia Gateway, LLC as of 05/15/2024
Adelphia Tariff Database 1
Effective Date: 12/01/2023

Part 6.37 Materially Non-Conforming Agreements (4.0.0) A

37. MATERIALLY NON-CONFORMING AGREEMENTS

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

Shipper Name -----	Contract Number -----	Rate Schedule -----	Primary Term Begin Date -----
LMBE Project Company LLC	FTS-LMB-0012	FTS	01/13/2020
LMBE Project Company LLC	FTS-LMB-0013	FTS	01/13/2020
MC Project Company	FTS-MCS-0010	FTS	01/13/2020
MC Project Company	FTS-MCS-0011	FTS	01/13/2020
South Jersey Gas Company	FTS-SJG-0028	FTS	09/01/2022
New Jersey Natural Gas Company	FTS-NJN-0052	FTS	11/01/2023
Citadel Energy Marketing	FTS-CEM-0060	FTS	12/01/2023
NJR Energy Services Company, LLC	FTS-RES-0057	FTS	12/01/2023

38. RESERVATION CHARGE ADJUSTMENT

38.1 Reservation Charge Adjustment for Non-Force Majeure Events

Except as provided in Section 38.3 of these General Terms and Conditions, for Shippers paying Maximum Recourse Rates, such Reservation Charge Adjustment shall be the product of the 100% load Factor reservation-based portion of the rate stated in the Statement of Transportation Rates multiplied by the lesser of:

- (i) the applicable quantity of Gas that Transporter has failed to deliver which has been scheduled pursuant to the priority described in Section 5.2(a) of these General Terms and Conditions for Shipper's account on such Day; or
- (ii) when Transporter gives advance notice of the unavailability of service prior to the Timely Nomination Cycle for the applicable Day, the average daily quantity that qualified for scheduling at the priority described in Section 5.2(a) of these General Terms and Conditions and that was confirmed and scheduled for Shipper's account at the applicable point(s) of restriction for the seven (7)-Day period immediately preceding the Day on which the outage or other event that results in Transporter failing to deliver a quantity of Gas to the Shipper first occurred minus the quantity of Gas delivered by Transporter for Shipper's account on such Day; or
- (iii) when Transporter gives more than seven (7) Days' advance notice of the unavailability of service, the average daily quantity that qualified for scheduling at the priority described in Section 5.2(a) of these General Terms and Conditions and that was confirmed and scheduled for Shipper's account at the applicable point(s) of restriction in the previous calendar year for the same calendar days as the outage or other event that results in Transporter failing to deliver a quantity of Gas to the Shipper; such average daily quantity to be adjusted up or down pro rata based on any increase or decrease in the Shipper's firm contractual entitlements at such point(s) of restriction during the twelve Month-period ending on the last day of such outage or other event (unless the Shipper's firm contractual entitlements at such point(s) of restriction were zero during relevant days of the previous calendar year, in which case this Section 38.1(iii) shall not apply), minus the quantity of Gas delivered by Transporter for Shipper's account on such Day.

Such Reservation Charge Adjustment shall be discounted in the case of an executed Agreement containing a discounted Reservation Charge Rate in the

same proportion such Reservation Charge Rate is discounted from the Maximum Recourse Rate, and, for Shippers paying Negotiated Rates, unless otherwise agreed to in the Negotiated Rate Agreement, such Reservation Charge Adjustment shall be the product of (1) the 100% load factor reservation-based portion of the applicable Negotiated Rate in effect for the period of non-delivery, and (2) the difference between the quantity of Gas scheduled for Transportation Service up to the MDQ and the quantity actually delivered by Transporter for the account of Shipper during such Day. Transporter may, as part of a Negotiated Rate Agreement entered into pursuant to Section 30 of these General Terms and Conditions, negotiate with Shipper the amount of the Reservation Charge Credit to be afforded, if any, under this Section 38.1.

Notwithstanding the foregoing, this Section 38.1 does not apply on Days when Section 38.2 of these General Terms and Conditions applies.

To calculate the Reservation Charge Credit for a Shipper who is a Replacement Shipper pursuant to Section 25 of these General Terms and Conditions whose service was affected by a non-force majeure event, Transporter shall multiply the volumes determined in accordance with this Section 38.1 by the lesser of the daily Reservation Charge Rate applicable to the Replacement Shipper or the daily Reservation Charge Rate applicable to the original Releasing Shipper.

38.2 Reservation Charge Adjustment for Force Majeure Events

Except as provided in Section 38.3 of these General Terms and Conditions, with respect to each Day on which there is an outage or other event due to a Force Majeure event that results in Transporter failing to deliver on such Day the quantity of Gas that Shipper has nominated in accordance with Section 5 of these General Terms & Conditions and that qualifies for scheduling at the priority described in Section 5.2(a) of these General Terms and Conditions, Shipper's Reservation Charge shall be decreased pursuant to the mechanism described in Section 38.1 of these General Terms and Conditions. Transporter shall not be obligated to reduce Shipper's Reservation Charge for the first ten (10) Days of such outage or other event.

38.3 Exceptions to Reservation Charge Adjustments

Notwithstanding any other provision in Transporter's Tariff, if Transporter's failure to deliver any quantity of Gas is due solely to the conduct of other parties and/or events beyond Transporter's control, in no event shall Shipper be entitled to a decrease in its Reservation Charge for Transporter's failure to deliver any quantity of Gas as contemplated under this Section 38:

- (i) due solely to the conduct of Shipper, including, without limitation, the refusal to accept delivery of any quantity of Gas that Transporter has made available for delivery or the violation by Shipper of an OFO that is in

effect during the outage or other event that results in Transporter failing to deliver any quantity of Gas to the Shipper; provided, however, if Shipper's refusal to accept delivery is pursuant to Section 3.4 of these General Terms and Conditions, then Shipper may be entitled to a decrease in its Reservation Charge notwithstanding this Section 38.3 if Shipper refused to accept delivery at the applicable Point(s) of Delivery each and any time that Shipper had the right to refuse to accept delivery of Gas at such point pursuant to Section 3.4 of these General Terms and Conditions during the seven-Day period preceding the outage or other event that results in Transporter failing to deliver any quantity of Gas to the Shipper;

- (ii) due solely to the conduct of the upstream operator of the facilities at the applicable Point(s) of Receipt, including, without limitation, the refusal to deliver any quantity of Gas into Transporter that Transporter was available to receive;
- (iii) due solely to the conduct of the downstream operator of the facilities at the applicable Point(s) of Delivery, including, without limitation, the refusal to receive any quantity of Gas from Transporter that Transporter has made available for delivery;
- (iv) due to the installation of new facilities that are designed, in whole or in part, to provide service to Shipper;
- (v) due to scheduled work on Transporter's facilities if Transporter and Shipper have mutually coordinated the timing of the scheduled work and the work is performed in accordance with that schedule;
- (vi) that occurs at a time when Shipper was unable to take the scheduled quantities for any reason including, without limitation, a Shipper outage, whether planned or unplanned;
- (vii) that was allocated or scheduled during any nomination cycle to or from a Secondary Receipt Point or Secondary Delivery Point;
- (viii) if Shipper subsequently schedules an alternative point of delivery, the quantity of Gas that Transporter was unable to deliver;
- (ix) to the extent Transporter is able to restore service during the affected Gas Day and Shipper fails to re-submit its nomination in a later cycle, unless, after receiving notice of Transporter's interruption, Shipper either has nominated and been scheduled service on another pipeline or has made alternative arrangements for delivery of such Gas as a result of Transporter's non-force majeure interruption of service, and provided verification of such arrangements to Transporter; or

- (x) if Shipper is provided service pursuant to a Negotiated Rate Agreement executed after the date Transporter initially places its system into service or any successor Negotiated Rate Agreement thereto, and such agreement does not explicitly require Reservation Charge Credits.

39. PERMITTED SHARING OF NON-PUBLIC INFORMATION

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

40. OPERATIONAL PURCHASES AND SALES OF GAS

- 40.1 From time to time, Transporter may purchase and/or sell Gas to the extent necessary to:
- (a) maintain system pressure and line pack;
 - (b) manage system imbalances;
 - (c) manage system use and lost and unaccounted for Gas over/under recoveries;
 - (d) perform other operational functions in connection with transportation and other similar services provided by Transporter pursuant to its Tariff; and
 - (e) otherwise protect the operational integrity of Transporter's facilities.
- 40.2 Operational purchases and sales of Gas shall only be made with capacity that is available after completing the scheduling process for all nominated service in Section 5 of the General Terms and Conditions and shall be assigned the lowest priority of service. There will be no Transportation Service associated with Transporter's operational purchases or sales of Gas, and operational sales service shall be unbundled from Transportation Service.
- 40.3 Transporter will post its need to sell Gas on its Internet Web site. Such notice shall include, at a minimum, the quantity of Gas to be sold, the minimum price, if any, that Transporter would accept for Gas to be sold, the criteria to be used in determining the best bid for the quantity to be sold, the start and end date of the bid period, and instructions for submitting a bid to Transporter. Transporter shall evaluate bids and shall award such sale of Gas to the prospective bidder submitting a bid containing the highest bid and otherwise matching all terms and conditions requested by Transporter in its posting. Transporter reserves the right, in a nondiscriminatory manner, to: (1) withdraw its postings; (2) reject all bids due to operational changes; and (3) reject any bids which are not complete, which contain modifications to the terms and conditions of the posting, or which contain terms that are operationally unacceptable.
- 40.4 Transporter shall include the following in its annual information filing to be submitted within thirty (30) days after the end of the first full year of operations, and every year thereafter:
- (a) the source of the quantities purchased/sold;
 - (b) the date of such purchases/sales;
 - (c) the quantities purchased/sold;
 - (d) the purchase/sales price;
 - (e) the cost and revenues for such purchases/sales; and
 - (f) the disposition of the associated costs and revenues for all operational purchases and sales.

Adelphia Gateway, LLC as of 05/15/2024
Adelphia Tariff Database 1
Effective Date: 01/13/2020

Part 6.41 Liability (0.0.0) A

41. LIABILITY

Except as otherwise provided elsewhere in this Tariff, in no event shall Transporter or Shipper be liable to the other for special, indirect, consequential (including loss of profits), incidental or punitive damages whether or not such damages arise out of breach of contract, negligence, tort, strict liability; provided, however, unless otherwise agreed to by Transporter and Shipper, the foregoing shall not limit Shipper's liability, if any, to Transporter, nor Transporter's liability, if any, to Shipper, arising out of gross negligence, willful misconduct, or bad faith actions. Nothing herein shall limit Shipper's liability, if any, to Transporter, nor Transporter's liability, if any, to Shipper, for direct damages.