

PART 6 – RATE SCHEDULES

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RATE SCHEDULE FT
Firm Transportation Service

1. AVAILABILITY

- 1.1 This rate schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as “Shipper”) for the Transportation of Gas by Empire Pipeline, Inc. (hereinafter referred to as “Transporter”), when:
- (a) Transporter has determined that it has sufficient available and uncommitted capacity and requisite governmental authority to perform service requested by Shipper; and
 - (b) Shipper and Transporter have executed an Agreement under this rate schedule.
- 1.2 Transporter shall not be required to grant a request for transportation service which would require the construction, modification, expansion or acquisition of any facilities. Availability of service is also subject to Section 2 of the General Terms and Conditions - Qualification for Service.
- 1.3 While a determination of capacity on Transporter’s system is reported once each year, on March 1st, in accordance with Section 284.13(d)(2) of the Commission’s regulations, determination of available firm capacity on Transporter’s system shall be made from time to time as capacity becomes available or as requests for service are received hereunder. Subject to Sections 12, 14 and 15 of the General Terms and Conditions of this tariff, in processing requests for service hereunder, Transporter shall allocate any available firm capacity to persons which make a valid request under Section 2.1 of the General Terms and Conditions, on a first come, first served basis determined as of the date Transporter received a valid request.
- 1.4 Upon the request of Shipper, firm Point(s) of Receipt or firm Point(s) of Delivery may be added or deleted from time to time provided Transporter can provide service at such points on a firm basis, provided, however, that Transporter shall have no obligation to agree to a change in Shipper’s primary firm Point(s) of Receipt or firm Point(s) of Delivery if such

change would result in a decrease in Shipper's rate or the revenues received from Shipper under the applicable Transportation Service Agreement. The availability of service at secondary Point(s) of Receipt or Point(s) of Delivery is described in Section 2.4 hereof.

- (a) Availability of service at new primary Point(s) of Delivery will be subject to the provisions of this Section 1, and the reassignment of the Shipper's Contract MDQ, as defined in Section 2.3, among its existing and new primary Point(s) of Delivery.
- (b) Availability of service at new primary Point(s) of Receipt will be subject to the provisions of this Section 1, and the reassignment of the Shipper's Contract MDQ, as defined in Section 2.3, among its existing and new primary Point(s) of Receipt.
- (c) A request for a change in primary Point(s) of Receipt or Delivery shall be set forth on Transporter's Service Request Form, however, the information specified in Subsections (c) and (f) of Section 2.1 of the General Terms and Conditions may be omitted.

1.5 This Rate Schedule FT is available only for transportation to Point(s) of Delivery that are equipped with equipment sufficient to provide Transporter with real time measurement, communication and control capability. All Point(s) of Receipt must also be equipped with such equipment. Transporter may waive this requirement on a non-discriminatory basis with respect to a Point of Delivery or Point of Receipt if it determines that:

- (a) such equipment exists at another point on Transporter's system and can (i) control gas flows at the Point of Receipt or Delivery and (ii) provide a close approximation of the quantity of gas flowing at such Point of Receipt or Delivery; or
- (b) another form of measurement, communication and control is adequate in consideration of the volumetric limitations of the interconnect facilities.

- 1.6 In addition to the information specified in Section 2.1 of the General Terms and Conditions, a request for service under this rate schedule shall include the following:
- (a) Points of Receipt/Delivery: The primary Point(s) of Receipt and Point(s) of Delivery for the requested transportation together with the name of the entity delivering the gas to Transporter and the name of the entity to receive the gas from Transporter,
 - (b) Gas Quantities: The maximum daily quantity (MDQ) applicable to each primary Point of Receipt and Point of Delivery, stated in dekatherms.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The transportation service provided under this Rate Schedule FT shall be performed under Subpart 284G of the Commission's Regulations or, where specifically referenced in the FT Service Agreement, Subpart 284B of such regulations. This Rate Schedule FT shall apply to all service provided by Transporter for Shipper pursuant to an FT Service Agreement (the form of which appears as Form 8.010 in Part 8 of this tariff).
- 2.2 Service hereunder shall be provided on a firm basis. However, service may be interrupted for any of the reasons set out in Section 9 of the General Terms and Conditions hereof, or whenever necessary to maintain gas quality or the integrity of Transporter's system.
- 2.3 Service hereunder shall consist of the receipt by Transporter of natural gas tendered by Shipper for transportation (including the quantities described in Section 23 of the General Terms and Conditions, to the extent applicable) at the primary Point(s) of Receipt specified in the FT Service Agreement, or at secondary Point(s) of Receipt as described in Subsection 2.4 hereof, the transportation of that natural gas through or by use of Transporter's system, and the delivery of that natural gas, by Transporter to Shipper or for Shipper's account at the primary Point(s) of Delivery specified in the FT Service Agreement, or at secondary Point(s) of Delivery as described in Subsection 2.4 hereof. Except as provided in Subsection 2.4 and Section 4 hereof, Shipper shall have no right:
- (a) to tender quantities of gas at any firm primary Point of Receipt in excess of the Maximum Daily Quantity (MDQ) specified in the FT Service Agreement for that Point of Receipt, divided by the difference obtained by subtracting (i) the applicable Compressor Fuel factor from (ii) 100 percent,
 - (b) to tender quantities of gas on any day at any combination of Point(s) of Receipt, in excess of the Contract MDQ, divided by the difference obtained by subtracting (i) the applicable Compressor Fuel factor from (ii) 100 percent,
 - (c) to take delivery of quantities of gas at any firm primary Point of Delivery in excess of the MDQ specified in the FT Service Agreement for that Point of Delivery, nor

- (d) to take delivery of quantities of gas in excess of the Contract MDQ on any day at any combination of Point(s) of Delivery.

The Contract MDQ shall be the sum of the MDQ's applicable to each primary Point of Delivery. The sum of the MDQ's applicable to each primary Point of Receipt shall also equal the Contract MDQ.

2.4 Subject to the provisions of this Rate Schedule FT, Transporter will:

- (a) accept natural gas tendered by Shipper at a secondary Point of Receipt, and
- (b) deliver natural gas for the Shipper's account at a secondary Point of Delivery;

provided that such acceptance or delivery would not impair Transporter's ability to provide firm transportation (to another Shipper from a firm primary Point of Receipt or firm primary Point of Delivery) and provided further that any such Point(s) of Delivery are equipped with measurement, control and communication equipment required for firm Point(s) of Delivery. Use of secondary Point(s) of Receipt or Point(s) of Delivery by FT Shippers shall be superior to the use of such points by interruptible shippers. Unless specifically provided otherwise in a written amendment to the FT Service Agreement under Section 3.2 hereof or a Negotiated Rate Agreement under Section 18.2 of the General Terms and Conditions, Transporter's maximum rates shall apply to transportation involving the use of secondary Point(s) of Receipt or Point(s) of Delivery.

2.5 A shipper receiving service under this Rate Schedule FT shall not lose priority for purposes of this section by the renewal or extension of term of that service.

2.6 Any determination by Transporter with regard to the acceptability of a regulatory or other governmental authorization shall be made in the reasonable exercise of its judgment. (See Article V of the Form of FT Service Agreement which appears as Form 8.010 in Part 8 of this tariff).

2.7 The FT Service Agreement shall indicate the transportation path through Transporter's system between Shipper's primary Point(s) of Receipt and Point(s) of Delivery, and the Point(s) of Receipt or Point(s) of Delivery located along the transportation path that are eligible as primary or

secondary Point(s) of Receipt or Point(s) of Delivery. Shipper may simultaneously nominate for and/or release its capacity in two or more segments along its transportation path, provided that the combined nominated and/or released quantities in any such segment do not exceed Shipper's Contract MDQ (or the portion thereof identified to a particular transportation path). Each such segment must be bounded by a primary Point of Receipt and a Point of Delivery eligible under Section 1.5 hereof or two Points of Delivery eligible under Section 1.5 hereof. The Commodity Charge and the reimbursement of Other Gas for Transporter's Use and applicable Compressor Fuel and Electric Power Costs shall be applied to each segmented service. Overrun charges, calculated independently for each segment, shall be based on the segment with the Shipper's highest usage.

Subject to the limitations set forth above, Shipper's segmentation rights shall include the ability for Shipper or its replacement shippers to nominate a forward-haul and a backhaul transportation to the same Point of Delivery; provided that, with respect to gas flowing opposite to the direction that gas flows from Shipper's primary Point(s) of Receipt to its primary Point(s) of Delivery, deliveries at such point (even if a primary point) shall have the priority set forth at Section 4.2 of the General Terms and Conditions.

- 2.8 Shipper may request Transporter to receive, transport, and deliver quantities of natural gas in excess of Shipper's MDQ on any day under the FT Service Agreement. In such case, Transporter will determine whether the delivery capacity of its system will permit such receipt, transportation, and delivery without impairing the ability of Transporter to meet its other delivery obligations. Deliveries pursuant to such scheduled Overrun Transportation shall be subordinated to all firm transportation services and shall be scheduled, together with transportation under Rate Schedule IT.
- 2.9 A Shipper receiving service under this rate schedule under a service agreement with a primary term of fifteen (15) years or longer shall have the right to extend the term of the service agreement at maximum recourse rates in five (5) year increments by giving written notice to Transporter twelve (12) months prior to the termination date in effect at the time such notice is given. For purposes of this provision, a service agreement entered into to restate a pre-existing service agreement of Empire State Pipeline with a primary term of fifteen (15) years or longer will be considered to have a primary term of fifteen (15) years or longer,

as long as the primary term of the restated agreement extends to a date no earlier than the end of the primary term of such pre-existing agreement.

- 2.10 Unless otherwise agreed to by Transporter, Shipper is responsible for making all arrangements for any transportation desired by Shipper upstream or downstream of Transporter's facilities.
- 2.11 The Contract MDQ shall be a uniform quantity throughout the contract year, except that Transporter may, on a not unduly discriminatory basis, agree to certain differing levels in the Contract MDQ during specified periods during the year. The Contract MDQ and any differing levels in the Contract MDQ, shall be specified in the executed service agreement. For purposes of Section 15 of the General Terms and Conditions, (a) a service agreement under this Rate Schedule at the applicable maximum rates with varying levels of Contract MDQ for a term of twelve or more consecutive months at a Contract MDQ greater than zero shall be a Qualifying Agreement, and (b) a "quantitative portion" of Shipper's Contract MDQ or the portion bid upon must reflect a uniform percentage reduction for each month of the contract year, or as mutually agreed to by Transporter on a non-discriminatory basis.
- 2.12 Transporter shall not be required to receive or deliver gas at a receipt or delivery point where the total quantity of gas for transportation scheduled is less than that required to operate existing measurement facilities at such point.

3. RATES

- 3.1 The maximum and minimum rates for service under this rate schedule are set forth on the currently effective rates table appearing as Part 4 of this tariff, and these rates are incorporated herein by reference. These rates shall be applicable to service hereunder, unless Transporter and Shipper have agreed upon a negotiated rate pursuant to Section 18.2 of the General Terms and Conditions of this tariff.
- 3.2 Unless otherwise agreed to by Transporter and Shipper in a written amendment to the FT Service Agreement, Shipper shall pay Transporter charges based on the maximum rates set forth on the currently effective rates table appearing as Part 4 of this tariff. Transporter and Shipper may agree in such amendment to one or more of the following provisions:
- (a) that a specified discounted rate will apply only to specified quantities under the agreement;
 - (b) that a specified discounted rate will apply only if specified quantities are achieved or only with respect to quantities below a specified level;
 - (c) that a specified discounted rate will apply only during specified periods of the year or for a specifically defined period;
 - (d) that a specified discounted rate will apply only to specified points, combinations of points, zones or other defined geographical area(s), which provision may include an explanation of how reservation or other fixed charges are calculated when non-discounted points, zones or areas are used;
 - (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported [i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported];
 - (f) that a specified discounted rate is based on published index prices for specific receipt and/or delivery points or other agreed upon published pricing reference points (such discounted rate may be based upon the differential between published prices or arrived at by formula). Any agreement containing such discounted rate shall specify the rate component(s) to be discounted. To the

extent the firm reservation charge is discounted, the index price differential rate formula shall be calculated to state a rate per maximum daily quantity. Furthermore, such discount shall not change the underlying rate design to include any minimum bill or minimum take provision that has the effect of guaranteeing revenue;

- (g) that if one rate component, which was at or below the applicable maximum rate at the time the discount agreement was executed, subsequently exceeds the applicable maximum rate or is less than the applicable minimum rate due to a change in Transporter's maximum (minimum) rates so that such rate component must be adjusted downward (upward) to equal the new applicable maximum (minimum) rate, then other rate components may be adjusted upward (downward) to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rate applicable to that rate component. The amendment may also provide for an adjustment to rate components to achieve the over-all revenues attributable to the agreed rates under the service agreement being amended and other service agreements under the same or other rate schedules, should changes in Transporter's maximum or minimum rates increase or decrease the revenues attributable to such other service agreement, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rates applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff section(s). Nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

Notwithstanding the foregoing, no discount agreement may provide that an agreed discount as to a defined quantity level will be invalidated if the Shipper transports an incremental quantity above the agreed level. Transporter and Shipper may agree to a discounted rate provided that the discounted rate is between the applicable maximum and minimum rates.

A provision entered into pursuant to this Subsection 3.2 shall not constitute a material deviation from the applicable form of service agreement.

- 3.3 For all service rendered under this rate schedule, Shipper shall pay Transporter the sum of the following:
- (a) Reservation Charge. A charge per month per Dth of Contract MDQ.
 - (b) Commodity Charge. A charge per Dth for all gas delivered by Transporter during the billing month.
 - (c) An amount to reimburse Transporter for filing fees paid to the Commission associated with the transportation service.
 - (d) An amount to reimburse Transporter for the cost of any new facilities installed by Transporter to receive or deliver natural gas for the account of Shipper; including, but not limited, to equipment sufficient to provide Transporter with real time measurement, communication and control capability.
 - (e) All other charges set forth in this tariff.
- 3.4 The applicable maximum and minimum reservation and commodity rates applicable are set forth on the currently effective rates table appearing as Part 4 of this tariff.
- 3.5 Where the Shipper's contract MDQ is a uniform daily quantity throughout each contract year, and the term of the Shipper's service agreement is twelve (12) consecutive months or a multiple thereof, Shipper shall be subject to the Year-Round Reservation Charge, as applicable under Section 3.4. In addition, the Year-Round Reservation Charge will be applicable to service agreements under which service commences on the effective date of this tariff and terminates on October 31 of any year. Shippers acquiring firm capacity subject to the Year-Round Reservation Charge through the capacity release provisions set forth in Section 12 of the General Terms and Conditions shall be subject to the Year-Round Reservation Charge, unless no rate limitation applies to such release. In all other cases governed by this Section 3, Shipper shall be subject to the Winter Period Reservation Charge during the Winter Period, and shall be subject to the Summer Period Reservation Charge during the Summer Period, as applicable under Section 3.4.

- 3.6 The following rate schedule acronyms are used in the currently effective rates table appearing as Part 4 of this tariff and in Transporter's transactional reports and documents:
- (a) FT-A – Rates applicable to annual shippers; i. e., shippers subject to the Year-Round Reservation Charge and other applicable charges.
 - (b) FT-S – Rates applicable to seasonal shippers; i. e., shippers subject to the Winter Period Reservation Charge and/or Summer Period Reservation Charge and other applicable charges.
 - (c) FT-EN-A – Rates applicable to annual shippers subscribing to firm transportation service under this rate schedule for Empire North Capacity, as defined in Section 1.19 of the General Terms and Conditions.
 - (d) FT-EN-S – Rates applicable to seasonal shippers subscribing to firm transportation service under this rate schedule for Empire North Capacity, as defined in Section 1.19 of the General Terms and Conditions.
- 3.7 Except as set forth below or in Section 3.9, if Transporter fails to tender Gas for redelivery at the Point(s) of Delivery for the account of a Shipper during any Day, the quantity of Gas that Shipper has nominated for, or makes available to Transporter on, such Day, or Shipper's Maximum Daily Quantity, whichever is less, then subject to the provisions of the General Terms and Conditions, the Shipper shall be entitled to a reservation charge credit equal to the Reservation Charge multiplied by twelve (Months) and divided by 365 (Days), then multiplied by the excess of (a) such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, over (b) the Maximum Daily Quantity, or the quantity actually received by Transporter for the account of Shipper during such Day, whichever is less. This Section 3.7 shall not apply to a negotiated rate agreement unless such agreement specifically provides that this section shall apply or unless service was provided under such agreement prior to the effective date of this FERC Gas tariff, or to force majeure circumstances addressed in Section 3.8.

- 3.8 Except as set forth in Section 3.9, if Transporter fails to tender Gas for redelivery at the Point(s) of Delivery for the account of a Shipper during any Day, due to the incidence of force majeure, as defined in Section 30.6 of the General Terms and Conditions, the quantity of Gas that Shipper has nominated for, or makes available to Transporter on, such Day, or Shipper's Maximum Daily Quantity, whichever is less, then subject to the provisions of the General Terms and Conditions, the Shipper shall be entitled to a reservation charge credit equal to the applicable percentage of the Reservation Charge shown on the currently effective rates table appearing as Part 4 of this tariff, multiplied by twelve (Months) and divided by 365 (Days), then multiplied by the excess of (a) such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, over (b) the Maximum Daily Quantity, or the quantity actually received by Transporter for the account of Shipper during such Day, whichever is less. This Section 3.8 shall not apply to a negotiated rate agreement unless such agreement specifically provides that this section shall apply.
- 3.9 Transporter shall not be obligated to provide a reservation charge credit under Section 3.7 or 3.8 with respect to quantities
- (a) nominated by Shipper at a secondary Point of Receipt or secondary Point of Delivery;
 - (b) nominated by Shipper and subsequently delivered by Transporter at another primary or secondary Point of Delivery during the day; provided that Shipper will not be obligated to submit nominations to another Point of Delivery;
 - (c) that Transporter is unable to schedule at a primary Point of Receipt or Point of Delivery due to the allocation of capacity to a Shipper that was properly scheduled in an earlier nomination cycle that is not subject to reduction or "bumping" in the current cycle;
 - (d) that Transporter delivered at the primary Point of Delivery but were not allocated to Shipper because other shippers without primary firm priority at the point were ranked higher than Shipper under the applicable allocation method for the point;
 - (e) that Transporter is unable to schedule or deliver due to a failure or inadequacy of supply, transportation or market upstream or downstream of Transporter's system, provided that this clause (e)

shall not apply when Transporter's inability to deliver gas is due to the incidence of force majeure, as defined in Section 30.6 of the General Terms and Conditions, affecting Transporter and an upstream or downstream pipeline;

- (f) that Transporter does not accept at a primary Point of Receipt in accordance with the Section 6 of the General Terms and Conditions (Quality);
- (g) that Shipper elected not to receive at a primary Point of Delivery, except when it refuses to accept deliveries because of Transporter's failure to meet its obligations under this tariff; or
- (h) not delivered at a primary Point of Delivery 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.

- 3.10 Compressor Fuel, Other Gas for Transporter's Use, and Electric Power Costs: Shipper shall furnish the Other Gas for Transporter's Use and the applicable Compressor Fuel and pay applicable Electric Power Costs for the Transportation Service performed on behalf of Shipper, as described at Section 23 of the General Terms and Conditions.
- 3.11 Overrun Transportation: For each Dth of gas delivered by Transporter on any day in excess of Shipper's Contract MDQ (whether or not scheduled), Shipper shall pay Transporter the applicable rate for Overrun Transportation set forth on the currently effective rates table appearing as Part 4 of this tariff. The applicable rate during the Winter Period is designated as the Winter Period Overrun Charge. The applicable rate during the Summer Period is designated as the Summer Period Overrun Charge.
- 3.12 Minimum Monthly Bill: The minimum monthly bill shall be the Reservation Charge.

4. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Transporter's effective FERC Gas Tariff, First Revised Volume No. 1, and any revisions thereof that may be proposed and made effective from time to time hereafter, shall apply to and are made a part of this rate schedule.

RATE SCHEDULE FTNN
Firm No Notice Transportation Service

1. AVAILABILITY

- 1.1 This rate schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as “Shipper”) for the Transportation of Gas by Empire Pipeline, Inc. (hereinafter referred to as “Transporter”), when: Transporter has determined that it has sufficient available capacity and requisite governmental authority to perform service requested by Shipper; and Shipper and Transporter have executed an Agreement under this rate schedule.
- 1.2 Transporter shall not be required to grant any said request for transportation service which would require the construction, modification, expansion or acquisition of any facilities. Availability of service is also subject to Section 2 of the General Terms and Conditions - Qualification for Service.
- 1.3 While a determination of capacity on Transporter’s system is reported once each year, on March 1st, in accordance with Section 284.13(d)(2) of the Commission’s regulations, determination of available firm capacity on Transporter’s system shall be made from time to time as capacity becomes available or as requests for service are received hereunder. Subject to Sections 12, 14 and 15 of the General Terms and Conditions of this tariff, in processing requests for service hereunder, Transporter shall allocate any available firm capacity to persons which make a valid request under Section 2.1 of the General Terms and Conditions, on a first come, first served basis determined as of the date Transporter received a valid request.
- 1.4 Upon the request of Shipper, firm primary Point(s) of Delivery or Receipt may be added or deleted from time to time provided Transporter can provide service at such points on a firm basis and provided however that Transporter shall have no obligation to agree to a change in Shipper’s primary firm Point(s) of Delivery or Receipt if such change would result in a decrease in Shipper’s rate or the revenue received from Shipper under the applicable Transportation Service Agreement. The availability of service at secondary Points of Receipt and Delivery is described in Section 2.5 hereof.

- (a) Availability of service at new primary Point(s) of Delivery will be subject to the provisions of this Section 1, and the reassignment of the Shipper's Contract MDQ, as defined in Section 2.4, among its existing and new primary Point(s) of Delivery.
 - (b) Availability of service at new primary Point(s) of Receipt will be subject to the provisions of this Section 1, and the reassignment of the Shipper's Contract MDQ, as defined in Section 2.4, among its existing and new primary Point(s) of Receipt.
 - (c) A request for a change in primary Points of Receipt or Delivery shall be set forth on Transporter's Service Request Form, however, the information specified in subsections (c) and (f) of Section 2.1 of the General Terms and Conditions may be omitted.
 - (d) A change will not be made to a primary Points of Receipt or Delivery if such change would require capacity that is posted for bidding under Section 14 of the General Terms and Conditions, unless such capacity remains available at the end of the posting period.
- 1.5 This FTNN Rate Schedule is available only for transportation to Point(s) of Delivery and Receipt that are equipped with equipment sufficient to provide Transporter with real time measurement, communication and control capability. Transporter may waive this requirement on a non-discriminatory basis with respect to a Point of Delivery or Point of Receipt if it determines that: such equipment exists at another point on Transporter's system and can (i) control gas flows at the delivery or primary receipt point and (ii) provide a close approximation of the quantity of gas flowing at such Point of Receipt or Delivery; or another form of measurement, communication and control is adequate in consideration of the volumetric limitations of the interconnect facilities.
- 1.6 In addition to the information specified in Section 2.1 of the General Terms and Conditions of this tariff, a request for service under this rate schedule shall include the following:
- (a) Points of Receipt/Delivery: The designated primary Point(s) of Receipt and Delivery for the requested transportation (including primary Points of Transportation, Injection and Withdrawal Receipt and Delivery, as defined below) together with the name of the entity

delivering the gas to Transporter and the name of the entity to receive the gas from Transporter.

- (b) Gas Quantities: The maximum daily quantity, for transportation desired at each primary Point of Receipt and Delivery, including at points of storage receipt and delivery, and the requested Contract MDQ, MDTQ, MDWTQ and MDITQ (as defined below) stated in dekatherms.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The transportation service provided under this Rate Schedule FTNN shall be performed under Subpart 284G of the Commission's Regulations or, where specifically referenced in the FTNN Service Agreement, Subpart 284B of such regulations. This Rate Schedule FTNN shall apply to all gas transported by Transporter for Shipper pursuant to an FTNN Service Agreement (the form of which appears as Form 8.015 in Part 8 of this tariff).
- 2.2 Service hereunder shall be provided on a firm basis. However, service may be interrupted for any of the reasons set out in Section 9 of the General Terms and Conditions hereof, or whenever necessary to maintain gas quality or the integrity of Transporter's system. Service hereunder is also subject to the availability of any necessary upstream or downstream transportation and/or storage service, which shall be the responsibility of Shipper to arrange.
- 2.3 Service hereunder shall consist of the receipt by Transporter of natural gas tendered by Shipper for transportation (including the quantities described in Section 23 of the General Terms and Conditions, to the extent applicable from time-to-time) at the primary Point(s) of Receipt specified in the FTNN Service Agreement, or at secondary Point(s) of Receipt as described in Subsection 2.5 hereof, the transportation of that natural gas through or by use of Transporter's system, and the delivery of that natural gas, by Transporter to Shipper or for Shipper's account at the primary Point(s) of Delivery specified in the FTNN Service Agreement, or at secondary Point(s) of Delivery as described in Subsection 2.5. If Shipper's FTNN Service Agreement is associated with a service agreement under Rate Schedule FSNN, the primary Point(s) of Receipt shall include one or more Points of Injection Receipt (at which Transporter shall receive gas to be redelivered for injection pursuant to the FSNN service agreement) and the Point of Withdrawal Receipt at Tuscarora, New York (at which Transporter shall receive gas following withdrawal pursuant to the FSNN service agreement) and the primary Point(s) of Delivery shall include the Point of Injection Delivery at Tuscarora, New York (at which Transporter shall deliver gas for injection) and one or more Points of Withdrawal Delivery (at which Transporter shall redeliver gas following withdrawal). Point(s) of Receipt not associated with storage transportation shall be referred to as Point(s) of Transportation Receipt or Delivery. Shipper's Points of Transportation, Injection and Withdrawal Receipt and Delivery shall be specified in Exhibit A to its FTNN Service Agreement.

- 2.4 Except as provided in Subsections 2.5, 2.9 and 2.10 hereof, Shipper shall have no right:
- (a) to tender gas for transportation in excess of the Contract Maximum Daily Quantity (“Contract MDQ”) set forth in the FTNN Service Agreement, plus the applicable quantities required under Section 23 of the General Terms and Conditions;
 - (b) to tender quantities of gas for transportation in excess of the receipt quantities applicable to a primary Point of Transportation Receipt or combination of primary Points of Transportation Receipt, or in total the Maximum Daily Transportation Quantity (“MDTQ”) specified in Exhibit A to Shipper’s FTNN Service Agreement, which shall be the sum of the receipt quantities applicable to each of the primary Points of Transportation Receipt as specified in Exhibit A, plus the applicable quantities required under Section 23 of the General Terms and Conditions;
 - (c) to tender quantities of gas for transportation for storage injection in excess of the injection quantities applicable to a primary Point of Injection Receipt or combination of primary Points of Injection Receipt, or in total the Maximum Daily Injection Transportation Quantity (“MDITQ”) specified in Exhibit A to the FTNN Service Agreement, which shall be the sum of the receipt quantities applicable to each of the primary Points of Injection Receipt”) as specified in Exhibit A, plus the applicable quantities required under Section 23 of the General Terms and Conditions ;
 - (d) to tender quantities of gas for transportation upon storage withdrawal in excess of the Maximum Daily Withdrawal Transportation Quantity (“MDWTQ”) specified in Exhibit A to the FTNN Service Agreement, as reduced by any quantity tendered for transportation for storage injection under the FTNN Service Agreement, plus the applicable quantities required under Section 23 of the General Terms and Conditions;
 - (e) to take delivery of quantities of gas following transportation in excess of the Contract MDQ, set forth in Shipper’s FTNN Service Agreement;
 - (f) to take delivery of quantities of gas following transportation in excess of the delivery quantities applicable to a primary Point of Transportation Delivery or combination of primary Points of

Transportation Delivery, or in total the MDTQ specified in Exhibit A to Shipper's FTNN Service Agreement, which shall also equal the sum of the delivery quantities applicable to each primary Point of Transportation Delivery as specified in Exhibit A;

- (g) to take delivery of quantities of gas following transportation for storage injection in excess of the MDITQ specified in the FTNN Service Agreement; nor
- (h) to take delivery of quantities of gas following transportation upon storage withdrawal in excess of the withdrawal quantities applicable to a primary Point of Withdrawal Delivery, or combination of primary Points of Withdrawal Delivery, or in total the MDWTQ specified in Exhibit A to the FTNN Service Agreement, which shall be the sum of the withdrawal quantities applicable to each primary Point of Withdrawal Delivery as specified in Exhibit A, as reduced by any quantity delivered following transportation injection under the FTNN Service Agreement;

The Contract MDQ shall be equal to the sum of the MDTQ and the MDWQ.

2.5 Subject to the provisions of this FTNN Rate Schedule, Transporter will:

- (a) accept natural gas tendered by Shipper at a secondary Point of Receipt, and
- (b) deliver natural gas for the Shipper's account at a secondary Point of Delivery;

provided that such acceptance or delivery would not impair Transporter's ability to provide firm transportation to another Shipper from a firm primary Point of Receipt or to a firm primary Point of Delivery, and provided further that any such point(s) are equipped with measurement, control and communication equipment required for firm Points of Receipt or Delivery, except as provided in Section 1.5 herein. Use of secondary Point(s) of Receipt or Point(s) of Delivery by FTNN Shippers shall be superior to the use of such points by interruptible shippers. Unless specifically provided otherwise in a written amendment to the FTNN Service Agreement under Section 3.2 hereof or a Negotiated Rate Agreement under Section 18.2 of the General Terms and Conditions, Transporter's maximum rates shall apply to transportation involving the use of secondary Point(s) of Receipt or Point(s) of Delivery.

- 2.6 A shipper receiving service under this FTNN Rate Schedule shall not lose priority for purposes of this section by the renewal or extension of term of that service.
- 2.7 Any determination by Transporter with regard to the acceptability of a regulatory or other governmental authorization shall be made in the reasonable exercise of its judgment. (See Article V of the Form of FTNN Service Agreement which appears as Form 8.015 in Part 8 of this tariff).
- 2.8 The FTNN Service Agreement shall indicate the transportation path through Transporter's system between Shipper's primary Points of Receipt and Point(s) of Delivery, and the Point(s) of Receipt or Point(s) of Delivery located along the transportation path, including any storage injection or withdrawal path, that are eligible as primary or secondary Point(s) of Receipt or Point(s) of Delivery. Shipper may simultaneously nominate for, and/or release its capacity in two or more segments along its transportation path, provided that the combined nominated and/or released quantities in any such segment do not exceed Shipper's Contract MDQ or its MDTQ, MDITQ, or MDWTQ, as applicable (or the portion thereof identified to a particular transportation path). Each such segment must be bounded by a primary Point of Receipt and a Point of Delivery eligible under Section 1.5 hereof or two Points of Delivery eligible under Section 1.5 hereof. The Commodity Charge and the reimbursement of Other Gas for Transporter's Use and applicable Compressor Fuel and Electric Power Costs shall be applied to each segmented service.

Subject to the limitations set forth above, Shipper's segmentation rights shall include the ability for Shipper or its replacement shippers to nominate a forward-haul and a backhaul transportation to the same Point of Delivery; provided that, with respect to gas flowing opposite to the direction that gas flows from Shipper's primary Point(s) of Receipt to its primary Point(s) of Delivery, deliveries at such point (even if a primary point) shall have the priority set forth at Section 4.2 of the General Terms and Conditions.

- 2.9 Shipper may request Transporter to receive, transport, and deliver quantities of natural gas in excess of Shipper's Contract MDQ any day under the FTNN Service Agreement. In such case, Transporter will determine whether the delivery capacity of its system will permit such receipt, transportation, and delivery without impairing the ability of Transporter to meet its other delivery obligations. Deliveries pursuant to such scheduled overrun transportation shall be subordinated to all firm transportation and

firm storage services and shall be scheduled at a priority equal to Rate Schedule IT.

- 2.10 Shipper may request Transporter to receive, transport and deliver quantities of natural gas within Shipper's Contract MDQ but in excess of the MDTQ, MDITQ, MDWTQ, or the quantities associated with a particular Point of Receipt or Delivery. In such case, Transporter will determine whether the delivery capacity of its system will permit such receipt, transportation, and delivery without impairing the ability of Transporter to meet its other delivery obligations. Receipts and deliveries under this Section 2.10 shall be scheduled at a priority equivalent to out-of-path secondary firm receipts and deliveries, as described in Section 9(c) of the General Terms and Conditions.
- 2.11 A Shipper receiving service under this rate schedule under a service agreement with a primary term of fifteen (15) years or longer shall have the right to extend the term of the service agreement at maximum recourse rates in five (5) year increments by giving written notice to Transporter twelve (12) months prior to the termination date in effect at the time such notice is given.
- 2.12 Unless otherwise agreed to by Transporter, Shipper is responsible for making all arrangements for any transportation desired by Shipper upstream or downstream of Transporter's facilities.
- 2.13 The Contract MDQ, MDTQ, MDWTQ and MDITQ shall each be a uniform quantity throughout the contract year, except that Transporter may, on a not unduly discriminatory basis, agree to certain differing levels in any of these contract quantities during specified periods during the year. Any differing levels in contract quantities shall be specified in the executed service agreement. For purposes of Section 15 of the General Terms and Conditions, (a) a service agreement under this Rate Schedule at the applicable maximum rates with varying levels of Contract MDQ, MDTQ, MDWTQ and MDITQ greater than zero for a term of twelve or more consecutive months shall be a Qualifying Agreement, and (b) a "quantitative portion" of Shipper's Contract MDQ or the portion bid upon must reflect a uniform percentage reduction for each month of the contract year, and a uniform percentage reduction to the MDTQ, MDWTQ and MDITQ, or as mutually agreed to by Transporter on a non-discriminatory basis.
- 2.14 Transporter shall not be required to receive or deliver gas at a Point of Receipt or Delivery where the total quantity of gas for transportation

scheduled is less than that required to operate existing measurement facilities at such point.

- 2.15 Notwithstanding Section 4 of the General Terms and Conditions of this tariff, if Shipper's FTNN Service Agreement is associated with a service agreement under Rate Schedule FSNN, Transporter will adjust scheduled quantities pursuant to such FSNN Service Agreement as necessary to balance nominated receipts and actual deliveries under Shipper's FTNN Service Agreement up to the MDIQ or MDWQ specified in such FSNN Service Agreement, subject to the limitations set forth in Sections 2.3 through 2.5 of Rate Schedule FSNN, and may perform such balancing adjustments in excess of these limitations, provided that such actions do not impair its ability to provide firm transportation to another shipper from a firm primary Point of Receipt or to a firm primary Point of Delivery; and provided further, that nothing in this Section 2.15 obligates Transporter to transport quantities in excess of the limitations set forth in Section 2.4.
- 2.16 When nominating for transportation service pursuant to Section 4 of the General Terms and Conditions, Shipper must separately indicate its requested use of its MDTQ, MDWTQ and MDITQ.
- 2.17 Transporter may, on a not unduly discriminatory basis, permit a shipper to convert an FT Service Agreement to an FTNN Service Agreement (without an associated FSNN Service Agreement), or permit a shipper to convert an FTNN Service Agreement (without an associated FSNN Service Agreement), to an FT Service Agreement, in either case with identical contract quantities and primary Points of Receipt and Delivery.

3. RATES

- 3.1 The maximum and minimum rates for service under this rate schedule are set forth on the currently effective rates table appearing as Part 4 of this tariff, and these rates are incorporated herein by reference. These rates shall be applicable to service hereunder, unless Transporter and Shipper have agreed upon a negotiated rate pursuant to Section 18.2 of the General Terms and Conditions of this tariff.
- 3.2 Unless otherwise agreed to by Transporter and Shipper in a written amendment to the FTNN Service Agreement, Shipper shall pay Transporter charges based on the maximum rates set forth on the currently effective rates table appearing at Part 4 of this tariff. Transporter and Shipper may agree in such amendment to one or more of the following provisions:
- (a) that a specified discounted rate will apply only to specified quantities under the agreement;
 - (b) that a specified discounted rate will apply only if specified quantities are achieved or only with respect to quantities below a specified level;
 - (c) that a specified discounted rate will apply only during specified periods of the year or for a specifically defined period;
 - (d) that a specified discounted rate will apply only to specified points, combinations of points, zones or other defined geographical area(s), which provision may include an explanation of how reservation or other fixed charges are calculated when non-discounted points, zones or areas are used;
 - (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported [i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported];
 - (f) that a specified discounted rate is based on published index prices for specific receipt and/or delivery points or other agreed upon published pricing reference points (such discounted rate may be based upon the differential between published prices or arrived at by formula). Any agreement containing such discounted rate shall

specify the rate component(s) to be discounted. To the extent the firm reservation charge is discounted, the index price differential rate formula shall be calculated to state a rate per maximum daily quantity. Furthermore, such discount shall not change the underlying rate design to include any minimum bill or minimum take provision that has the effect of guaranteeing revenue;

- (g) that if one rate component, which was at or below the applicable maximum rate at the time the discount agreement was executed, subsequently exceeds the applicable maximum rate or is less than the applicable minimum rate due to a change in Transporter's maximum (minimum) rates so that such rate component must be adjusted downward (upward) to equal the new applicable maximum (minimum) rate, then other rate components may be adjusted upward (downward) to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rate applicable to that rate component. The amendment may also provide for an adjustment to rate components to achieve the over-all revenues attributable to the agreed rates under the service agreement being amended and other service agreements under the same or other rate schedules, should changes in Transporter's maximum or minimum rates increase or decrease the revenues attributable to such other service agreement, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rates applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff section(s). Nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

Notwithstanding the foregoing, no discount agreement may provide that an agreed discount as to a defined quantity level will be invalidated if the Shipper transports an incremental quantity above the agreed level. Transporter and Shipper may agree to a discounted rate provided that the discounted rate is between the applicable maximum and minimum rates.

A provision entered into pursuant to this Subsection 3.2 shall not constitute a material deviation from the applicable form of service agreement.

- 3.3 For all service rendered under this rate schedule, Shipper shall pay Transporter the sum of the following:
- (a) Reservation Charge. A charge per month per Dth of Contract MDQ.
 - (b) Commodity Charge. A charge per Dth for all gas delivered by Transporter during the billing month.
 - (c) An amount to reimburse Transporter for filing fees paid to the Commission associated with the transportation service.
 - (d) An amount to reimburse Transporter for the cost of any new facilities installed by Transporter to receive or deliver natural gas for the account of Shipper; including, but not limited, to equipment sufficient to provide Transporter with real time measurement, communication and control capability.
 - (e) All other charges set forth in this tariff.
- 3.4 The applicable maximum and minimum reservation and commodity rates are set forth separately on the currently effective rates table appearing as Part 4 of this tariff.
- 3.5 Where the Shipper's Contract MDQ is a uniform daily quantity throughout each contract year, and the term of the Shipper's service agreement is twelve (12) consecutive months or a multiple thereof, Shipper shall be subject to the Year-Round Reservation Charge, as applicable under Section 3.4. In addition, the Year-Round Reservation Charge will be applicable to service agreements under which service commences on the effective date of this FTNN Rate Schedule and terminates on March 31 of any year. Shippers acquiring firm capacity subject to the Year-Round Reservation Charge through the capacity release provisions set forth in Section 12 of the General Terms and Conditions shall be subject to the Year-Round Reservation Charge, unless no rate limitation applies to such release. In all other cases governed by this Section 3, Shipper shall be subject to the Winter Period Reservation Charge during the Winter Period, and shall be subject to the Summer Period Reservation Charge during the Summer Period, as applicable under Section 3.4.

- 3.6 The following rate schedule acronyms are used in the currently effective rates table appearing as Part 4 of this tariff and in Transporter's transactional reports and documents:
- (a) FTNN-A – Rates applicable to annual shippers; *i. e.*, shippers subject to the Year-Round Reservation Charge and other applicable charges.
 - (b) FTNN-S – Rates applicable to seasonal shippers; *i. e.*, shippers subject to the Winter Period Reservation Charge and/or Summer Period Reservation Charge and other applicable charges.
 - (c) FTNN-EN-A – Rates applicable to annual shippers subscribing to firm transportation service under this rate schedule for Empire North Capacity, as defined in Section 1.19 of the General Terms and Conditions.
 - (d) FTNN-EN-S – Rates applicable to seasonal shippers subscribing to firm transportation service under this schedule for Empire North Capacity, as defined in Section 1.19 of the General Terms and Conditions.
- 3.7 Except as set forth below, if Transporter fails to tender Gas for redelivery at the Point(s) of Delivery for the account of a Shipper during any Day, the quantity of Gas that Shipper has nominated for, or makes available to Transporter on such Day, or Shipper's Contract MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions, the Shipper shall be entitled to a reservation charge credit equal to the Reservation Charge multiplied by twelve (Months) and divided by 365 (Days), then multiplied by the excess of (a) such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, over (b) the Contract MDQ, or the quantity actually received by Transporter for the account of Shipper during such Day, whichever is less. This Section 3.7 shall not apply to a negotiated rate agreement unless such agreement specifically provides that this section shall apply or unless service was provided under such agreement prior to the effective date of this tariff, or to force majeure circumstances addressed in Section 3.8.
- 3.8 Except as set forth below, if Transporter fails to tender Gas for redelivery at the Point(s) of Delivery for the account of a Shipper during any Day, due to the incidence of force majeure, as defined in Section 30.6 of the General

Terms and Conditions, the quantity of Gas that Shipper has nominated for, or makes available to Transporter on such Day, or Shipper's Contract MDQ, whichever is less, then subject to the provisions of the General Terms and Conditions, the Shipper shall be entitled to a reservation charge credit equal to the applicable percentage of the Reservation Charge shown on the currently effective rates table appearing as Part 4 of this tariff, multiplied by twelve (Months) and divided by 365 (Days), then multiplied by the excess of (a) such quantity of Gas nominated or made available for delivery by Shipper, whichever is less, over (b) the Contract MDQ, or the quantity actually received by Transporter for the account of Shipper during such Day, whichever is less. This Section 3.8 shall not apply to a negotiated rate agreement unless such agreement specifically provides that this section shall apply.

3.9 Transporter shall not be obligated to provide a reservation charge credit under Section 3.7 or 3.8 with respect to quantities

- (a) nominated by Shipper at a secondary Point of Receipt or secondary Point of Delivery;
- (b) nominated by Shipper and subsequently delivered by Transporter at another primary or secondary Point of Delivery during the day; provided that Shipper will not be obligated to submit nominations to another Point of Delivery;
- (c) that Transporter is unable to schedule at a primary Point of Receipt or Point of Delivery due to the allocation of capacity to a Shipper that was properly scheduled in an earlier nomination cycle that is not subject to reduction or "bumping" in the current cycle;
- (d) that Transporter delivered at the primary Point of Delivery but were not allocated to Shipper because other shippers without primary firm priority at the point were ranked higher than Shipper under the applicable allocation method for the point;
- (e) that Transporter is unable to schedule or deliver due to a failure or inadequacy of supply, transportation or market upstream or downstream of Transporter's system, provided that this clause (e) shall not apply when Transporter's inability to deliver gas is due to the incidence of force majeure, as defined in Section 30.6 of the General Terms and Conditions, affecting Transporter and an upstream or downstream pipeline;

- (f) that Transporter does not accept at a primary Point of Receipt in accordance with the Section 6 of the General Terms and Conditions (Quality);
 - (g) that Shipper elected not to receive at a primary Point of Delivery, except when it refuses to accept deliveries because of Transporter's failure to meet its obligations under this tariff; or
 - (h) not delivered at a primary Point of Delivery 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.
- 3.10 Compressor Fuel, Other Gas for Transporter's Use, and Electric Power Costs: Shipper shall furnish Other Gas for Transporter's Use and the applicable Compressor Fuel and pay applicable Electric Power Costs for the Transportation Service performed on behalf of Shipper, as described in Section 23 of the General Terms and Conditions.
- 3.11 Overrun Transportation: For each Dth of gas delivered by Transporter on any day in excess of Shipper's Contract MDQ (whether or not scheduled), Shipper shall pay Transporter the applicable rate for Overrun Transportation set forth on the currently effective rates table appearing as Part 4 of this tariff. The applicable rate during the Winter Period is designated as the Winter Period Overrun Charge. The applicable rate during the Summer Period is designated as the Summer Period Overrun Charge.
- 3.12 Minimum Monthly Bill: The minimum monthly bill shall be the Reservation Charge.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Transporter's effective FERC Gas Tariff, First Revised Volume No. 1, and any revisions thereof that may be proposed and made effective from time to time hereafter, shall apply to and are made a part of this rate schedule.

RATE SCHEDULE IT
Interruptible Transportation Service

1. AVAILABILITY

- 1.1 This rate schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as “Shipper”) for the Transportation of Gas by Empire Pipeline, Inc. (hereinafter referred to as “Transporter”) when Transporter has the physical ability and requisite governmental authority to perform the desired service, and Shipper and Transporter have executed an Agreement under this rate schedule.
- 1.2 Transporter shall not be required to grant a request for transportation service which would require the construction, modification, expansion or acquisition of any facilities. Availability of service is also subject to Section 2 of the General Terms and Conditions - Qualification for Service.
- 1.3 In addition to the information specified in Section 2 of the General Terms and Conditions of this tariff, a request for service under this rate schedule shall include the following:
 - (a) Gas Quantities: The maximum daily quantity (MDQ) applicable to Shipper’s Service Agreement.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The transportation service provided under this Rate Schedule IT shall be performed under Subpart 284G of the Commission’s Regulations or, where specifically referenced in the IT Service Agreement, Subpart 284B of such regulations. This Rate Schedule IT shall apply to all service provided by Transporter for Shipper pursuant to an IT Service Agreement.
- 2.2 (a) Service hereunder shall be provided on an interruptible basis. Interruption of service includes decreasing, suspending, or discontinuing both the receipt and delivery of gas.
- (b) Service hereunder will be interrupted whenever necessary to provide firm transportation service. Service hereunder is also subject to the availability of any necessary upstream or downstream transportation, which shall be the responsibility of Shipper to arrange.
- 2.3 Service hereunder shall consist of the receipt by Transporter of natural gas tendered by Shipper for transportation (including the quantities described in Section 23 of the General Terms and Conditions) at the Point(s) of Receipt specified in the IT Service Agreement, the transportation of that natural gas through or by use of Transporter’s system, and the delivery of that natural gas by Transporter to Shipper or for Shipper’s account at the Point(s) of Delivery specified in the IT Service Agreement.
- 2.4 All Point(s) of Receipt and Point(s) of Delivery are available to Shippers as they are added to Transporter’s system.
- 2.5 Shipper may request Transporter to receive, transport, and deliver on any day, quantities of natural gas in excess of Shipper’s MDQ under the IT Service Agreement. In such case, Transporter will determine whether the delivery capacity of its system will permit such receipt, transportation, and delivery obligations.
- 2.6 Transporter shall not be required to receive or deliver gas at a Point of Receipt or Point of Delivery where the total quantity of gas for transportation scheduled is less than that required to operate existing measurement facilities at such point.

3. RATES

- 3.1 The maximum and minimum commodity rates per Dth for service under this rate schedule during the Winter Period and, conversely, during the Summer Period, are set forth on the currently effective rates table appearing as Part 4 of this tariff, and these rates are incorporated herein by reference. These rates shall be applicable to service hereunder, unless Transporter and Shipper have agreed upon a negotiated rate pursuant to Section 18.2 of the General Terms and Conditions of this tariff.
- 3.2 Unless otherwise mutually agreed to by Transporter and Shipper in a written amendment to the IT Service Agreement or unless Shipper utilizes a combination of receipt and delivery points eligible for specific discounted rates posted by Transporter on its web site as described in Section 3.6 below, Shipper shall pay Transporter charges based on the maximum rates set forth on the currently effective rates table appearing as Part 4 of this tariff. Transporter and Shipper may agree in such amendment to one or more of the following provisions:
- (a) that a specified discounted rate will apply only to specified quantities under the agreement;
 - (b) that a specified discounted rate will apply only if specified quantities are achieved or only with respect to quantities below a specified level;
 - (c) that a specified discounted rate will apply only during specified periods of the year or for a specifically defined period;
 - (d) that a specified discounted rate will apply only to specified points, combinations of points, zones or other defined geographical area(s);
 - (e) and/or that a specified discounted rate will apply in a specified relationship to the quantities actually transported [i.e., that the commodity charge will be adjusted in a specified relationship to quantities actually transported];
 - (f) that a specified discounted rate is based on published index prices for specific receipt and/or delivery points or other agreed upon published pricing reference points (such discounted rate may be based upon the differential between published prices or arrived at

by formula). Any agreement containing such discounted rate shall specify the rate component(s) to be discounted. Furthermore, such discount shall not change the underlying rate design to include any minimum bill or minimum take provision that has the effect of guaranteeing revenue.

Notwithstanding the foregoing, no discount agreement may provide that an agreed discount as to a defined quantity level will be invalidated if the Shipper transports an incremental quantity above the agreed level. Transporter and Shipper may agree to a discounted rate provided that the discounted rate is between the applicable maximum and minimum rates.

A provision entered into pursuant to this provision shall not constitute a material deviation from the applicable form of service agreement.

- 3.3 For all service rendered under this rate schedule during each month, Shipper shall pay Transporter the sum of the following:
- (a) Commodity Charge: A charge per Dth for all gas delivered by Transporter during the billing month.
 - (b) An amount to reimburse Transporter for filing fees associated directly with the transportation service and paid to the Commission.
 - (c) An amount to reimburse Transporter for the costs of any facilities installed by Transporter to receive or deliver natural gas for the account of Shipper.
 - (d) All other charges set forth in this tariff.
- 3.4 Compressor Fuel, Other Gas For Transporter's Use, and Electric Power Costs: Shipper shall furnish Other Gas for Transporter's Use and the applicable Compressor Fuel and pay applicable Electric Power Costs for the Transportation Service performed on behalf of Shipper, as described at Section 23 of the General Terms and Conditions.
- 3.5 Posted Discounts: Transporter may from time to time post on its web site discounted rates for service under this rate schedule for specified combinations of points of receipt and delivery and for a specified term; provided that such discounted rates shall be between the applicable maximum and minimum rates set forth on the currently effective rates

table appearing as Part 4 of this tariff. In such cases, Shipper shall be charged the posted discounted rate for utilizing the service between the specified combination(s) of point(s) of receipt and delivery for quantities up to Shipper's Contract MDQ during the specified term of the discount.

- 3.6 Overrun Transportation: For each Dth of gas delivered by Transporter on any day in excess of Shipper's Contract MDQ (whether or not scheduled), Shipper shall pay Transporter the applicable commodity rate for service as described in Section 3.1 of this rate schedule and as shown on the currently effective rates table appearing as Part 4 of this tariff.
- 3.7 Minimum Monthly Bill: None.

4. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Transporter's effective FERC Gas Tariff, First Revised Volume No. 1, and any revisions thereof that may be proposed and made effective from time to time hereafter, shall apply to and are made a part of this Rate Schedule.

RATE SCHEDULE FSNN
Firm No Notice Storage Service

1. AVAILABILITY

- 1.1 This rate schedule is available for storage service by Empire Pipeline, Inc. (hereinafter called “Transporter”) for any person, corporation, partnership or any other party (hereinafter called “Shipper”) provided that: (i) capacity is made available by Transporter’s storage service provider to provide service on a firm basis throughout the requested term; (ii) Shipper makes a request for service as set forth in Section 2 of the General Terms and Conditions and executes a service agreement for firm no notice storage service under this FSNN Rate Schedule in the form appearing as Form 8.025 of this tariff; and (iii) said service complies with the terms and conditions of this FSNN Rate Schedule.
- 1.2 For purposes of determining the availability of service in processing requests for service hereunder, Transporter shall not grant any said request for storage service: (i) for which capacity is not available on any portion of its system necessary to provide such service on a firm basis; (ii) which could in Transporter’s judgment interfere with the integrity of its system, or service to existing firm transportation or firm storage customers; or (iii) if such service does not comply with this FSNN Rate Schedule or the FSNN Service Agreement. Transporter shall not be required to grant any said request for storage service which would require the construction, modification, expansion or acquisition of any facilities. Availability of service is also subject to Section 2 of the General Terms and Conditions - Qualification for Service.
- 1.3 While a determination of capacity on Transporter’s system is reported once each year, on March 1st, in accordance with Section 284.13(d)(2) of the Commission’s regulations, determination of available firm capacity on Transporter’s system shall be made from time to time as capacity becomes available or as requests for service are received hereunder. Subject to Sections 12, 14 and 15 of the General Terms and Conditions of this tariff, in processing requests for service hereunder, Transporter shall allocate any available firm capacity to persons which make a valid request under Section 2.1 of the General Terms and Conditions, on a first come, first served basis determined as of the date Transporter received a valid request.

1.4 In addition to the information specified in Section 2.1 of the General Terms and Conditions, a request for service under this rate schedule shall include the following:

- (a) Gas Quantities: The Maximum Storage Quantity (MSQ), the Maximum Daily Withdrawal Quantity (MDWQ), which shall be determined by dividing the MSQ by 68.238, and the Maximum Daily Injection Quantity (MDIQ), which shall be determined by dividing the MSQ by 136.474, all stated in dekatherms; provided that for any releases of FSNN capacity made pursuant to Section 12 of the General Terms and Conditions that terminate on or before March 31, 2017, the MDWQ shall be determined by dividing the MSQ by 60, and the MDIQ shall be determined by dividing the MSQ by 120, all stated in dekatherms.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The storage service provided under this FSNN Rate Schedule shall be performed under Subpart 284G of the Commission’s Regulations or, where specifically referenced in the FSNN Service Agreement, Subpart 284B of such regulations. This FSNN Rate Schedule shall apply to all gas stored by Transporter for Shipper pursuant to an FSNN Service Agreement.
- 2.2 Service hereunder shall consist of (a) the receipt of natural gas delivered to Transporter’s interconnection with National Fuel Gas Supply Corporation (“Supplier”) at Tuscarora, New York, (b) transportation of that gas under a lease with Supplier (“Supplier Lease”) to Supplier’s storage facilities utilized by Transporter, (c) the injection of gas into Supplier’s storage facilities, consistent with Section 2.4 herein and the storage and withdrawal of that gas under the Supplier Lease, (d) transportation of that gas under the Supplier Lease to Transporter’s interconnection with Supplier, and (e) the delivery of that gas, after reductions as set out in the FSNN Service Agreement and Section 3 of this FSNN Rate Schedule, into Transporter’s transmission facilities.
- 2.3 Except as provided in Subsections 2.5 and 2.6 hereof, Shipper shall have no right:
- (a) to tender any gas for injection during periods of time not within the Injection Period, which shall commence April 1st and end November 1st,
 - (b) to tender for injection on any day a quantity of gas in excess of the sum of the Maximum Daily Injection Quantity (MDIQ) specified herein and in the FSNN Service Agreement, and a quantity sufficient to satisfy the retentions described in Subsection 3.2 hereof,
 - (c) to store a quantity of gas in excess of the Maximum Storage Quantity (MSQ),
 - (d) to withdraw any gas during periods of time not within the Withdrawal Period, which shall commence November 1st and end March 31st, or
 - (e) to withdraw quantities of gas in excess of the Maximum Daily Withdrawal Quantity (MDWQ) specified in the FSNN Service Agreement.

- 2.4 Service hereunder shall be provided on a firm basis. However, service may be interrupted for any of the reasons set out in Section 9 of the General Terms and Conditions hereof, or whenever necessary to maintain gas quality or the integrity of Transporter’s system; provided, however, that in the event that Supplier fails, for any reason whatsoever to provide service to Transporter under the Supplier Lease then Transporter’s obligation to provide service hereunder shall be reduced accordingly. Similarly, to the extent Supplier limits service(s), directs actions or modifies the service(s) under the Supplier Lease then Transporter shall limit service, direct actions or modify service to Shipper to the extent so required.
- 2.5 Subject to any other limitation in this Part 2 of this Rate Schedule, at Shipper’s request Transporter shall be obligated to inject into storage on any one day quantities up to the MDIQ, or withdraw from storage on any one day, the applicable percentage of the MDWQ, based on the percentage of the MSQ occupied, as provided in the following table:

<u>When Shipper’s Storage Balance is:</u>	<u>Transporter’s Obligation to Withdraw gas is limited to:</u>
greater than 27% of MSQ	100% of the MDWQ
greater than 11% of MSQ but less than or equal to 27% of MSQ	65% of the MDWQ
greater than 0% of MSQ but less than or equal to 11% of MSQ	43% of the MDWQ

- 2.6 Provided Transporter determines that the receipt of gas and the injection of such gas into storage from Shipper can be accomplished by Transporter without detriment to Transporter’s facilities and/or Transporter’s ability to meet its firm obligations to other Shippers, and is allowed by Supplier, Transporter, upon request of Shipper, shall inject on an interruptible basis quantities of gas in excess of the limitations set forth in Sections 2.3 through 2.5 hereof. Such excess quantities shall be referred to as authorized overruns.

- 2.7 Provided such withdrawal from storage and delivery of such gas to Shipper can be accomplished by Transporter without detriment to Transporter's facilities and/or Transporter's ability to meet its firm obligations to other Shippers, and is allowed by Supplier, Transporter, upon request of Shipper, shall withdraw on an interruptible basis quantities of gas in excess of the limitations set forth in Sections 2.3 through 2.5 hereof. Any excess quantities shall be referred to as authorized overruns.
- 2.8 Transporter shall provide service under this FSNN Rate Schedule through service obtained from Supplier and as such shall be provided through Supplier's combined utilization of each of its individual storage fields. Shipper's Storage Balance shall not be stored in or allocated to any particular storage field(s).
- 2.9 Notwithstanding Section 4 of the General Terms and Conditions of this tariff, and subject to the limitations set forth in Sections 2.3 through 2.5 hereof, Transporter will adjust scheduled injections and withdrawals pursuant to an FSNN Service Agreement as necessary to balance nominated receipts and actual deliveries under the Shipper's FTNN Service Agreement up to the MDIQ or MDWQ specified in the Shipper's FSNN Service Agreement.
- 2.10 A shipper receiving service under this FSNN Rate Schedule shall not lose priority for purposes of this section by the renewal or extension of term of that service.

3. RATES

- 3.1 The maximum and minimum rates for service hereunder are set forth on the currently effective rates table appearing as Part 4 of this tariff, and these rates are incorporated herein by reference. These rates shall be applicable to service hereunder, unless Transporter and Shipper have agreed upon a negotiated rate pursuant to Section 18.2 of the General Terms and Conditions of this tariff.
- 3.2 For all service rendered under this rate schedule, Shipper shall pay Transporter the sum of the following:
- (a) Storage Capacity Charge. A charge per month per Dth of Maximum Storage Quantity.
 - (b) Storage Demand Charge. A charge per month per Dth of Maximum Daily Withdrawal Quantity.
 - (c) Injection Charge. A charge per Dth for all gas received during the billing month by Transporter for gas transported by Supplier for injection and for gas injected hereunder, net of quantities retained pursuant to Section 3.2(e) hereof during the billing month.
 - (d) Withdrawal Charge. A charge per Dth for all gas transported by Supplier for withdrawal and for gas withdrawn by Transporter during the billing month, net of quantities retained pursuant to Section 3.2(f) hereof during the billing month.
 - (e) During injection of gas hereunder, Transporter will retain the percentage of gas set forth in Part 4 of this tariff as Storage Injection Operating and LAUF Retention, which shall be determined from the quantities retained by Supplier during transportation and injection into storage under the Supplier Lease.
 - (f) During withdrawal of gas hereunder, Transporter will retain the percentage of gas set forth in Part 4 of this tariff as Storage Withdrawal Operating and LAUF Retention, which shall be determined from the quantities retained by Supplier during withdrawal from storage and transportation under the Supplier Lease.
 - (g) An amount to reimburse Transporter for filing fees paid to the Commission associated with the additional storage service.

- (h) An amount to reimburse Transporter for the cost of any facilities installed by Transporter to receive or deliver natural gas for the account of Shipper.

3.3 Except as provided by valid rule or regulation, Transporter is not obligated to offer to store or store gas at any rates less than the maximum rates specified for this rate schedule in Part 4; however, nothing precludes Transporter from agreeing, in an amendment to the FSNN Service Agreement, to charge a rate between the maximum and minimum rate specified for service under this Rate Schedule as set forth in Part 4 of this tariff. Transporter and Shipper may agree in any such amendment to one or more of the following provisions:

- (a) that a specified discounted rate will apply only to specified quantities under the agreement;
- (b) that a specified discounted rate will apply only if specified quantities are achieved or only with respect to quantities below a specified level;
- (c) that a specified discounted rate will apply only during specified periods of the year or for a specifically defined period;
- (d) that a specified discounted rate will apply in a specified relationship to the quantities actually transported [i.e., that the capacity or demand charge will be adjusted in a specified relationship to quantities actually transported];
- (e) that a specified discounted rate is based on published index prices for specific receipt and/or delivery points or other agreed upon published pricing reference points (such discounted rate may be based upon the differential between published prices or arrived at by formula). Any agreement containing such discounted rate shall specify the rate component(s) to be discounted. To the extent the firm capacity or demand charge is discounted, the index price differential rate formula shall be calculated to state a rate per maximum daily quantity. Furthermore, such discount shall not change the underlying rate design to include any minimum bill or minimum take provision that has the effect of guaranteeing revenue;

- (f) that if one rate component, which was at or below the applicable maximum rate at the time the discount agreement was executed, subsequently exceeds the applicable maximum rate or is less than the applicable minimum rate due to a change in Transporter's maximum (minimum) rates so that such rate component must be adjusted downward (upward) to equal the new applicable maximum (minimum) rate, then other rate components may be adjusted upward (downward) to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rate applicable to that rate component. The amendment may also provide for an adjustment to rate components to achieve the over-all revenues attributable to the agreed rates under the service agreement being amended and other service agreements under the same or other rate schedules, should changes in Transporter's maximum or minimum rates increase or decrease the revenues attributable to such other service agreement, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. Nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

Notwithstanding the foregoing, no discount agreement may provide that an agreed discount as to a defined quantity level will be invalidated if the Shipper transports an incremental quantity above the agreed level. Transporter and Shipper may agree to a discounted rate provided that the discounted rate is between the applicable maximum and minimum rates.

A provision entered into pursuant to this Subsection 3.3 shall not constitute a material deviation from the applicable form of service agreement.

3.4 Changes in Rates to Reflect Changes by Supplier

This section sets forth the procedures for changing Transporter's rates under this rate schedule when Supplier changes the rates, charges or retainages applicable for such service, and also to flow through refunds received from Supplier.

- (a) Rate Change – The charges under this rate schedule, as shown on the currently effective rates table appearing as Part 4 of this tariff (“Table of Rates”), reflect, as appropriate, amounts payable by Transporter to Supplier for storage and storage transportation services under the Supplier Lease at the rates applicable to Supplier’s Rate Schedule FSS and FST, respectively. The services provided by Supplier are utilized by Transporter to render service to Shipper under this rate schedule. A change in charges payable by Transporter to Supplier shall be reflected in this rate schedule by the following procedure:
- (i) Storage Demand Charge – The Storage Demand Charge shown on the Table of Rates is equal to the sum of the monthly Storage Demand Charge for Supplier’s FSS service and monthly Reservation Charges for Supplier’s FST service to be paid by Transporter to Supplier under the Supplier Lease (together “Supplier Demand Costs”). Transporter shall reduce or increase, as appropriate, the Storage Demand Charge shown on such Table of Rates to reflect the change in Supplier Demand Costs.
 - (ii) Storage Capacity Charge – The Storage Capacity Charge shown on the Table of Rates is equal to the Storage Capacity Charge to be paid by Transporter to Supplier under the Supplier Lease. Transporter shall reduce or increase, as appropriate, the Storage Capacity Charge shown on such Table of Rates to reflect the change in Supplier’s Storage Capacity Charges.
 - (iii) Charges for Quantities Injected and Withdrawn – The Injection and Withdrawal Charges shown on the Table of Rates are the commodity charges of Supplier to transport, inject and withdraw Shipper’s storage quantities. Transporter shall reduce or increase, as appropriate, the Injection and the Withdrawal Charges shown on such Table of Rates to reflect the current commodity rates of Supplier.
 - (iv) Storage Injection and Withdrawal Operating and LAUF Retentions – Transporter shall recover from Shipper those quantities of fuel and other quantities as specified in Section 3.2 hereunder. The effective date of any change to such Storage Injection or Withdrawal Operating and LAUF Retention shall coincide with the effective date of any

changes in Supplier's Storage Operating or LAUF Retention, Transportation Fuel and Company Use Retention or Transportation LAUF Retention applicable to the services provided hereunder.

- (b) Notification – Transporter shall give notice via its electronic bulletin board of any proposed change filed by Supplier which Transporter is authorized to track under this rate schedule within three (3) business days following Transporter's receipt of such filing. Such notice shall include the expected effect on Transporter's retainages under this rate schedule.
 - (c) Transporter's Tracker Filings – Transporter shall file to track any rate or retention change or filing change by Supplier which affects Transporter's rates or retainages under this rate schedule no later than thirty (30) days following the issuance date of the Commission order which accepts and makes effective Supplier's change. The effective date of such change in Transporter's rates or retainages shall coincide with the effective date of any change in rates by Supplier.
 - (d) Refunds – Within forty-five (45) days of the receipt thereof, Transporter shall refund to its customers under this rate schedule all amounts refunded to Transporter by Supplier under the related storage and transportation rate schedules, including any interest paid by Supplier. Each customer's proportionate part of such refund shall be determined in the same manner as the refund from Supplier was determined.
- 3.5 Each Shipper submitting to Transporter a Customer Nomination pursuant to Section 28 of the General Terms and Conditions of this tariff for a transfer of Storage Balance shall pay Transporter an administrative charge equal to the current Posted Rate Schedule FSNN Storage Balance Transfer Rate, ranging between the maximum and the minimum of such rate as set forth on the currently effective rates table appearing as Part 4 of this tariff. Such charge shall be billed on the invoice for the billing period in which a Customer Nomination Form is received by Transporter.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Transporter's effective FERC Gas Tariff, First Revised Volume No. 1, and any revisions thereof that may be proposed and made effective from time to time hereafter shall apply to and are made a part of this rate schedule.

RATE SCHEDULE ISS
Interruptible Storage Service

1. AVAILABILITY

- 1.1 This rate schedule is available for interruptible storage service by Empire Pipeline, Inc. (hereinafter called “Transporter”) for any person (hereinafter called “Shipper”) provided that: (i) capacity is made available by Transporter’s storage service provider to provide service on an interruptible basis; (ii) Shipper makes a request for service as set forth in Section 2 of the General Terms and Conditions and executes a service agreement for interruptible storage service under this ISS Rate Schedule in the form appearing as Form 8.030 of this tariff; and (iii) said service complies with the terms and conditions of this ISS Rate Schedule.
- 1.2 In addition to the information specified in Section 2.1 of the General Terms and Conditions, a request for service under this rate schedule shall include the following:
- (a) Gas Quantities: The Maximum Storage Quantity (MSQ), the Maximum Daily Withdrawal Quantity (MDWQ), and the Maximum Daily Injection Quantity (MDIQ), all stated in dekatherms.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The storage service provided under this ISS Rate Schedule shall be performed under Subpart 284G of the Commission’s Regulations or, where specifically referenced in the FSNN Service Agreement, Subpart 284B of such regulations. This ISS Rate Schedule shall apply to all gas stored by Transporter for Shipper pursuant to an ISS Service Agreement.
- 2.2 (a) Service hereunder shall be provided on an interruptible basis. Interruption of service includes decreasing, suspending or discontinuing both the receipt and delivery of gas.
- (b) Service hereunder will be interrupted whenever necessary to effect injections or withdrawals for firm storage customers.
- 2.3 Service hereunder shall consist of (a) the receipt of natural gas delivered to Transporter’s interconnection with National Fuel Gas Supply Corporation (“Supplier”) at Tuscarora, New York, (b) transportation of that gas under a lease with Supplier (“Supplier Lease”) to Supplier’s storage facilities utilized by Transporter, (c) the injection of gas into Supplier’s storage facilities, consistent with Section 2.4 herein and the storage and withdrawal of that gas under the Supplier Lease, (d) transportation of that gas under the Supplier Lease to Transporter’s interconnection with Supplier, and (e) the delivery of that gas, after reductions as set out in the ISS Service Agreement and Section 3 of this ISS Rate Schedule, into Transporter’s transmission facilities.
- 2.4 The ISS Service Agreement shall specify the Maximum Daily Injection Quantity, Maximum Daily Withdrawal Quantity, and Maximum Storage Quantity applicable to Shipper.
- 2.5 To the extent storage capacity which is being utilized by a Shipper hereunder is needed by Transporter in order to satisfy or to accommodate Transporter’s obligations to firm transportation or storage customers, Transporter shall require Shipper to withdraw all, or any portion, of the gas quantities held in storage within thirty (30) days of Transporter’s notice to Shipper. If Shipper fails to arrange for the withdrawal from storage of the quantities specified by Transporter in its notice, despite the availability of capacity for the withdrawal of Shipper’s gas under its ISS Service Agreement and the transportation of Shipper’s gas under its IT, FT or FTNN Service Agreement, Transporter shall take title to Shipper’s ISS Storage Balance that Shipper was instructed to withdraw, free and clear of

any adverse claims. Transporter's notice to Shipper may be verbal and in such case shall be followed by a written confirmation. For purposes of this Section 2.5, the term "withdrawal" shall include the transfer of Shipper's gas to an FSNN shipper pursuant to Section 28 of the General Terms and Conditions.

- 2.6 A shipper receiving service under this ISS Rate Schedule shall not lose priority for purposes of this section by the renewal or extension of term of that service.
- 2.7 Transporter shall provide service under this ISS Rate Schedule through service obtained from Supplier and as such shall be provided through Supplier's combined utilization of each of its individual storage fields. Shipper's Storage Balance shall not be stored in or allocated to any particular storage field(s).

3. RATES

- 3.1 The maximum and minimum rates for service hereunder are set forth on the currently effective rates table appearing as Part 4 of this tariff, and these rates are incorporated herein by reference. These rates shall be applicable to service hereunder, unless Transporter and Shipper have agreed upon a negotiated rate pursuant to Section 18.2 of the General Terms and Conditions of this tariff.
- 3.2 Unless otherwise agreed to by Transporter and Shipper in a written amendment to the ISS Service Agreement, Shipper shall pay Transporter charges based on the maximum rates set forth on the currently effective rates table appearing as Part 4 of this tariff. Transporter and Shipper may agree in such amendment to one or more of the following provisions:
- (a) that a specified discounted rate will apply only to specified quantities under the agreement;
 - (b) that a specified discounted rate will apply only if specified quantities are achieved or only with respect to quantities below a specified level;
 - (c) that a specified discounted rate will apply only during specified periods of the year or for a specifically defined period;
 - (d) that a specified discounted rate will apply in a specified relationship to the quantities actually stored;
 - (e) that a specified discounted rate is based on published index prices for specific receipt and/or delivery points or other agreed upon published pricing reference points (such discounted rate may be based upon the differential between published prices or arrived at by formula). Any agreement containing such discounted rate shall specify the rate component(s) to be discounted. Such discount shall not change the underlying rate design to include any minimum bill or minimum take provision that has the effect of guaranteeing revenue;
 - (f) that if one rate component, which was at or below the applicable maximum rate at the time the discount agreement was executed, subsequently exceeds the applicable maximum rate or is less than the applicable minimum rate due to a change in Transporter's

maximum (minimum) rates so that such rate component must be adjusted downward (upward) to equal the new applicable maximum (minimum) rate, then other rate components may be adjusted upward (downward) to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rate applicable to that rate component. The amendment may also provide for an adjustment to rate components to achieve the over-all revenues attributable to the agreed rates under the service agreement being amended and other service agreements under the same or other rate schedules, should changes in Transporter's maximum or minimum rates increase or decrease the revenues attributable to such other service agreement, so long as none of the resulting rate components exceed the maximum rate or are less than the minimum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. Nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

Notwithstanding the foregoing, no discount agreement may provide that an agreed discount as to a defined quantity level will be invalidated if the Shipper transports an incremental quantity above the agreed level. Transporter and Shipper may agree to a discounted rate provided that the discounted rate is between the applicable maximum and minimum rates.

A provision entered into pursuant to this Section 3.2 shall not constitute a material deviation from the applicable form of service agreement.

- 3.3 For all service rendered under this rate schedule, Shipper shall pay Transporter the sum of the following:
- (a) Storage Capacity Charge. A charge per Dth applied each day to the highest quantity in Shipper's ISS Storage Balance during the day.
 - (b) Injection Charge. A charge per Dth for all gas received during the billing month by Transporter for gas transported by Supplier for injection and for gas injected hereunder, net of quantities retained pursuant to Section 3.3(c) hereof during the billing month.

- (c) During injection of gas hereunder, Transporter will retain the percentage of gas set forth in Part 4 of this tariff as Storage Injection Operating and LAUF Retention, which shall be determined from the quantities retained by Supplier during transportation and injection into storage under the Supplier Lease.
 - (d) During withdrawal of gas hereunder, Transporter will retain the percentage of gas set forth in Part 4 of this tariff as Storage Withdrawal Operating and LAUF Retention, which shall be determined from the quantities retained by Supplier during withdrawal from storage and transportation under the Supplier Lease.
 - (e) An amount to reimburse Transporter for filing fees paid to the Commission associated with the additional storage service.
 - (f) An amount to reimburse Transporter for the cost of any facilities installed by Transporter to receive or deliver natural gas for the account of Shipper.
- 3.4 In the case of a transfer of Storage Balance from an FSNN Service Agreement to an ISS Service Agreement, the Storage Balance being transferred shall be considered gas received by Transporter for injection hereunder for purposes of Section 3.3(b) of this ISS Rate Schedule, and the Injection Charge shall be applicable to the entire transfer of Storage Balance; provided that the ISS shipper shall be credited with an amount (not in excess of the Injection Charge), for each Dth transferred, equal to the maximum FSNN Injection Charge shown in currently effective in Part 4 of this tariff.
- 3.5 Each Shipper submitting to Transporter a Customer Nomination pursuant to Section 28 of the General Terms and Conditions of this tariff for a transfer of Storage Balance shall pay Transporter an administrative charge equal to the current Posted Rate Schedule ISS Storage Balance Transfer Rate-ranging between the maximum and the minimum of such rate as set forth in the currently effective Part 4 of this tariff. Such charge shall be billed on the invoice for the billing period in which a Customer Nomination Form is received by Transporter.

3.6 Changes in Rates to Reflect Changes by Supplier

This section sets forth the procedures for changing Transporter's rates under this rate schedule when Supplier changes the rates, charges or retainages applicable for such service, and also to flow through refunds received from Supplier.

- (a) Rate Change – The charges under this rate schedule, as shown on the currently effective rates table appearing as Part 4 of this tariff (“Table of Rates”), are derived from the rates applicable under Transporter's Rate Schedule FSNN, which in turn reflect, as appropriate, amounts payable by Transporter to Supplier for storage and storage transportation services under the Supplier Lease at the rates applicable to Supplier's Rate Schedule FSS and FST, respectively. The services provided by Supplier are utilized by Transporter to render service to Shipper under this rate schedule. A change in charges payable by Transporter to Supplier shall be reflected in this rate schedule by the following procedure:
 - (i) Storage Capacity Charge – The maximum (and minimum) Storage Capacity Charge shown on the currently effective rates table appearing as Part 4 of this tariff is calculated as the quotient obtained by dividing (A) the sum of (x) twelve (12) times the maximum (or minimum) FSNN Storage Demand Charge, divided by sixty (60) and (y) twelve times the maximum (or minimum) FSNN Storage Capacity Charge, by (B) three hundred sixty-five (365).
 - (ii) Charges for Quantities Injected and Withdrawn – The maximum (and minimum) Injection Charge shown on the currently effective rates table appearing as Part 4 of this tariff is calculated as the sum obtained by adding (A) one-half the sum of (x) twelve (12) times the maximum (or minimum) FSNN Storage Demand Charge, divided by sixty (60) and (y) twelve times the maximum (or minimum) FSNN Storage Capacity Charge, and (B) two (2) times the maximum (or minimum) FSNN Injection Charge.
 - (iii) Storage Injection and Withdrawal Operating and LAUF Retentions – Transporter shall recover from Shipper those quantities of fuel and other quantities as specified in Section 3.2 hereunder. The effective date of any change to

such Storage Injection or Withdrawal Operating and LAUF Retention shall coincide with the effective date of any changes in Supplier's Storage Operating or LAUF Retention, Transportation Fuel and Company Use Retention or Transportation LAUF Retention applicable to the services provided hereunder.

- (b) Notification – Transporter shall give notice via its electronic bulletin board of any proposed change filed by Supplier which Transporter is authorized to track under this rate schedule within three (3) business days following Transporter's receipt of such filing. Such notice shall include the expected effect on Transporter's rates under this rate schedule.
- (c) Transporter's Tracker Filings – Transporter shall file to track any rates or retention change or filing change by Supplier which affects Transporter's rates or retainages under this rate schedule no later than thirty (30) days following the issuance date of the Commission order which accepts and makes effective Supplier's change. The effective date of such change in Transporter's rates or retainages shall coincide with the effective date of any change in rates by Supplier.
- (d) Refunds – Within forty-five (45) days of the receipt thereof, Transporter shall refund to its customers under this rate schedule all amounts refunded to Transporter by Supplier under the related storage and transportation rate schedules, including any interest paid by Supplier. Each customer's proportionate part of such refund shall be determined in the same manner as the refund from Supplier was determined.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of Transporter's effective FERC Gas Tariff, First Revised Volume No. 1, and any revisions thereof that may be proposed and made effective from time to time hereafter shall apply to and are made a part of this rate schedule.