



Tennessee Gas Pipeline  
Company, L.L.C.  
a Kinder Morgan company

## Northeast Energy Direct

The Northeast Pipeline Expansion Solution for  
Lower Energy Costs  
and  
Enhanced Electric Reliability



Open Season for PowerServe™ Firm Service

[www.northeastenergyfuture.com](http://www.northeastenergyfuture.com) @NEDEnergy

## Open Season for PowerServe™ Firm Service under Rate Schedule FT-PS

### I. Northeast Energy Direct PowerServe™ Firm Service for Gas-Fired Generation

Tennessee Gas Pipeline Company, L.L.C. (“TGP”) as part of its Northeast Energy Direct expansion project (“NED” or the “Project”) hereby announces the commencement of a non-binding open season (“Open Season”) for a new enhanced and flexible firm service under new Rate Schedule FT-PS (“PowerServe Firm Service”). PowerServe Firm Service will be available to: (i) electric distribution companies (“EDCs”) for release to natural gas-fired electric generators (“gas-fired generators” or “Power Plant Operators”); or (ii) directly to gas-fired generators (collectively, “Eligible Shippers”). As a result of a previous NED open season (Open Season #900), TGP has executed binding precedent agreement with New England local distribution companies (“LDCs”) and other market participants for a total volume over 560,000 Dth/d.

NED is scalable up to 1.3 Bcf/d for the Market Path from Wright, New York to delivery points in New York and New England, and 1.2 Bcf/d for the Supply Path from TGP’s existing 300 Line in Northeast Pennsylvania to Wright, New York. In this Open Season, TGP is offering up to 740,000 Dth/d of enhanced firm transportation service under a new Rate Schedule FT-PS. PowerServe Firm Service is intended to meet the unique transportation needs of gas-fired generators in the Northeast for firm delivery services that may be used on a no-notice and/or non-ratable basis. PowerServe Firm Service will be made available by using NED facilities, including reserved capacity on TGP’s existing system and regional storage and/or line pack. This service takes advantage of the high connectivity and proximity of the NED facilities and TGP’s existing system to various electric generation load centers in the Northeast.

TGP is actively engaged with both EDCs and gas-fired generators in discussions relating to NED as well as enhanced firm transportation services that TGP will offer. In addition, TGP is an active participant in the various New England state initiatives to consider how

EDCs may contract for pipeline services and make those services available to gas-fired generators.<sup>1</sup>

TGP encourages all EDCs, gas-fired generators, and any other party that may be interested in PowerServe Firm Service in the Northeast to participate in the Open Season.

TGP also encourages any party who may be interested in traditional firm transportation service under Rate Schedule FT-A on either or both of the Supply Path or Market Path, including service to and from receipt and delivery points on TGP’s existing system, to contact a TGP representative indicated below.

### II. Northeast Energy Direct – Transporting Natural Gas to Lower Energy Costs and Enhance Electric Reliability

The demand for natural gas as a fuel for electric generation has grown significantly in recent years and is expected to continue to grow as older, less-efficient coal and oil-fired generating facilities are retired and replaced with lower emission, more efficient gas-fired generators and renewable resources. According to ISO New England (“ISO-NE”), roughly 44 percent of New England’s electric generating capacity is fueled by natural gas, a number that has grown from 15 percent in 2000. This increased demand has been driven by the abundance of low cost domestic natural gas, relative efficiency of natural gas-fired generation resources, and recognition of environmental benefits of natural gas as a cleaner burning fuel relative to other alternatives. Unfortunately, the expansion of the natural gas infrastructure serving New England has not kept pace with the demand growth. The lack

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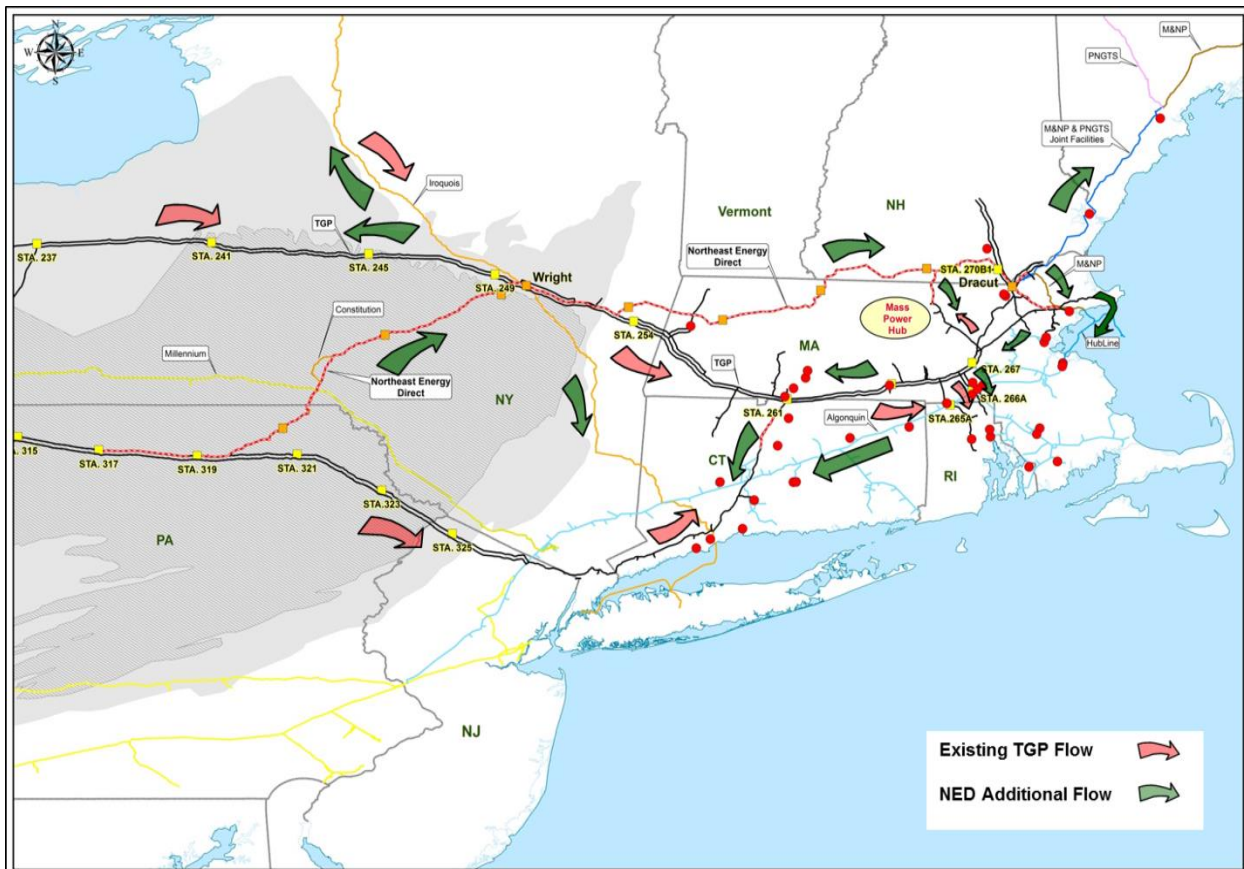
<sup>1</sup> For example, Maine Public Utilities Commission (Docket No. 2014-00071), New Hampshire Public Utilities Commission (Docket No. IR 15-124), and the Massachusetts Department of Public Utilities (Docket No. 15-37). In addition, the Connecticut Department of Energy & Environmental Protection is expected to issue a request for proposal for gas pipeline capacity in the near future. TGP will also participate in the upcoming proceedings at the Connecticut Department of Energy and Environmental Protection pursuant to Public Act 15-107.

of adequate pipeline capacity has resulted in New England paying the highest natural gas prices of any region in the continental United States, even though abundant and low-cost supplies are available approximately 300 miles away in Northeast Pennsylvania. These high natural gas prices impact electricity customers in addition to natural gas consumers due to the fact that gas-fired generators set the price of electricity in New England about 70% of the time. As a result, New England has the highest electricity prices in the United States.

There is a clear recognition by the New England states through the Governors' Offices, the New England States Committee on Electricity, ISO-NE, and various state public utilities commissions, that interstate natural gas pipeline expansions have an important role to play in reducing New England's energy costs and enhancing electric reliability by ensuring that gas-fired generators have access to

natural gas transportation services when needed. Numerous independent studies by energy industry experts also support the need for additional natural gas pipeline infrastructure in New England and document the benefits that additional pipeline capacity will produce in the form of lower energy costs. TGP currently plays a critical role in transporting natural gas to gas-fired generators that supply the ISO-NE power grid. NED will be an essential part of any regional solution in New England.

A recent study by ICF International concluded that NED could generate significant benefits for New England by: (1) providing \$2.1 to \$2.8 billion of annual cost savings for New England electric consumers under normal weather conditions; (2) enhancing reliability of electric infrastructure; (3) supporting renewable generation; and (4) reducing power sector emissions. A full copy of the study



entitled ***New England Natural Gas Capacity Outlook and Impact of Northeast Energy Direct*** (“ICF Report”) is available at <http://northeastenergyfuture.com/wp-content/uploads/2015/09/2015-New-England-Gas-Capacity-Outlook.pdf>.

In addition to serving gas-fired generators in New York, TGP is uniquely positioned to serve or supply New England gas-fired generators due to the proximity of its system to various electric generation load centers and its ability to supply all other interstate pipelines in New England. According to the ICF Report, TGP directly serves many of the most efficient ISO-NE generating facilities representing approximately 5,000 MW of installed capacity and currently transports more than 50% of the gas consumed by New England gas-fired generators. NED will significantly enhance TGP’s ability to serve new and existing gas-fired generators on its existing system as well as new gas-fired generation along the NED route which is located in proximity to the Mass Hub. ISO-NE has identified the Mass Hub as an area on the electric grid with few constraints, and therefore ideal for adding new gas-fired generation to serve New England.

### III. Project Description

NED is designed to address the need for additional pipeline infrastructure and firm transportation service in the Northeast, including the enhanced and flexible service elements desired by gas-fired generators to meet their unique operating needs. The NED facilities include upgrades to TGP’s existing system and construction of new, critically needed infrastructure in Pennsylvania, New York, Massachusetts, New Hampshire, and Connecticut. NED has a planned in-service date of November, 2018.

The NED Supply Path, which is scalable up to 1.2 Bcf/d, originates in the dry gas heart of the Marcellus Shale along TGP’s existing 300 Line in Northeast Pennsylvania and extends to Wright, New York. The NED Market Path, which is scalable up to 1.3 Bcf/d, originates at Wright, NY, extending to Dracut, Massachusetts and points beyond Dracut within Tennessee’s legacy system. NED is designed to maximize the use of existing energy corridors in order to minimize impacts to the environment and

landowners. The NED Market Path follows existing energy infrastructure rights-of-way co-located with pipeline and electric transmission facilities for 91% of the mainline path.

TGP initiated the FERC pre-filing process in September of 2014 and is planning to file its FERC certificate application for NED in October of 2015.

The NED facilities as currently configured are comprised of the following:

#### NED Supply:

- 41 miles of 36-inch pipeline looping along TGP’s existing 300 Line in Northeast Pennsylvania;
- 132 miles of 30-inch pipeline from TGP’s existing 300 Line around Troy, Pennsylvania to Wright, New York;
- Compression facilities sufficient to meet firm subscription levels; and

#### NED Market:

- 188 miles of 30-inch pipeline from Wright, New York to Dracut, Massachusetts;
- Identified lateral facilities in Massachusetts and Connecticut; and
- Compression facilities sufficient to meet firm subscription levels.

TGP intends to only construct the facilities that are required to provide the contracted-for firm transportation services.

The NED Market Path is anchored by executed binding precedent agreements totaling over 560,000 Dth/d of firm transportation capacity with New England LDCs and other market participants. Discussions with various potential shippers interested in subscribing for firm capacity on the NED Market Path are ongoing. TGP has also executed binding precedent agreements for firm transportation service on the NED Supply Path and is in negotiations with other market participants.

The capacity offered for PowerServe Firm Service in this Open Season will complement the capacity that is

already contracted-for on the NED Market Path and NED Supply Path.

#### IV. Proposed Rate Schedule FT-PS

TGP is pleased to propose a new customized flexible firm service to meet the unique needs of gas-fired generators in the Northeast. PowerServe Firm Service, as further described below and in the pro forma Rate Schedule FT-PS in Appendix A attached to this Open Season, will be available to Eligible Shippers under a new firm Rate Schedule FT-PS and will be effectuated by using NED facilities, reserved capacity on TGP, and regional storage and/or line pack. The service will take advantage of the high connectivity and proximity of the TGP system to various electric power generation load centers in the New England area.

TGP is offering up to 740,000 Dth/d of firm transportation capacity for PowerServe Firm Service. The amount of capacity and assets required to provide the no-notice service and non-ratable hourly service component of the service will be determined following the close of the Open Season based on shipper interest as indicated in the submitted SRF's.

Eligible Shippers may elect primary receipt and delivery points along the Supply Path and Market Path, including delivery points on TGP's existing system. Primary receipt points will also be offered from TGP's existing interconnect with Iroquois Gas Transmission System, L.P. and the proposed interconnect with Constitution Pipeline Company, LLC, at Wright, New York as well as any future connections.

Main service features of the proposed PowerServe Firm Service are as follows:

1. PowerServe Firm Service is available to Eligible Shippers<sup>2</sup>, i.e., EDCs or Power Plant Operators.
2. Eligible Shippers can contract directly with TGP or can obtain temporary capacity from a primary shipper via TGP's capacity release mechanism.

3. PowerServe Firm Service is a bundled service comprised of a transportation component with enhanced hourly rights (to be mutually agreed upon) and an optional no-notice service component.
4. Eligible Shippers may select the following no-notice service options: (a) a storage service option supported by regional storage and; and/or (b) an auto park and loan service option supported by regional storage and/or line pack. TGP will reserve capacity to provide the no-notice service under Rate Schedule FT-PS.
5. The non-ratable hourly and no-notice service components of PowerServe Firm Service are available only at Eligible Delivery Points. Scheduled uniform hourly flow service is available at all secondary delivery points.
6. Redundant delivery points are available within a Power Plant Aggregation Area.
7. Subject to FERC approval, PowerServe Firm Service is only available to Eligible Shippers and may be released to replacement shippers that qualify as an Eligible Shipper, or to an Eligible Shipper's agent or asset manager that serves power plants. To the extent there is available capacity in excess of the requirements of Eligible Shippers, PowerServe Firm Service may be released to non-Eligible Shippers but without the non-ratable and no-notice service entitlements available under the releasing contract. The parameters of the Rate Schedule FT-PS capacity release provisions may be adapted to conform to the needs of the market and to comply with current or future FERC policies relating to releases of capacity between EDCs and gas-fired generators.

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<sup>2</sup> Capitalized terms are defined in pro forma Rate Schedule FT-PS.

## V. Project Rates and Term

Indicative rates will be provided to potential shippers who submit an SRF and execute a confidentiality agreement. Rates will be dependent on the final scope of facilities required to satisfy the firm service requests from Eligible Shippers who are awarded capacity and execute binding precedent agreements for PowerServe Firm Service. Shippers will have the option to select service at the recourse rates for Rate Schedule FT-PS<sup>3</sup> or at mutually agreeable negotiated rates.

Understanding the unique requirements of gas-fired generators, TGP will entertain varying term lengths and associated rates.

## VI. Open Season Period and Submission of Service Request Forms

This non-binding Open Season will commence as of the date of this Notice and end at 4:00 p.m. CCT on October 29, 2015 (“**Open Season Period**”).

In order to submit a request for service in this Open Season, a potential shipper must submit, by the end of the Open Season Period: (1) an SRF indicating the quantity and capacity path for the transportation service component, the no-notice quantities under the no-notice service option selected by potential shipper, and the Primary Term for the requested service; and (2) as may be required by TGP,<sup>4</sup> creditworthiness information as set forth in Article XXVI, Section 4.1 of the General Terms & Conditions (“**GT&C**”) of TGP’s FERC Gas Tariff (“**Tariff**”).

### Submit Bids via email to:

- Becky Mack (for deliveries on Market Path)  
Rebecca\_Mack@kindermorgan.com  
713-420-4656

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<sup>3</sup> The maximum applicable recourse rate(s) for Rate Schedule FT-PS will be established by FERC in the proceeding in which the PowerServe Firm Service is approved.

<sup>4</sup> Any party desiring to submit an SRF should contact TGP to determine the creditworthiness information that may be required.

- Jay Pugh (for deliveries on Supply Path)  
Jay\_Pugh@kindermorgan.com  
713-369-8966

### Submit written bids to:

- Tennessee Gas Pipeline Company, L.L.C.  
1001 Louisiana Street, Suite 1000  
Houston, TX 77002

Attn: Sital Mody, Vice President, Marketing & Business Development

Upon execution of an appropriate confidentiality agreement, a TGP representative will contact all eligible parties submitting valid SRFs to discuss terms and to proceed towards execution of a precedent agreement. TGP will engage with such parties on a not unduly discriminatory basis to negotiate binding precedent agreements.

TGP reserves the right to enter into binding precedent agreements with eligible parties submitting valid SRFs for service on the Project facilities and allocate the remaining capacity of the Project without holding any further open seasons.

Although SRFs submitted in this Open Season are not binding, only valid SRFs received during the Open Season period will be considered; provided, however, that TGP, in its sole discretion may consider other requests for service on the Project facilities outside of the Open Season Period, including requests to modify a participant’s validly submitted SRF, but shall be under no obligation to do so.

TGP’s Open Season is targeted to Eligible Shippers, but encourages expressions of interest from a wide variety of market participants, in an effort to achieve a comprehensive regional solution to provide additional gas pipeline capacity to New England. TGP intends to solidify ongoing discussions and understandings with parties that have already expressed an interest in reaching such a solution.

TGP requests that all interested parties, including EDCs and gas-fired generators, submit a SRF as part of this Open Season as an expression of interest for

PowerServe. TGP also encourages other parties, who are not Eligible Shippers, and who may be interested

in firm transportation service under Rate Schedule FT-A on either or both of the Supply Path or Market Path to submit an SRF.

### VII. Reservations

TGP reserves the following rights:

- (1) at any time during this Open Season to terminate the Open Season or to extend the Open Season Period;
- (2) to modify the scope of the Project, and/or the Project Transportation Quantity ("TQ") and/or the Open Season Period to accommodate market interest;
- (3) to reject, on a not unduly nondiscriminatory basis, any SRF which in TGP's sole determination, is incomplete, is inconsistent with the terms of this Open Season, contains additions or modifications to the terms of the SRF, is otherwise deficient in any respect (including failure to provide credit support as TGP deems necessary) or requests service outside the scope of the Project;
- (4) to continue to market the Project and to enter into negotiations with, and award capacity to, any eligible party not submitting an SRF in this Open Season;

This Open Season is subject to all applicable laws, orders, rules, and regulations of authorities having jurisdiction.

### VIII. Creditworthiness

Following submission of a complete SRF, potential shippers will be contacted by TGP's Credit Manager, Ralph Lohr, (630-725-3213, [Ralph\\_Lohr@kindermorgan.com](mailto:Ralph_Lohr@kindermorgan.com)) for further evaluation of the potential shipper's creditworthiness. TGP will conduct a credit evaluation in the manner outlined in GT&C Article XXVI, Section 4.3 of the Tariff. Additionally, in the event a potential shipper is deemed non-creditworthy by TGP, the potential shipper must provide to TGP, as part of any precedent agreement, credit assurance applicable to this Project, in form and substance acceptable to TGP in its sole discretion. Such creditworthiness requirements shall remain in effect during the term of

the precedent agreement, as well as the term of shipper's transportation agreement(s) for the Project.

### IX. Contact Information

If you have any questions regarding this Open Season, please contact:

- Coralie Sculley  
[Coralie\\_Sculley@kindermorgan.com](mailto:Coralie_Sculley@kindermorgan.com)  
713-420-6336
- Sital Mody  
[Sital\\_Mody@kindermorgan.com](mailto:Sital_Mody@kindermorgan.com)  
713-420-4336

For questions regarding Rate Schedule FT-PS, please contact:

- Jason Connelly  
[Jason\\_Connelly@kindermorgan.com](mailto:Jason_Connelly@kindermorgan.com)  
713-420-2446
- Mary Limbaugh  
[Mary\\_Limbaugh@kindermorgan.com](mailto:Mary_Limbaugh@kindermorgan.com)  
713-420-4576
- Ernesto Ochoa  
[Ernesto\\_Ochoa@kindermorgan.com](mailto:Ernesto_Ochoa@kindermorgan.com)  
713-420-1734

In addition, please visit our website, [www.northeastenergyfuture.com](http://www.northeastenergyfuture.com).

Media inquiries please contact:

- Richard Wheatley  
[Richard\\_Wheatley@Kindermorgan.com](mailto:Richard_Wheatley@Kindermorgan.com)  
713-420-6828

**Tennessee Gas Pipeline Company, L.L.C.  
Northeast Energy Direct  
Service Request Form**

**SHIPPER INFORMATION**

Company: \_\_\_\_\_

**Primary Contact**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**CONTRACTUAL REQUIREMENTS**

**Transportation Service Component**

**Contract Quantities:**

Transportation Quantity (TQ): \_\_\_\_\_ Dth/d

Maximum Hourly Quantity (MHQ): \_\_\_\_\_ Dth/h

No-Notice Entitlement (NNE): \_\_\_\_\_ Dth/d

**Primary Receipt Point(s):**

**Option A – TGP Zone 4 300 Line**

Meter No. / Description / Quantity: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Dth/d

Meter No. / Description / Quantity: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Dth/d

**Option B – TGP Zone 5 200 Line at/near Wright Supply Hub, TGP Pool**

Meter No. / Description / Quantity: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Dth/d

Meter No. / Description / Quantity: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Dth/d

**Primary Delivery Point(s):**

Meter No. / Description / Quantity/NNE: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_/Dth/d

Meter No. / Description / Quantity/NNE: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_/Dth/d

Meter No. / Description / Quantity/NNE: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_/Dth/d

Meter No. / Description / Quantity/NNE: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_/Dth/d

Meter No. / Description / Quantity/NNE: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_/Dth/d

Note: if additional Primary Receipt Points and/or Primary Delivery Points are anticipated, please indicate. Points of Receipt and/or Delivery can be existing locations along TGP's current system, or newly requested locations of any kind: direct connections, pipeline interconnects, etc.



Storage Service Option

Yes \_\_\_\_\_

No \_\_\_\_\_

Maximum Storage Quantity (MSQ): \_\_\_\_\_ Dth

Maximum Daily Injection Quantity (MDIQ): \_\_\_\_\_ Dth/d

Maximum Daily Withdrawal Quantity (MDWQ): \_\_\_\_\_ Dth/d

Automatic Park and Loan Service Option

Yes \_\_\_\_\_

No \_\_\_\_\_

APAL Maximum Aggregate Quantity (APAL MAQ): \_\_\_\_\_ Dth

APAL Maximum Daily Quantity (APAL MDQ): \_\_\_\_\_ Dth/d

Contract Term: \_\_\_\_\_

Commencement Date: \_\_\_\_\_

Please describe other service features that are of interest for continued discussion and service design.

Signature of duly authorized representative: \_\_\_\_\_

Date: \_\_\_\_\_

**Please return this form to:**

**Becky Mack**

**Phone: 713-420-4656**

**Email: Rebecca\_Mack@kindermorgan.com**

**Or**

**Jay Pugh**

**Phone: 713-369-8966**

**Email: Jay\_Pugh@kindermorgan.com**

**RATE SCHEDULE FT-PS**  
**PowerServe™**  
**FLEXIBLE FIRM HOURLY TRANSPORTATION,**  
**STORAGE AND AUTOMATIC PARK AND LOAN**  
**SERVICE**

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1. AVAILABILITY

- 1.1 This Rate Schedule is available for the provision by Tennessee Gas Pipeline Company, L.L.C. (Transporter) of a bundled natural gas transportation, storage and automatic park and loan service on a scheduled and no-notice basis to any electric distribution company ("EDC") or operator of electric generation facilities ("Power Plant Operator") (each an "Eligible Shipper"):
- (a) which has executed an FT-PS Service Agreement for service under this Rate Schedule;
  - (b) which has provided Transporter with proof that Delivery Point Operator has agreed to (i) receive quantities of gas on behalf of Eligible Shipper at Eligible Delivery Point(s) at variable hourly rates of flow on a scheduled and, if applicable, no-notice basis, and (ii) operate the Eligible Delivery Point(s) under a Predetermined Allocation Methodology ("PDA"); and
  - (c) which has caused its supplier of gas, if such supplier has retained processing rights to the gas delivered to Eligible Shipper, to enter into a Transportation Service Agreement for the transportation of any liquids and any PTR quantities associated with the processing of gas received at the Receipt Point(s) under Eligible Shipper's FT-PS Agreement.
- 1.2 Firm service under this Rate Schedule is available to Eligible Shippers to the extent: (i) Transporter determines it has sufficient firm transportation and storage capacity to perform the firm services requested by Eligible Shipper and (ii) Eligible Shipper has satisfied the requirements of Article XXVI of the General Terms and Conditions of Transporter's FERC Gas Tariff.

2. QUALIFICATION FOR SERVICE

- 2.1 All Eligible Shippers requesting service pursuant to this Rate Schedule must qualify pursuant to Article XXVI of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 2.2 All Eligible Shippers requesting service pursuant to this Rate Schedule must execute an FT-PS Service Agreement in accord with the provisions of Article XXVI of the General Terms and Conditions of Transporter's FERC Gas Tariff.

3. APPLICABILITY AND CHARACTER OF SERVICE

- 3.1 Service rendered under this Rate Schedule shall be firm, subject to the provisions of the executed FT-PS Service Agreement and of the General Terms and Conditions of Transporter's FERC Gas Tariff. Service hereunder is comprised of a firm hourly transportation service component that may be bundled with an optional no-notice service component. Eligible Shipper may, subject to the conditions set forth in this Rate Schedule, elect one or both of the no-notice service options described in Section 3.3 and 3.4 below.
- 3.2 Transportation Service Component
- (a) Transportation service rendered under this Rate Schedule shall consist of: (1) the receipt of gas on behalf of Eligible Shipper; (2) the transportation of gas; and (3) the delivery of gas by Transporter to Eligible Shipper, or for Eligible Shipper's account, on a scheduled and if applicable, on a no-notice basis, up to Eligible Shipper's daily Transportation Quantity ("TQ") and at hourly delivery rates up to Eligible Shipper's Maximum Hourly Quantity ("MHQ"). In order to provide firm hourly flexibility service pursuant to this Rate Schedule, Transporter shall reserve capacity for scheduling purposes and Eligible Shipper shall have the right to nominate up to its full TQ at each Nomination Cycle or permitted hourly nomination pursuant to Article IV, Section 2 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
  - (b) Eligible Shipper shall have the right, pursuant to the no-notice service options available to Eligible Shipper under this Rate Schedule, to increase its deliveries or to decrease its deliveries at Eligible Delivery Point(s) during any hour and during any day, up to Eligible Shipper's no-notice entitlement at each such Eligible Delivery Point(s) ("Delivery Point NNE") and in aggregate for all such Eligible Delivery Point(s) ("NNE"), without a concurrent nomination at a designated Storage Service Point ("SP")

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pursuant to the no-notice Storage Service Option or at a designated Point of Transaction ("PT") pursuant to the no-notice Automatic PAL Service Option, as specified in Eligible Shipper's FT-PS Service Agreement. Eligible Shipper's Delivery Point NNE shall not exceed the TQ and MHQ at each applicable delivery point under the executed FT-PS Service Agreement. In addition, Eligible Shipper's NNE shall not exceed the lesser of: (a) the TQ or (b) the sum of (i) the MDWQ or MDIQ, as applicable, and (ii) the APAL MDQ, each under the executed FT-PS Service Agreement.

- (c) Transportation service rendered under this Rate Schedule shall be provided up to the TQs and MHQs, and for no-notice service up to the Delivery Point NNEs and NNEs, as specified in the executed FT-PS Service Agreement.
- (d) Transporter shall not be required to transport gas where the total quantity of gas scheduled for transportation is less than that required to operate existing compression facilities necessary to provide service under this Rate Schedule.

**3.3 No Notice Service Component - Storage Service Option**

- (a) Storage service rendered under this Rate Schedule shall consist of: (1) the receipt of gas on a scheduled and no-notice basis which has been delivered on behalf of Eligible Shipper at the designated SP in cumulative quantities (net of withdrawals) up to the Maximum Storage Quantity ("MSQ") and at daily rates up to the Maximum Daily Injection Quantity ("MDIQ"); (2) the storage of gas by Transporter of quantities of gas not to exceed the MSQ, and (3) the tender of gas on a scheduled and no-notice basis for redelivery by Transporter to Eligible Shipper at the designated SP in cumulative quantities (net of injections) up to the MSQ and at daily rates up to the Maximum Daily Withdrawal Quantity ("MDWQ").
- (b) The quantity of gas in Eligible Shipper's storage account at any time ("Storage Balance") shall not exceed Eligible Shipper's MSQ.
- (c) Eligible Shipper shall have a designated storage account with an NNE equal to the lesser of Eligible Shipper's MDWQ or MDIQ and subject to any other limitations as set forth in Section 3.2 of this Rate Schedule. No-notice quantities shall be transported to/from the designated SP using Eligible Shipper's NNE entitlement.
- (d) Transporter shall accept for injection into storage for Eligible Shipper's storage account a quantity of gas at daily rates up to Eligible Shipper's MDIQ, provided that the injection quantity at the designated SP does not exceed for such day the gas scheduled for transportation to such point plus Eligible Shipper's Available NNE.

Transporter shall withdraw from storage for Eligible Shipper's storage account a quantity of gas at daily rates up to Eligible Shipper's MDWQ, provided that the withdrawal quantity at the designated SP does not exceed for such day the gas scheduled for transportation from such point plus Eligible Shipper's Available NNE. Provided however, Transporter's obligation to withdraw from storage for Eligible Shipper's storage account a quantity of gas at daily rates up to Eligible Shipper's MDWQ may be limited based on Eligible Shipper's Storage Balance. Such limitations, if any, shall be specified in Eligible Shipper's executed FT-PS Service Agreement.

- (e) Eligible Shipper shall have the right, subject to Eligible Shipper's Available NNE, to increase its deliveries or to decrease its deliveries (up to Eligible Shipper's Delivery Point NNE and NNE) at Eligible Delivery Points during any hour and during any day without a concurrent nomination at the designated SP as specified in Eligible Shipper's FT-PS Service Agreement. On any day or hour, Eligible Shipper's Available NNE shall be the lesser of: (a) Eligible Shipper's NNE less the nominated storage injection or withdrawal quantities at the designated SP or (b) Eligible Shipper's TQ less the nominated transportation quantities to the extent such nominations use receipt and delivery points that are located on Eligible Shipper's NNE capacity path. Transporter will inject or withdraw gas from Eligible Shipper's storage account (up to Eligible Shipper's Available NNE but in no event above Eligible Shipper's Storage Balance for storage withdrawals or above the difference between Eligible Shipper's MSQ and its Storage Balance for storage injections) as necessary to resolve any positive or negative variances at Eligible Delivery Points. In order to provide the firm no-notice

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service pursuant to this Rate Schedule at any time during the day, Transporter shall reserve for scheduling purposes Eligible Shipper's Available NNE.

- (f) The difference between the sum of nominations and the allocated quantities at an Eligible Delivery Point shall be deemed a no-notice quantity and will be allocated as an injection to or withdrawal from Eligible Shipper's storage account, but in no event above Eligible Shipper's Storage Balance for storage withdrawals or above the difference between Eligible Shipper's MSQ and its Storage Balance for storage injections.
- (g) Eligible Shipper shall be responsible for maintaining sufficient quantities of gas in storage at all times (up to Eligible Shipper's MSQ) to satisfy its no-notice service requirements under this Rate Schedule.
- (h) Eligible Shipper may transfer all or a portion of its Storage Balance to Transporter or to another party on a daily basis provided that Shipper has all necessary authority to sell the gas, and that (a) the transferee of the storage account(s) has a service agreement with Transporter under this Rate Schedule with the same designated SP as Eligible Shipper's designated SP, and (b) transferee acknowledges transfer of the gas. No later than the effective date of the proposed in-place transfer, the Eligible Shipper and transferee will notify Transporter of the proposed in-place transfer. Notification will be via Transporter's Interactive Website during business hours and shall contain the name of both parties, the effective date of the proposed transfer, the volume of gas to be transferred and the designated SP. Such notice through Transporter's Interactive Website shall be followed by Transporter's confirmation via its Interactive Website of its acceptance of any proposed transfer. Title transfer of gas will be effective on the date communicated in Transporter's confirmation.
- (i) Eligible Shipper warrants that it will have good title to all gas delivered to Transporter at the time of such delivery for injection, free and clear of all liens, encumbrances, and claims whatsoever. Eligible Shipper will indemnify Transporter and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising out of the adverse claims of any or all persons to said gas prior to receipt of said gas by Transporter for Eligible Shipper's account and after delivery of said gas by Transporter to or for Eligible Shipper's account. Transporter agrees to indemnify and save Shipper harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising out of adverse claims of any and all persons to the gas during its storage hereunder by Transporter on behalf of Eligible Shipper.

3.4 No Notice Service Component - Automatic Park and Loan Service Option

- (a) Automatic park and loan service rendered under this Rate Schedule shall consist of: (1) the parking of natural gas quantities on Transporter's system on behalf of Eligible Shipper due to a positive variance between scheduled and actual quantities taken by Eligible Shipper at Eligible Delivery Point(s) and the return of such parked quantities to Eligible Shipper at the designated PTs and (2) the loaning of natural gas quantities to Eligible Shipper due to a negative variance between scheduled and actual quantities taken by Eligible Shipper at Eligible Delivery Point(s) and the receipt from Eligible Shipper of returned loaned quantities at the designated PT's, each up to a specified maximum daily quantities to be parked or loaned at each designated PT ("APAL PT MDQ") and at all designated PT's in aggregate ("APAL MDQ") and up to a maximum aggregate quantity ("APAL MAQ") to be parked or loaned.
- (b) The quantity of gas in Eligible Shipper's park and loan account at any time ("APAL Balance") shall not exceed Eligible Shipper's APAL MAQ.
- (c) Eligible Shipper shall have a designated park and loan account with an NNE equal to Eligible Shipper's APAL MDQ and subject to any other limitations as set forth in Section 3.2 of this Rate Schedule. No-notice quantities shall be transported to/from the designated PT's using Eligible Shipper's NNE entitlement.
- (d) Transporter shall park on behalf of Eligible Shipper a quantity of gas at daily rates up to Eligible Shipper's APAL MDQ, provided that the no-notice parked quantity at the designated PT's does not exceed for such day the gas scheduled at such point plus Eligible Shipper's Available NNE.

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Transporter shall loan to Eligible Shipper a quantity of gas at daily rates up to Eligible Shipper's APAL MDQ, provided that the no-notice loaned quantity at the designated PT's does not exceed for such day the gas scheduled at such point plus Eligible Shipper's Available NNE.

- (e) Eligible Shipper shall have the right, subject to Eligible Shipper's Available NNE, to increase its deliveries or to decrease its deliveries (up to Eligible Shipper's Delivery Point NNE and NNE) at Eligible Delivery Points during any hour and during any day without a concurrent nomination at the designated PT's as specified in Eligible Shipper's FT-PS Agreement. On any day or hour, Eligible Shipper's Available NNE shall be the lesser of: (a) Eligible Shipper's NNE less the nominated park or loan quantities at the designated PT's or (b) Eligible Shipper's TQ less the nominated transportation quantities to the extent such nominations use receipt and delivery points that are located on Eligible Shipper's NNE capacity path. Transporter will allocate gas quantities to/from Eligible Shipper's park and loan account (up to Eligible Shipper's Available NNE but in no event above the difference between Eligible Shipper's APAL MAQ and its APAL Balance for park or loan quantities) as necessary to resolve any positive or negative variances at Eligible Delivery Points. In order to provide the firm no-notice service pursuant to this Rate Schedule at any time during the day, Transporter shall reserve for scheduling purposes Eligible Shipper's Available NNE.
- (f) The difference between the sum of nominations and the allocated quantities at an Eligible Delivery Point shall be deemed a no-notice quantity and will be allocated as a park or loan quantity to Eligible Shipper's account, but in no event above the difference between Eligible Shipper's APAL MAQ and its APAL Balance for park or loan quantities.
- (g) Eligible Shipper shall nominate (a) the receipt of parked quantities at the same designated PTs where the no-notice quantities were parked on behalf of Eligible Shipper and (b) the return of loaned quantities at the same designated PTs where the no-notice quantities were loaned to Eligible Shipper.
- (h) Eligible Shipper shall be required, upon three (3) calendar days advance notice from Transporter, to nominate withdrawals ("returned park quantities") and/or paybacks ("returned loan quantities") at the designated PTs as specified in Eligible Shipper's FT-PS Service Agreement in order to reduce Eligible Shipper's APAL Balance to zero. Such notification shall be made via a posting on Transporter's Interactive Website and shall specify (i) the time frame within which the no-notice parked quantities shall be removed, and/or the loan quantities shall be returned ("APAL Make-Up Period"), and (ii) the specific designated PTs and quantities at such PTs affected by Transporter's notification. Transporter shall provide Eligible Shipper with daily and cumulative balances allocated to Eligible Shipper's designated park and loan account. Any balances remaining at the end of the applicable APAL Make-Up Period shall be subject to the imbalance resolution procedures pursuant to Rate Schedule LMS-MA.

3.5 If Eligible Shipper has elected both no-notice service options pursuant to this Rate Schedule, Transporter shall allocate Eligible Shipper's no-notice quantities pursuant to Sections 3.3.6 and 3.4.6 of this Rate Schedule to Eligible Shipper's storage account first and any remaining no-notice quantities to Eligible Shipper's park and loan account. Provided however, Eligible Shipper may modify this allocation priority by providing Transporter with one (1) business day advance notice. Such notification will be via Transporter's Interactive Website during business hours and shall include the effective date of the proposed change in allocations.

3.6 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide firm service under this Rate Schedule.

**4. DELIVERY AND RECEIPT POINTS; PRESSURE; UNIFORM QUANTITIES**

4.1 Primary Receipt Points: Subject to the availability of capacity, any receipt point on Transporter's system, including Storage Service Points and Pooling Area Points, shall be eligible for designation as a Primary Receipt Point for gas transported under this Rate Schedule. Transporter shall not be required under any circumstances to receive gas at any Receipt Point where the total quantity of gas for transportation scheduled for receipt on any day is less than

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that required for the accurate measurement of quantities to be received. Eligible Shipper's TQ shall be a uniform quantity throughout the term of the FT-PS Service Agreement, except that Transporter may, on a not unduly discriminatory basis, agree to varying levels in Eligible Shipper's TQ over specified periods. Eligible Shipper's TQ and any varying levels in TQ, as well as the period of such varying TQ levels, shall be specified in the FT-PS Service Agreement.

- 4.2 Secondary Receipt Points: All receipt points on Transporter's system within Eligible Shipper's Transportation Path shall be available as Secondary Receipt Points up to the TQ that is applicable to the Primary Receipt Points in Eligible Shipper's Transportation Path.
- 4.3 Primary Delivery Points: Subject to availability of capacity, any delivery point on Transporter's system that (i) is covered by a Balancing Agreement, (ii) is located in a Power Plant Aggregation Area or is connected, directly or indirectly (including pipeline interconnects), to a Power Plant Operator(s), (iii) has flow control equipment (and such equipment is capable of registering variable hourly rates of flow), and (iv) where the Delivery Point Operator agrees to receive quantities of gas on behalf of Eligible Shipper at variable hourly rates of flow on a scheduled and, if applicable, no-notice basis and agrees to operate such point(s) under a PDA ("Eligible Delivery Point(s)") shall be eligible for designation in Eligible Shipper's FT-PS Service Agreement as a Primary Delivery Point for gas transported by Transporter under this Rate Schedule. Transporter shall waive the requirement in (iii) above for an Eligible Shipper that is not directly connected to Transporter if such Eligible Shipper agrees to install flow control equipment at the inlet of Eligible Shipper's power plant, provided such waiver is operationally feasible and will not affect Transporter's ability to provide the flexible service pursuant to this Rate Schedule as determined by Transporter in its sole discretion.
- 4.4 Secondary Delivery Points: All delivery points on Transporter's system within Eligible Shipper's Capacity Path and that qualify as Eligible Delivery Points shall be available as Secondary Delivery Points up to the TQ, MHQ and NNE that is applicable to the Primary Delivery Points in Eligible Shipper's Capacity Path. In addition, scheduled nominated service at uniform hourly rates of flow shall be available at any delivery point within Eligible Shipper's Transportation Path up to the TQ that is applicable to the Primary Delivery Points in Eligible Shipper's Transportation Path.
- 4.5 Contract Quantities at Delivery Points: Except as allowed by Section 4.6 below, the sum of the TQ's applicable to all of Eligible Shipper's Primary Delivery Points may not exceed the TQ under the Eligible Shipper's FT-PS Service Agreement.
- 4.6 Redundant Delivery Point Capacity at Power Plant Aggregation Areas: An Eligible Shipper which has multiple delivery points within a Power Plant Aggregation Area, may have, subject to available capacity, Primary Delivery Point TQ within such area that exceeds the total TQ under the Eligible Shipper's FT-PS Service Agreement. The Power Plant Aggregation Area(s) shall be posted on Transporter's Interactive Website.
- 4.7 Change of Primary Points: Subject to agreement by Transporter and in accordance with Article XXVI of the General Terms and Conditions of Transporter's FERC Gas Tariff, an Eligible Shipper may elect to substitute (i) new receipt points for the Primary Receipt Points in its FT-PS Service Agreement and (ii) new Eligible Delivery Point(s) for the Primary Delivery Points in its FT-PS Service Agreement. Such changes may be effectuated by prior notice to Transporter of 30 days if in writing or 15 days if via Transporter's Interactive Website. All such changes must be reflected in an amended FT-PS Service Agreement and shall be effective at the commencement of the following month unless otherwise agreed by Transporter. Transporter shall not be required to accept an amendment if there is inadequate capacity available to render the new service, if the requested delivery point is not an Eligible Delivery Point or if the change would reduce the reservation charges applicable to the FT-PS Service Agreement.
- 4.8 Extended Receipts: Eligible Shipper may use points not in its Transportation Path as defined in Section 26 of Article I of the General Terms and Conditions subject to the priority specified in Section 3 of Article IV of the General Terms and Conditions. In order to use such points, Eligible Shipper must request Extended Receipt Service by designating the Extended Receipt Service zone from which Eligible Shipper desires to extend service ("Extension Zone") and nominating in Transporter's Interactive Website the following information: (i) the point at

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which Eligible Shipper desires to receive gas ("Extended Receipt Point") and (ii) the requested quantity to be received at the point. Provided however, Extended Receipt Service shall only be available for scheduled quantities nominated by Eligible Shipper and at uniform hourly rates of flow. Termination of the underlying agreement shall terminate any Extended Receipt Service. This service will be subject to an additional usage charge from the Extension Zone to the Extended Zone containing the Extended Receipt Point as specified in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff.

- 4.9 Extended Deliveries: Eligible Shipper may use points not in its Transportation Path as defined in Section 26 of Article I of the General Terms and Conditions subject to the priority specified in Section 3 of Article IV of the General Terms and Conditions. In order to use such points, Eligible Shipper must request Extended Delivery Service by designating the Extended Delivery Service zone from which Eligible Shipper desires to extend service ("Extension Zone") and nominating in Transporter's Interactive Website the following information: (i) the point at which Eligible Shipper desires to deliver gas ("Extended Delivery Point") and (ii) the requested quantity to be delivered at the point. Provided however, Extended Delivery Service shall only be available for scheduled quantities nominated by Eligible Shipper and at uniform hourly rates of flow. Termination of the underlying agreement shall terminate any Extended Delivery Service. This service shall be subject to an additional usage charge from the Extension Zone to the Extended Zone containing the Extended Delivery Point as specified in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff.
- 4.10 Pressures: Eligible Shipper shall deliver gas to Transporter at the pressure required from time to time to enable the gas to enter Transporter's facilities at the Receipt Point(s). Transporter shall deliver gas to Eligible Shipper or Eligible Shipper's designee at Transporter's line pressure existing at the Delivery Point(s).
- 4.11 Uniform Quantities: Except as provided for in Eligible Shipper's FT-PS Service Agreement, as nearly as practicable, Eligible Shipper shall deliver and receive gas in uniform hourly quantities during any day.

5. RATES AND CHARGES

- 5.1 Applicable Rates: The applicable rates for service under this Rate Schedule are the applicable maximum FT-PS rates shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff; provided, however, upon notice to Eligible Shipper, Transporter has the right at any time and from time to time to adjust the rates applicable to any service to any level not less than the minimum or more than the maximum rates established for this Rate Schedule and set forth in the Summary of Rates and Charges of Transporter's effective FERC Gas Tariff. In the event that Transporter makes such an adjustment, such adjusted rates (a) shall apply solely to service at the receipt and/or delivery points agreed upon by Transporter, and (b) shall be applicable for the period agreed upon by Transporter. By mutual agreement between Transporter and Eligible Shipper, discounts may be limited consistent with the provisions of Section \_\_\_ of the pro forma service agreement applicable to this Rate Schedule.

In the event the Eligible Shipper has designated multiple Primary Receipt and/or Delivery points for transportation service under this Rate Schedule, a Weighted Average Deliverability Rate shall be applied to the MHQ specified in the FT-PS Service Agreement and a Weighted Average Reservation Rate shall be applied to the TQ specified in the FT-PS Service Agreement; provided, however, that the addition of points to a FT-PS Service Agreement shall not reduce the deliverability or reservation charge otherwise applicable to the FT-PS Service Agreement.

- (a) The Weighted Average Deliverability Rate shall be determined as follows: (1) for each Primary Receipt and Primary Delivery point combination available under the FT-PS Service Agreement the applicable Deliverability Rate shall be multiplied by the MHQ applicable to that receipt and delivery point combination; (2) the sum of the amounts derived for each receipt and delivery point combination shall be divided by the total MHQ specified in the FT-PS Service Agreement. The sum of the MHQs applicable to each receipt and delivery point combination shall not exceed the total MHQ under the FT-PS Service Agreement.



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- (b) The Weighted Average Reservation Rate shall be determined as follows: (1) for each Primary Receipt and Primary Delivery point combination available under the FT-PS Service Agreement the applicable Reservation Rate shall be multiplied by the TQ applicable to that receipt and delivery point combination; (2) the sum of the amounts derived for each receipt and delivery point combination shall be divided by the total TQ specified in the FT-PS Service Agreement. The sum of the TQs applicable to each receipt and delivery point combination shall not exceed the total TQ under the FT-PS Service Agreement.

In the event Transporter and Eligible Shipper agree to establish a fixed rate to be charged for the duration of the firm FT-PS Service Agreement, said rate will be set forth in the agreement. Transporter shall file with the Commission the required reports of any adjustment below the maximum Commodity and/or Reservation Rates for service under this Rate Schedule.

- 5.2 Facilities Charge: In addition to the other charges pursuant to Section 5.1 of this Rate Schedule, Transporter may charge Eligible Shipper an amount to reflect the cost of Tap Facilities or Tap and Connecting Facilities as provided in Article XIX of the General Terms and Conditions of Transporter's FERC Gas Tariff; provided, that if new facilities are necessary solely to enable Transporter to maintain existing service levels for Eligible Shipper, then no Facilities Charge will be assessed. Any applicable Facilities Charge may be stated in the Transportation FT-PS Service Agreement.
- 5.3 Incidental Charges: In addition to the charges pursuant to Sections 5.1 and 5.2 of this Rate Schedule, Transporter shall charge Eligible Shipper an amount to recoup any filing or similar fees which Transporter incurs in rendering service hereunder, which have not been previously paid by Eligible Shipper. Transporter shall not use the amounts so collected either as revenues or costs in establishing its general system rates. The applicable Incidental Charges shall be stated in the FT-PS Service Agreement.
- 5.4 Authorized Overrun Charges: If Eligible Shipper, upon receiving the advance approval of Transporter through Transporter's Interactive Website, should on any day take under this Rate Schedule a quantity of natural gas (i) more than Eligible Shipper's TQ, MHQ, MDWQ, APAL PT MDQ or APAL MDQ, or (ii) outside of the specified hours of service under Eligible Shipper's FT-PS Service Agreement, then such quantity shall constitute an Authorized Overrun. If Transporter has complete and unrestricted control over gas deliveries to Eligible Shipper, Eligible Shipper shall be deemed to have received the advance approval of Transporter for such excess takes.

Eligible Shipper's requests for Authorized Overruns must be requested separately and must be nominated through Transporter's Interactive Website.

For all such Authorized Overruns, Eligible Shipper shall pay Transporter the rate set forth in the Summary of Rates and Charges of Transporter's FERC Gas Tariff times the excess quantities delivered to Eligible Shipper, unless the parties mutually agree otherwise.

- 5.5 F&LR and EPCR Charges: Eligible Shipper shall furnish the quantity of gas required for Fuel and Losses associated with rendering transportation service pursuant to this Rate Schedule. The quantity of gas retained by Transporter for Fuel and Losses shall be equal to the applicable F&LR percentage shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the sum of the scheduled and no-notice quantities of gas. However, for service that is rendered entirely by displacement and for gas scheduled and allocated for receipt at the Dracut, Massachusetts receipt point, Eligible Shipper shall furnish only that quantity of gas associated with Losses as shown in the Summary of Rates and Charges in Transporter's FERC Gas Tariff. In addition, Eligible Shipper shall pay Transporter the applicable EPCR Component of the Fuel Adjustment Mechanism, shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the sum of the scheduled and no-notice quantities of gas.

For Eligible Shipper's electing the Storage Service Option, the quantity of gas retained by Transporter for Fuel and Losses shall be equal to the applicable F&LR percentage shown in the Summary of Rates and Charges in Transporter's FERC Gas Tariff multiplied by the sum of the scheduled and no-notice quantities of gas injected into or withdrawn from Eligible Shipper's

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storage account. In addition, Eligible Shipper shall pay Transporter the applicable EPCR Component of the Fuel Adjustment Mechanism, shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the sum of the scheduled and no-notice quantities of gas injected into or withdrawn from Eligible Shipper's storage account.

- 5.6 Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Eligible Shipper may mutually agree in writing to rates, rate components, charges, or credits, for service under this Rate Schedule that differ from those rates, rate components, charges, or credits, that are otherwise prescribed, required, established or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. If Transporter agrees to such differing rates, rate components, charges, or credits (referred to hereinafter and in this Tariff as "Negotiated Rates"), then the Negotiated Rate[s] shall be effective only for the period agreed upon by Transporter. During such period, the Negotiated Rate shall govern and apply to the Eligible Shipper's service and the otherwise applicable rate, rate component, charge, or credit, which the parties have agreed to replace with the Negotiated Rate, shall not apply to, or be available to, the Eligible Shipper. At the end of such period, the otherwise applicable maximum rates or charges shall govern the service provided to Eligible Shipper. Only those rates, rate components, charges, or credits, identified by Transporter and Eligible Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed, required, established or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

6. MONTHLY BILL

The Monthly Bill for service under this Rate Schedule shall include:

6.1 Transportation Service Component

- (a) Deliverability Charge: A Deliverability Charge equal to the applicable Deliverability Rate (or Weighted Deliverability Rate) shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the MHQ specified in the FT-PS Service Agreement multiplied by 24; and
- (b) Reservation Charge: A Reservation Charge equal to the applicable Reservation Rate (or Weighted Reservation Rate) shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the TQ specified in the FT-PS Service Agreement; and
- (c) Commodity Charge: A Commodity Charge equal to the applicable Commodity Rate set forth in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the sum of the scheduled and no-notice quantities in that month; and
- (d) Other Charges: If applicable, any New Facilities Charge, any Incidental Charges, any Authorized Overrun Charges, any F&LR and EPCR Charges, and any applicable surcharges as shown in the Summary of Rates and Charges and any cash out charges resulting from imbalances incurred.

6.2 No Notice Service Component - Storage Service Option

- (a) Deliverability Charge: A Deliverability Charge equal to the applicable Deliverability Rate shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the MDWQ specified in the FT-PS Service Agreement; and
- (b) Space Charge: A Space Charge equal to the applicable Space Rate shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the MSQ specified in the FT-PS Service Agreement; and
- (c) Injection and Withdrawal Charge: An Injection Charge equal to the applicable Injection Rate shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the sum of: (i) the quantities of gas scheduled by Eligible Shipper in that month for injection into storage and delivered to the Storage Service Point and (ii) the no-notice quantities in that month designated for injection into storage for Eligible Shipper's storage account at the Storage Service Point; and a Withdrawal

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Charge equal to the applicable Withdrawal Rate shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the sum of: (i) the quantities of gas scheduled by Eligible Shipper in that month for withdrawal from storage for delivery to Eligible Shipper and (ii) the no-notice quantities in that month designated for withdrawal from storage for Eligible Shipper's storage account at the Storage Service Point; and

- (d) Other Charges: If applicable, any New Facilities Charge, any Incidental Charges, any Authorized Overrun Charges, any F&LR and EPCR Charges, and any applicable surcharges as shown in the Summary of Rates and Charges.

6.3 No Notice Service Component - Automatic Park and Loan Service Option

- (a) Deliverability Charge: A Deliverability Charge equal to the applicable Deliverability Rate shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the PAL MDQ specified in the FT-PS Service Agreement; and
- (b) Space Charge: A Space Charge equal to the applicable Space Rate shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the PAL MAQ specified in the FT-PS Service Agreement; and
- (c) Commodity Charge: A Commodity Charge equal to the applicable Commodity Rate shown in the Summary of Rates and Charges in Transporter's effective FERC Gas Tariff multiplied by the quantities of gas loaned or parked for Eligible Shipper's park and loan account in that month, including any returned park or loan quantities; and
- (d) Other Charges: If applicable, any New Facilities Charge, any Incidental Charges, any Authorized Overrun Charges, any F&LR and EPCR Charges, and any applicable surcharges as shown in the Summary of Rates and Charges.

7. FAILURE OF TRANSPORTER

If Transporter fails to tender for delivery or schedule on any one or more days the quantity of natural gas nominated by Eligible Shipper for delivery from a primary Receipt Point to a primary Delivery Point, or in the case of nominated quantities of gas at the Storage Service Point or at the Point of Transaction, each up to the maximum quantity of gas which Transporter is obligated to deliver to Eligible Shipper, Transporter shall provide reservation charge credits, if any, as provided in Article XII, Section 5 of the General Terms and Conditions of Transporter's FERC Gas Tariff. For purposes of determining a daily reservation charge credit, (i) the Deliverability Rate and Reservation Rate of the Transportation Service Component shall be adjusted by a factor equal to:  $(12/365) \times (24/\text{number of hours for which service has been contracted for})$ ; and  $(12/365)$ , respectively; (ii) the Deliverability Rate and Space Rate of the Storage Service Option shall be adjusted by a factor equal to:  $(12/365)$ ; and (iii) the Deliverability Rate and Space Rate of the Automatic Park and Loan Service Option shall be adjusted by a factor equal to:  $(12/365)$ .

8. ADDITIONAL CONDITIONS AND LIMITATIONS OF SERVICE

- 8.1 Eligible Shippers are required to nominate, subject to confirmation and scheduling, all quantities for delivery in excess of Eligible Shipper's Available NNE. Each day, Transporter shall reserve capacity for scheduling purposes, up to Eligible Shipper's TQ to be nominated pursuant to Article IV, Section 2 of the General Terms and Conditions of Transporter's FERC Gas Tariff and up to Eligible Shipper's Available NNE, to provide no-notice service to Eligible Shipper(s) that have elected the Storage Service Option and/or the Automatic Park and Loan Service Option pursuant to this Rate Schedule without a concurrent nomination. Scheduling priorities and allocation of capacity for service under this Rate Schedule shall be determined pursuant to Article IV, Section 3 and 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff such reserved capacity shall have the same scheduling and curtailment priority as that set forth in Article IV, Section 3(a).
- 8.2 Capacity releases under this Rate Schedule shall be subject to the requirements set forth in Article VI of the General Terms and Conditions of Transporter's FERC Gas Tariff. Provided

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however, a Releasing Shipper who is an Eligible Shipper may release some or all of its rights under this Rate Schedule without the posting and bidding requirements set forth in Sections 1.1 and 1.4 of Article VI of the General Terms and Conditions of Transporter's FERC Gas Tariff, if such release is (i) to a Power Plant Operator or (ii) to Eligible Shipper's agent or Asset Manager whose primary purpose is to provide gas supply services to Power Plant Operators ("Qualified Replacement Shipper"). However, the Qualified Replacement Shipper must acquire capacity with a designated Eligible Delivery Point(s) as its Primary Delivery Point(s), and if applicable, must acquire Releasing Shipper's no-notice entitlements or otherwise contract for a no-notice service option directly from Transporter, to support the flexible service at the Eligible Delivery Point(s). Provided further, capacity releases to a Replacement Shipper that is not a Qualified Replacement Shipper shall exclude the flexible hourly and no-notice service entitlements available to a Qualified Replacement Shipper.

8.3 Any positive or negative variances at Eligible Delivery Point(s) not resolved through the no-notice service options pursuant to this Rate Schedule, shall be subject to the imbalance resolution procedures pursuant to Rate Schedule LMS-MA.

9. GENERAL TERMS AND CONDITIONS

Eligible Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to 18 CFR Part 284. The General Terms and Conditions specified in Volume 1 of Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule.