

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

OkTex Pipeline Company, L.L.C.
Docket No. RP24-53-000

Issued: November 29, 2023

On October 24, 2023, OkTex Pipeline Company, L.L.C. filed tariff records¹ to revise and reorganize various tariff sections to enhance clarity and consistency in its tariff language regarding requests for service and associated general terms and conditions. Pursuant to authority delegated to the Director, Division of Pipeline Regulation, under 18 C.F.R. § 375.307, the tariff records are accepted, effective December 20, 2023, as requested.

The filing was publicly noticed. No protests or adverse comments were filed. Pursuant to Rule 214 of the Commission's regulations (18 C.F.R. § 385.214), notices of intervention, timely-filed motions to intervene, and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted.

This action shall not be construed as a waiver of the requirements of section 7 of the Natural Gas Act, as amended; nor shall it be construed as constituting approval of the referenced filing or of any rate, charge, classification, or any rule, regulation, or practice affecting such rate or service contained in the applicant's tariff; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against the applicant.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Issued by: Marsha K. Palazzi, Director, Division of Pipeline Regulation

¹ See Appendix.

Appendix

OkTex Pipeline Company, L.L.C.
OKTex - FERC Gas Tariff

Tariff Records Accepted Effective December 20, 2023:

[Part 7.10, Firm Transportation Service - FTS \(5.0.0\)](#)

[Part 7.20, Interruptible Transportation Service - ITS \(5.0.0\)](#)

[Part 8.0, General Terms and Conditions \(5.0.0\)](#)

[Part 8.1, Definition of Terms \(3.0.0\)](#)

[Part 8.7, Billings and Payments \(2.0.0\)](#)

[Part 8.16, Reserved for Future Use \(1.0.0\)](#)

[Part 8.25, Requests for Service \(2.0.0\)](#)

[Part 8.26, Reserved for Future Use \(3.0.0\)](#)

[Part 8.32, Right of First Refusal and Extension of Service Agreements \(1.0.0\)](#)

[Part 8.39, NAESB WGQ Standards \(6.0.0\)](#)

[Part 8.41, Termination or Mutual Extension of Service Agreements \(0.0.0\)](#)

[Part 8.42, Negotiated and Discounted Rates \(0.0.0\)](#)

[Part 9.10, Firm Transportation Service \(2.0.0\)](#)

[Part 9.20, Interruptible Transportation Service \(3.0.0\)](#)



October 24, 2023

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

Re: OkTex Pipeline Company, L.L.C.
Tariff Volume No. 1
Requests for Service
Docket No. RP24-53-000

Dear Ms. Bose:

Pursuant to section 4 of the Natural Gas Act and Part 154 of the Federal Energy Regulatory Commission's ("Commission") regulations, OkTex Pipeline Company, L.L.C. ("OkTex") submits for filing and acceptance the tariff records listed below for inclusion in its FERC Gas Tariff, Volume No. 1 ("Tariff"). The proposed tariff records are submitted to become effective December 20, 2023:

Part 7.10, Firm Transportation Service – FTS, v. 5.0.0
Part 7.20, Interruptible Transportation Service – ITS, v. 5.0.0
Part 8.0, General Terms and Conditions, v. 5.0.0
Part 8.1, Definition of Terms, v. 3.0.0
Part 8.16, Reserved for Future Use, v. 1.0.0
Part 8.25, Requests for Service, v. 2.0.0
Part 8.26, Reserved for Future Use, v. 3.0.0
Part 8.32, Right of First Refusal and Extension of Service Agreements, v. 1.0.0
Part 8.39, NAESB WGQ Standards, v. 6.0.0
Part 8.41, Termination or Mutual Extension of Service Agreements, v. 0.0.0
Part 8.42, Negotiated and Discounted Rates, v. 0.0.0
Part 9.10, Firm Transportation Service, v. 2.0.0
Part 9.20, Interruptible Transportation Service, v. 3.0.0

Statement of Nature, Reasons, and Basis for the Proposed Changes

OkTex has completed a detailed review of its Tariff with intent to enhance clarity and consistency in the Tariff language regarding requests for service and associated general terms and conditions. Pursuant to its review, in this filing OkTex proposes the following:

- Revising and reorganizing existing General Terms and Conditions ("GT&C") sections;

- Adding two new GT&C sections, section 41 Termination or Mutual Extension of Service Agreements and section 42 Negotiated and Discounted Rates, to address requests for service across all of its existing rate schedules;
- Making conforming updates to other Tariff sections required for consistency; and,
- Making minor administrative edits, including updates to numbering, syntax, and internal references.

Below is a summary level table presenting the sections included in this filing and broadly the nature of proposed changes:

Tariff Section	Nature of Proposed Changes
Part 7.10, Rate Schedule Firm Transportation Service (FTS)	Reorganized to move how to initiate a request for service to Part 8.25 and revised to define the rights more clearly under the FTS rate schedule as well as other housekeeping corrections.
Part 7.20, Rate Schedule Interruptible Transportation Service (ITS)	Reorganized and revised to define the rights more clearly under the ITS rate schedule as well as other housekeeping corrections.
Part 8.0, General Terms and Conditions	Revised Table of Contents to reflect revised and/or newly added sections.
Part 8.1, Definition of Terms	Revised to add two defined terms.
Part 8.16, Modification	Reorganized and revised into Part 8.25.
Part 8.7, Billings and Payments	Revised 7.4 to reflect changes from revisions to Creditworthiness provisions.
Part 8.25, Requests for Service	Reorganized and revised to more clearly define Shipper’s rights and when a request for service will be considered by Transporter.
Part 8.26, Creditworthiness	Reorganized and revised the creditworthiness procedures into Part 8.25.
Part 8.32, Right of First Refusal and Extension of Service Agreements	Revised to more clearly define the right of first refusal and extension of service agreements.
Part 8.39, NAESB WGQ Standards	NAESB references cited have been updated to reflect standards now directly incorporated in section 25 rather than incorporated by reference.
Part 8.41, Termination or Mutual Extension of Service Agreements	Added to more clearly define termination or mutual extension of service agreements.
Part 8.42, Negotiated and Discounted Rates	Added to more clearly define when and how a Negotiated Rate agreement maybe entered.
Part 9.10, Firm Transportation Service	Revised to eliminate a redundant, potentially confusing, article as creditworthiness, including bankruptcy, is handled under the

	GT&C (per Article IV of Part 9.10) and not by the <i>pro forma</i> agreement language.
Part 9.20, Interruptible Transportation Service	Revised to eliminate a redundant, potentially confusing, article as creditworthiness, including bankruptcy, is addressed under the GT&C (per Article IV of Part 9.20) and not by the <i>pro forma</i> agreement language.

Appendix C included with this filing expands on the summary table above and presents a detailed listing of the proposed Tariff changes by section and/or sub-section. The table listing also indicates whether the provision was edited, deleted, moved/replaced, and includes precedent support for the proposed changes. Each proposed change is intended to provide clarity regarding the process OkTex and shippers may follow to enter into pre-arranged, negotiated, and discounted transactions for reservation of capacity. Appendix C also reflects the reorganization of the currently effective Tariff sections upon addition of the proposed new sections in the GT&C.

As noted above, the purpose of these Tariff revisions is transparency and improved clarity. The revisions proposed are not intended to affect the substantive rights of OkTex’s existing customers.

Materials Enclosed

In accordance with section 154.7 of the Commission’s regulations, the following items are included in this filing:

1. an eTariff XML filing package containing the proposal in electronic format;
2. a transmittal letter in PDF format which incorporates the Statement of Nature, Reasons, and basis for the filing required by section 154.7(a)(6) of the Commission’s regulations;
3. Appendix A – a clean version of the tariff records in PDF format for publishing in eLibrary;
4. Appendix B – a marked version of the tariff records in PDF format for publishing in eLibrary; and
5. Appendix C – a detail table presenting a description of the proposed changes and relevant precedent.

Proposed Effective Date

Pursuant to section 154.7(a)(3) of the Commission’s regulations, OkTex respectfully requests that the tariff records submitted herewith be approved effective December 20, 2023, which date is at least thirty (30) days after receipt of this filing by the Commission. In accordance with section 154.7(a)(9) of the Commission’s regulations, OkTex hereby files a motion to place the proposed tariff records into effect at the end of any suspension period if one is so ordered by the Commission in this proceeding.

Ms. Kimberly D. Bose, Secretary
October 24, 2023
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Waivers

Pursuant to section 154.7(a)(7) of the Commission’s regulations, OkTex has not identified any waivers of the Commission’s regulations needed to permit its filing to become effective as proposed; however, OkTex respectfully requests that, should the Commission determine that any such waivers are required, the Commission grant such waivers as are necessary in order that the revised tariff records may be made effective as proposed. No waiver of OkTex’s tariff has been requested herein.

Service and Correspondence

In accordance with section 154.208 of the Commission’s regulations, the undersigned certifies that a copy of this filing has been served electronically on OkTex’s customers and affected state regulatory commissions. A paper copy of this filing may only be served if a customer has been granted waiver of electronic service pursuant to Part 390 of the Commission’s regulations. In addition, a copy of this filing is available for public inspection during regular business hours at OkTex’s office at 100 West Fifth Street, Tulsa, Oklahoma 74103.

It is requested that a copy of all communications, correspondence, and pleadings with respect to this filing be sent to:

Denise Adams Director, Regulatory Affairs ONEOK, Inc. 100 West 5th Street Tulsa, Oklahoma 74103 (918) 732-1408 Email: regulatoryaffairs@oneok.com	David Keglovits VP and Associate General Counsel, Compliance and Regulatory ONEOK, Inc. 100 West 5th Street Tulsa, Oklahoma 74103 (918) 591-5020 Email: david.keglovits@oneok.com
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Any questions regarding this filing may be directed to Denise Adams at (918) 732-1408.

Pursuant to section 385.2005 and section 385.2011(c)(5) of the Commission’s regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best knowledge and belief of the undersigned.

Ms. Kimberly D. Bose, Secretary
October 24, 2023
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Respectfully submitted,

/s/ Denise Adams
Denise Adams
Director, Regulatory Affairs
ONEOK, Inc.
100 West 5th Street
Tulsa, Oklahoma 74103

Attachments

Appendix A

Clean Tariff Records

RATE SCHEDULE FTS FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule FTS is available for firm transportation service by Transporter for any Shipperwhere:

1.1 Shipper has initiated a request for service and has executed a Gas Transportation Contract for Firm Service under Rate Schedule FTS; and

1.2 The capacity necessary to provide the requested service on a firm basis is available on Transporter's System.

2. APPLICABILITY AND CHARACTER OF SERVICE

Rate Schedule FTS shall apply to all firm reserved transportation service rendered under gas transportation contracts for such firm reserved service.

When Shipper and Transporter have executed a Gas Transportation Contract for Firm Transportation Service under Rate Schedule FTS, Transporter shall receive from or for the account of Shipper, during each month during the term of such contract beginning with the Commencement Date, the Input Quantity scheduled for each Receipt Point pursuant to Section 5 hereof, up to the Maximum Input Quantity scheduled for each Receipt Point. Transporter shall transport and make available to or on behalf of Shipper such Input Quantity, adjusted for the Fuel and Use Quantity, at the Delivery Point(s) scheduled by Shipper, not to exceed the Maximum Equivalent Quantity for each Delivery Point.

Transportation service provided hereunder shall be firm reserved service and shall have priority over all transportation undertaken by Transporter on an interruptible basis.

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

3. DETERMINATION OF RECEIPT AND DELIVERY QUANTITIES, OPERATING COORDINATION AND ADJUSTMENTS

Gas received by Transporter for Shipper's account at the Point(s) of Receipt may be commingled with Gas received for other Shippers at the same point(s), and Gas delivered by Transporter for Shipper's account at the Point(s) of Delivery may be commingled with Gas delivered to other Shippers at the same point(s).

Transporter and Shippers shall use their best efforts to coordinate their actions to reduce imbalances resulting from the inability to maintain precise control and shall adjust operating

procedures from time to time in the light of experience to balance out and to minimize imbalances.

4. CONSTRUCTION OF NEW FACILITIES

Transporter shall not be required to acquire or construct any pipeline facilities specifically applicable to an individual Shipper (other than those minor facilities incident to the receipt and delivery or measurement of Gas at the Point(s) of Receipt and Point(s) of Delivery or at locations where Gas is measured) in order to provide service under this Rate Schedule; provided, however, that Transporter may, in its reasonable discretion, which discretion will not be applied in a discriminatory manner and with the agreement of the Shipper, agree to acquire or construct any such necessary facilities, subject to the provisions of Section 7.3 of this Rate Schedule.

5. NOMINATIONS AND SCHEDULING

Refer to Section 10. OPERATING INFORMATION, ESTIMATES, NOMINATION, SCHEDULING AND BALANCING in the General Terms and Conditions.

6. HOURLY VARIATIONS

Transporter shall receive, transport and deliver gas at a uniform hourly rate of flow when operationally feasible, the amount which Transporter scheduled for Shipper for that month for transportation under this Rate Schedule, provided, however, that Transporter will transport hourly Quantities for Shipper without regard to such hourly limitation to the extent that Transporter can do so without impairment of service to its other Shippers or without adversely affecting the operation of the System.

7. RATES

7.1 Applicable Rates. The applicable Maximum and Minimum Monthly Demand Charges and Unit Commodity Rates, for firm reserved transportation service under Rate Schedule FTS, are set forth in the currently effective Rates in Part 5.0 and are hereby incorporated herein.

7.2 Monthly Bill. The monthly bill for firm transportation service rendered under Rate Schedule FTS shall consist of a Monthly Demand Charge and a Unit Commodity Charge determined as follows:

- (a) Monthly Demand Charge - For each month, the Monthly Demand Charge payable by each Shipper shall, subject to any discount as provided herein, be equal to the applicable Maximum Monthly Demand Charge multiplied by the Maximum Daily Contract Demand for transportation to each Delivery Point as specified in the Gas Transportation Contract. The Monthly Demand Charge is payable notwithstanding any

failure to deliver all or any portion of Shipper's Input Quantity to Transporter at each Receipt Point during such month, for any reason whatsoever including force majeure.

(b) Unit Commodity Charge - For each month, the Unit Commodity Rate payable by each Shipper shall, subject to any discount as provided herein, be equal to the applicable Maximum Unit Commodity Rate multiplied by the sum of the Input Quantity received by Transporter on behalf of Shipper during such month at each Receipt Point for transportation to each Delivery Point.

(c) ACA Surcharges - For each month, the ACA Surcharges payable by each Shipper shall be equal to the ACA Adjustments multiplied by the sum of the Input Quantities received by Transporter on behalf of Shipper during such month at each Receipt Point for transportation to each Delivery Point.

7.3 Other Charges. The following further fees and charges also may be charged by Transporter to the extent applicable to the specific services provided hereunder.

(a) Reimbursement for Filing Fees - Shipper shall reimburse Transporter for any filing or reporting fees that are assessed by any governmental agency in conjunction with service hereunder and paid by Transporter; and

(b) For the costs of all facilities which Transporter acquires or constructs to provide service hereunder specifically applicable to such Shipper as described in Section 4 of this Rate Schedule, and which Shipper has agreed to reimburse Transporter in whole or in part.

(c) Unless otherwise provided, all substances whether or not of commercial value, including all liquid and liquefiable hydrocarbons of whatever nature, that Transporter recovers in the course of transporting the quantities of natural gas tendered hereunder by or on behalf of Shipper shall be Transporter's sole property, and Transporter shall not be obliged to account to Shipper for any value, whether or not realized by Transporter, that may attach or be said to attach to such substance.

7.4 Invoicing. Refer to NAESB WGQ Standard Nos. 3.3.3-19 and 3.3.21-26.

8. MINIMUM COMMODITY BILL

The applicable Minimum Unit Commodity Rates for transportation service under Rate Schedule ITS and FTS are set forth in the currently effective Rates in Part 5.0.

9. MEASUREMENT

Refer to Section 5 of the General Terms and Conditions.

10. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are part of Rate Schedule FTS.

11. RESERVATIONS

Transporter reserves the unilateral right from time to time to make any changes to or to supersede the rates, charges and any terms stated in this Rate Schedule and the applicability thereof, the General Terms and Conditions and any other provisions of Transporter's FERC Gas Tariff, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

12. ADDITIONAL DEFINITIONS

12.1 Maximum Monthly Demand Charge. The Maximum Monthly Demand Charge for each Dekatherm of the Maximum Daily Contract Demand at each Receipt Point for transportation to each Delivery Point shall be the highest applicable dollar amount that Transporter is permitted to charge under Rate Schedule FTS for the reservation of firm transportation service.

12.2 Minimum Monthly Demand Charge. The Minimum Monthly Demand Charge for each Dekatherm of the Maximum Daily Contract Demand at each Receipt Point for transportation to each Delivery Point shall be the lowest applicable dollar amount that Transporter is permitted to charge under Rate Schedule FTS for the reservation of firm transportation service.

12.3 Discounted Monthly Demand Charge. The Discounted Monthly Demand Charge for any Dekatherm of the Maximum Daily Contract Demand at any Receipt Point for transportation to any Delivery Point shall be the dollar amount per Dekatherm of Maximum Daily Contract Demand specified by Transporter in a notice to Shipper, which amount shall be less than the Maximum Monthly Demand Charge but equal to or greater than the Minimum Monthly Demand Charge.

13. CAPACITY CURTAILMENT

If during any month Transporter determines that capacity for firm transportation service on Transporter's System is insufficient to serve Shipper and others who have entered into Gas Transportation Contracts for Firm Service with Transporter and who have scheduled service on such day, firm transportation service on Transporter's System shall be allocated in accordance with Section 13 of the General Terms and Conditions. Transporter shall not bear any liability for any curtailment of transportation service to Shipper undertaken pursuant to events of force majeure and other events described in this Rate Schedule and the General Terms and Conditions made a part hereof. In no event shall Transporter be relieved of liability to the extent it is caused by Transporter's own negligence or wrongful conduct.

RATE SCHEDULE ITS INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

The Rate Schedule ITS is available for interruptible transportation service by Transporter for any Shipper where:

1.1 Shipper has initiated a request for service and has executed a Gas Transportation Contract for Interruptible Service under Rate Schedule ITS; and

1.2 When and to the extent that Transporter determines that capacity is available in its existing facilities without detriment or disadvantage to Transporters's firm Shippers.

2. APPLICABILITY AND CHARACTER OF SERVICE

Rate Schedule ITS shall apply to all interruptible transportation service rendered under Gas Transportation Contracts for interruptible service whenever Transporter is able and willing to offer such interruptible service.

When Shipper has contracted for interruptible transportation service under Rate Schedule ITS and capacity is available on Transporter's natural gas transmission System for the provision of such service, Transporter shall receive from Shipper, or for the account of Shipper, the Input Quantity scheduled for each Receipt Point pursuant to Section 5 hereof, up to the Maximum Input Quantity for each Receipt Point. To the extent that capacity is available on Transporter's natural gas transmission System, Transporter shall transport and make available to or on behalf of Shipper such Input Quantity adjusted for the Fuel and Use Quantity, at the Delivery Point(s) as Shipper may request, up to the Maximum Equivalent Quantity for each Delivery Point.

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

3. DETERMINATION OF RECEIPT AND DELIVERY QUANTITIES, OPERATING COORDINATION AND ADJUSTMENTS

Gas received by Transporter for Shipper's account at the Point(s) of Receipt may be commingled with Gas received for other Shippers at the same point(s), and Gas delivered by Transporter for Shipper's account at the Point(s) of Delivery may be commingled with Gas delivered to other Shippers at the same point(s).

Transporter and Shippers shall use their best efforts to coordinate their actions to reduce imbalances resulting from the inability to maintain precise control and shall adjust operating

procedures from time to time in the light of experience to balance out and to minimize imbalances.

4. CONSTRUCTION OF NEW FACILITIES

Transporter shall not be required to acquire or construct any pipeline facilities specifically applicable to an individual Shipper (other than those minor facilities incident to the receipt and delivery or measurement of Gas at the Point(s) of Receipt and Point(s) of Delivery or at locations where Gas is measured) in order to provide service under this Rate Schedule, provided, however, that Transporter may, in its reasonable discretion, which discretion shall not be applied in a discriminatory manner, and with the agreement of the Shipper, agree to acquire or construct any such necessary facilities, subject to the provisions of Section 10 of this Rate Schedule.

5. NOMINATIONS AND SCHEDULING

Refer to Section 10. OPERATING INFORMATION, ESTIMATES, NOMINATION, SCHEDULING, AND BALANCING in the General Terms and Conditions.

6. REDUCTIONS IN SCHEDULED INPUT QUANTITIES; REQUESTS FOR INCREASES

During any month in which Shipper desires to deliver to Transporter at any Receipt Point a quantity of gas which is less than Shipper's previously scheduled Input Quantity for such Receipt Point for such month, Shipper's dispatcher shall, at least twenty-four (24) hours prior to the commencement of such month, unless Transporter's dispatcher agrees to a shorter time period for advance notice, notify Transporter's dispatcher of the quantity of gas for each such Receipt Point which Shipper desires Transporter to make available at each Delivery Point. After receipt of such notice, Transporter's dispatcher shall advise Shipper's dispatcher of the corresponding Equivalent Quantity for each Delivery Point. Shipper shall arrange for the Input Quantity, as rescheduled, to be delivered to Transporter at each Receipt Point during such month.

A request by a Shipper for an increase in the Maximum Daily Contract Demand, or in the Maximum Input Quantity for a Receipt Point, or in the Maximum Equivalent Quantity at a Delivery Point, shall be treated as a new request for service and handled in accordance with Section 2 hereof.

7. HOURLY VARIATIONS

Transporter shall receive, transport and deliver gas at uniform hourly rates of flow when operationally feasible for the amount which Transporter scheduled for Shipper for that month for transportation under this Rate Schedule; provided, however, that Transporter will transport hourly Quantities for Shipper without regard to such hourly limitation to the extent that Transporter can do so without impairment of service to its other Shippers or without adversely affecting the operation of the System.

8. CAPACITY CURTAILMENT

If during any month Transporter determines that capacity for interruptible transportation service on Transporter's System is insufficient to serve Shipper and others who have entered into Gas Transportation Contracts for Interruptible Service with Transporter and who have scheduled service on such day, interruptible transportation service on Transporter's System shall be allocated in accordance with Section 13 of the General Terms and Conditions. Transporter shall not bear any liability for any curtailment of transportation service to Shipper undertaken pursuant to events of force majeure and other events described in this Rate Schedule and the General Terms and Conditions made a part hereof. In no event shall Transporter be relieved of liability to the extent it is caused by Transporter's own negligence or wrongful conduct.

9. RATES

9.1 **Applicable Rates.** The applicable Maximum and Minimum Unit Commodity Rates, for interruptible transportation service under Rate Schedule ITS are set forth in the currently effective Rates in Part 5.0 and are hereby incorporated herein.

9.2 **Monthly Bill.** The monthly bill for interruptible transportation service rendered under Rate Schedule ITS shall consist of a one-part charge determined by multiplying the applicable Maximum Unit Commodity Rate for interruptible service, subject to any discount as provided herein, by the number of Dekatherms of gas received by Transporter on behalf of Shipper during such month.

9.3 **ACA Surcharges.** For each month, the ACA Surcharges payable by each Shipper shall be equal to the ACA Adjustments multiplied by the sum of the Input Quantities received by Transporter on behalf of Shipper during such month at each Receipt Point for transportation to each Delivery Point.

9.4 **Invoicing.** Refer to NAESB WGQ Standard Nos. 3.3.3-19 and 3.3.21-26.

10. OTHER CHARGES

The following further fees and charges also may be charged by Transporter to the extent applicable to the specific services provided hereunder.

10.1 **Reimbursement for Filing Fees.** Shipper shall reimburse Transporter for any filing or reporting fees that are assessed by any governmental agency in conjunction with service hereunder and paid by Transporter; and

10.2 For the costs of all facilities which Transporter acquires or constructs to provide service hereunder specifically applicable to such Shipper as described in Section 4 of this Rate Schedule, and which Shipper has agreed to reimburse Transporter in whole or in part.

10.3 Unless otherwise provided, all substances whether or not of commercial value, including all liquid and liquefiable hydrocarbons of whatever nature, that Transporter recovers in the course of transporting the quantities of natural gas tendered hereunder by or on behalf of Shipper shall be Transporter's sole property, and Transporter shall not be obliged to account to Shipper for any value, whether or not realized by Transporter, that may attach or be said to attach to such substances.

11. MINIMUM COMMODITY BILL

The applicable Minimum Unit Commodity Rates for transportation service under Rate Schedule ITS is set forth in the currently effective Rates in Part 5.0.

12. MEASUREMENT

Refer to Section 5 of the General Terms and Conditions.

13. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are a part of the Rate Schedule ITS.

14. RESERVATIONS

Transporter reserves the unilateral right from time to time to make any changes to, or to supersede, the rates, charges and any terms stated in this Rate Schedule and the applicability thereof, the General Terms and Conditions and any other provisions of Transporter's FERC Gas Tariff, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

GENERAL TERMS AND CONDITIONS

Table of Contents

<u>SECTION</u>	<u>DESCRIPTION</u>
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20. Unauthorized Monthly Overdelivery At Receipt Point and Remedy
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40. Sales and Purchases of Gas for Operational Purposes
41. Termination or Mutual Extension of Service Agreements

42. Negotiated and Discounted Rates

1. DEFINITION OF TERMS

Except where another meaning is expressly stated, the following terms, when used in this Tariff and in any Gas Transportation Contract incorporating this Tariff, shall be construed to have the following meanings:

1.1 Input Quantities.

(a) **Input Quantities.** The Input Quantity for each day at a Receipt Point shall be the Dekatherms of natural gas which is delivered to Transporter at the Receipt Point by or on behalf of Shipper, not to exceed the Maximum Input Quantity for such Receipt Point, to be made available to or on behalf of Shipper (subject to adjustment of the Fuel and Use Quantity) at one or more Delivery Points, not to exceed the Maximum Equivalent Quantity for any Delivery Point as set forth on Schedule 1 appended to the Gas Transportation Contract between Shipper and Transporter.

(b) **Maximum Input Quantity.** The Maximum Input Quantity for a Receipt Point shall be the maximum Dekatherms of natural gas per day which Shipper is entitled to request Transporter to receive at the Receipt Point to be made available to or on behalf of Shipper (subject to adjustment for the Fuel and Use Quantity) at one or more Delivery Points, not to exceed the Maximum Equivalent Quantity for any Delivery Point as set forth on Schedule 1 appended to the Gas Transportation Contract between Shipper and Transporter

(c) **Maximum Daily Contract Demand.** The Maximum Daily Contract Demand shall be the total of the Maximum Input Quantities for all Receipt Points for the Shipper.

1.2 Equivalent Quantities.

(a) **Equivalent Quantity.** The Equivalent Quantity shall be those Dekatherms of natural gas to be made available on any day to or on behalf of the Shipper at one or more Delivery Point(s), which Dekatherms shall be the thermal equivalent of the Input Quantity delivered to Transporter at the Receipt Point(s) by or on behalf of Shipper on that day, less the applicable Fuel and Use Quantity.

(b) **Maximum Equivalent Quantity.** The Maximum Equivalent Quantity for a Delivery Point on each day shall be the maximum Dekatherms which Shipper may request Transporter to make available at each Delivery Point, as set forth in Schedule 1 appended to the Gas Transportation Contract between Shipper and Transporter. The total of the Maximum Equivalent Quantities for all Delivery Points for a Shipper shall be the thermal equivalent of the total of the Maximum Input Quantities for all Receipt Points for the Shipper.

1.3 Fuel and Use Quantities.

- (a) Fuel and Use Quantity. The Fuel and Use Quantity shall be equal to the product of the applicable Fuel and Use Factor and the Input Quantity.
- (b) Fuel and Use Factor. The Fuel and Use Factor shall be the applicable percentage set forth on currently effective Rate Section for the applicable Rate Schedule, as such may be revised from time to time based upon the determination by Transporter of changes in its fuel and use requirements.

1.4 Transportation Commodity Rates.

- (a) Maximum Unit Commodity Rate. The Maximum Unit Commodity Rate for each Dekatherm of Input Quantity at each Receipt Point for transportation to each Delivery Point shall be the highest applicable dollar amount that Transporter is permitted to charge Shipper under the applicable Rate Schedule.
- (b) Minimum Unit Commodity Rate. The Minimum Unit Commodity Rate for each Dekatherm of Input Quantity at each Receipt Point for transportation to each Delivery Point shall be the lowest applicable dollar amount that Transporter is permitted to charge Shipper under the applicable Rate Schedule.
- (c) Discounted Unit Commodity Rate. The Discounted Unit Commodity Rate shall be the dollar amount per Dekatherm of Input Quantity at any Receipt Point for transportation to any Delivery Point as specified by Transporter in a notice to Shipper, which amount shall be less than the Maximum Unit Commodity Rate but equal to or greater than the Minimum Unit Commodity Rate.

1.5 Commencement Date. The Commencement Date shall be the date on which transportation service begins, as mutually agreed by Shipper and Transporter and set forth in a Gas Transportation Contract, or such later date on which the natural gas facilities required to enable Transporter to render transportation service to Shipper are constructed, installed and made operational, as set forth in Transporter's written notice to Shipper which shall be given at least thirty (30) days in advance of such date, unless Shipper and Transporter agree to a shorter notice period.

1.6 Delivery and Receipt Points.

- (a) Delivery Point. A Delivery Point is a point at which Transporter is authorized to make gas available to or on behalf of Shipper. Transporter's Delivery Point(s) for Shipper shall be those set forth on Schedule 1 appended to the Gas Transportation Contract between Transporter and Shipper, and other mutually agreeable points.

(b) Receipt Point. A Receipt Point is a point at which Transporter is authorized to accept delivery of natural gas from or for the account of Shipper. Transporter's Receipt Point(s) for Shipper shall be those set forth on Schedule 1 appended to the Gas Transportation Contract between Transporter and Shipper or other mutually agreeable points.

1.7 Rate Schedules.

(a) Rate Schedules FTS. Rate Schedule FTS shall mean Rate Schedule FTS of Transporter's FERC Gas Tariff, as in effect, and as such may be revised from time to time, or any superseding rate schedule(s).

(b) Rate Schedules ITS. Rate Schedule ITS shall mean Rate Schedule ITS of Transporter's FERC Gas Tariff, as in effect, and as such may be revised from time to time, or any superseding rate schedule(s).

1.8 Day. The term "day" shall mean a period of 24 consecutive hours, beginning and ending at 9:00 a.m. Central Clock Time.

1.9 Month. The term "month" shall mean the period beginning at 9:00 a.m. Central Clock Time on the day of a calendar month and ending at the same time on the day of the next succeeding calendar month.

1.10 Billing Month. The term "billing month" shall mean that month of service hereunder which immediately precedes the month in which Transporter is obligated to render a bill for such service.

1.11 Contract Year. The term "contract year" shall mean the period commencing on the date deliveries commence under a Gas Transportation Contract and ending at 9:00 a.m. Central Clock Time on the and each subsequent anniversary date thereof.

1.12 Cubic Foot. The term "cubic foot" shall mean the volume of dry gas which occupies one cubic foot when such gas is at a temperature of sixty degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute.

1.13 Mcf. The term "Mcf" shall mean 1,000 cubic feet of gas.

1.14 British thermal unit or Btu. The definition of one BTU is the quantity of heat that must be added to one pound (avoirdupois) of pure water to raise its temperature from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit under standard pressure conditions.

1.15 Dekatherm. One Dekatherm shall mean 1,000,000 Btu's.

1.16 psig. The term "psig" shall mean pounds per square inch gauge.

1.17 Total heating value. The Number of BTUs produced by combustion at constant pressure of the amount of gas that will occupy a volume of one cubic foot at 60 degrees Fahrenheit at the reference base pressure with air at the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion is condensed to the liquid state.

1.18 Thermally Equivalent Quantity. "Thermally equivalent quantity" shall mean an equal number of Dekatherms of Gas.

1.19 Quantity or Quantities. "Quantity" or "Quantities" shall mean a unit or units of measurement in Dekatherms.

1.20 Pro Rata Share. "Pro Rata Share" shall mean the ratio that the Quantity of Gas scheduled to be received by Transporter, from or for the account of Shipper, bears to the total Quantity of Gas scheduled to be received by Transporter from all Shippers for transportation in the System during any given time period (day, month, year).

1.21 Gas. The term "gas" shall mean natural gas of the quality specified in Section 4 of the General Terms and Conditions.

1.22 Transportation. The term "transportation" shall mean the transmission of gas, whether by exchange, backhaul or any other actual or constructive method or movement.

1.23 Shipper. The term "Shipper" shall mean the person that has executed a Firm or Interruptible Transportation Service Agreement with Transporter for transportation service hereunder or, as the context may require, any person requesting service hereunder.

1.24 Operator. "Operator" shall mean the entity or entities, other than Transporter, designated by Transporter to operate the System.

1.25 Party. "Party" shall mean Shipper or Transporter and the term "Parties" shall mean Shipper(s) and Transporter.

1.26 Person. "Person" shall mean an individual, a corporation, voluntary association, joint stock company, business trust, partnership, limited liability company or other entity.

1.27 System. "System" shall mean the pipeline and all related facilities located in the United States and owned by Transporter at the time, including but not limited to the compressors, regulators, meters and support facilities in the United States.

1.28 Company Used Gas. "Company Used Gas" shall mean the Quantity of Gas, including compressor fuel, used in the operations of the System. All Company Used Gas shall be

deemed to have a Btu content per cubic foot equal to the weighted average of all gas delivered to the System during any given time period (day, month, year).

1.29 Unaccounted For Gas. "Unaccounted For Gas" shall mean the quantity of gas furnished by Shipper and lost from the System during any given time period (day, month, year) which Quantity shall include, but shall not be limited to, gas lost as a result of an event of force majeure, which gas cannot be reasonably attributed to one or more Shippers. In the event that gas lost as a result of an event of force majeure can be reasonably attributed by Transporter to any one or more Shippers, the Quantity therefore shall be deducted in determining the Quantity of gas to be delivered to such Shippers and such deduction will not be considered part of a Shipper's Pro Rata Share of Unaccounted For Gas. All Unaccounted For Gas during any given time period (day, month, Year) shall be deemed to have a Btu content per cubic foot equal to the weighted average of the Btu content of all gas received by Transporter during such time period.

1.30 Commission or FERC. The terms "Commission" or "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency.

1.31 Operator Inclusion. For purpose of these General Terms and Conditions, Transporter shall also include any Operator of the System.

1.32 NAESB. North American Energy Standards Board.

1.33 Service Requester. A Shipper or its Nomination Agent (one who has been pre-designated by Shipper to serve in such role). If a Shipper elects to use a Nomination Agent for a given service agreement, the Nomination Agent replaces the Shipper as the sender of the nomination information as well as the receiver of the nomination-related information from Transporter for such agreement.

1.34 Transporter. The term "Transporter" shall mean OkTex Pipeline Company, L.L.C., a "Service Provider" pursuant to NAESB WGQ Standards.

1.35 Internet Web Site. The term "Internet Web Site" shall mean Transporter's computer information and scheduling system, accessed through Transporter's interactive Internet Web Site or through electronic data interchange.

7. BILLINGS AND PAYMENTS

7.1 Monthly Billing Date. The imbalance statement shall be rendered prior to or with the invoice, and the transportation invoice shall be rendered on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered (made available) to the designated site. [3.3.14]

7.2 Monthly Payment Date. Shipper shall pay Transporter, at a bank designated by Transporter, so that payment is received and Transporter has available funds there from on or before the last day of each month, the full amount billed by Transporter to Shipper under Section 7.1 of this Section 7 for the immediately preceding month in a statement for such month according to the measurement, computations and prices provided in this Tariff and the Gas Transportation Contract between Transporter and Shipper.

7.3 Transporter may at its option render an estimated imbalance statement to Shipper, which statement shall contain Transporter's best estimate of the total amount payable to Transporter by Shipper under the Gas Transportation Contracts(s) between Transporter and Shipper for the preceding month. Shipper shall pay to Transporter the full amount of such estimated statement on or before the last day of each month provided, however, that Transporter shall render to Shipper a final statement no later than the twentieth (20th) day of the month in which such estimated statement is rendered, unless Transporter's failure to do so is due to the fault of Shipper, in which case Transporter shall render to Shipper a final statement at such time as Transporter is able to do so. Any difference between the estimated statement and the final statement shall be added to or deducted from, as appropriate, Transporter's next succeeding monthly statement to Shipper if any and if not the Party having the debt shall pay to the other Party an amount equal to such debt.

7.4 Remedies for Nonpayment. Should Shipper fail to pay any or all of the amount of any bill as herein provided when such amount is due, Shipper shall pay a Charge for Late Payment which shall be included by Transporter on the next regular monthly bill rendered to Shipper. Such Charge for Late Payment shall be determined by multiplying (a) the unpaid portion of the bill by (b) the ratio of the number of days from the due date to the date of actual payment to 365 by (c) the applicable rate of interest calculated in accordance with Section 154.67 of the Commission's regulations. If such failure to pay continues for thirty (30) days after payment is due, Transporter, in addition to any other remedy it may have under the Gas Transportation Contract, may, after any required application to and authorization by the Federal Energy Regulatory Commission, suspend further transportation of gas. Shipper must, within five (5) Business Days of notice, pay for one month of service in advance to continue service. Shipper must, within thirty (30) Days of notice, provide acceptable security, consistent with Transporter's applicable creditworthiness standards. Transporter may thereafter, in addition to any other remedy it may have under the Gas Transportation Contract, terminate said contract in accordance with the provisions of Section 12.4 of Part 8.0, provided, however, that if Shipper in good faith shall dispute the amount of any bill or part thereof and shall pay Transporter such

amount as it concedes to be correct and at any time within thirty (30) days after a demand made by Transporter shall furnish good and sufficient security as defined in Section 25 of the General Terms and Conditions, guaranteeing payment to Transporter of the amount ultimately found due upon such bills after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Transporter shall not, with respect to such non-payment, be entitled to seek to suspend further delivery of gas unless and until default be made in the conditions of such security. If the Shipper fails to provide the required security within these time periods, the Transporter may suspend service immediately and may simultaneously give a written notice that it will terminate service in thirty (30) Days if the Shipper fails to provide security.

7.5 Adjustment of Underpayment, Overpayment or Error in Billing. If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Gas Transportation Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, then within thirty (30) days after the final determination thereof, Transporter shall refund the amount of any such overcharge, and Shipper shall pay the amount of any such undercharge, provided, however, that interest calculated in accord with Section 7.4 above shall apply to any undercharge not paid within thirty (30) days from the date of Transporter's notification to Shipper of the amount of the undercharge. In the event an error is discovered in the amount billed in any statement rendered by Transporter, such error shall be adjusted within thirty (30) days of the final determination thereof provided that claim therefor shall have been made within sixty (60) days from the date of discovery of such error but, in any event, within twenty-four (24) months from the date of payment.

7.6 Right of Examination. Both Transporter and Shipper shall have the right to examine at any reasonable time the books, records and charges of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provision of this Tariff or the Gas Transportation Contract between Transporter and Shipper.

7.7 Invoicing Standards. Refer to NAESB WGQ Standard Nos. 3.3.3-19 and 3.3.21-26.

16. RESERVED FOR FUTURE USE

25. REQUESTS FOR SERVICE

Subject to any conditions set forth in the applicable Rate Schedules, this Section shall govern qualification for receipt of service under Rate Schedules FTS and ITS.

25.1 Requests for Service

- (a) All Shippers requesting transportation service under Rate Schedules FTS or ITS via the Transporter's Customer Activities Web site or in writing when necessary, the information required by this Section 25 and the information necessary to complete the fill in the blank in the applicable form of agreement in order to qualify for service. No request for service will be scheduled until all of the information has been provided.
- (b) Except as expressly set forth in Subsection 25.1(d) or other provisions of this FERC Gas Tariff, Transporter may award available capacity for firm transportation service to commence at a future date only within the following timeframes:
 - (1) For service with a primary contract term of three months or less, Transporter may award a request for service no earlier than fifteen (15) calendar days prior to the proposed commencement date of service.
 - (2) For service with a primary contract term of greater than three months, but less than one year, Transporter may award a request for service no earlier than thirty (30) calendar days prior to the proposed commencement date of service.
 - (3) For service with a primary contract term of one (1) year or longer, Transporter may award a request for service no earlier than ninety (90) days prior to the proposed commencement date of service.
- (c) Transporter shall deny a request for capacity to the extent honoring the request would have the effect of awarding capacity prior to the timeframes set forth in Subsection 25.1(b), due to the unavailability of the requested capacity for any portion of the requested primary contract term. For example, if, on October 1, a Shipper requested that Transporter award capacity with a primary contract term of one year beginning on November 1, but the capacity was available only for the following June through October (i.e. for the last five months of the requested term), Transporter would treat the request as a request for capacity with a term of five months, with the date the capacity became available deemed to be the start of the requested primary term. Pursuant to Subsection 25.1(b)(2),

Transporter would reject the request as premature. Notwithstanding the above:

- (i) Transporter may consider a request described above pursuant to Subsection 25.1(d).
 - (ii) Transporter and Shipper may agree to contract for less than all the requested capacity as long as the award is within the timeframes set forth in Subsection 25.1(b). For example, if a Shipper requested 15,000 dth/day of capacity for a term of one year, and only 5,000 dth/day was available for a six-month period beginning four months after the request was made, Transporter and Shipper could agree to contract for the available capacity for a six month term consistent with the timeframe set forth in Subsection 25.1(b)(2).
- (d) Transporter may consider, on a not unduly discriminatory basis, a request for firm service outside the time periods specified in Subsection 25.1(b), if the request involves circumstances which include the following:
- (i) The request is for capacity offered on a pre-arranged basis pursuant to the process set forth in Subsection 25.6 below:
 - (ii) The request is for capacity offered pursuant to an open season initiated by Transporter pursuant to the process set forth in Subsection 25.7 below; or
 - (iii) The request involves the acquisition, modification or construction of facilities or, terms and conditions that may require prior Commission approval or notice.
- (e) If Transporter allows a variation from the time periods specified in Subsection 25.1(b) in accordance with the circumstances described in Subsection 25.1(d)(i)-(iii) or otherwise, Transporter shall provide reasons for the variation in the notice of the open season or by means of an Informational Postings notice on Transporter's Internet Web Site. Transporter shall deviate from the time periods specified in Subsection 25.1(b) only in a not unduly discriminatory manner consistent with Commission regulations.

25.2 Modification of Service

Any modification of an existing transportation agreement shall be requested by Shipper's submission of a new request with notation on the request that the service requested is a modification of an existing service. Such request, after having been

fully processed and accepted by Transporter, shall be deemed to have the full force and effect of the underlying transportation agreement.

25.3 Credit Evaluation

Transporter shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of a Shipper's overall financial condition. Such credit appraisal and any further or ongoing credit appraisal as may be necessary shall be based upon the information and criteria listed in (a)-(c) below. Provided further, a Shipper with an ongoing business relationship with Transporter shall have no delinquent balances outstanding for services made previously by Transporter, and Shipper must have paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract.

- (a) Shipper shall provide any reasonable information required by Transporter in connection with transportation services pursuant to this Tariff, including information relating to the Shipper's supply of natural gas, the deliverability of such natural gas and upstream transportation arrangements.
- (b) If requested by Transporter, Shipper shall provide Transporter within one hundred and twenty (120) days after the end of each fiscal year of Shipper, current audited financial statements, annual reports, 10-K reports, or other filings with regulatory agencies which discuss Shipper's financial status; a list of all corporate Affiliates, parent companies, and subsidiaries; and any reports from credit reporting and bond rating agencies which are available. Transporter may accept unaudited consolidated financial statements. Transporter shall determine the acceptability of the Shipper's overall financial condition.
- (c) Upon execution and delivery of the Service Agreements, Shipper will comply with one of the following creditworthiness requirements:
 - (i) The Shipper, or an Affiliate Guarantor, has an investment grade rating for its long term senior unsecured debt from a recognized rating agency. Such rating shall be the equivalent of BBB- or better by Standard & Poor's Financial Services ("S&P"), and/or Baa3 or better by Moody's Investor Service Inc. ("Moody's"), and or BBB- by Fitch Ratings, Inc. In the event that Shipper is rated by two or more of the preceding rating agencies at levels that are not equivalent, the lowest rating shall apply. A Shipper who qualifies under this category initially but is later downgraded below investment grade will be required to qualify under another

category below.

- (ii) The Shipper shall demonstrate that the net present value of the sum of future reservation rates, usage rates and other fees and charges for the service requested is less than 15% of the Shipper's tangible net worth.
- (iii) If Shipper does not meet the creditworthiness standard described in part (i) or (ii) above, Transporter shall evaluate creditworthiness based upon the level of Shipper's current and requested service(s) with Transporter relative to Shipper's current and future ability to meet its obligations. Such creditworthiness evaluation shall be based upon any or all of the following requested information in a. through g. below.
 - a. S&P, Moody's and other credit reporting agencies' opinions, outlooks, watch alerts, and rating actions.
 - b. Financial reports whereby consistent financial statement analysis will be applied by Transporter to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements, notes to financial statements, and auditor's opinions will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.
 - c. Whether Shipper is operating under any chapter of the bankruptcy code and is subject to liquidation or debt reduction procedures under state laws and whether there is pending any petition for involuntary bankruptcy. Transporter may give consideration for a Shipper who is a debtor-in-possession operating under Chapter 11 of the United States Bankruptcy Code if Transporter is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future to make payment.
 - d. Whether Shipper is subject to any lawsuits or outstanding judgments which could materially impact its ability to remain solvent.
 - e. The nature of Shipper's business and the effect on that business of economic conditions, including Shipper's ability to recover the costs of Transporter's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.

- f. Whether Shipper has or has had any delinquent balances outstanding for services provided previously by Transporter and whether Shipper is paying and has paid its account balances according to the terms established in its Agreement(s) (excluding amounts as to which there is a good faith dispute).
 - g. Any other information, including any information provided by Shipper, that Transporter deems relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of its Agreement(s).
- (iv) Application for acceptance as creditworthy may be made at any time. Shipper will not be subject to having its acceptance under this category revoked unless there has been a material adverse change in the financial criteria relied on at the time of acceptance.
- (d) Transporter shall not be required to perform services under a transportation Service Agreement for any Shipper who is or has become insolvent, or who fails to demonstrate creditworthiness, or who fails to make payments pursuant to Section 7 hereof (except if Shipper has disputed a bill and made provision for such payment in accordance with Section 7 hereof); provided, however, such Shipper provides security as required by this Subsection 25.3.

25.4 Failure to Meet Creditworthiness Criteria

- (a) Upon notification by Transporter that Shipper has failed to satisfy the credit criteria, such Shipper may still obtain credit approval by Transporter if it elects to provide:
- (i) a Letter of Credit or a cash deposit, in an amount equal to the sum of three (3) months' reservation charge from Shipper based on the rates in Shipper's Service Agreement for service pursuant to its firm Service. Transporter will accrue interest for the account of Shipper on any cash deposit at the simple prime rate of interest for the application period offered by Citibank N.Y. or any successor of Citibank, N.Y. A Letter of Credit must be in a form reasonably acceptable to Transporter. Such security shall be adjusted annually to reflect any change in the reservation charge for the succeeding three (3) months; or
 - (ii) an advance deposit, a standby irrevocable letter of credit, a security interest in collateral found to be satisfactory to Transporter or a guarantee, acceptable to Transporter, by another person or entity which satisfies the credit appraisal for service pursuant to its

interruptible service agreement,

- (iii) a guarantee, acceptable to Transporter, by another person or entity that satisfies Transporter's credit appraisal according to the same procedures set forth in Subsection 25.3; or
- (iv) other security acceptable to Transporter, to be accepted on a not unduly discriminatory basis.

Any Shipper who qualifies under paragraphs (i), (ii), or (iii) above by virtue of an Affiliate Guarantor guaranteeing the obligations of the Shipper shall provide an irrevocable undertaking from the Affiliate to guarantee the Shipper, and shall provide the undertaking to guarantee concurrently with the execution of a Service Agreement. Such guarantee shall be in a form acceptable to Transporter.

- (b) If Shipper's credit standing ceases to meet Transporter's credit requirements during the period of service, then Transporter has the right to require security or a deposit as specified in Section 126.2(a) above. If security or a deposit is not tendered in a timely period as reasonably determined by Transporter in accordance with Section 7 of the GT&C, then Transporter is not required to continue service after 30 days of advance written notice to the Shipper and the Commission. If Shipper is unable to maintain acceptable credit, the executed Service Agreement may be terminated by Transporter after 30 days of advance written notice to the Shipper and the Commission, in accordance with Section 8 of the GT&C.

25.5 Creditworthiness Notices

(a) Transporter Responsibilities

- (i) Transporter shall designate, on its Internet Web site or in written notices to Shipper, the Internet E-mail addresses of up to two representatives who are authorized to receive notices regarding Shipper's creditworthiness. Shipper's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and Transporter shall manage internal distribution of any such confirmations. [0.3.7]
- (ii) If Transporter requests additional information to be used for credit evaluation after the initiation of service, Transporter, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to Shipper and designate to whom the response shall be sent. Transporter and Shipper may

mutually agree to waive this requirement. [0.3.3]

- (iii) Upon receipt from Shipper of all credit information provided, Transporter shall notify Shipper's authorized representative(s) that it has received such information. Transporter and Shipper may mutually agree to waive this requirement. [0.3.6]
 - (iv) After Transporter's receipt of Shipper's request for re-evaluation, including all required information pursuant to NAESB WGQ Standard No. 0.3.8 ("Shipper's Request"), within five (5) Business Days, Transporter shall provide a written response to Shipper's Request. Such written response shall include either a determination of creditworthiness status, clearly stating the reason(s) for Transporter's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event shall such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of the Shipper's Request unless specified in Transporter's FERC Gas Tariff or if the parties mutually agree to some later date. [0.3.9]
 - (v) Regarding capacity release transactions, Transporter shall provide the original Releasing Shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Transporter to the Releasing Shipper's Replacement Shipper(s), of the following [5.3.60]:
 - (A) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to this Section 25 and Section 7 of the General Terms and Conditions of Transporter's FERC Gas Tariff;
 - (B) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;
 - (C) Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and
 - (D) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to this Section 25.
- (b) Shipper Responsibilities

- (i) Shipper shall designate up to two representatives who are authorized to receive notices regarding the Shipper's creditworthiness, including requests for additional information, and shall provide to Transporter the Internet E-mail addresses of such representatives prior to the initiation of service. Written requests and responses shall be provided via Internet E-mail, unless otherwise agreed by the parties. The obligation of Transporter to provide creditworthiness notifications is waived until the above requirement has been met. Shipper shall manage internal distribution of any creditworthiness notices that are received. [0.3.7]
 - (ii) Upon receipt of either an initial or follow-up request from Transporter for information to be used for creditworthiness evaluation, the Shipper's authorized representative(s) shall acknowledge receipt of Transporter's request. Transporter and Shipper may mutually agree to waive this requirement. [0.3.4]
 - (iii) Shipper's authorized representative(s) shall respond to Transporter's request for credit information, as allowed by this Section 10, on or before the later of the due date specified in the request or three (3) Business Days. Shipper shall provide all the credit information requested by Transporter or provide the reason(s) why any of the requested information was not provided. [0.3.5]
 - (iv) At any time after Shipper is determined to be non-creditworthy by Transporter, Shipper may initiate a creditworthiness re-evaluation by Transporter. As part of Shipper's re-evaluation request, Shipper shall either update or confirm in writing the prior information provided to Transporter related to Shipper's creditworthiness. Such update shall include any event(s) that Shipper believes could lead to a material change in Shipper's creditworthiness. [0.3.8]
- (c) Designating Notice Representatives

Transporter's and Shipper's authorized creditworthiness representative(s) for Internet E-mail notifications, responses and requests as described in this Section 25 shall be established by initiating a request as prescribed on Transporter's Customer Activities site.

In complying with the creditworthiness-related notifications pursuant to this Section 25 and Section 9 of the General Terms and Conditions of

Transporter's FERC Gas Tariff, Shipper and Transporter may mutually agree to other forms of communication in lieu of Internet E-mail notification. [0.3.10]

25.6 Capacity Reserved for Expansion/Extension Projects

Notwithstanding any other provision of this Tariff, Transporter reserves the right, but shall not be obligated, to reserve for expansion/extension projects capacity that is or that will become available. The four types of capacity that Transporter may reserve subject to the conditions of this Section are as follows:

- (1) Capacity posted on Transporter's Informational Postings Web site as unsubscribed available capacity;
- (2) Capacity posted for bidding pursuant to the provisions of Section 32 of these General Terms and Conditions; provided however that Transporter's reservation of such capacity shall be conditioned on the existing capacity holder ("Existing Shipper") not retaining such capacity pursuant to the exercise of Existing Shipper's rights of first refusal pursuant to Section 32 of these General Terms and Conditions;
- (3) Capacity that is made available to Transporter for use in an expansion/extension project in accordance with the terms and conditions of an offer by Transporter to accept permanent releases of capacity to serve an expansion/extension project;
- (4) Capacity that is returned to Transporter by an existing capacity holder at the expiration of that capacity holder's contract term(s).

Transporter shall post any reserved capacity on its Informational Postings Web site. The reservation posting shall include, but not be limited to, the following information:

- (1) a description of the expansion/extension project for which the capacity is being reserved;
- (2) the quantity of capacity being reserved;
- (3) the location of the reserved capacity on the pipeline System; and
- (4) the estimated in-service date of the expansion/extension project. Transporter shall make reasonable efforts to update the reservation posting up to the in-service date of the expansion/extension project to reflect any material changes in the scope of the expansion/extension project.

Transporter may only reserve capacity for an expansion/extension project for which an open season has been held or will be held within one (1) year of the date that capacity posted as reserved becomes available on a limited-term basis as set forth below. Transporter will not, absent Commission approval, accept advance payments to reserve capacity under this Section.

To the extent capacity reserved under this Section is currently available, Transporter shall make such capacity available for transportation service pursuant to the provisions of Transporter's FERC Gas Tariff on a limited-term basis up to the in-service date of the expansion/extension project(s). For such limited-term agreements, Transporter reserves the right to limit any extension rights provided in the firm transportation agreement or under Transporter's FERC Gas Tariff commensurate with the proposed in-service date of the expansion/extension project. Transporter will indicate in any open season posting of the capacity any limitations on extension rights that will apply to such limited-term transportation service.

25.7 Capacity Reserved for Pre-arranged Deals

- (a) Pre-Arranged Capacity. Transporter may sell firm capacity with service commencement dates more than ninety (90) days in the future, when such capacity is either available unsubscribed capacity or capacity that will become available and is not subject to a right of first refusal, by selling such capacity on a pre-arranged basis.
- (b) If Transporter proposes to sell capacity on a pre-arranged basis, Transporter will post the terms of the pre-arranged transaction and other parties will have an opportunity to bid on the capacity pursuant to 25.7 below. At the time Transporter enters into a pre-arranged service agreement, Transporter will post a notice on its Internet Web site indicating that the pre-arranged capacity will be subject to an open bidding process within three (3) business days, even if such capacity has already been subject to an open season bidding process and is currently posted as available capacity. If another party submits an acceptable bid on a net present value basis, the pre-arranged Shipper will have a one-time right to match the higher bid in order to retain the capacity. If the pre-arranged Shipper elects not to match a higher competing bid, the capacity will be awarded to the bidder with the highest net present value acceptable bid. If there is an open season ongoing for certain capacity, Transporter will not enter into a pre-arranged deal for that capacity during the open season.
- (c) Transporter will separately identify on its Internet Web site all capacity that is anticipated to become available and is not subject to a right of first

refusal. Transporter will not enter into any pre-arranged deals for capacity that has not previously been posted on its Internet Web site.

- (d) To the extent capacity reserved under this Section is currently available, Transporter shall make such capacity available for transportation service pursuant to the provisions of Transporter's FERC Gas Tariff on a limited-term basis up to the in-service date of the pre-arranged transaction. For such limited-term agreements, Transporter reserves the right to limit any pre-arranged transaction rights provided in the firm transportation agreement or under Transporter's FERC Gas Tariff commensurate with the proposed in-service date of the pre-arranged transaction. Transporter will indicate in any open season posting of the capacity any limitations on extension rights that will apply to such limited-term transportation service.

25.8 Solicitation of Bids for Capacity

- (a) Transporter shall (1) post notice of its capacity that is available on a first-come, first-served basis, for service to start immediately or in the future, or (2) post notice of an open season for its available capacity for service to start immediately or in the future, or (3) post notice of an open season for expansion projects including requests for incremental service at a date later than the in-service date of the expansion facilities.

Regarding (2) and (3), the open season notice will be posted for a period of no less than three Business Days for available capacity for service to start immediately or in the future and no less than 20 Business Days for expansion projects on Transporter's system and will include the following information:

- (i) the location of the capacity or proposed expansion;
 - (ii) the total quantity, if applicable;
 - (iii) the date capacity is available or proposed to be available; and
 - (v) bid evaluation methodology, if applicable.
- (b) Regarding (2) and (3), the bid methodology will include a net present value (NPV) analysis and the notice will be posted at least three business days prior to bidding. In addition, Transporter will post whether bids have been received, the full net present value analysis for the highest bid received, the Shippers' bids, and the actual calculation of the NPV. Transporter will award the capacity based upon the highest net present value. In the event of equal bids on the basis of a NPV calculation,

capacity will be awarded on a pro rata basis. Shipper shall be required to indicate in its bid whether it is willing to accept a lesser quantity in the event such capacity is awarded on a pro rata basis due to equal bids. For purposes of its NPV evaluation, Transporter may consider the aggregate NPVs of two or more bids.

- (c) Regarding (2), if no acceptable bids are received during an open season, Transporter will post the capacity on its Informational Postings Web site in order that it may be awarded on a first-come, first-served basis at a mutually agreed upon rate. Shippers must submit a request for such capacity by electronic mail to Transporter's Marketing Department. The time stamp on the communication will be used to determine the sequence of bids.

Transporter reserves the right not to award such capacity at less than the applicable Maximum Rate. Transporter shall not award such capacity at less than the Maximum Rate to an affiliate as defined in Part 358 of the Commission's regulations unless a request for a discount from an affiliate is first posted for competitive bid and no other competitive bids are determined to be the best bid as a result of such posting.

26. RESERVED FOR FUTURE USE

32. RIGHT OF FIRST REFUSAL AND EXTENSION OF SERVICE AGREEMENTS

32.1 Applicability

This Section 32 shall apply only to firm service agreements:

- (a) For twelve consecutive months or more at the applicable Maximum Rate for that service;
- (b) For more than one year for a service that is not available for twelve (12) consecutive months at the applicable Maximum Rate for the services;
- (c) Extended at the applicable Maximum Rates for a term of one year or more pursuant to the terms of such agreements or of Section 41 of these General Terms and Conditions, even if the service was at a negotiated rate or at less than the Maximum Rates prior to such extension period; or
- (d) That expressly apply the provisions of this Section 32 or include a right of first refusal, provided that Transporter may agree to include a right of first refusal only on a not unduly discriminatory basis.

The right of first refusal will not apply to interim service agreements associated with expansion/extension projects as set forth in Subsection 25.6 of the General Terms and Conditions or pre-arranged transactions as set forth in Subsection 25.7 of the General Terms and Conditions.

Shipper may exercise its right to retain a portion of its firm service entitlement, subject to the right of first refusal, however, the Shipper may not exercise the right of first refusal for a geographic portion of the service under its agreement.

Subject only to Shipper's right of first refusal to continue service, Transporter shall have all necessary abandonment authorization under the Natural Gas Act as of the expiration date of any service agreement and shall not be required to seek case specific authorization prior to abandoning service.

32.2 Right of First Refusal

To exercise its right of first refusal to continue service for all or a portion of the firm capacity covered by a service agreement, that meets the requirements of Subsection 32.1 above, the Shipper must provide notice to Transporter pursuant to Subsection 32.3 below that it desires to continue its service agreement and that it may match the best bid that is offered by another person desiring such capacity as set forth in

Subsection 32.5 below, provided that Transporter shall not be obligated to provide service at less than the applicable Maximum Rates.

32.3 Notice to Transporter

Shipper shall notify Transporter in writing of its intention: (i) to exercise a right of first refusal for all or a portion of the Transportation Quantity stated in its service agreement; (ii) to terminate the service agreement or (iii) to request a lesser extension of the term ("Shipper Notice"). The Shipper Notice must be made at least six (6) months in advance of service agreement expiration.

Unless a service agreement expressly provides otherwise, if Shipper fails to provide the Shipper Notice at least six (6) months in advance of the service agreement expiration, the service agreement will automatically extend upon the expiration of the primary term for a term of one year at the applicable Category 1 Maximum Rate. Thereafter, subject to the notice requirements of this Subsection 32.3, the service agreement shall repeatedly extend for successive one year terms. If Shipper provides its Shipper Notice under this Subsection 32.3, Shipper shall not be obligated to provide an additional Shipper Notice under Subsection 41.5 of the General Terms and Conditions.

32.4 Posting of Capacity

Upon receipt of the notice required in Subsection 32.3, Transporter shall post on its Informational Postings Web site that capacity will be available upon the expiration of Shipper's firm transportation service agreement. The capacity shall be posted for a minimum period of fourteen (14) days with such posting containing the following information with respect to the capacity:

- (a) Daily and other applicable quantity limitations of capacity available;
- (b) Transportation Path;
- (c) Maximum Rate (Monthly Demand) as set forth in the Summary of Rates and Charges in Transporter's FERC Gas Tariff;
- (d) Any minimum acceptable bid;
- (e) Any applicable restrictions; and
- (f) The last day of the bidding period.

32.5 Bidding Procedures

Each bidder for Shipper's firm capacity, or any part thereof, must submit its bid to Transporter through Transporter's Customer Activities Web site within the time specified by Transporter. Each bid shall contain the term for which the capacity is sought and a Monthly Demand rate that is either (i) a percentage of the Maximum Rate or (ii) a negotiated rate. If Transporter receives more than one bid for Shipper's capacity, and it does not reject all bids as provided below, it will choose the bid, or combination of bids, having the highest net present value in accordance with the present value formula set forth in Section 33 of the General Terms and Conditions for the evaluation of bids under Transporter's capacity release mechanism. Transporter reserves the right to reject any bid that is for less than the applicable Maximum Rates.

All proposed terms must begin as of the expiration of the Transportation Quantity under the existing service agreement and be for a consecutive period.

For purposes of comparing bids, (i) negotiated rates above the Maximum Rate will be deemed equal to the Maximum Rate and (ii) the Maximum Rates will be deemed to be those in effect as of the date Transporter posts the capacity as available pursuant to Subsection 32.4.

32.6 Right to Match Best Bid

- (a) Transporter will notify Shipper within three (3) business days of the best bid(s) that Transporter is willing to accept, and Shipper shall have ten (10) business days from receipt of Transporter's notice to match the bid and contract term, not to exceed five (5) years, offered in the best bid(s) in order to retain its firm capacity. If Shipper matches the best bid(s), Shipper will enter into a new service agreement for firm service reflecting the terms of Shipper's matching bid within 30 days of the date Shipper provided notice that it would match the best bid. If Shipper fails to match the best bid or fails to execute a new firm service agreement within the time periods set forth in this Section, Shipper's existing service agreement for firm service will be subject to pregranted abandonment upon the effective termination date of Shipper's service agreement for firm service, and Transporter may enter into a new service agreement for firm service with the party or parties offering the best bid.
- (b) In the event Transporter does not receive any bids for Shipper's capacity or any bids that are acceptable to Transporter, Shipper shall have the right to retain its firm capacity at the applicable Maximum Rates applicable thereto, or any discounted rate or negotiated rate agreed to by Transporter, for an additional term as requested by Shipper, provided that

Transporter shall not be obligated to provide service at less than the applicable Maximum Rate.

- (c) If Shipper does not elect to extend its service agreement pursuant to the provisions contained therein and in this Section 32, such service agreement shall terminate and be subject to pregranted abandonment.

39. NORTH AMERICAN ENERGY STANDARDS BOARD WHOLESALE GAS QUADRANT ("NAESB WGQ") STANDARDS

Compliance with 18 CFR, Section 284.12

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

Standards not Incorporated by Reference and their Location in Tariff:

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

Transporter has elected to reproduce only the following NAESB WGQ standards subject to NAESB's limited copyright waiver. With respect to each reproduced standard listed below, Transporter incorporates the following: © 1996 – 2020 NAESB, all rights reserved.

<u>NAESB Standard</u>	<u>Tariff Record</u>	<u>Tariff Provision</u>
Creditworthiness Standards:		
0.3.3	Part 8.41, Requests for Service	25.4(a)(ii)
0.3.4	Part 8.41, Requests for Service	25.4(b)(ii)
0.3.5	Part 8.41, Requests for Service	25.4(b)(iii)
0.3.6	Part 8.41, Requests for Service	25.4(a)(iii)
0.3.7	Part 8.41, Requests for Service	25.4(a)(i); 25.4(b)(i)
0.3.8	Part 8.41, Requests for Service	25.4(b)(iv)
0.3.9	Part 8.41, Requests for Service	25.4(a)(iv)
0.3.10	Part 8.41, Requests for Service	25.4(c)

Nominations Related Standards:

1.3.2 (i-vi)	Part 8.10, Operating Information, Estimates, Nomination, Scheduling and Balancing	10.4(a)(i-vi)
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1.3.51	Part 8.10, Operating Information, Estimates, Nomination, Scheduling and Balancing	10.5
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Flowing Gas Related Standards:

2.3.1	Part 8.10, Operating Information, Estimates, Nomination, Scheduling and Balancing	10.8
2.3.16	Part 8.10, Operating Information, Estimates, Nomination, Scheduling and Balancing	10.8

Invoicing Related Standards:

3.3.14	Part 8.7, Billing and Payments	7.1
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Capacity Release Related Standards:

5.3.1	Part 8.33, Capacity Release	33.19
5.3.2	Part 8.33, Capacity Release	33.20
5.3.3	Part 8.33, Capacity Release	33.6
5.3.4	Part 8.33, Capacity Release	33.6
5.3.7	Part 8.33, Capacity Release	33.4
5.3.8	Part 8.33, Capacity Release	33.7
5.3.10	Part 8.33, Capacity Release	33.7
5.3.11	Part 8.33, Capacity Release	33.7
5.3.12	Part 8.33, Capacity Release	33.5
5.3.13	Part 8.33, Capacity Release	33.5
5.3.14	Part 8.33, Capacity Release	33.5
5.3.15	Part 8.33, Capacity Release	33.5
5.3.16	Part 8.33, Capacity Release	33.5
5.3.19	Part 8.33, Capacity Release	33.3
5.3.20	Part 8.33, Capacity Release	33.10
5.3.21	Part 8.33, Capacity Release	33.14
5.3.24	Part 8.33, Capacity Release	33.7
5.3.25	Part 8.33, Capacity Release	33.5
5.3.26	Part 8.33, Capacity Release	33.5
5.3.28	Part 8.33, Capacity Release	33.7
5.3.29	Part 8.33, Capacity Release	33.7
5.3.44	Part 8.33, Capacity Release	33.4
5.3.55	Part 8.33, Capacity Release	33.4
5.3.73	Part 8.33, Capacity Release	33.21

Standards Incorporated by Reference:

Additional Standards:

General:

Definition:

0.2.5

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Gas/Electric Operational Communications:

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed:

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Datasets:

0.4.2, 0.4.3

Location Data Download:

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Dataset:

0.4.4

Storage Information:

Dataset:

0.4.1

Nominations Related Standards:

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14,
1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:

1.3.1, 1.3.3, 1.3.4, 1.3.5, 1.3.6, 1.3.7, 1.3.8, 1.3.9, 1.3.11, 1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.80, 1.3.81, 1.3.82

Datasets:

1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7

Flowing Gas Related Standards:

Principle:

2.1.4

Definitions:

2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Datasets:

2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.17, 2.4.18

Invoicing Related Standards:

Definition:

3.2.1

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.15, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.3.27

Datasets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.62, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108, 4.3.109, 4.3.110

Capacity Release Related Standards:

Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

5.3.5, 5.3.9, 5.3.18, 5.3.22, 5.3.23, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.45, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.56, 5.3.57, 5.3.58, 5.3.59, 5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.70, 5.3.71, 5.3.72

Datasets:

5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.20, 5.4.21, 5.4.22, 5.4.23, 5.4.24, 5.4.25, 5.4.26, 5.4.27

Internet Electronic Transport Related Standards:

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.2.39

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27, 10.3.28, 10.3.29

Standards for which Waiver or Extension of Time to Comply have been granted:

<u>NAESB Standard</u>	<u>Waiver or Extension of Time</u>
4.3.60	Waiver

41. TERMINATION OR MUTUAL EXTENSION OF SERVICE AGREEMENTS

41.1 Early Termination in Exchange for Extension

Shipper and Transporter may mutually agree to the early termination of one or more service agreements in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. A new term shall be determined for the service agreements and shall be from the service commencement date of the extension to the end of the extension period. Shipper need not participate in an open season for the extension nor must the extended capacity be posted on Transporter's Informational Postings Web site as unsubscribed, available capacity prior to the extension.

41.2 Extension of Capacity Use

Shipper and Transporter may mutually agree to extend the term of a service agreement with respect to all or part of the underlying capacity.

41.3 Negotiated Rates

Transporter and Shipper may mutually agree on a not unduly discriminatory basis that the extension of a service agreement will be at a discounted or negotiated rate as set forth in Section 42 of these General Terms and Conditions.

41.4 Rights of First Refusal

The agreement to extend under this Section 41 must be reached prior to the posting of the capacity pursuant to Subsection 32.4 of the General Terms and Conditions. Nothing in this Section shall preclude the Shipper from making a timely election pursuant to Subsections 32.2 and 32.3 of the General Terms and Conditions if Shipper and Transporter are not able to agree upon a new term length or other terms and conditions of service.

41.5 Termination of Firm Agreements

Shipper shall notify Transporter in writing of its intention: (i) to terminate the service agreement or (ii) to request a lesser extension of the term ("Shipper Notice"). The Shipper Notice must be made at least six (6) months in advance of the service agreement expiration.

If Shipper fails to provide the Shipper Notice at least six (6) months in advance of the service agreement expiration, the service agreement will automatically extend upon the expiration of the primary term for a term of one year at the applicable Category 1 Maximum Rate. Thereafter, subject to the notice requirements of this Subsection 41.5, the service agreement shall repeatedly extend for successive one year terms. If

Shipper provides its Shipper Notice under this Subsection 41.5, Shipper shall not be obligated to provide an additional Shipper Notice under Subsection 32.3 of the General Terms and Conditions. Nothing in this Subsection 41.5 shall supplant or abridge any ROFR rights, which are covered in Subsection 32.3 of the General Terms and Conditions.

42. NEGOTIATED AND DISCOUNTED RATES

42.1 Negotiated Rates

Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate with respect to rates, rate components, charges, or credits that are otherwise prescribed, required, established or imposed in this Section 42 or by any other applicable provision of Transporter's effective FERC Gas Tariff. The Negotiated Rate may be less than, equal to or greater than the Maximum Rate; shall not be less than the Minimum Rate; may be based on a rate design other than straight fixed variable; and may include a minimum quantity. The Maximum Rate shall be available to any Shipper that does not choose a Negotiated Rate. Nothing in the provisions governing Negotiated Rate Agreements shall authorize Transporter or Shipper to violate FERC's policy with respect to negotiation of terms and conditions of service. Such Negotiated Rate shall be set forth on an executed transportation agreement.

If Transporter agrees to such Negotiated Rate(s), 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 Shipper's services 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 Shipper. Only those rates, rate components, charges or credits identified by Transporter and 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 this Section 42 or Transporter's Tariff shall remain in effect.

At the end of the period during which the Negotiated Rate is in effect, the otherwise applicable Maximum Rates or charges shall govern the service provided to Shipper.

Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, and calculating the economic value of a request for unsubscribed firm capacity.

For capacity releases with a term of more than one year, or for releases with a term of one year or less that will take effect more than one year from the date Releasing Shipper notifies the Transporter of the release, Replacement Shippers may not bid or pay a rate greater than the Maximum Rate and are not eligible for Negotiated Rates. In the event that capacity subject to a Negotiated Rate which is based on a rate design other than straight fixed

variable is released, Shipper and Transporter may agree on billing adjustments to the Releasing Shipper that may vary from or are in addition to those set forth in Section 33 of the General Terms and Conditions of Transporter's effective FERC Gas Tariff in order to preserve the economic bases of the Negotiated Rate. Such payment obligation and crediting mechanism for capacity release shall be set forth on an Exhibit of the executed Firm Transportation Agreement.

42.2 Order of Discounting

Unless otherwise specified in the Firm Transportation Agreement, to the extent Transporter discounts the rates for service pursuant to this Tariff, the rates for service will be deemed to have been discounted in the following order:

- (a) Reservation Charge, but not below the stated Minimum Rate.
- (b) Commodity Charge, but not below the stated Minimum Rate.

42.3 Types of Discounts

From time to time, a Shipper and Transporter may agree in writing on a level of discount of the otherwise applicable rates and charges in addition to a basic discount from the stated Maximum Rates.

In all circumstances, the discounted rate shall be between the Maximum Rate and the Minimum Rate applicable to the service being provided.

For example, Transporter may provide a specific discounted rate:

- (a) to certain specified quantities under the Agreement (referred to as quantity rate type); or
- (b) if specified quantity levels are actually achieved or with respect to quantities above or below a specified level (referred to as quantity level rate type); or
- (c) during specified time periods (referred to as time period rate type or contract rate type); or
- (d) to receipt points (referred to as point rate type), delivery points (referred to as point rate type), Transportation Paths (referred to as point to point rate type) or defined geographical areas (referred to as zone rate type); or

- (e) in a specified relationship to the quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to quantities actually transported) (referred to as relationship rate type); or
- (f) to provide that if one rate component which was equal to or within the applicable Maximum and Minimum Rate at the time the discount agreement was executed subsequently exceeds the applicable Maximum Rate or is below the applicable Minimum Rate due to a change in Transporter's Maximum Rates and/or Minimum Rates, so that such rate component must be adjusted downward or upward to equal the new applicable Maximum or Minimum Rate, then other rate components may be adjusted upward or downward to achieve the agreed-upon overall rate, so long as none of the resulting rate components exceed the Maximum Rate or are below the Minimum Rate applicable to the rate component. Such changes to rate components shall be applied prospectively, commencing with the date the Commission issues an order accepting applicable revised Maximum and Minimum Rates. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable (referred to as rate component rate type).
- (g) Based upon published index prices for specific receipt and/or delivery points or other agreed-upon published pricing reference points for price determination. (Such discounted rate may be based upon the differential between published index prices or arrived at by formula and shall be referred to as index price differential rate type.) Each service agreement entered into pursuant to this Subsection 42.3(g) shall not change the underlying rate design; 2) shall not include any minimum bill or minimum take provision that has the effect of guaranteeing revenue; 3) shall define the rate component to be discounted.

**GAS TRANSPORTATION CONTRACT
FOR FIRM TRANSPORTATION SERVICE**

between

"Shipper"

and

**OKTEX PIPELINE COMPANY
"Transporter"**

Dated: MONTH _____ DAY _____, YEAR _____

**PRO FORMA
GAS TRANSPORTATION CONTRACT
FOR FIRM TRANSPORTATION SERVICE**

This Contract is made as of the [date] day of [month], [year] by and between the OkTex Pipeline Company, L.L.C., a Delaware Limited Liability Company, herein called Transporter, and [name of shipper], herein called Shipper, pursuant to the following recitals and representations:

WHEREAS Transporter has received and accepted all necessary regulatory and governmental approvals to construct and operate Transporter's System and to transport such gas on behalf of Shipper; and

WHEREAS Transporter and Shipper now desire to establish the terms and conditions under which Transporter will render firm transportation services to Shipper by entering into this Gas Transportation Contract for Firm Transportation Service:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein assumed, Transporter and Shipper agree as follows:

ARTICLE I - SCOPE OF CONTRACT

1.1 On the Commencement Date and each day thereafter, Shipper shall cause the Input Quantity for each Receipt Point hereunder, not to exceed the Maximum Input Quantity for each Receipt Point, to be delivered to Transporter at the Receipt Point(s).

1.2 On the Commencement Date and each day thereafter on which Shipper and Transporter schedule gas for transportation hereunder, Transporter shall make the Equivalent Quantity corresponding to the Input Quantity, not to exceed the Maximum Equivalent Quantity for each Delivery Point, available to or on behalf of Shipper at the Deliver point(s) on a firm basis.

1.3 Shipper shall be solely responsible for securing faithful performance by Gas Supplier(s) in all matters which may affect Transporter's performance hereunder, and Transporter shall not be liable hereunder to Shipper as a result of the failure of Gas Supplier(s) to so perform.

ARTICLE II - RESERVATION OF FIRM TRANSPORTATION CAPACITY

2.1 Shipper hereby reserves the right to cause Transporter to receive from or for the account of Shipper at each Receipt Point during any month up to the sum of the Maximum Input Quantities for such Receipt Point as set forth on the effective Schedule 1 appended hereto and to cause Transporter to make available to or on behalf of Shipper at each Delivery Point during a month the Equivalent Quantities for each Delivery Point as set forth on the currently effective Schedule 1 appended hereto.

2.2 Transporter shall make available to Shipper the transportation service reserved under this Article II on the days and for the quantities of gas for which such service has been reserved, subject to Shipper's compliance with the terms and conditions of this Contract.

ARTICLE III - RATE

3.1 For each Dekatherm of Input Quantity on any day, Shipper agrees to pay and shall pay the applicable Maximum Unit Commodity Rate specified in Rate Schedule FTS as in effect on the day the transportation service is rendered; provided however, that in the event that Transporter determines, in its sole discretion, to render transportation service on behalf of Shipper for a Discounted Unit Commodity Rate, Transporter shall notify Shipper in writing of the amount of such Discounted Unit Commodity Rate, the day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each Dekatherm of Input Quantity on the day(s) on which a Discounted Unit Commodity Rate is in effect, within the quantity to which such rate applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable Discounted Unit Commodity Rate in Lieu of the Maximum Unit Commodity Rate.

3.2 For each Dekatherm per day of Maximum Input Quantity at each Receipt Point, Shipper agrees to pay and shall pay the applicable Maximum Monthly Demand Charge specified in Rate

Schedule FTS as in effect on the day for which transportation capacity has been reserved; provided however, that in the event that Transporter determines, in its sole discretion, to render transportation service on behalf of Shipper for a Discounted Monthly Demand Charge, Transporter shall notify the Shipper in writing of amount of such Discounted Monthly Demand Charge, the day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each Dekatherm of the Maximum Input Quantity at each Receipt Point on the day(s) on which a quantity to which such rate applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable Discounted Monthly Demand Charge in lieu of the Maximum Monthly Demand Charge.

3.3 Shipper agrees that the Transporter shall have the unilateral right to file with the FERC and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's FTS Rate Schedules or (b) any provision of the General Terms and Conditions applicable to such rate schedule, subject to the applicable provisions of the Natural Gas Act and the Commission's regulations thereunder.

ARTICLE IV - RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Contract and all terms and provisions contained or incorporated herein are subject to the provisions of Rate Schedule FTS and the General Terms and Conditions of Transporter's FERC Gas Tariff as such may be revised or superseded from time to time, which Rate Schedule FTS and General Terms and Conditions are by this reference made a part hereof.

ARTICLE V - TERM

5.1 The Commencement Date shall be the latter of [date] or such date on which the natural gas facilities required to enable Transporter to render transportation service to Shipper hereunder are constructed, installed and made operational, as shall be set forth in Transporters written notice to Shipper.

5.2 This Contract shall be effective as of the date first hereinabove written; provided however, that Transporter shall be under no obligation to receive or to deliver any quantities of natural gas hereunder and Shipper shall be under no obligation for any payments hereunder prior to the Commencement Date.

5.3 This Contract shall continue in force and effect until [date] pursuant to any effective provisions for termination of this Contract by Transporter as stated in Rate Schedule FTS or the General Terms and Conditions for Transportation Service; provided however, that if the FERC authorizes Transporter to abandon service to Shipper on an earlier date, this Contract shall terminate as of such earlier date.

ARTICLE VI - NOTICES

Notices to Transporter shall be addressed to:

Manager Contract Administration
OkTex Pipeline Company
100 W. 5th Street, MD 12-4
Tulsa, OK 74103

Notices to Shipper shall be provided in accordance with Part 8, Section 15 of the General Terms and Conditions.

Either party may change its address under this Article by written notice to the other party.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF CONTRACT

Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially or as an entirety, of either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Contract. Otherwise no assignment of this Contract or any of the rights or obligations hereunder, or any portion of Shipper's effective Maximum Daily Contract Demand shall be made. It is agreed, however, that the restrictions on assignment contained in this Article VII shall not in any way prevent either party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness.

ARTICLE VIII - LAW OF CONTRACT

The interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Oklahoma and applicable federal law and regulation.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed in several counterparts by their proper officers thereunto duly authorized, as of the date first hereinabove written.

OKTEX PIPELINE COMPANY

By _____

[NAME OF SHIPPER]

By _____

SCHEDULE 1
to
GAS TRANSPORTATION CONTRACT

between

OKTEX PIPELINE COMPANY
"Transporter"

and

"Shipper"

Dated: MONTH_____DAY_____, YEAR_____

**MAXIMUM INPUT
QUANTITY**

**MAXIMUM EQUIVALENT
QUANTITY**

RECEIPT POINT(S) (Dekatherm)

DELIVERY POINT(S) (Dekatherm)

**GAS TRANSPORTATION CONTRACT
FOR INTERRUPTIBLE TRANSPORTATION SERVICE**

between

"Shipper"

and

**OKTEX PIPELINE COMPANY
"Transporter"**

Dated: MONTH_____DAY_____, YEAR_____

**PRO FORMA
GAS TRANSPORTATION CONTRACT
FOR INTERRUPTIBLE TRANSPORTATION SERVICE**

This Contract is made as of the [date] day of [month], [year] by and between the OkTex Pipeline Company, L.L.C., a Delaware Limited Liability Company, herein called Transporter, and [name of shipper], herein called Shipper, pursuant to the following recitals and representations:

WHEREAS Transporter has received and accepted all necessary regulatory and governmental approvals to construct and operate Transporter's Systems and to transport such gas on behalf of Shipper; and

WHEREAS Transporter and Shipper now desire to establish the terms and conditions under which Transporter will render interruptible transportation services to Shipper by entering into this Gas Transportation Contract for Interruptible Transportation Service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein assumed. Transporter and Shipper agree as follows:

ARTICLE I - SCOPE OF CONTRACT

1.1 On the Commencement Date and each day thereafter on which Shipper and Transporter schedule gas for transportation hereunder, Shipper shall cause the Input Quantity for each Receipt Point hereunder, not to exceed the Maximum Input Quantity for each Receipt Point, to be delivered to Transporter at the Receipt Point(s).

1.2 On the Commencement Date and each day thereafter on which the Input Quantity is delivered to Transporter at the Receipt Point(s) pursuant to Section 1 of this Article I, Transporter shall, subject to interruption of service by Transporter in accordance with this Contract and Transporters Tariff, make the Equivalent Quantity corresponding to the Input Quantity, not to exceed the Maximum Equivalent Quantity for each Delivery Point, available to or on behalf of Shipper at the Delivery Point(s).

1.3 Shipper shall be solely responsible for securing faithful performance by Gas Supplier(s) in all matters which may affect Transporter's performance hereunder, and Transporter shall not be liable hereunder to Shipper as a result of the failure of Gas supplier(s) to so perform.

ARTICLE II - INTERRUPTIBLE TRANSPORTATION CAPACITY

2.1 Shipper hereby contracts for the right to cause Transporter to receive from or for the account of Shipper at each Receipt Point up to the Maximum Input Quantity for such Receipt Point as set forth on the effective Schedule 1 appended hereto, on any day on which Transporter has interruptible capacity available to Shipper, and to cause Transporter to make available to or on behalf of Shipper on an interruptible basis at each Delivery Point on such day the Equivalent Quantity corresponding to the Input Quantity, not to exceed the Maximum Equivalent Quantity for each Delivery Point as set forth on the currently effective Schedule 1 appended hereto.

2.2 Transporter shall make available to Shipper the transportation service contracted for under this Article II on the days and for the quantities of gas for which Transporter has interruptible capacity available to Shipper, subject to Shipper's compliance with the terms and conditions of this Contract.

ARTICLE III - RATE

3.1 For each Dekatherm of Input Quantity on any day, Shipper agrees to pay and shall pay the applicable Maximum Unit Commodity Rate specified in Rate Schedule ITS as in effect on the day the transportation service is rendered; provided however, that in the event that Transporter determines, in its sole discretion, to render transportation service on behalf of Shipper for a Discounted Unit Commodity Rate, Transporter shall notify Shipper in writing of the amount of such Discounted Unit Commodity Rate, the day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each Dekatherm of Input Quantity on the day(s) on which a Discounted Unit Commodity Rate is in effect, within the quantity to which such rate

applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable Discounted Unit Commodity Rate in lieu of the Maximum Unit Commodity Rate.

3.2 Shipper agrees that Transporter shall have the unilateral right to file with the FERC and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's ITS Rate Schedules or (b) any provisions of the General Terms and Conditions applicable to such rate schedule, subject to the applicable provisions of the Natural Gas Act and the Commission's regulations thereunder.

ARTICLE IV - RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Contract and all terms and provisions contained or incorporated herein are subject to the provisions of Rate Schedule ITS and the General Terms and Conditions of Transporter's FERC Gas Tariff as such may be revised or superseded from time to time, which Rate Schedule ITS and General Terms and Conditions are by this reference made a part hereof.

ARTICLE V - TERM

5.1 The Commencement Date shall be the latter of [date] or such date on which the natural gas facilities required to enable Transporter to render transportation service to Shipper hereunder are constructed, installed and made operational, as shall be set forth in Transporter's written notice to Shipper. Transporter shall be under no obligation to receive or to deliver any quantities of natural gas hereunder and Shipper shall be under no obligation for any payments hereunder prior to Commencement Date.

5.2 This Contract shall be effective as of the Commencement Date, and shall continue in full force until [date] and month-to-month thereafter, until terminated as hereinafter provided. This contract may be terminated by Transporter, in accordance with Transporter's FERC Gas Tariff, or by either Transporter or Shipper upon at least sixty (60) days prior written notice by Shipper and/or Transporter, specifying a termination date. If the FERC authorizes Transporter to abandon service to Shipper on an earlier date, this Contract shall terminate as of such earlier date.

ARTICLE VI - NOTICES

Notices to Transporter shall be addressed to:

Manager Contract Administration
OkTex Pipeline Company
100 W. 5th Street, MD 12-4
Tulsa, OK 74103

Notices to Shipper shall be provided in accordance with Part 8, Section 15 of the General Terms and Conditions.

Either party may change its address under this Article by written notice to the other party.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF CONTRACT

Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially or as an entirety, of either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Contract. Otherwise, no assignment of this Contract or of any of the rights or obligations hereunder or any portion of Shipper's effective Maximum Daily Contract Demand shall be made. It is agreed, however, that the restrictions on assignment contained in this Article VII shall not in any way prevent either party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness.

ARTICLE VIII - LAW OF CONTRACT

The interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Oklahoma and federal law and regulation.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed in several counterparts by their proper officers thereunto duly authorized, as of the date first hereinabove written.

OKTEX PIPELINE COMPANY

By _____

[NAME OF SHIPPER]

By _____

SCHEDULE 1
to
GAS TRANSPORTATION CONTRACT

between

OKTEX PIPELINE COMPANY
"Transporter"

and

"Shipper"

Dated: MONTH_____DAY_____, YEAR_____

**MAXIMUM INPUT
QUANTITY**

**MAXIMUM EQUIVALENT
QUANTITY**

RECEIPT POINT(S) (Dekatherm)

DELIVERY POINT(S) (Dekatherm)

Appendix B

Marked Tariff Records

~~RATES~~ SCHEDULE FTS
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

~~This~~ Rate Schedule FTS is available for firm transportation service by Transporter for any OkTex Pipeline Company (hereinafter called "Transporter"), to any entity desiring transportation (hereinafter called "Shipper"), where:

1.1 Shipper has initiated a request for service and ~~Transporter has~~ executed a Gas Transportation Contract for Firm Service under Rate Schedule FTS; and

1.2 The capacity necessary to provide the requested service on a firm basis is available on Transporter's System. All necessary regulatory and governmental approvals to purchase and sell, transport and, if appropriate, import the natural gas to be transported by Transporter have been obtained.

~~2. REQUESTS FOR SERVICE~~

~~2.1 Transporter will accept reservations for firm transportation service under Rate Schedule FTS, subject to the availability of firm capacity on Transporter's natural gas transmission system for the provision of such service, from Shippers on a first-come, first-served basis with priority given to those Shippers who were first to request such service in accordance with Section 2.2 hereof. For purposes of preceding sentence, all requests for service received on any one (1) day will be deemed to have been received at the same time on such day, in a day, if received prior to the gas flow nomination deadline. If requests for the reservation of firm transportation service under Rate Schedule FTS received on any one (1) day exceed the capacity available for firm reserved transportation service on Transporter's system, such capacity shall be allocated among Shippers requesting firm reserved transportation service under Rate Schedule FTS on such day on a pro-rata basis. In the event that any Shipper elects not to enter into a contract for its pro-rata share of firm reserved transportation capacity such capacity shall be reallocated among the other Shippers on a pro-rata basis up to their requested reservations. Upon Transporter's acceptance of a reservation, Transporter and Shipper shall enter into a Gas Transportation Contract for Firm Transportation Service in the form set forth in Part 9.10. Such contract(s) shall provide that transportation service shall begin and terminate on dates mutually agreed to by Shipper and Transporter.~~

~~2.2 Requests for transportation under the Rate Schedule FTS shall be in writing in accordance with the Service Request Form, shall be addressed to Transporter and shall contain all of the information requested on the Service Request Form or shall be made electronically through the Customer Activities Web site.~~

~~2.3 If Shipper does not execute a Gas Transportation Contract for Firm Transportation Service within thirty (30) days of the date on which Transporter tenders such contract to Shipper, Shipper's request for transportation service pursuant to Rate Schedule FTS shall be null and void.~~

~~2.4 A request by a Shipper for an increase in the Maximum Daily Contract Demand, or in the Maximum Input Quantity for a Receipt Point, or in the Maximum Equivalent Quantity at a Delivery Point shall be treated as a new request for service and handled in accordance with this Section 2.~~

23. APPLICABILITY AND CHARACTER OF SERVICE

Rate Schedule FTS shall apply to all firm reserved transportation service rendered under gas transportation contracts for such firm reserved service.

When Shipper and Transporter have executed a Gas Transportation Contract for Firm Transportation Service under Rate Schedule FTS, Transporter shall receive from or for the account of Shipper, during each month during the term of such contract beginning with the Commencement Date, the Input Quantity scheduled for each Receipt Point pursuant to Section ~~56~~ hereof, up to the Maximum Input Quantity scheduled for each Receipt Point. -Transporter shall transport and make available to or on behalf of Shipper such Input Quantity, adjusted for the Fuel and Use Quantity, at the Delivery Point(s) scheduled by Shipper, not to exceed the Maximum Equivalent Quantity for each Delivery Point.

Transportation service provided hereunder shall be firm reserved service and shall have priority over all transportation undertaken by Transporter on an interruptible basis.

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

34. DETERMINATION OF RECEIPT AND DELIVERY QUANTITIES, OPERATING COORDINATION AND ADJUSTMENTS

Gas received by Transporter for Shipper's account at the Point(s) of Receipt may be commingled with Gas received for other Shippers at the same point(s), and Gas delivered by Transporter for Shipper's account at the Point(s) of Delivery may be commingled with Gas delivered to other Shippers at the same point(s).

Transporter and Shippers shall use their best efforts to coordinate their actions to reduce imbalances resulting from the inability to maintain precise control and shall adjust operating procedures from time to time in the light of experience to balance out and to minimize imbalances.

45. CONSTRUCTION OF NEW FACILITIES

Transporter shall not be required to acquire or construct any pipeline facilities specifically applicable to an individual Shipper (other than those minor facilities incident to the receipt and delivery or measurement of Gas at the Point(s) of Receipt and Point(s) of Delivery or at locations where Gas is measured) in order to provide service under this Rate Schedule; provided, however, that Transporter may, in its reasonable discretion, which discretion will not be applied in a discriminatory manner and with the agreement of the Shipper, agree to acquire or construct any such necessary facilities, subject to the provisions of Section ~~7.38.4~~ of this Rate Schedule.

56. NOMINATIONS AND SCHEDULING

Refer to Section 10. ~~—~~OPERATING INFORMATION, ESTIMATES, NOMINATION, SCHEDULING AND BALANCING in the General Terms and Conditions.

67. HOURLY VARIATIONS

Transporter shall receive, transport and deliver gas at a uniform hourly rate of flow when operationally feasible, the amount which Transporter scheduled for Shipper for that month for transportation under this Rate Schedule, provided, however, that Transporter will transport hourly Quantities for Shipper without regard to such hourly limitation to the extent that Transporter can do so without impairment of service to its other Shippers or without adversely affecting the operation of the ~~s~~System.

78. RATES

78.1 Applicable Rates. The applicable Maximum and Minimum Monthly Demand Charges and Unit Commodity Rates, for firm reserved transportation service under Rate Schedule FTS, are set forth in the currently effective Rates in Part 5.0 and are hereby incorporated herein.

78.2 Monthly Bill. The monthly bill for firm ~~T~~transportation service rendered under Rate Schedule FTS shall consist of a Monthly Demand Charge and a Unit Commodity Charge determined as follows:

(a) Monthly Demand Charge - For each month, the Monthly Demand Charge payable by each Shipper shall, subject to any discount as provided herein, be equal to the applicable Maximum Monthly Demand Charge multiplied by the Maximum Daily Contract Demand for transportation to each Delivery Point as specified in the Gas Transportation Contract. The Monthly Demand Charge is payable notwithstanding any failure to deliver all or any portion of Shipper's Input Quantity to Transporter at each Receipt Point during such month, for any reason whatsoever including force majeure.

(b) Unit Commodity Charge - For each month, the Unit Commodity Rate payable by each Shipper shall, subject to any discount as provided herein, be equal to the applicable Maximum Unit Commodity Rate multiplied by the sum of the Input

Quantity received by Transporter on behalf of Shipper during such month at each Receipt Point for transportation to each Delivery Point.

(c) ACA Surcharges - For each month, the ACA Surcharges payable by each Shipper shall be equal to the ACA Adjustments multiplied by the sum of the Input Quantities received by Transporter on behalf of Shipper during such month at each Receipt Point for transportation to each Delivery Point.

~~8.3 Flexible Rates. For purposes of administering rates under Rate Schedule FTS, Transporter shall have the right, in its sole discretion, to discount the Maximum Monthly Demand Charge and Maximum Unit Commodity Rates for firm service under Rate Schedule FTS and to charge a lower rate for some or all of the services performed under Rate Schedule FTS, so long as such discounting is necessary to meet competitive conditions existing at the time, provided, however, that in no event shall rates charged under Rate Schedule FTS be less than Transporter's Minimum Monthly Demand Charge and Minimum Unit Commodity Rates for firm service.~~

78.34 Other Charges.—The following further fees and charges also may be charged by Transporter to the extent applicable to the specific services provided hereunder.

(a) Reimbursement for Filing Fees - Shipper shall reimburse Transporter for any filing or reporting fees that are assessed by any governmental agency in conjunction with service hereunder and paid by Transporter; and

(b) For the costs of all facilities which Transporter acquires or constructs to provide service hereunder specifically applicable to such Shipper as described in Section 45 of this Rate Schedule, and which Shipper has agreed to reimburse Transporter in whole or in part.

(c) Unless otherwise provided, all substances whether or not of commercial value, including all liquid and liquefiable hydrocarbons of whatever nature, that Transporter recovers in the course of transporting the quantities of natural gas tendered hereunder by or on behalf of Shipper shall be Transporter's sole property, and Transporter shall not be obliged to account to Shipper for any value, whether or not realized by Transporter, that may attach or be said to attach to such substance.

78.45 Invoicing. -Refer to NAESB WGQ Standard Nos. 3.3.3-19 and 3.3.21-26.

89. MINIMUM COMMODITY BILL

The applicable Minimum Unit Commodity Rates, for transportation service under Rate Schedule ITS and FTS are set forth in the currently effective Rates in Part 5.0.

910. MEASUREMENT

Refer to Section 5 of the General Terms and Conditions.

1011. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are part of Rate Schedule FTS.

112. RESERVATIONS

Transporter reserves the unilateral right from time to time to make any changes to or to supersede the rates, charges and any terms stated in this Rate Schedule and the applicability thereof, the General Terms and Conditions and any other provisions of Transporter's FERC Gas Tariff, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

123. ADDITIONAL DEFINITIONS

123.1 Maximum Monthly Demand Charge. -The Maximum Monthly Demand Charge for each Dekatherm of the Maximum Daily Contract Demand at each Receipt Point for transportation to each Delivery Point shall be the highest applicable dollar amount that Transporter is permitted to charge under Rate Schedule FTS for the reservation of firm transportation service.

123.2 Minimum Monthly Demand Charge. -The Minimum Monthly Demand Charge for each Dekatherm of the Maximum Daily Contract Demand at each Receipt Point for transportation to each Delivery Point shall be the lowest applicable dollar amount that Transporter is permitted to charge under Rate Schedule FTS for the reservation of firm transportation service.

123.3 Discounted Monthly Demand Charge. -The Discounted Monthly Demand Charge for any Dekatherm of the Maximum Daily Contract Demand at any Receipt Point for transportation to any Delivery Point shall be the dollar amount per Dekatherm of Maximum Daily Contract Demand specified by Transporter in a notice to Shipper, which amount shall be less than the Maximum Monthly Demand Charge but equal to or greater than the Minimum Monthly Demand Charge.

134. CAPACITY CURTAILMENT:

If during any month Transporter determines that capacity for firm transportation service on Transporter's ~~s~~System is insufficient to serve Shipper and others who have entered into Gas Transportation Contracts for Firm Service with Transporter and who have scheduled service on such day, firm transportation service on Transporter's ~~s~~System shall be allocated in accordance with Section 13 of the General Terms and Conditions. -Transporter shall not bear any liability for any curtailment of transportation service to Shipper undertaken pursuant to events of force

majeure and other events described in this Rate Schedule and the General Terms and Conditions made a part hereof. -In no event shall Transporter be relieved of liability to the extent it is caused by Transporter's own negligence or wrongful conduct.

RATE SCHEDULE ITS INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

~~The Rate Schedule ITS is available for interruptible transportation service by Transporter for any OkTex Pipeline Company (hereinafter called "Transporter") to any entity desiring transportation service (hereinafter called "Shipper"), where:~~

~~1.1 Shipper has initiated a request for service and Transporter ~~has~~ executed a Gas Transportation Contract for Interruptible Service under Rate Schedule ITS; and~~

~~1.2 When and to the extent that Transporter determines that capacity is available in its existing facilities without detriment or disadvantage to Transporters's firm Shippers all necessary regulatory and governmental approvals to purchase and sell, transport and, if appropriate, import the natural gas to be transported by Transporter have been obtained.~~

~~2. REQUESTS FOR SERVICE~~

~~2.1 Transporter will accept requests for interruptible transportation service under Rate Schedule ITS, subject to the availability of interruptible capacity on Transporter's natural gas transmission system for the provision of such service, from Shippers on a first come, first served with priority given to those Shippers who were first to request such service in accordance with Section 2.2 hereof. For purposes of preceding sentence, all requests for service received on any one (1) day will be deemed to have been received at the same time on such day if received prior to the gas flow nomination deadline. If requests for interruptible transportation service under Rate Schedule ITS received on any one(1) day exceed the capacity available for interruptible transportation service on Transporter's system, such capacity shall be allocated among Shippers requesting interruptible transportation service under Rate Schedule ITS on such day on a pro rata basis. In the event that any Shipper elects not to enter into a contract for its pro rata share of interruptible transportation capacity such capacity shall be reallocated among the other Shippers on a pro rata basis up to their requested reservations. Upon Transporter's acceptance of a request, Transporter and Shipper shall enter into a Gas Transportation Contract for Interruptible Transportation Service in the form set forth in Part 9.20. Such contract(s) shall provide that transportation service shall begin and terminate on dates mutually agreed to by Shipper and Transporter. After the primary term of any contract for this Rate Schedule ITS, such contract may continue in effect month to month thereafter until terminated upon at least sixty (60) days prior written notice by Shipper and/or Transporter.~~

~~2.2 Requests for transportation under the Rate Schedule ITS shall be in writing in accordance with the Service Request Form, shall be addressed to Transporter and shall~~

~~contain all of the information requested on the Service Request Form or shall be made electronically through the Customer Activities Web site utilized by Transporter.~~

~~2.3 Transporter will not schedule or render interruptible transportation service under Rate Schedule ITS if the effect would be to interrupt firm reserved transportation service under Rate Schedule FTS.~~

~~2.4 If Shipper does not execute a Gas Transportation Contract for Interruptible Transportation Service within thirty (30) days of the date on which Transporter tenders such contract to Shipper, Shipper's request for transportation service pursuant to Rate Schedule ITS shall be null and void.~~

23. APPLICABILITY AND CHARACTER OF SERVICE

Rate Schedule ITS shall apply to all interruptible transportation service rendered under Gas Transportation Contracts for interruptible service whenever Transporter is able and willing to offer such interruptible service.

When Shipper has contracted for interruptible transportation service under Rate Schedule ITS and capacity is available on Transporter's natural gas transmission ~~s~~System for the provision of such service, Transporter shall receive from Shipper, or for the account of Shipper, the Input Quantity scheduled for each Receipt Point pursuant to Section ~~56~~ hereof, up to the Maximum Input Quantity for each Receipt Point. To the extent that capacity is available on Transporter's natural gas transmission ~~s~~System, Transporter shall transport and make available to or on behalf of Shipper such Input Quantity adjusted for the Fuel and Use Quantity, at the Delivery Point(s) as Shipper may request, up to the Maximum Equivalent Quantity for each Delivery Point.

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

34. DETERMINATION OF RECEIPT AND DELIVERY QUANTITIES, OPERATING COORDINATION AND ADJUSTMENTS

Gas received by Transporter for Shipper's account at the Point(s) of Receipt may be commingled with Gas received for other Shippers at the same point(s), and Gas delivered by Transporter for Shipper's account at the Point(s) of Delivery may be commingled with Gas delivered to other Shippers at the same point(s).

Transporter and Shippers shall use their best efforts to coordinate their actions to reduce imbalances resulting from the inability to maintain precise control and shall adjust operating procedures from time to time in the light of experience to balance out and to minimize imbalances.

45. CONSTRUCTION OF NEW FACILITIES

Transporter shall not be required to acquire or construct any pipeline facilities specifically applicable to an individual Shipper (other than those minor facilities incident to the receipt and delivery or measurement of Gas at the Point(s) of Receipt and Point(s) of Delivery or at locations where Gas is measured) in order to provide service under this Rate Schedule, provided, however, that Transporter may, in its reasonable discretion, which discretion shall not be applied in a discriminatory manner, and with the agreement of the Shipper, agree to acquire or construct any such necessary facilities, subject to the provisions of Section ~~1044~~ of this Rate Schedule.

56. NOMINATIONS AND SCHEDULING

Refer to Section 10. OPERATING INFORMATION, ESTIMATES, NOMINATION, SCHEDULING, AND BALANCING in the General Terms and Conditions.

67. REDUCTIONS IN SCHEDULED INPUT QUANTITIES; REQUESTS FOR INCREASES

During any month in which Shipper desires to deliver to Transporter at any Receipt Point a quantity of gas which is less than Shipper's previously scheduled Input Quantity for such Receipt Point for such month, Shipper's dispatcher shall, at least twenty-four (24) hours prior to the commencement of such month, unless Transporter's dispatcher agrees to a shorter time period for advance notice, notify Transporter's dispatcher of the quantity of gas for each such Receipt Point which Shipper desires Transporter to make available at each Delivery Point. After receipt of such notice, Transporter's dispatcher shall advise Shipper's dispatcher of the corresponding Equivalent Quantity for each Delivery Point. Shipper shall arrange for the Input Quantity, as rescheduled, to be delivered to Transporter at each Receipt Point during such month.

A request by a Shipper for an increase in the Maximum Daily Contract Demand, or in the Maximum Input Quantity for a Receipt Point, or in the Maximum Equivalent Quantity at a Delivery Point, shall be treated as a new request for service and handled in accordance with Section 2 hereof.

78. HOURLY VARIATIONS

Transporter shall receive, transport and deliver gas at uniform hourly rates of flow when operationally feasible for the amount which Transporter scheduled for Shipper for that month for transportation under this Rate Schedule; provided, however, that Transporter will transport hourly Quantities for Shipper without regard to such hourly limitation to the extent that Transporter can do so without impairment of service to its other Shippers or without adversely affecting the operation of the System.

89. CAPACITY CURTAILMENT

If during any month Transporter determines that capacity for interruptible transportation service on Transporter's ~~s~~System is insufficient to serve Shipper and others who have entered into Gas

Transportation Contracts for Interruptible Service with Transporter and who have scheduled service on such day, interruptible transportation service on Transporter's ~~S~~system shall be allocated in accordance with Section 13 of the General Terms and Conditions. Transporter shall not bear any liability for any curtailment of transportation service to Shipper undertaken pursuant to events of force majeure and other events described in this Rate Schedule and the General Terms and Conditions made a part hereof. In no event shall Transporter be relieved of liability to the extent it is caused by Transporter's own negligence or wrongful conduct.

9.10. RATES

9.10.1 Applicable Rates. The applicable Maximum and Minimum Unit Commodity Rates, for interruptible transportation service under Rate Schedule ITS are set forth in the currently effective Rates in Part 5.0 and are hereby incorporated herein.

9.10.2 Monthly Bill. The monthly bill for interruptible transportation service rendered under Rate Schedule ITS shall consist of a one-part charge determined by multiplying the applicable Maximum Unit Commodity Rate for interruptible service, subject to any discount as provided herein, by the number of Dekatherms of gas received by Transporter on behalf of Shipper during such month.

~~10.3 Flexible Rates. For purposes of administering rates under Rate Schedule ITS, Transporter shall have the right, in its sole discretion, to discount the Maximum Unit Commodity Rates for interruptible service under Rate Schedule ITS and to charge a lower rate for some or all of the services performed under Rate Schedule ITS, so long as such discounting is necessary to meet competitive conditions existing at the time; provided, however, that in no event shall rates charged under Rate Schedule ITS be less than Transporter's Minimum Unit Commodity Rate for interruptible service.~~

9.310.4 ACA Surcharges. For each month, the ACA Surcharges payable by each Shipper shall be equal to the ACA Adjustments multiplied by the sum of the Input Quantities received by Transporter on behalf of Shipper during such month at each Receipt Point for transportation to each Delivery Point.

9.410.5 Invoicing. Refer to NAESB WGQ Standard Nos. 3.3.3-19 and 3.3.21-26.

10.11. OTHER CHARGES

The following further fees and charges also may be charged by Transporter to the extent applicable to the specific services provided hereunder.

10.11.1 Reimbursement for Filing Fees. Shipper shall reimburse Transporter for any filing or reporting fees that are assessed by any governmental agency in conjunction with service hereunder and paid by Transporter; and

1044.2 For the costs of all facilities which Transporter acquires or constructs to provide service hereunder specifically applicable to such Shipper as described in Section 45 of this Rate Schedule, and which Shipper has agreed to reimburse Transporter in whole or in part.

1044.3 Unless otherwise provided, all substances whether or not of commercial value, including all liquid and liquefiable hydrocarbons of whatever nature, that Transporter recovers in the course of transporting the quantities of natural gas tendered hereunder by or on behalf of Shipper shall be Transporter's sole property, and Transporter shall not be obliged to account to Shipper for any value, whether or not realized by Transporter, that may attach or be said to attach to such substances.

1142. MINIMUM COMMODITY BILL

The applicable Minimum Unit Commodity Rates for transportation service under Rate Schedule ITS is set forth in the currently effective Rates in Part 5.0.~~None.~~

1243. MEASUREMENT

Refer to Section 5 of the General Terms and Conditions.

1344. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are a part of the Rate Schedule ITS.

1445. RESERVATIONS

Transporter reserves the unilateral right from time to time to make any changes to, or to supersede, the rates, charges and any terms stated in this Rate Schedule and the applicability thereof, the General Terms and Conditions and any other provisions of Transporter's FERC Gas Tariff, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

GENERAL TERMS AND CONDITIONS

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1. DEFINITION OF TERMS

Except where another meaning is expressly stated, the following terms, when used in this Tariff and in any Gas Transportation Contract incorporating this Tariff, shall be construed to have the following meanings:

1.1 Input Quantities.

(a) **Input Quantities.** The Input Quantity for each day at a Receipt Point shall be the Dekatherms of natural gas which is delivered to Transporter at the Receipt Point by or on behalf of Shipper, not to exceed the Maximum Input Quantity for such Receipt Point, to be made available to or on behalf of Shipper (subject to adjustment of the Fuel and Use Quantity) at one or more Delivery Points, not to exceed the Maximum Equivalent Quantity for any Delivery Point as set forth on Schedule 1 appended to the Gas Transportation Contract between Shipper and Transporter.

(b) **Maximum Input Quantity.** The Maximum Input Quantity for a Receipt Point shall be the maximum Dekatherms of natural gas per day which Shipper is entitled to request Transporter to receive at the Receipt Point to be made available to or on behalf of Shipper (subject to adjustment for the Fuel and Use Quantity) at one or more Delivery Points, not to exceed the Maximum Equivalent Quantity for any Delivery Point as set forth on Schedule 1 appended to the Gas Transportation Contract between Shipper and Transporter

(c) **Maximum Daily Contract Demand.** The Maximum Daily Contract Demand shall be the total of the Maximum Input Quantities for all Receipt Points for the Shipper.

1.2 Equivalent Quantities.

(a) **Equivalent Quantity.** The Equivalent Quantity shall be those Dekatherms of natural gas to be made available on any day to or on behalf of the Shipper at one or more Delivery Point(s), which Dekatherms shall be the thermal equivalent of the Input Quantity delivered to Transporter at the Receipt Point(s) by or on behalf of Shipper on that day, less the applicable Fuel and Use Quantity.

(b) **Maximum Equivalent Quantity.** The Maximum Equivalent Quantity for a Delivery Point on each day shall be the maximum Dekatherms which Shipper may request Transporter to make available at each Delivery Point, as set forth in Schedule 1 appended to the Gas Transportation Contract between Shipper and Transporter. The total of the Maximum Equivalent Quantities for all Delivery Points for a Shipper shall be the thermal equivalent of the total of the Maximum Input Quantities for all Receipt Points for the Shipper.

1.3 Fuel and Use Quantities.

- (a) Fuel and Use Quantity. The Fuel and Use Quantity shall be equal to the product of the applicable Fuel and Use Factor and the Input Quantity.
- (b) Fuel and Use Factor. The Fuel and Use Factor shall be the applicable percentage set forth on currently effective Rate Section for the applicable Rate Schedule, as such may be revised from time to time based upon the determination by Transporter of changes in its fuel and use requirements.

1.4 Transportation Commodity Rates.

- (a) Maximum Unit Commodity Rate. The Maximum Unit Commodity Rate for each Dekatherm of Input Quantity at each Receipt Point for transportation to each Delivery Point shall be the highest applicable dollar amount that Transporter is permitted to charge Shipper under the applicable Rate Schedule.
- (b) Minimum Unit Commodity Rate. The Minimum Unit Commodity Rate for each Dekatherm of Input Quantity at each Receipt Point for transportation to each Delivery Point shall be the lowest applicable dollar amount that Transporter is permitted to charge Shipper under the applicable Rate Schedule.
- (c) Discounted Unit Commodity Rate. The Discounted Unit Commodity Rate shall be the dollar amount per Dekatherm of Input Quantity at any Receipt Point for transportation to any Delivery Point as specified by Transporter in a notice to Shipper, which amount shall be less than the Maximum Unit Commodity Rate but equal to or greater than the Minimum Unit Commodity Rate.

1.5 Commencement Date. The Commencement Date shall be the date on which transportation service begins, as mutually agreed by Shipper and Transporter and set forth in a Gas Transportation Contract, or such later date on which the natural gas facilities required to enable Transporter to render transportation service to Shipper are constructed, installed and made operational, as set forth in Transporter's written notice to Shipper which shall be given at least thirty (30) days in advance of such date, unless Shipper and Transporter agree to a shorter notice period.

1.6 Delivery and Receipt Points.

- (a) Delivery Point. A Delivery Point is a point at which Transporter is authorized to make gas available to or on behalf of Shipper. Transporter's Delivery Point(s) for Shipper shall be those set forth on Schedule 1 appended to the Gas Transportation Contract between Transporter and Shipper, and other mutually agreeable points.

(b) Receipt Point. A Receipt Point is a point at which Transporter is authorized to accept delivery of natural gas from or for the account of Shipper. Transporter's Receipt Point(s) for Shipper shall be those set forth on Schedule 1 appended to the Gas Transportation Contract between Transporter and Shipper or other mutually agreeable points.

1.7 Rate Schedules.

(a) Rate Schedules FTS. Rate Schedule FTS shall mean Rate Schedule FTS of Transporter's FERC Gas Tariff, as in effect, and as such may be revised from time to time, or any superseding rate schedule(s).

(b) Rate Schedules ITS. Rate Schedule ITS shall mean Rate Schedule ITS of Transporter's FERC Gas Tariff, as in effect, and as such may be revised from time to time, or any superseding rate schedule(s).

1.8 Day. The term "day" shall mean a period of 24 consecutive hours, beginning and ending at 9:00 a.m. Central Clock Time.

1.9 Month. The term "month" shall mean the period beginning at 9:00 a.m. Central Clock Time on the day of a calendar month and ending at the same time on the day of the next succeeding calendar month.

1.10 Billing Month. The term "billing month" shall mean that month of service hereunder which immediately precedes the month in which Transporter is obligated to render a bill for such service.

1.11 Contract Year. The term "contract year" shall mean the period commencing on the date deliveries commence under a Gas Transportation Contract and ending at 9:00 a.m. Central Clock Time on the and each subsequent anniversary date thereof.

1.12 Cubic Foot. The term "cubic foot" shall mean the volume of dry gas which occupies one cubic foot when such gas is at a temperature of sixty degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute.

1.13 Mcf. The term "Mcf" shall mean 1,000 cubic feet of gas.

1.14 British thermal unit or Btu. The definition of one BTU is the quantity of heat that must be added to one pound (avoirdupois) of pure water to raise its temperature from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit under standard pressure conditions.

1.15 Dekatherm. One Dekatherm shall mean 1,000,000 Btu's.

1.16 psig. The term "psig" shall mean pounds per square inch gauge.

1.17 Total heating value. The Number of BTUs produced by combustion at constant pressure of the amount of gas that will occupy a volume of one cubic foot at 60 degrees Fahrenheit at the reference base pressure with air at the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion is condensed to the liquid state.

1.18 Thermally Equivalent Quantity. "Thermally equivalent quantity" shall mean an equal number of Dekatherms of Gas.

1.19 Quantity or Quantities. "Quantity" or "Quantities" shall mean a unit or units of measurement in Dekatherms.

1.20 Pro Rata Share. "Pro Rata Share" shall mean the ratio that the Quantity of Gas scheduled to be received by Transporter, from or for the account of Shipper, bears to the total Quantity of Gas scheduled to be received by Transporter from all Shippers for transportation in the System during any given time period (day, month, year).

1.21 Gas. The term "gas" shall mean natural gas of the quality specified in Section 4 of the General Terms and Conditions.

1.22 Transportation. The term "transportation" shall mean the transmission of gas, whether by exchange, backhaul or any other actual or constructive method or movement.

1.23 Shipper. The term "Shipper" shall mean the person that has executed a Firm or Interruptible Transportation Service Agreement with Transporter for transportation service hereunder or, as the context may require, any person requesting service hereunder.

1.24 Operator. "Operator" shall mean the entity or entities, other than Transporter, designated by Transporter to operate the System.

1.25 Party. "Party" shall mean Shipper or Transporter and the term "Parties" shall mean Shipper(s) and Transporter.

1.26 Person. "Person" shall mean an individual, a corporation, voluntary association, joint stock company, business trust, partnership, limited liability company or other entity.

1.27 System. "System" shall mean the pipeline and all related facilities located in the United States and owned by Transporter at the time, including but not limited to the compressors, regulators, meters and support facilities in the United States.

1.28 Company Used Gas. "Company Used Gas" shall mean the Quantity of Gas, including compressor fuel, used in the operations of the System. All Company Used Gas shall be

deemed to have a Btu content per cubic foot equal to the weighted average of all gas delivered to the System during any given time period (day, month, year).

1.29 Unaccounted For Gas. "Unaccounted For Gas" shall mean the quantity of gas furnished by Shipper and lost from the System during any given time period (day, month, year) which Quantity shall include, but shall not be limited to, gas lost as a result of an event of force majeure, which gas cannot be reasonably attributed to one or more Shippers. In the event that gas lost as a result of an event of force majeure can be reasonably attributed by Transporter to any one or more Shippers, the Quantity therefore shall be deducted in determining the Quantity of gas to be delivered to such Shippers and such deduction will not be considered part of a Shipper's Pro Rata Share of Unaccounted For Gas. All Unaccounted For Gas during any given time period (day, month, Year) shall be deemed to have a Btu content per cubic foot equal to the weighted average of the Btu content of all gas received by Transporter during such time period.

1.30 Commission or FERC. The terms "Commission" or "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency.

1.31 Operator Inclusion. For purpose of these General Terms and Conditions, Transporter shall also include any Operator of the System.

1.32 NAESB. North American Energy Standards Board.

1.33 Service Requester. A Shipper or its Nomination Agent (one who has been pre-designated by Shipper to serve in such role). If a Shipper elects to use a Nomination Agent for a given service agreement, the Nomination Agent replaces the Shipper as the sender of the nomination information as well as the receiver of the nomination-related information from Transporter for such agreement.

1.34 Transporter. The term "Transporter" shall mean OkTex Pipeline Company, L.L.C., a "Service Provider" pursuant to NAESB WGQ Standards.

1.35 Internet Web Site. The term "Internet Web Site" shall mean Transporter's computer information and scheduling system, accessed through Transporter's interactive Internet Web Site or through electronic data interchange.

7. BILLINGS AND PAYMENTS

7.1 Monthly Billing Date. The imbalance statement shall be rendered prior to or with the invoice, and the transportation invoice shall be rendered on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered (made available) to the designated site. [3.3.14]

7.2 Monthly Payment Date. Shipper shall pay Transporter, at a bank designated by Transporter, so that payment is received and Transporter has available funds there from on or before the last day of each month, the full amount billed by Transporter to Shipper under Section 7.1 of this Section 7 for the immediately preceding month in a statement for such month according to the measurement, computations and prices provided in this Tariff and the Gas Transportation Contract between Transporter and Shipper.

7.3 Transporter may at its option render an estimated imbalance statement to Shipper, which statement shall contain Transporter's best estimate of the total amount payable to Transporter by Shipper under the Gas Transportation Contracts(s) between Transporter and Shipper for the preceding month. Shipper shall pay to Transporter the full amount of such estimated statement on or before the last day of each month provided, however, that Transporter shall render to Shipper a final statement no later than the twentieth (20th) day of the month in which such estimated statement is rendered, unless Transporter's failure to do so is due to the fault of Shipper, in which case Transporter shall render to Shipper a final statement at such time as Transporter is able to do so. Any difference between the estimated statement and the final statement shall be added to or deducted from, as appropriate, Transporter's next succeeding monthly statement to Shipper if any and if not the Party having the debt shall pay to the other Party an amount equal to such debt.

7.4 Remedies for Nonpayment. Should Shipper fail to pay any or all of the amount of any bill as herein provided when such amount is due, Shipper shall pay a Charge for Late Payment which shall be included by Transporter on the next regular monthly bill rendered to Shipper. Such Charge for Late Payment shall be determined by multiplying (a) the unpaid portion of the bill by (b) the ratio of the number of days from the due date to the date of actual payment to 365 by (c) the applicable rate of interest calculated in accordance with Section 154.67 of the Commission's regulations. If such failure to pay continues for thirty (30) days after payment is due, Transporter, in addition to any other remedy it may have under the Gas Transportation Contract, may, after any required application to and authorization by the Federal Energy Regulatory Commission, suspend further transportation of gas. Shipper must, within five (5) Business Days of notice, pay for one month of service in advance to continue service. Shipper must, within thirty (30) Days of notice, provide acceptable security, consistent with Transporter's applicable creditworthiness standards. Transporter may thereafter, in addition to any other remedy it may have under the Gas Transportation Contract, terminate said contract in accordance with the provisions of Section 12.4 of Part 8.0, provided, however, that if Shipper in good faith shall dispute the amount of any bill or part thereof and shall pay Transporter such

amount as it concedes to be correct and at any time within thirty (30) days after a demand made by Transporter shall furnish good and sufficient security as defined in Section 25 of the General Terms and Conditions~~surety bond~~, guaranteeing payment to Transporter of the amount ultimately found due upon such bills after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Transporter shall not, with respect to such non-payment, be entitled to seek to suspend further delivery of gas unless and until default be made in the conditions of such ~~bond~~security. If the Shipper fails to provide the required security within these time periods, the Transporter may suspend service immediately and may simultaneously give a written notice that it will terminate service in thirty (30) Days if the Shipper fails to provide security.

7.5 Adjustment of Underpayment, Overpayment or Error in Billing. If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Gas Transportation Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, then within thirty (30) days after the final determination thereof, Transporter shall refund the amount of any such overcharge, and Shipper shall pay the amount of any such undercharge, provided, however, that interest calculated in accord with Section 7.4 above shall apply to any undercharge not paid within thirty (30) days from the date of Transporter's notification to Shipper of the amount of the undercharge. In the event an error is discovered in the amount billed in any statement rendered by Transporter, such error shall be adjusted within thirty (30) days of the final determination thereof provided that claim therefor shall have been made within sixty (60) days from the date of discovery of such error but, in any event, within twenty-four (24) months from the date of payment.

7.6 Right of Examination. Both Transporter and Shipper shall have the right to examine at any reasonable time the books, records and charges of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provision of this Tariff or the Gas Transportation Contract between Transporter and Shipper.

7.7 Invoicing Standards. Refer to NAESB WGQ Standard Nos. 3.3.3-19 and 3.3.21-26.

16. ~~MODIFICATION~~RESERVED FOR FUTURE USE

~~No modification of the terms and provisions of a Gas Transportation Contract shall be made except by the execution of written contracts signed by Transporter and Shipper.~~

~~25. SERVICE AGREEMENT~~

~~Shipper(s) shall enter into a contract with Transporter in the form of a service agreement which will be filed with the FERC. The service request form and executed service contract, including the effective Schedule 1, together with these General Terms and Conditions and applicable rate schedules, shall constitute the entire agreement between the parties for gas transportation service and shall only be modified in writing.~~

25. REQUESTS FOR SERVICE

Subject to any conditions set forth in the applicable Rate Schedules, this Section shall govern qualification for receipt of service under Rate Schedules FTS and ITS.

25.1 Requests for Service

- (a) All Shippers requesting transportation service under Rate Schedules FTS or ITS via the Transporter's Customer Activities Web site or in writing when necessary, the information required by this Section 25 and the information necessary to complete the fill in the blank in the applicable form of agreement in order to qualify for service. No request for service will be scheduled until all of the information has been provided.
- (b) Except as expressly set forth in Subsection 25.1(d) or other provisions of this FERC Gas Tariff, Transporter may award available capacity for firm transportation service to commence at a future date only within the following timeframes:
 - (1) For service with a primary contract term of three months or less, Transporter may award a request for service no earlier than fifteen (15) calendar days prior to the proposed commencement date of service.
 - (2) For service with a primary contract term of greater than three months, but less than one year, Transporter may award a request for service no earlier than thirty (30) calendar days prior to the proposed commencement date of service.
 - (3) For service with a primary contract term of one (1) year or longer, Transporter may award a request for service no earlier than ninety (90) days prior to the proposed commencement date of service.
- (c) Transporter shall deny a request for capacity to the extent honoring the request would have the effect of awarding capacity prior to the timeframes set forth in Subsection 25.1(b), due to the unavailability of the requested capacity for any portion of the requested primary contract term. For

example, if, on October 1, a Shipper requested that Transporter award capacity with a primary contract term of one year beginning on November 1, but the capacity was available only for the following June through October (i.e. for the last five months of the requested term), Transporter would treat the request as a request for capacity with a term of five months, with the date the capacity became available deemed to be the start of the requested primary term. Pursuant to Subsection 25.1(b)(2), Transporter would reject the request as premature. Notwithstanding the above:

- (i) Transporter may consider a request described above pursuant to Subsection 25.1(d).
- (ii) Transporter and Shipper may agree to contract for less than all the requested capacity as long as the award is within the timeframes set forth in Subsection 25.1(b). For example, if a Shipper requested 15,000 dth/day of capacity for a term of one year, and only 5,000 dth/day was available for a six-month period beginning four months after the request was made, Transporter and Shipper could agree to contract for the available capacity for a six month term consistent with the timeframe set forth in Subsection 25.1(b)(2).
- (d) Transporter may consider, on a not unduly discriminatory basis, a request for firm service outside the time periods specified in Subsection 25.1(b), if the request involves circumstances which include the following:
 - (i) The request is for capacity offered on a pre-arranged basis pursuant to the process set forth in Subsection 25.6 below:
 - (ii) The request is for capacity offered pursuant to an open season initiated by Transporter pursuant to the process set forth in Subsection 25.7 below; or
 - (iii) The request involves the acquisition, modification or construction of facilities or, terms and conditions that may require prior Commission approval or notice.
- (e) If Transporter allows a variation from the time periods specified in Subsection 25.1(b) in accordance with the circumstances described in Subsection 25.1(d)(i)-(iii) or otherwise, Transporter shall provide reasons for the variation in the notice of the open season or by means of an Informational Postings notice on Transporter's Internet Web Site. Transporter shall deviate from the time periods specified in Subsection

25.1(b) only in a not unduly discriminatory manner consistent with Commission regulations.

25.2 Modification of Service

Any modification of an existing transportation agreement shall be requested by Shipper's submission of a new request with notation on the request that the service requested is a modification of an existing service. Such request, after having been fully processed and accepted by Transporter, shall be deemed to have the full force and effect of the underlying transportation agreement.

25.3 Credit Evaluation

Transporter shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of a Shipper's overall financial condition. Such credit appraisal and any further or ongoing credit appraisal as may be necessary shall be based upon the information and criteria listed in (a)-(c) below. Provided further, a Shipper with an ongoing business relationship with Transporter shall have no delinquent balances outstanding for services made previously by Transporter, and Shipper must have paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract.

(a) Shipper shall provide any reasonable information required by Transporter in connection with transportation services pursuant to this Tariff, including information relating to the Shipper's supply of natural gas, the deliverability of such natural gas and upstream transportation arrangements.

(b) If requested by Transporter, Shipper shall provide Transporter within one hundred and twenty (120) days after the end of each fiscal year of Shipper, current audited financial statements, annual reports, 10-K reports, or other filings with regulatory agencies which discuss Shipper's financial status; a list of all corporate Affiliates, parent companies, and subsidiaries; and any reports from credit reporting and bond rating agencies which are available. Transporter may accept unaudited consolidated financial statements. Transporter shall determine the acceptability of the Shipper's overall financial condition.

(c) Upon execution and delivery of the Service Agreements, Shipper will comply with one of the following creditworthiness requirements:

(i) The Shipper, or an Affiliate Guarantor, has an investment grade rating for its long term senior unsecured debt from a recognized

rating agency. Such rating shall be the equivalent of BBB- or better by Standard & Poor's Financial Services ("S&P"), and/or Baa3 or better by Moody's Investor Service Inc. ("Moody's"), and or BBB- by Fitch Ratings, Inc. In the event that Shipper is rated by two or more of the preceding rating agencies at levels that are not equivalent, the lowest rating shall apply. A Shipper who qualifies under this category initially but is later downgraded below investment grade will be required to qualify under another category below.

(ii) The Shipper shall demonstrate that the net present value of the sum of future reservation rates, usage rates and other fees and charges for the service requested is less than 15% of the Shipper's tangible net worth.

(iii) If Shipper does not meet the creditworthiness standard described in part (i) or (ii) above, Transporter shall evaluate creditworthiness based upon the level of Shipper's current and requested service(s) with Transporter relative to Shipper's current and future ability to meet its obligations. Such creditworthiness evaluation shall be based upon any or all of the following requested information in a. through g. below.

a. S&P, Moody's and other credit reporting agencies' opinions, outlooks, watch alerts, and rating actions.

b. Financial reports whereby consistent financial statement analysis will be applied by Transporter to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements, notes to financial statements, and auditor's opinions will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.

c. Whether Shipper is operating under any chapter of the bankruptcy code and is subject to liquidation or debt reduction procedures under state laws and whether there is pending any petition for involuntary bankruptcy. Transporter may give consideration for a Shipper who is a debtor-in-possession operating under Chapter 11 of the United States Bankruptcy Code if Transporter is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future to make payment.

- d. Whether Shipper is subject to any lawsuits or outstanding judgments which could materially impact its ability to remain solvent.
 - e. The nature of Shipper's business and the effect on that business of economic conditions, including Shipper's ability to recover the costs of Transporter's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.
 - f. Whether Shipper has or has had any delinquent balances outstanding for services provided previously by Transporter and whether Shipper is paying and has paid its account balances according to the terms established in its Agreement(s) (excluding amounts as to which there is a good faith dispute).
 - g. Any other information, including any information provided by Shipper, that Transporter deems relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of its Agreement(s).
- (iv) Application for acceptance as creditworthy may be made at any time. Shipper will not be subject to having its acceptance under this category revoked unless there has been a material adverse change in the financial criteria relied on at the time of acceptance.
- (d) Transporter shall not be required to perform services under a transportation Service Agreement for any Shipper who is or has become insolvent, or who fails to demonstrate creditworthiness, or who fails to make payments pursuant to Section 7 hereof (except if Shipper has disputed a bill and made provision for such payment in accordance with Section 7 hereof); provided, however, such Shipper provides security as required by this Subsection 25.3.

25.4 Failure to Meet Creditworthiness Criteria

- (a) Upon notification by Transporter that Shipper has failed to satisfy the credit criteria, such Shipper may still obtain credit approval by Transporter if it elects to provide:
 - (i) a Letter of Credit or a cash deposit, in an amount equal to the sum of three (3) months' reservation charge from Shipper based on the rates in Shipper's Service Agreement for service pursuant to its firm Service. Transporter will accrue interest for the account of Shipper on any cash deposit at the simple prime rate of interest for the application period offered by Citibank N.Y. or any successor of Citibank, N.Y. A Letter of Credit must be in a form reasonably

acceptable to Transporter. Such security shall be adjusted annually to reflect any change in the reservation charge for the succeeding three (3) months; or

- (ii) an advance deposit, a standby irrevocable letter of credit, a security interest in collateral found to be satisfactory to Transporter or a guarantee, acceptable to Transporter, by another person or entity which satisfies the credit appraisal for service pursuant to its interruptible service agreement,
- (iii) a guarantee, acceptable to Transporter, by another person or entity that satisfies Transporter's credit appraisal according to the same procedures set forth in Subsection 25.3; or
- (iv) other security acceptable to Transporter, to be accepted on a not unduly discriminatory basis.

Any Shipper who qualifies under paragraphs (i), (ii), or (iii) above by virtue of an Affiliate Guarantor guaranteeing the obligations of the Shipper shall provide an irrevocable undertaking from the Affiliate to guarantee the Shipper, and shall provide the undertaking to guarantee concurrently with the execution of a Service Agreement. Such guarantee shall be in a form acceptable to Transporter.

- (b) If Shipper's credit standing ceases to meet Transporter's credit requirements during the period of service, then Transporter has the right to require security or a deposit as specified in Section 126.2(a) above. If security or a deposit is not tendered in a timely period as reasonably determined by Transporter in accordance with Section 7 of the GT&C, then Transporter is not required to continue service after 30 days of advance written notice to the Shipper and the Commission. If Shipper is unable to maintain acceptable credit, the executed Service Agreement may be terminated by Transporter after 30 days of advance written notice to the Shipper and the Commission, in accordance with Section 8 of the GT&C.

25.5 Creditworthiness Notices

(a) Transporter Responsibilities

- (i) Transporter shall designate, on its Internet Web site or in written notices to Shipper, the Internet E-mail addresses of up to two representatives who are authorized to receive notices regarding Shipper's creditworthiness. Shipper's obligation to provide confirmation of receipt is met by sending such confirmation to

such representatives, and Transporter shall manage internal distribution of any such confirmations. [0.3.7]

- (ii) If Transporter requests additional information to be used for credit evaluation after the initiation of service, Transporter, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to Shipper and designate to whom the response shall be sent. Transporter and Shipper may mutually agree to waive this requirement. [0.3.3]
- (iii) Upon receipt from Shipper of all credit information provided, Transporter shall notify Shipper's authorized representative(s) that it has received such information. Transporter and Shipper may mutually agree to waive this requirement. [0.3.6]
- (iv) After Transporter's receipt of Shipper's request for re-evaluation, including all required information pursuant to NAESB WGQ Standard No. 0.3.8 ("Shipper's Request"), within five (5) Business Days, Transporter shall provide a written response to Shipper's Request. Such written response shall include either a determination of creditworthiness status, clearly stating the reason(s) for Transporter's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event shall such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of the Shipper's Request unless specified in Transporter's FERC Gas Tariff or if the parties mutually agree to some later date. [0.3.9]
- (v) Regarding capacity release transactions, Transporter shall provide the original Releasing Shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Transporter to the Releasing Shipper's Replacement Shipper(s), of the following [5.3.60]:

 - (A) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to this Section 25 and Section 7 of the General Terms and Conditions of Transporter's FERC Gas Tariff;
 - (B) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;
 - (C) Notice to the Replacement Shipper regarding the

Replacement Shipper's contract termination notice due to default or credit-related issues; and

(D) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to this Section 25.

(b) Shipper Responsibilities

(i) Shipper shall designate up to two representatives who are authorized to receive notices regarding the Shipper's creditworthiness, including requests for additional information, and shall provide to Transporter the Internet E-mail addresses of such representatives prior to the initiation of service. Written requests and responses shall be provided via Internet E-mail, unless otherwise agreed by the parties. The obligation of Transporter to provide creditworthiness notifications is waived until the above requirement has been met. Shipper shall manage internal distribution of any creditworthiness notices that are received. [0.3.7]

(ii) Upon receipt of either an initial or follow-up request from Transporter for information to be used for creditworthiness evaluation, the Shipper's authorized representative(s) shall acknowledge receipt of Transporter's request. Transporter and Shipper may mutually agree to waive this requirement. [0.3.4]

(iii) Shipper's authorized representative(s) shall respond to Transporter's request for credit information, as allowed by this Section 10, on or before the later of the due date specified in the request or three (3) Business Days. Shipper shall provide all the credit information requested by Transporter or provide the reason(s) why any of the requested information was not provided. [0.3.5]

(iv) At any time after Shipper is determined to be non-creditworthy by Transporter, Shipper may initiate a creditworthiness re-evaluation by Transporter. As part of Shipper's re-evaluation request, Shipper shall either update or confirm in writing the prior information provided to Transporter related to Shipper's creditworthiness. Such update shall include any event(s) that Shipper believes could lead to a material change in Shipper's creditworthiness. [0.3.8]

(c) Designating Notice Representatives

Transporter's and Shipper's authorized creditworthiness representative(s) for Internet E-mail notifications, responses and requests as described in this Section 25 shall be established by initiating a request as prescribed on Transporter's Customer Activities site.

In complying with the creditworthiness-related notifications pursuant to this Section 25 and Section 9 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper and Transporter may mutually agree to other forms of communication in lieu of Internet E-mail notification. [0.3.10]

25.6 Capacity Reserved for Expansion/Extension Projects

Notwithstanding any other provision of this Tariff, Transporter reserves the right, but shall not be obligated, to reserve for expansion/extension projects capacity that is or that will become available. The four types of capacity that Transporter may reserve subject to the conditions of this Section are as follows:

- (1) Capacity posted on Transporter's Informational Postings Web site as unsubscribed available capacity;
- (2) Capacity posted for bidding pursuant to the provisions of Section 32 of these General Terms and Conditions; provided however that Transporter's reservation of such capacity shall be conditioned on the existing capacity holder ("Existing Shipper") not retaining such capacity pursuant to the exercise of Existing Shipper's rights of first refusal pursuant to Section 32 of these General Terms and Conditions;
- (3) Capacity that is made available to Transporter for use in an expansion/extension project in accordance with the terms and conditions of an offer by Transporter to accept permanent releases of capacity to serve an expansion/extension project;
- (4) Capacity that is returned to Transporter by an existing capacity holder at the expiration of that capacity holder's contract term(s).

Transporter shall post any reserved capacity on its Informational Postings Web site. The reservation posting shall include, but not be limited to, the following information:

- (1) a description of the expansion/extension project for which the capacity is being reserved;

- (2) the quantity of capacity being reserved;
- (3) the location of the reserved capacity on the pipeline System; and
- (4) the estimated in-service date of the expansion/extension project. Transporter shall make reasonable efforts to update the reservation posting up to the in-service date of the expansion/extension project to reflect any material changes in the scope of the expansion/extension project. Transporter may only reserve capacity for an expansion/extension project for which an open season has been held or will be held within one (1) year of the date that capacity posted as reserved becomes available on a limited-term basis as set forth below. Transporter will not, absent Commission approval, accept advance payments to reserve capacity under this Section.

To the extent capacity reserved under this Section is currently available, Transporter shall make such capacity available for transportation service pursuant to the provisions of Transporter's FERC Gas Tariff on a limited-term basis up to the in-service date of the expansion/extension project(s). For such limited-term agreements, Transporter reserves the right to limit any extension rights provided in the firm transportation agreement or under Transporter's FERC Gas Tariff commensurate with the proposed in-service date of the expansion/extension project. Transporter will indicate in any open season posting of the capacity any limitations on extension rights that will apply to such limited-term transportation service.

25.7 Capacity Reserved for Pre-arranged Deals

- (a) Pre-Arranged Capacity. Transporter may sell firm capacity with service commencement dates more than ninety (90) days in the future, when such capacity is either available unsubscribed capacity or capacity that will become available and is not subject to a right of first refusal, by selling such capacity on a pre-arranged basis.
- (b) If Transporter proposes to sell capacity on a pre-arranged basis, Transporter will post the terms of the pre-arranged transaction and other parties will have an opportunity to bid on the capacity pursuant to 25.7 below. At the time Transporter enters into a pre-arranged service agreement, Transporter will post a notice on its Internet Web site indicating that the pre-arranged capacity will be subject to an open bidding process within three (3) business days, even if such capacity has already been subject to an open season bidding process and is currently posted as available capacity. If another party submits an acceptable bid on a net present value basis, the pre-arranged Shipper will have a one-time right to

match the higher bid in order to retain the capacity. If the pre-arranged Shipper elects not to match a higher competing bid, the capacity will be awarded to the bidder with the highest net present value acceptable bid. If there is an open season ongoing for certain capacity, Transporter will not enter into a pre-arranged deal for that capacity during the open season.

- (c) Transporter will separately identify on its Internet Web site all capacity that is anticipated to become available and is not subject to a right of first refusal. Transporter will not enter into any pre-arranged deals for capacity that has not previously been posted on its Internet Web site.
- (d) To the extent capacity reserved under this Section is currently available, Transporter shall make such capacity available for transportation service pursuant to the provisions of Transporter's FERC Gas Tariff on a limited-term basis up to the in-service date of the pre-arranged transaction. For such limited-term agreements, Transporter reserves the right to limit any pre-arranged transaction rights provided in the firm transportation agreement or under Transporter's FERC Gas Tariff commensurate with the proposed in-service date of the pre-arranged transaction. Transporter will indicate in any open season posting of the capacity any limitations on extension rights that will apply to such limited-term transportation service.

25.8 Solicitation of Bids for Capacity

- (a) Transporter shall (1) post notice of its capacity that is available on a first-come, first-served basis, for service to start immediately or in the future, or (2) post notice of an open season for its available capacity for service to start immediately or in the future, or (3) post notice of an open season for expansion projects including requests for incremental service at a date later than the in-service date of the expansion facilities.

Regarding (2) and (3), the open season notice will be posted for a period of no less than three Business Days for available capacity for service to start immediately or in the future and no less than 20 Business Days for expansion projects on Transporter's system and will include the following information:

- (i) the location of the capacity or proposed expansion;
- (ii) the total quantity, if applicable;
- (iii) the date capacity is available or proposed to be available; and
- (v) bid evaluation methodology, if applicable.

(b) Regarding (2) and (3), the bid methodology will include a net present value (NPV) analysis and the notice will be posted at least three business days prior to bidding. In addition, Transporter will post whether bids have been received, the full net present value analysis for the highest bid received, the Shippers' bids, and the actual calculation of the NPV. Transporter will award the capacity based upon the highest net present value. In the event of equal bids on the basis of a NPV calculation, capacity will be awarded on a pro rata basis. Shipper shall be required to indicate in its bid whether it is willing to accept a lesser quantity in the event such capacity is awarded on a pro rata basis due to equal bids. For purposes of its NPV evaluation, Transporter may consider the aggregate NPVs of two or more bids.

(c) Regarding (2), if no acceptable bids are received during an open season, Transporter will post the capacity on its Informational Postings Web site in order that it may be awarded on a first-come, first-served basis at a mutually agreed upon rate. Shippers must submit a request for such capacity by electronic mail to Transporter's Marketing Department. The time stamp on the communication will be used to determine the sequence of bids.

Transporter reserves the right not to award such capacity at less than the applicable Maximum Rate. Transporter shall not award such capacity at less than the Maximum Rate to an affiliate as defined in Part 358 of the Commission's regulations unless a request for a discount from an affiliate is first posted for competitive bid and no other competitive bids are determined to be the best bid as a result of such posting.

26. ~~CREDITWORTHINESS RESERVED FOR FUTURE USE~~

~~OkTex may initiate a creditworthiness re-evaluation for any shipper. Transporter shall not be required to initiate service on behalf of any Shipper or perform or, subject to the receipt of any necessary regulatory authorization, to continue service on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails within a fifteen (15) day period to demonstrate creditworthiness, provided, however, Shipper may receive service if Shipper prepays for such service or furnishes good and sufficient security (as determined by Transporter in the exercise of reasonable discretion) in an amount equal to the cost of performing the service requested by Shipper for a two (2) month period. For the purpose of this section, the insolvency of a Shipper shall be evidenced by the filing by Shipper or any parent entity thereof (for purposes of this Section 26 referred to collectively as "Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction over the premises adjudging Shipper bankrupt or insolvent or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property or the ordering of the winding up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days. OkTex will comply with NAESB WGQ Standard Nos. 0.3.3-10.~~

~~32. PROCEDURES FOR AVOIDANCE OF PREGRANTED ABANDONMENT~~

~~32.1 To the extent a Shipper satisfies the bid matching requirements of this Section 32 or Transporter and Shipper reach agreement as contemplated by Section 32.7 of Section 32, such Customer may retain its capacity and continue to receive firm service under a long term firm service agreement under Schedule FTS at its previously agreed rates. If Shipper does not satisfy the bid matching requirements of this Section 32 or Transporter and Shipper do not reach agreement as contemplated by Section 32.7 of Section 32, Shipper shall no longer have, as the effective date of Transporter's notice of termination and Transporter shall have all necessary abandonment authorizations under the Natural Gas Act. This Section 32 is not applicable and Shipper shall have no rights hereunder to the extent the long term service agreement is terminated by Shipper during the restructuring proceedings.~~

~~Short term service agreements under an Rate Schedule FTS are not subject to the abandonment of this Section 32. Upon termination of a short term service agreement, Transporter shall have all necessary abandonment authorization under the Natural Gas Act.~~

~~32.2 Transporter shall give Shipper notice of termination of the long term service agreement at least ninety (90) but no more than one hundred twenty (120) days prior to the termination date of such agreement. When Transporter provides a notice of termination of a long term service agreement under Rate Schedule FTS, within ten (10) days of the issuance by Transporter of such notice of termination, Transporter shall post on its IPP the following information:~~

- ~~(a) Points of Receipt and Points of Delivery,~~
- ~~(b) the specific quantity available under the terminated contract,~~
- ~~(c) the date of expiration,~~
- ~~(d) the current maximum rate applicable to the terminated service.~~

~~32.3 The deadline for the submission of bids from potential shippers, who desire service to be provided in whole or in part by the capacity to be made available upon termination of a long term service agreement, shall be the last day of the month following the month in which Transporter posts an applicable notice pursuant to Section 32.2 of this Section 32. To be a valid bid, a bid must comply with the bid requirements set forth in Section 32.4 of this Section 32. At the close of such bidding period, Transporter shall select among the valid bids the "best bid", as determined pursuant to Section 32.5 of this Section 32, and shall relay the relevant terms of such "best bid" to the Shipper whose long term service agreement is being terminated by Transporter. If Shipper elects to match, as determined by Section 32.6 of this Section 32, the "best bid", the Shipper shall be entitled to retain its capacity and continue to receive firm service under a long term firm service agreement which reflects the matching of the relevant terms of the "best bid." If Shipper does not match the "best bid", then Shipper's existing long term service agreement shall terminate and Transporter shall have all necessary abandonment authorization under the Natural Gas~~

~~Act. In the event there is no "best bid" for Shipper to match, Section 32.7 of the Section 32 shall determine whether Shipper shall be entitled to retain its capacity and continue to receive service.~~

~~32.4 To be a valid bid, the potential customer must provide all information in the format contained in the applicable Section 2.2 of FTS Rate Schedule of Transporter's Tariff, Volume No. 1. In addition, the potential shipper must pay Transporter a bona fide prepayment equal to the lesser of ten thousand dollars (\$10,000.00) or one (1) month's prepayment of the Monthly Demand Charge determined based on the potential shipper's requested price and the desired contractual quantity. If such potential shipper's bid is accepted by Transporter and is not matched by the existing Shipper then, upon commencement of service, the bona fide prepayment shall be credited to such potential shipper's initial invoice for such service rendered. If potential shipper's bid is matched or if the potential shipper fails to satisfy all of Transporter's tariff provisions governing Shipper eligibility, Transporter will refund the potential shipper's bona fide prepayment. The bona fide prepayment will not be refunded if the bid is withdrawn by the potential shipper. Transporter may reject all bids which would require Transporter to discount below a rate and discount term agreeable to Transporter, such rejections shall be made in a nondiscriminatory manner.~~

~~32.5 Transporter shall review all bids from potential shippers received pursuant to Section 32.3 of this Section 32 which have not been rejected by Transporter, to determine which bid is the "best bid." For purposes of this Section 32, the "best bid" shall be the bid which yields to Transporter the highest net present value. Net present value shall be calculated on the basis of the present value of the Monthly Demand Charge per unit to Transporter. Such net present value shall be determined by discounting the per unit amount using a discount rate equal to Transporter's allowed overall rate of return applied over the term of potential shipper's bid.~~

~~32.6 Upon request from Transporter of the "best bid", Shipper shall have the right for a thirty (30) day period in which to notify Transporter whether the Shipper is willing to match the "best bid." Failure to notify Transporter with thirty (30) day period constitutes a non-revocable waiver of Shipper's right to match the "best bid." In order to match the "best bid" or a rate greater than the rate set forth in the "best bid" and agree to execute a service agreement for a contract term equal to the contract term set forth in the "best bid", provided, however, the maximum rate an existing Shipper must match is the maximum rate Transporter can charge for delivery to the existing Shipper's Point of Delivery.~~

~~32.7 In the event Transporter does not receive any bids pursuant to Section 32.3 of this Section 32 or Transporter rejects all bids received due to the fact that such bids were premised on rate discount levels or rate discount terms unacceptable to Transporter, Transporter and Shipper may mutually agree upon the terms and conditions under which Shipper shall be entitled to retain its capacity and continue to receive service. Notwithstanding the preceding sentence, so long as the Shipper agrees to pay Transporter's~~

~~maximum rate, the Shipper may retain its firm transportation service. In no event shall Transporter and Shipper agree upon terms which yields to Transporter a net present value less than any bid received pursuant to Section 32.3 of this Section 32 and rejected by Transporter. In the event Transporter and Shipper have not reached agreement on the terms and conditions under which service will be extended for Shipper before the date which is one hundred twenty (120) days prior to the date of termination of the long term service agreement, then Transporter shall have all necessary abandonment authorization under the Natural Gas Act as of the date of termination of the long term service agreement.~~

32. RIGHT OF FIRST REFUSAL AND EXTENSION OF SERVICE AGREEMENTS

32.1 Applicability

This Section 32 shall apply only to firm service agreements:

- (a) For twelve consecutive months or more at the applicable Maximum Rate for that service;
- (b) For more than one year for a service that is not available for twelve (12) consecutive months at the applicable Maximum Rate for the services;
- (c) Extended at the applicable Maximum Rates for a term of one year or more pursuant to the terms of such agreements or of Section 41 of these General Terms and Conditions, even if the service was at a negotiated rate or at less than the Maximum Rates prior to such extension period; or
- (d) That expressly apply the provisions of this Section 32 or include a right of first refusal, provided that Transporter may agree to include a right of first refusal only on a not unduly discriminatory basis.

The right of first refusal will not apply to interim service agreements associated with expansion/extension projects as set forth in Subsection 25.6 of the General Terms and Conditions or pre-arranged transactions as set forth in Subsection 25.7 of the General Terms and Conditions.

Shipper may exercise its right to retain a portion of its firm service entitlement, subject to the right of first refusal, however, the Shipper may not exercise the right of first refusal for a geographic portion of the service under its agreement.

Subject only to Shipper's right of first refusal to continue service, Transporter shall have all necessary abandonment authorization under the Natural Gas Act as of the expiration date of any service agreement and shall not be required to seek case specific authorization prior to abandoning service.

32.2 Right of First Refusal

To exercise its right of first refusal to continue service for all or a portion of the firm capacity covered by a service agreement, that meets the requirements of Subsection 32.1 above, the Shipper must provide notice to Transporter pursuant to Subsection 32.3 below that it desires to continue its service agreement and that it may match the best bid that is offered by another person desiring such capacity as set forth in Subsection 32.5 below, provided that Transporter shall not be obligated to provide service at less than the applicable Maximum Rates.

32.3 Notice to Transporter

Shipper shall notify Transporter in writing of its intention: (i) to exercise a right of first refusal for all or a portion of the Transportation Quantity stated in its service agreement; (ii) to terminate the service agreement or (iii) to request a lesser extension of the term ("Shipper Notice"). The Shipper Notice must be made at least six (6) months in advance of service agreement expiration.

Unless a service agreement expressly provides otherwise, if Shipper fails to provide the Shipper Notice at least six (6) months in advance of the service agreement expiration, the service agreement will automatically extend upon the expiration of the primary term for a term of one year at the applicable Category 1 Maximum Rate. Thereafter, subject to the notice requirements of this Subsection 32.3, the service agreement shall repeatedly extend for successive one year terms. If Shipper provides its Shipper Notice under this Subsection 32.3, Shipper shall not be obligated to provide an additional Shipper Notice under Subsection 41.5 of the General Terms and Conditions.

32.4 Posting of Capacity

Upon receipt of the notice required in Subsection 32.3, Transporter shall post on its Informational Postings Web site that capacity will be available upon the expiration of Shipper's firm transportation service agreement. The capacity shall be posted for a minimum period of fourteen (14) days with such posting containing the following information with respect to the capacity:

- (a) Daily and other applicable quantity limitations of capacity available;
- (b) Transportation Path;
- (c) Maximum Rate (Monthly Demand) as set forth in the Summary of Rates and Charges in Transporter's FERC Gas Tariff;

- (d) Any minimum acceptable bid;
- (e) Any applicable restrictions; and
- (f) The last day of the bidding period.

32.5 Bidding Procedures

Each bidder for Shipper's firm capacity, or any part thereof, must submit its bid to Transporter through Transporter's Customer Activities Web site within the time specified by Transporter. Each bid shall contain the term for which the capacity is sought and a Monthly Demand rate that is either (i) a percentage of the Maximum Rate or (ii) a negotiated rate. If Transporter receives more than one bid for Shipper's capacity, and it does not reject all bids as provided below, it will choose the bid, or combination of bids, having the highest net present value in accordance with the present value formula set forth in Section 33 of the General Terms and Conditions for the evaluation of bids under Transporter's capacity release mechanism. Transporter reserves the right to reject any bid that is for less than the applicable Maximum Rates.

All proposed terms must begin as of the expiration of the Transportation Quantity under the existing service agreement and be for a consecutive period.

For purposes of comparing bids, (i) negotiated rates above the Maximum Rate will be deemed equal to the Maximum Rate and (ii) the Maximum Rates will be deemed to be those in effect as of the date Transporter posts the capacity as available pursuant to Subsection 32.4.

32.6 Right to Match Best Bid

- (a) Transporter will notify Shipper within three (3) business days of the best bid(s) that Transporter is willing to accept, and Shipper shall have ten (10) business days from receipt of Transporter's notice to match the bid and contract term, not to exceed five (5) years, offered in the best bid(s) in order to retain its firm capacity. If Shipper matches the best bid(s), Shipper will enter into a new service agreement for firm service reflecting the terms of Shipper's matching bid within 30 days of the date Shipper provided notice that it would match the best bid. If Shipper fails to match the best bid or fails to execute a new firm service agreement within the time periods set forth in this Section, Shipper's existing service agreement for firm service will be subject to pregranted abandonment upon the effective termination date of Shipper's service agreement for

firm service, and Transporter may enter into a new service agreement for firm service with the party or parties offering the best bid.

- (b) In the event Transporter does not receive any bids for Shipper's capacity or any bids that are acceptable to Transporter, Shipper shall have the right to retain its firm capacity at the applicable Maximum Rates applicable thereto, or any discounted rate or negotiated rate agreed to by Transporter, for an additional term as requested by Shipper, provided that Transporter shall not be obligated to provide service at less than the applicable Maximum Rate.
- (c) If Shipper does not elect to extend its service agreement pursuant to the provisions contained therein and in this Section 32, such service agreement shall terminate and be subject to pregranted abandonment.

39. NORTH AMERICAN ENERGY STANDARDS BOARD WHOLESALE GAS QUADRANT ("NAESB WGQ") STANDARDS

Compliance with 18 CFR, Section 284.12

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

Standards not Incorporated by Reference and their Location in Tariff:

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

Transporter has elected to reproduce only the following NAESB WGQ standards subject to NAESB's limited copyright waiver. With respect to each reproduced standard listed below, Transporter incorporates the following: © 1996 – 2020 NAESB, all rights reserved.

<u>NAESB Standard</u>	<u>Tariff Record</u>	<u>Tariff Provision</u>
<u>Creditworthiness Standards:</u>		
<u>0.3.3</u>	<u>Part 8.41, Requests for Service</u>	<u>25.4(a)(ii)</u>
<u>0.3.4</u>	<u>Part 8.41, Requests for Service</u>	<u>25.4(b)(ii)</u>
<u>0.3.5</u>	<u>Part 8.41, Requests for Service</u>	<u>25.4(b)(iii)</u>
<u>0.3.6</u>	<u>Part 8.41, Requests for Service</u>	<u>25.4(a)(iii)</u>
<u>0.3.7</u>	<u>Part 8.41, Requests for Service</u>	<u>25.4(a)(i); 25.4(b)(i)</u>
<u>0.3.8</u>	<u>Part 8.41, Requests for Service</u>	<u>25.4(b)(iv)</u>
<u>0.3.9</u>	<u>Part 8.41, Requests for Service</u>	<u>25.4(a)(iv)</u>
<u>0.3.10</u>	<u>Part 8.41, Requests for Service</u>	<u>25.4(c)</u>

Nominations Related Standards:

1.3.2 (i-vi) Part 8.10, Operating Information, Estimates, 10.4(a)(i-vi)

1.3.51	Nomination, Scheduling and Balancing Part 8.10, Operating Information, Estimates, Nomination, Scheduling and Balancing	10.5
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Flowing Gas Related Standards:

2.3.1	Part 8.10, Operating Information, Estimates, Nomination, Scheduling and Balancing	10.8
2.3.16	Part 8.10, Operating Information, Estimates, Nomination, Scheduling and Balancing	10.8

Invoicing Related Standards:

3.3.14	Part 8.7, Billing and Payments	7.1
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Capacity Release Related Standards:

5.3.1	Part 8.33, Capacity Release	33.19
5.3.2	Part 8.33, Capacity Release	33.20
5.3.3	Part 8.33, Capacity Release	33.6
5.3.4	Part 8.33, Capacity Release	33.6
5.3.7	Part 8.33, Capacity Release	33.4
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<u>NAESB Standard</u>	<u>Waiver or Extension of Time</u>
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41. TERMINATION OR MUTUAL EXTENSION OF SERVICE AGREEMENTS

41.1 Early Termination in Exchange for Extension

Shipper and Transporter may mutually agree to the early termination of one or more service agreements in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. A new term shall be determined for the service agreements and shall be from the service commencement date of the extension to the end of the extension period. Shipper need not participate in an open season for the extension nor must the extended capacity be posted on Transporter's Informational Postings Web site as unsubscribed, available capacity prior to the extension.

41.2 Extension of Capacity Use

Shipper and Transporter may mutually agree to extend the term of a service agreement with respect to all or part of the underlying capacity.

41.3 Negotiated Rates

Transporter and Shipper may mutually agree on a not unduly discriminatory basis that the extension of a service agreement will be at a discounted or negotiated rate as set forth in Section 42 of these General Terms and Conditions.

41.4 Rights of First Refusal

The agreement to extend under this Section 41 must be reached prior to the posting of the capacity pursuant to Subsection 32.4 of the General Terms and Conditions. Nothing in this Section shall preclude the Shipper from making a timely election pursuant to Subsections 32.2 and 32.3 of the General Terms and Conditions if Shipper and Transporter are not able to agree upon a new term length or other terms and conditions of service.

41.5 Termination of Firm Agreements

Shipper shall notify Transporter in writing of its intention: (i) to terminate the service agreement or (ii) to request a lesser extension of the term ("Shipper Notice"). The Shipper Notice must be made at least six (6) months in advance of the service agreement expiration.

If Shipper fails to provide the Shipper Notice at least six (6) months in advance of the service agreement expiration, the service agreement will automatically extend upon the expiration of the primary term for a term of one year at the applicable Category 1 Maximum Rate. Thereafter, subject to the notice requirements of this Subsection 41.5, the service agreement shall repeatedly extend for successive one year terms. If

Shipper provides its Shipper Notice under this Subsection 41.5, Shipper shall not be obligated to provide an additional Shipper Notice under Subsection 32.3 of the General Terms and Conditions. Nothing in this Subsection 41.5 shall supplant or abridge any ROFR rights, which are covered in Subsection 32.3 of the General Terms and Conditions.

42. NEGOTIATED AND DISCOUNTED RATES

42.1 Negotiated Rates

Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate with respect to rates, rate components, charges, or credits that are otherwise prescribed, required, established or imposed in this Section 42 or by any other applicable provision of Transporter's effective FERC Gas Tariff. The Negotiated Rate may be less than, equal to or greater than the Maximum Rate; shall not be less than the Minimum Rate; may be based on a rate design other than straight fixed variable; and may include a minimum quantity. The Maximum Rate shall be available to any Shipper that does not choose a Negotiated Rate. Nothing in the provisions governing Negotiated Rate Agreements shall authorize Transporter or Shipper to violate FERC's policy with respect to negotiation of terms and conditions of service. Such Negotiated Rate shall be set forth on an executed transportation agreement.

If Transporter agrees to such Negotiated Rate(s), 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 Shipper's services 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 Shipper. Only those rates, rate components, charges or credits identified by Transporter and 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 this Section 42 or Transporter's Tariff shall remain in effect.

At the end of the period during which the Negotiated Rate is in effect, the otherwise applicable Maximum Rates or charges shall govern the service provided to Shipper.

Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, and calculating the economic value of a request for unsubscribed firm capacity.

For capacity releases with a term of more than one year, or for releases with a term of one year or less that will take effect more than one year from the date Releasing Shipper notifies the Transporter of the release, Replacement Shippers may not bid or pay a rate greater than the Maximum Rate and are not eligible for Negotiated Rates. In the event that capacity subject to a Negotiated Rate which is based on a rate design other than straight fixed

variable is released, Shipper and Transporter may agree on billing adjustments to the Releasing Shipper that may vary from or are in addition to those set forth in Section 33 of the General Terms and Conditions of Transporter's effective FERC Gas Tariff in order to preserve the economic bases of the Negotiated Rate. Such payment obligation and crediting mechanism for capacity release shall be set forth on an Exhibit of the executed Firm Transportation Agreement.

42.2 Order of Discounting

Unless otherwise specified in the Firm Transportation Agreement, to the extent Transporter discounts the rates for service pursuant to this Tariff, the rates for service will be deemed to have been discounted in the following order:

- (a) Reservation Charge, but not below the stated Minimum Rate.
- (b) Commodity Charge, but not below the stated Minimum Rate.

42.3 Types of Discounts

From time to time, a Shipper and Transporter may agree in writing on a level of discount of the otherwise applicable rates and charges in addition to a basic discount from the stated Maximum Rates.

In all circumstances, the discounted rate shall be between the Maximum Rate and the Minimum Rate applicable to the service being provided.

For example, Transporter may provide a specific discounted rate:

- (a) to certain specified quantities under the Agreement (referred to as quantity rate type); or
- (b) if specified quantity levels are actually achieved or with respect to quantities above or below a specified level (referred to as quantity level rate type); or
- (c) during specified time periods (referred to as time period rate type or contract rate type); or
- (d) to receipt points (referred to as point rate type), delivery points (referred to as point rate type), Transportation Paths (referred to as point to point rate type) or defined geographical areas (referred to as zone rate type); or

- (e) in a specified relationship to the quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to quantities actually transported) (referred to as relationship rate type); or
- (f) to provide that if one rate component which was equal to or within the applicable Maximum and Minimum Rate at the time the discount agreement was executed subsequently exceeds the applicable Maximum Rate or is below the applicable Minimum Rate due to a change in Transporter's Maximum Rates and/or Minimum Rates, so that such rate component must be adjusted downward or upward to equal the new applicable Maximum or Minimum Rate, then other rate components may be adjusted upward or downward to achieve the agreed-upon overall rate, so long as none of the resulting rate components exceed the Maximum Rate or are below the Minimum Rate applicable to the rate component. Such changes to rate components shall be applied prospectively, commencing with the date the Commission issues an order accepting applicable revised Maximum and Minimum Rates. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable (referred to as rate component rate type).
- (g) Based upon published index prices for specific receipt and/or delivery points or other agreed-upon published pricing reference points for price determination. (Such discounted rate may be based upon the differential between published index prices or arrived at by formula and shall be referred to as index price differential rate type.) Each service agreement entered into pursuant to this Subsection 42.3(g) shall not change the underlying rate design; 2) shall not include any minimum bill or minimum take provision that has the effect of guaranteeing revenue; 3) shall define the rate component to be discounted.

**GAS TRANSPORTATION CONTRACT
FOR FIRM TRANSPORTATION SERVICE**

between

"Shipper"

and

**OKTEX PIPELINE COMPANY
"Transporter"**

Dated: MONTH _____ DAY _____, YEAR _____

**PRO FORMA
GAS TRANSPORTATION CONTRACT
FOR FIRM TRANSPORTATION SERVICE**

This Contract is made as of the [date] day of [month], [year] by and between the OkTex Pipeline Company, L.L.C., a Delaware Limited Liability Company, herein called Transporter, and [name of shipper], herein called Shipper, pursuant to the following recitals and representations:

WHEREAS Transporter has received and accepted all necessary regulatory and governmental approvals to construct and operate Transporter's System and to transport such gas on behalf of Shipper; and

WHEREAS Transporter and Shipper now desire to establish the terms and conditions under which Transporter will render firm transportation services to Shipper by entering into this Gas Transportation Contract for Firm Transportation Service:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein assumed, Transporter and Shipper agree as follows:

ARTICLE I - SCOPE OF CONTRACT

1.1 On the Commencement Date and each day thereafter, Shipper shall cause the Input Quantity for each Receipt Point hereunder, not to exceed the Maximum Input Quantity for each Receipt Point, to be delivered to Transporter at the Receipt Point(s).

1.2 On the Commencement Date and each day thereafter on which Shipper and Transporter schedule gas for transportation hereunder, Transporter shall make the Equivalent Quantity corresponding to the Input Quantity, not to exceed the Maximum Equivalent Quantity for each Delivery Point, available to or on behalf of Shipper at the Deliver point(s) on a firm basis.

1.3 Shipper shall be solely responsible for securing faithful performance by Gas Supplier(s) in all matters which may affect Transporter's performance hereunder, and Transporter shall not be liable hereunder to Shipper as a result of the failure of Gas Supplier(s) to so perform.

ARTICLE II - RESERVATION OF FIRM TRANSPORTATION CAPACITY

2.1 Shipper hereby reserves the right to cause Transporter to receive from or for the account of Shipper at each Receipt Point during any month up to the sum of the Maximum Input Quantities for such Receipt Point as set forth on the effective Schedule 1 appended hereto and to cause Transporter to make available to or on behalf of Shipper at each Delivery Point during a month the Equivalent Quantities for each Delivery Point as set forth on the currently effective Schedule 1 appended hereto.

2.2 Transporter shall make available to Shipper the transportation service reserved under this Article II on the days and for the quantities of gas for which such service has been reserved, subject to Shipper's compliance with the terms and conditions of this Contract.

ARTICLE III - RATE

3.1 For each Dekatherm of Input Quantity on any day, Shipper agrees to pay and shall pay the applicable Maximum Unit Commodity Rate specified in Rate Schedule FTS as in effect on the day the transportation service is rendered; provided however, that in the event that Transporter determines, in its sole discretion, to render transportation service on behalf of Shipper for a Discounted Unit Commodity Rate, Transporter shall notify Shipper in writing of the amount of such Discounted Unit Commodity Rate, the day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each Dekatherm of Input Quantity on the day(s) on which a Discounted Unit Commodity Rate is in effect, within the quantity to which such rate applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable Discounted Unit Commodity Rate in Lieu of the Maximum Unit Commodity Rate.

3.2 For each Dekatherm per day of Maximum Input Quantity at each Receipt Point, Shipper agrees to pay and shall pay the applicable Maximum Monthly Demand Charge specified in Rate

Schedule FTS as in effect on the day for which transportation capacity has been reserved; provided however, that in the event that Transporter determines, in its sole discretion, to render transportation service on behalf of Shipper for a Discounted Monthly Demand Charge, Transporter shall notify the Shipper in writing of amount of such Discounted Monthly Demand Charge, the day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each Dekatherm of the Maximum Input Quantity at each Receipt Point on the day(s) on which a quantity to which such rate applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable Discounted Monthly Demand Charge in lieu of the Maximum Monthly Demand Charge.

3.3 Shipper agrees that the Transporter shall have the unilateral right to file with the FERC and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's FTS Rate Schedules or (b) any provision of the General Terms and Conditions applicable to such rate schedule, subject to the applicable provisions of the Natural Gas Act and the Commission's regulations thereunder.

ARTICLE IV - RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Contract and all terms and provisions contained or incorporated herein are subject to the provisions of Rate Schedule FTS and the General Terms and Conditions of Transporter's FERC Gas Tariff as such may be revised or superseded from time to time, which Rate Schedule FTS and General Terms and Conditions are by this reference made a part hereof.

ARTICLE V - TERM

5.1 The Commencement Date shall be the latter of [date] or such date on which the natural gas facilities required to enable Transporter to render transportation service to Shipper hereunder are constructed, installed and made operational, as shall be set forth in Transporters written notice to Shipper.

5.2 This Contract shall be effective as of the date first hereinabove written; provided however, that Transporter shall be under no obligation to receive or to deliver any quantities of natural gas hereunder and Shipper shall be under no obligation for any payments hereunder prior to the Commencement Date.

5.3 This Contract shall continue in force and effect until [date] pursuant to any effective provisions for termination of this Contract by Transporter as stated in Rate Schedule FTS or the General Terms and Conditions for Transportation Service; provided however, that if the FERC authorizes Transporter to abandon service to Shipper on an earlier date, this Contract shall terminate as of such earlier date.

ARTICLE VI - NOTICES

Notices to Transporter shall be addressed to:

Manager Contract Administration
OkTex Pipeline Company
100 W. 5th Street, MD 12-4
Tulsa, OK 74103

Notices to Shipper shall be provided in accordance with Part 8, Section 15 of the General Terms and Conditions.

Either party may change its address under this Article by written notice to the other party.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF CONTRACT

Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially or as an entirety, of either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Contract. Otherwise no assignment of this Contract or any of the rights or obligations hereunder, or any portion of Shipper's effective Maximum Daily Contract Demand shall be made. It is agreed, however, that the restrictions on assignment contained in this Article VII shall not in any way prevent either party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness.

~~ARTICLE VIII - BANKRUPTCY OF SHIPPER~~

~~—Subject to the requirements of Section 7 of the Natural Gas Act, Transporter shall not be required to render or to continue to render transportation service on behalf of any Shipper that has applied for bankruptcy under the Bankruptcy Code or on behalf of any Shipper which, at Transporter's request, fails within a fifteen (15) day period to demonstrate and maintain credit worthiness, provided however, that Transporter shall render or continue to render transportation service for any such Shipper which prepays for such service or which, upon fifteen (15) days notice by Transporter, furnishes good and sufficient security bond or other good and sufficient security as Transporter in its reasonable discretion deems acceptable, of a continuing nature and in an amount equal to the cost of performing the transportation service request for a two (2) month period.~~

ARTICLE ~~IX~~VIII - LAW OF CONTRACT

The interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Oklahoma and applicable federal law and regulation.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed in several counterparts by their proper officers thereunto duly authorized, as of the date first hereinabove written.

OKTEX PIPELINE COMPANY

By _____

[NAME OF SHIPPER]

By _____

SCHEDULE 1
to
GAS TRANSPORTATION CONTRACT

between

OKTEX PIPELINE COMPANY
"Transporter"

and

"Shipper"

Dated: MONTH_____DAY_____, YEAR_____

**MAXIMUM INPUT
QUANTITY**

**MAXIMUM EQUIVALENT
QUANTITY**

RECEIPT POINT(S) (Dekatherm)

DELIVERY POINT(S) (Dekatherm)

**GAS TRANSPORTATION CONTRACT
FOR INTERRUPTIBLE TRANSPORTATION SERVICE**

between

"Shipper"

and

**OKTEX PIPELINE COMPANY
"Transporter"**

Dated: MONTH_____DAY_____, YEAR_____

**PRO FORMA
GAS TRANSPORTATION CONTRACT
FOR INTERRUPTIBLE TRANSPORTATION SERVICE**

This Contract is made as of the [date] day of [month], [year] by and between the OkTex Pipeline Company, L.L.C., a Delaware Limited Liability Company, herein called Transporter, and [name of shipper], herein called Shipper, pursuant to the following recitals and representations:

WHEREAS Transporter has received and accepted all necessary regulatory and governmental approvals to construct and operate Transporter's Systems and to transport such gas on behalf of Shipper; and

WHEREAS Transporter and Shipper now desire to establish the terms and conditions under which Transporter will render interruptible transportation services to Shipper by entering into this Gas Transportation Contract for Interruptible Transportation Service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein assumed. Transporter and Shipper agree as follows:

ARTICLE I - SCOPE OF CONTRACT

1.1 On the Commencement Date and each day thereafter on which Shipper and Transporter schedule gas for transportation hereunder, Shipper shall cause the Input Quantity for each Receipt Point hereunder, not to exceed the Maximum Input Quantity for each Receipt Point, to be delivered to Transporter at the Receipt Point(s).

1.2 On the Commencement Date and each day thereafter on which the Input Quantity is delivered to Transporter at the Receipt Point(s) pursuant to Section 1 of this Article I, Transporter shall, subject to interruption of service by Transporter in accordance with this Contract and Transporters Tariff, make the Equivalent Quantity corresponding to the Input Quantity, not to exceed the Maximum Equivalent Quantity for each Delivery Point, available to or on behalf of Shipper at the Delivery Point(s).

1.3 Shipper shall be solely responsible for securing faithful performance by Gas Supplier(s) in all matters which may affect Transporter's performance hereunder, and Transporter shall not be liable hereunder to Shipper as a result of the failure of Gas supplier(s) to so perform.

ARTICLE II - INTERRUPTIBLE TRANSPORTATION CAPACITY

2.1 Shipper hereby contracts for the right to cause Transporter to receive from or for the account of Shipper at each Receipt Point up to the Maximum Input Quantity for such Receipt Point as set forth on the effective Schedule 1 appended hereto, on any day on which Transporter has interruptible capacity available to Shipper, and to cause Transporter to make available to or on behalf of Shipper on an interruptible basis at each Delivery Point on such day the Equivalent Quantity corresponding to the Input Quantity, not to exceed the Maximum Equivalent Quantity for each Delivery Point as set forth on the currently effective Schedule 1 appended hereto.

2.2 Transporter shall make available to Shipper the transportation service contracted for under this Article II on the days and for the quantities of gas for which Transporter has interruptible capacity available to Shipper, subject to Shipper's compliance with the terms and conditions of this Contract.

ARTICLE III - RATE

3.1 For each Dekatherm of Input Quantity on any day, Shipper agrees to pay and shall pay the applicable Maximum Unit Commodity Rate specified in Rate Schedule ITS as in effect on the day the transportation service is rendered; provided however, that in the event that Transporter determines, in its sole discretion, to render transportation service on behalf of Shipper for a Discounted Unit Commodity Rate, Transporter shall notify Shipper in writing of the amount of such Discounted Unit Commodity Rate, the day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each Dekatherm of Input Quantity on the day(s) on which a Discounted Unit Commodity Rate is in effect, within the quantity to which such rate

applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable Discounted Unit Commodity Rate in lieu of the Maximum Unit Commodity Rate.

3.2 Shipper agrees that Transporter shall have the unilateral right to file with the FERC and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's ITS Rate Schedules or (b) any provisions of the General Terms and Conditions applicable to such rate schedule, subject to the applicable provisions of the Natural Gas Act and the Commission's regulations thereunder.

ARTICLE IV - RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Contract and all terms and provisions contained or incorporated herein are subject to the provisions of Rate Schedule ITS and the General Terms and Conditions of Transporter's FERC Gas Tariff as such may be revised or superseded from time to time, which Rate Schedule ITS and General Terms and Conditions are by this reference made a part hereof.

ARTICLE V - TERM

5.1 The Commencement Date shall be the latter of [date] or such date on which the natural gas facilities required to enable Transporter to render transportation service to Shipper hereunder are constructed, installed and made operational, as shall be set forth in Transporter's written notice to Shipper. Transporter shall be under no obligation to receive or to deliver any quantities of natural gas hereunder and Shipper shall be under no obligation for any payments hereunder prior to Commencement Date.

5.2 This Contract shall be effective as of the Commencement Date, and shall continue in full force until [date] and month-to-month thereafter, until terminated as hereinafter provided. This contract may be terminated by Transporter, in accordance with Transporter's FERC Gas Tariff, or by either Transporter or Shipper upon at least sixty (60) days prior written notice by Shipper and/or Transporter, specifying a termination date. If the FERC authorizes Transporter to abandon service to Shipper on an earlier date, this Contract shall terminate as of such earlier date.

ARTICLE VI - NOTICES

Notices to Transporter shall be addressed to:

Manager Contract Administration
OkTex Pipeline Company
100 W. 5th Street, MD 12-4
Tulsa, OK 74103

Notices to Shipper shall be provided in accordance with Part 8, Section 15 of the General Terms and Conditions.

Either party may change its address under this Article by written notice to the other party.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF CONTRACT

Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially or as an entirety, of either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Contract. Otherwise, no assignment of this Contract or of any of the rights or obligations hereunder or any portion of Shipper's effective Maximum Daily Contract Demand shall be made. It is agreed, however, that the restrictions on assignment contained in this Article VII shall not in any way prevent either party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness.

~~ARTICLE VIII - BANKRUPTCY OF SHIPPER~~

~~—Subject to the requirements of Section 7 of the Natural Gas Act, Transporter shall not be required to render or to continue to render transportation service on behalf of any Shipper that has applied for bankruptcy under the Bankruptcy Code or on behalf of any Shipper which, at Transporter's request, fails within a fifteen (15) day period to demonstrate and maintain credit worthiness, provided however, that Transporter shall render or continue to render transportation service for any such Shipper which prepays for such service or which, upon fifteen (15) days notice by Transporter, furnishes good and sufficient security bond or other good and sufficient security as Transporter in its reasonable discretion deems acceptable, of a continuing nature and in an amount equal to the cost of performing the transportation service request for a two (2) month period.~~

ARTICLE ~~IX~~ VIII - LAW OF CONTRACT

The interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Oklahoma and federal law and regulation.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed in several counterparts by their proper officers thereunto duly authorized, as of the date first hereinabove written.

OKTEX PIPELINE COMPANY

By _____

[NAME OF SHIPPER]

By _____

SCHEDULE 1
to
GAS TRANSPORTATION CONTRACT

between

OKTEX PIPELINE COMPANY
"Transporter"

and

"Shipper"

Dated: MONTH_____DAY_____, YEAR_____

**MAXIMUM INPUT
QUANTITY**

**MAXIMUM EQUIVALENT
QUANTITY**

RECEIPT POINT(S) (Dekatherm)

DELIVERY POINT(S) (Dekatherm)

Appendix C
Detailed Table of Tariff Changes
OkTex Pipeline Company, L.L.C.
FERC Gas Tariff, Volume I

Tariff	Description of Change	Authority & Precedent
Part 7.10.1	Wording changes to simplify the language of the introductory sentence to Rate Schedule FTS.	<i>Destin Pipeline, L.L.C.</i> , 177 FERC ¶ 61,126 (2021) at PP 4, 17 (hereinafter <i>Destin Pipeline</i>) (Finding administrative revisions such as changes to syntax just and reasonable); <i>ANR Pipeline Company</i> , 179 FERC ¶ 61,175, at PP 3, 12 (2022) (hereinafter <i>ANR Pipeline</i>) (approving administrative edits to streamline evaluation of creditworthiness).
Part 7.10.1.1	Wording changes to clarify that Rate Schedule FTS availability is pursuant to shipper having both initiated a request for service and having executed a contract for service under Rate Schedule FTS	<i>Tallgrass Interstate Gas Transmission, LLC</i> , 158 FERC ¶ 61,140 (2017) (hereinafter <i>Tallgrass</i>), at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See similar language approved by the Commission in <i>Viking Gas Transmission Company</i> , Letter Order dated June 30, 2004, Docket No. RP04-306-000.
Part 7.10.1.2	Wording changes to remove obsolete references to “purchase”, “sell”, and “import” and replacing with language in more simplified form, indicating capacity must be available on OkTex’s system for Rate Schedule FTS service to be available.	<i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See similar language approved by the Commission in <i>Viking Gas Transmission Company</i> , Letter Order dated June 30, 2004, Docket No. RP04-306-000.
Part 7.10.2.1-2.2	Removing subsections. OkTex is reorganizing Part 7 so that requests for service by shippers are now fully addressed in updated Part 8, Section 25, Requests for Service.	18 CFR § 154.102(b) (2023) (Tariff sections must include related subject matter); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See also <i>Dominion Energy Questar Pipeline, LLC</i> , Letter Order dated November 29, 2017, Docket No. RP18-26-000 (Accepting reorganized tariff provisions, including Request for Service); <i>White River Hub, LLC</i> , Letter Order dated September 14, 2022, Docket No. RP22-1194-000 (Accepting reorganized tariff including revision to Request for Service).
Part 7.10.3 (now 7.10.2)	Inserting language to clarify OkTex shall not be required to install, operate or maintain any additional facilities to provide Rate Schedule FTS service.	<i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff

		sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See similar language approved by the Commission in <i>Viking Gas Transmission Company</i> , Letter Order dated June 30, 2004, Docket No. RP04-306-000.
Part 7.10.8.3 (now removed)	Removing Flexible Rates language. OkTex is reorganizing such that discounted rates are now addressed in new Part 8, Section 42, Negotiated and Discounted Rates.	<i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See also <i>Dominion Energy</i> , Docket No. RP18-26-000 (Accepting reorganized tariff provisions, including Request for Service); <i>White River Hub</i> , Docket No. RP22-1194-000 (Accepting reorganized tariff including revision to Request for Service).
Part 7.10.9 (now 7.10.8)	Removed and reorganized the reference to Rate Schedule ITS from Rate Schedule FTS into Rate Schedule ITS.	<i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Various within Part 7.10	Administrative update to numbering, punctuation, and spacing.	<i>Destin Pipeline</i> , 177 FERC at PP. 2, 4, 17 (Finding administrative revisions such as changes to syntax just and reasonable); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 7.20.1	Administrative changes to wording to simplify the language of the introductory sentence to Rate Schedule ITS.	<i>Destin Pipeline</i> , 177 FERC at at PP. 2, 4, 17 (Finding administrative revisions such as changes to syntax just and reasonable); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 7.20.1.1	Administrative changes to clarify that Rate Schedule ITS availability is pursuant to shipper having both initiated a request for service and having executed a contract for service under Rate Schedule ITS	<i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See similar language approved by the Commission in <i>Viking</i>

		<i>Gas Transmission Company</i> , Letter Order dated June 30, 2004, Docket No. RP04-306-000.
Part 7.20.1.2	Administrative changes removing obsolete references to “purchase”, “sell”, and “import” and replacing with language in more simplified form, indicating capacity must be available on OkTex’s system for Rate Schedule ITS service to be available.	<i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See similar language approved by the Commission in <i>Viking Gas Transmission Company</i> , Letter Order dated June 30, 2004, Docket No. RP04-306-000.
Part 7.20.2.1-2.2	Removing subsections. OkTex is reorganizing Part 7 so that requests for service by shippers are now fully addressed in updated Part 8, Section 25, Requests for Service.	18 CFR § 154.102(b) (2023) (Tariff sections must include related subject matter); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See <i>Dominion Energy</i> , Docket No. RP18-26-000 (Accepting reorganized tariff provisions, including Request for Service); <i>White River Hub</i> , Docket No. RP22-1194-000 (Accepting reorganized tariff including revision to Request for Service).
Part 7.20.3 (now 7.20.2)	Adding clarifying language that OkTex shall not be required to install, operate or maintain any additional facilities to provide Rate Schedule ITS service as well as minor administrative changes.	<i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See similar language approved by the Commission in <i>Viking Gas Transmission Company</i> , Letter Order dated June 30, 2004, Docket No. RP04-306-000.
Part 7.20.10.3 (now 7.20.9.3)	Removing Flexible Rates language. OkTex is reorganizing such that discounted rates are now addressed in new Part 8, Section 42, Negotiated and Discounted Rates.	18 CFR § 154.102(b) (2023) (Tariff sections must include related subject matter); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See also <i>Dominion Energy</i> , Docket No. RP18-26-000 (Accepting reorganized tariff provisions, including Request for Service); <i>White River Hub</i> , Docket No. RP22-1194-000 (Accepting reorganized tariff including revision to Request for Service).

Part 7.20.10 (now 7.20.11)	Added clarifying language pointing to the Statement of Rates where this information is found, conforming with Rate Schedule FTS.	<i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 8.0 (GT&C)	Administrative updates to the Table of Contents to indicate the updated content of existing sections and add two new sections, Section 41, Termination or Mutual Extension of Service Agreements, and Section 42, Negotiated and Discounted Rates	<i>Destin Pipeline</i> , 177 FERC at PP. 2, 4, 17 (Finding administrative revisions such as changes to syntax just and reasonable); <i>ANR Pipeline</i> , 179 FERC at PP 3, 12 (2022) (approving administrative edits to streamline evaluation of creditworthiness); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 8.1.1.34	Added new defined term, Transporter, to add clarity in references to OkTex and OkTex's obligations in updated and newly added GT&C provisions associated with requests for service.	<i>Destin Pipeline</i> , 177 FERC at PP. 2, 4, 17 (Finding administrative revisions such as changes to syntax just and reasonable); <i>ANR Pipeline</i> , 179 FERC at PP 3, 12 (2022) (approving administrative edits to streamline evaluation of creditworthiness); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 8.1.1.35	Added new defined term, Internet Web Site, to add clarity in references to OkTex's computer information and scheduling system in updated and newly added GT&C provisions associated with requests for service.	<i>Destin Pipeline</i> , 177 FERC at PP. 2, 4, 17 (Finding administrative revisions such as changes to syntax just and reasonable); <i>ANR Pipeline</i> , 179 FERC at PP 3, 12 (2022) (approving administrative edits to streamline evaluation of creditworthiness); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 8.7.4	OkTex proposes to broaden the scope of its billing provisions to allow defaulting shippers to meet creditworthiness requirements by posting any of the financial securities allowed under revised Subsection 25 within 30 days. In addition, if the shipper is unable to cure its default, the proposed revisions allow such shipper to receive 30 days written notice prior to termination of service. This ensures that the shipper has ample and reasonable time to cure its default prior to the suspension and termination of service.	See similar language approved in <i>Guardian Pipeline L.L.C.</i> , 154 FERC ¶ 61,250 (2016) in RP16-467-000 at Part 8, Section 8 (Billing); 18 CFR § 154.602 (2003) (requiring 30 days of advance notice to the customer and the Commission prior to contract termination); <i>Policy Statement on Creditworthiness for Interstate Natural Gas Pipelines and Order Withdrawing</i>

		<i>Rulemaking Proceeding</i> , 111 FERC ¶ 61,412, at PP 10, 14, 21 (2005); <i>Northern Natural Gas Co.</i> , 102 FERC ¶ 61,076, at P 49 (2003); <i>Tennessee Gas Pipeline Co.</i> , 102 FERC ¶ 61,075 at P 18 (2003).
Part 8.16	OkTex is reorganizing such that Modification of Service is fully addressed in updated Part 8, Section 25, Requests for Service. This section is therefore redundant and should be removed and reserved for future use.	18 CFR § 154.102(b) (2023) (Tariff sections must include related subject matter); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See also <i>Dominion Energy</i> , Docket No. RP18-26-000 (Accepting reorganized tariff provisions, including Request for Service); <i>White River Hub</i> , Docket No. RP22-1194-000 (Accepting reorganized tariff including revision to Request for Service).
Part 8.25	New and more comprehensive governing conditions and clarifying language have been added in newly renamed Part 8, Section 25, addressing requests for service under Part 7.10, Rate Schedule FTS, and Part 7.20, Rate Schedule ITS. Pursuant to reorganization of Part 7, Sections 10 and 20, requests for service by shippers are now fully addressed in updated Part 8, Section 25, Requests for Service. These governing conditions are fully consistent with conditions and language previously approved by the Commission. See Precedent Support column for each subsection of Section 25 below.	18 CFR § 154.102(b) (2023) (Tariff sections must include related subject matter); See similar language approved by the Commission in <i>Viking Gas Transmission Company</i> , 142 FERC ¶ 61,054 (2013); See <i>Dominion Energy</i> , Docket No. RP18-26-000 (Accepting reorganized tariff provisions, including Request for Service); <i>White River Hub</i> , Docket No. RP22-1194-000 (Accepting reorganized tariff including revision to Request for Service); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 8.25.1	Previous section language for Section 25, Service Agreement, has been struck and fully replaced by the new language of Section 25.	See substantively identical language approved by the Commission in <i>Viking Gas Transmission Company</i> , 142 FERC ¶ 61,054 (2013); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 8.25.2	Added subsection “Modification of Service”	See substantively identical language approved by the Commission in <i>Viking Gas Transmission Company</i> , Letter Order dated 6/30/2004, Docket No. RP04-306-000; <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C

		updates in line with Commission policy, clarifications, and standardizing definitions).
Part 8.25.3	<p>Adding subsection “Credit Evaluation” to establish credit requirements and obligations to be met by Shipper.</p> <ul style="list-style-type: none"> • In Subsection 25.3(c)(i), OkTex proposes to specify the investment grade needed to qualify. Further, consistent with the Commission’s precedent, OkTex may evaluate creditworthiness based on the lowest of such credit ratings. • In Subsection 25.3(c)(ii), OkTex proposes to allow shippers to demonstrate creditworthiness when the net present value of the sum of future reservation rates, usage rates and other fees and charges for the service requested is less than 15% of the shipper’s tangible net worth. • In Subsection 25.3(c)(iii), OkTex proposes to delineate in the tariff seven factors beyond investment grade rating and ratio of net worth to future service agreement obligations that OkTex may use to determine a shipper’s creditworthiness. <p>All proposed changes are consistent with Commission policy, precedent, and the language is substantively similar to language approved by the Commission elsewhere.</p>	<p><i>Policy Statement on Creditworthiness for Interstate Natural Gas Pipelines and Order Withdrawing Rulemaking Proceeding</i>, 111 FERC ¶ 61,412, at PP 10, 14, 21 (2005); <i>Northern Natural Gas Co.</i>, 102 FERC ¶ 61,076, at P 49 (2003); <i>Tennessee Gas Pipeline Co.</i>, 102 FERC ¶ 61,075 at P 18 (2003); <i>Texas Gas Transmission, LLC</i>, 135 FERC ¶ 61,132, at P 14; <i>ANR Pipeline</i>, 179 FERC at PP 8, 12 (2022). See also <i>Great Lakes Gas Transmission Limited Partnership</i>, 108 FERC ¶ 61,308 (2004); See also the substantively identical language in <i>Gulf South Pipeline Co.</i>, FERC Gas Tariff Seventh Revised Volume No. 1 at Section 6.5[2(d)(ii)] (approved in RP21-1101-000 by letter order 09/28/21), <i>Columbia Gas Transmission, LLC</i>, FERC Gas Tariff Fourth Revised Volume No. 1 at Section 9.6(b)(4)(ii) (same) (approved in RP20-1060-004 by letter order 11/18/21); <i>Natural Gas Pipeline Company of America LLC</i>, FERC Gas Tariff Eighth Revised Volume No. 1 at Section 16(a)(5)(same) (approved in RP15-997-000 by letter order 5/26/15).</p>
Part 8.25.4	<p>Adding subsection “Failure to Meet Creditworthiness Criteria” to expand the means by which a defaulting shipper may provide credit assurance to include any of the means by which a non-creditworthy shipper may show creditworthiness. Further, OkTex is revising language of the prepayment option to meet credit requirements such that the amount for firm shippers will be based solely on its reservation charges consistent with the Commission’s policy. OkTex is also clarifying that the determination of the prepayment option for defaulting interruptible shippers will be based on not more than three months of usage charges. These revisions ensure that OkTex does not bear unreasonable risk and exposure to default by shippers.</p>	<p><i>Policy Statement on Creditworthiness for Interstate Natural Gas Pipelines and Order Withdrawing Rulemaking Proceeding</i>, 111 FERC ¶ 61,412, at PP 13-15, 23-28 (2005); <i>Double E Pipeline, LLC</i>, 173 FERC ¶ 61,074 at P. 57-59 (2020) (Commission ordering creditworthiness tariff revision to require three months of firm transportation payments); <i>Texas Gas Transmission, LLC</i>, 135 FERC ¶ 61,132, at P 14 (2011) (citing <i>Northern Natural Gas Co.</i>, 102 FERC ¶ 61,076, at P 28-30 (2010)). See also substantively similar language approved <i>Natural Gas Pipeline Company of America LLC</i>, FERC Gas Tariff Eighth Revised Volume No. 1 at Section 16(b); <i>Columbia Gas Transmission, LLC</i>, FERC Gas Tariff Fourth Revised Volume No. 1 at Section 9.6(c)(1)-(4). <i>Calpine Energy Services, L.P. v. Southern Natural Gas Co.</i>, 103 FERC ¶ 61,273, reh’g denied, 105 FERC ¶ 61,033 (2003) (30 months’ worth of reservation charges found to be reasonable for an</p>

		expansion project); <i>North Baja Pipeline, LLC</i> , 102 FERC ¶ 61,239 at P 15 (2003) (approving 12 months’ worth of reservation charges as collateral for initial shippers on new pipeline). <i>Maritimes & Northeast Pipeline, L.L.C.</i> , 87 FERC ¶ 61,061 at 1,263 (1999) (12 months repayment); <i>Alliance Pipeline L.P.</i> , 84 FERC ¶ 61,239 at 62,214 (1998); <i>Kern River Gas Transmission Co.</i> , 64 FERC ¶ 61,049 at 61,428 (1993)(stringent creditworthiness requirements required by lenders); <i>Mojave Pipeline Co.</i> , 58 FERC ¶ 61,097 at 61,352 (1992) creditworthiness Provisions required by lender); <i>Northern Border Pipeline Co.</i> , 51 FERC ¶ 61,261 at 61,769 (1990) (12 months’ worth of collateral for new project).
Part 8.25.5	Adding subsection “Creditworthiness Notices” articulating both OkTex and shipper responsibilities associated with notices regarding shipper creditworthiness. This new section also provides procedures for designation of notice representatives. The proposed language directly incorporates and notes the citation to the currently effective NAESB WGQ Standards (NAESB WGQ 3.2 Standards) which previously were incorporated by reference.	18 CFR § 154.602 (2003) (requiring 30 days of advance notice to the customer and the Commission prior to contract termination); <i>Policy Statement on Creditworthiness for Interstate Natural Gas Pipelines and Order Withdrawing Rulemaking Proceeding</i> , 111 FERC ¶ 61,412, at PP 23, 28; See also <i>Guardian Pipeline L.L.C.</i> , RP16-467-000 and <i>Guardian Pipeline L.L.C.</i> , 154 FERC ¶ 61,250; See similar language approved by the Commission in <i>Viking Gas Transmission Company</i> , Letter Order dated June 30, 2004, Docket No. RP04-306-000
Part 8.25.6	Adding subsection “Capacity Reserved for Expansion/Extension Projects” reserving Transporter’s right for expansion/extension project capacity that is or will become available.	See similar language approved by the Commission in <i>Midwestern Gas Transmission Company</i> , Letter Order Dated March 16, 2023, Docket Nos. RP23-434-000 and RP23-434-001; <i>Viking Gas Transmission Company</i> , Letter Order dated June 30, 2004, Docket No. RP04-306-000.
Part 8.25.7	Adding subsection “Capacity Reserved for Pre-arranged Deals.”	See substantively identical language approved by the Commission in <i>Viking Gas Transmission Company</i> , 142 FERC ¶ 61,054 (2013); See also <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 8.25.8	Adding subsection “Solicitation of Bids for Capacity.”	See substantively identical language approved by the Commission in <i>Viking Gas Transmission Company</i> , 142 FERC ¶ 61,054 (2013); <i>Tallgrass</i> , 158 FERC at

		PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 8.26	Reorganizing such that Creditworthiness is fully addressed in updated Part 8, Section 25, Requests for Service as creditworthiness is directly linked to the considerations in that section. Therefore, this section is redundant, should be removed, and is reserved for future use.	18 CFR § 154.102(b) (2023) (Tariff sections must include related subject matter); see also <i>Dominion Energy</i> , Docket No. RP18-26-000 (Accepting reorganized tariff provisions, including Request for Service); <i>White River Hub</i> , Docket No. RP22-1194-000 (Accepting reorganized tariff including revision to Request for Service)
Part 8.32	Replacing with a new Part 32 “Right of First Refusal and Extension of Service Agreements,” including subparts: <ul style="list-style-type: none"> • 32.1 Applicability • 32.2 Right of First Refusal • 32.3 Notice to Transporter • 32.4 Posting of Capacity • 32.5 Bidding Procedures • 32.6 Right to Match Best Bid 	See substantively identical language approved by the Commission in <i>Viking Gas Transmission Company</i> , 142 FERC ¶ 61,054 (2013) and Letter Order dated December 11, 2014, Docket No. RP15-174-000
Part 8.39	Administrative changes to reflect standards previously incorporated by reference now incorporated directly in the various updated Tariff sections and subsections as well as corrections to address formatting issues.	<i>Destin Pipeline</i> , 177 FERC at PP. 2, 4, 17 (Finding administrative revisions such as changes to syntax just and reasonable); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 8.41	Adding Part 8.41 “Termination or Mutual Extension of Service Agreements,” including subparts: <ul style="list-style-type: none"> • 41.1 Early Termination in Exchange for Extension • 41.2 Extension of Capacity Use • 41.3 Negotiated Rates • 41.4 Rights of First Refusal • 41.5 Termination of Firm Agreements 	<i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See substantively identical language approved by the Commission in <i>Viking Gas Transmission Company</i> , 142 FERC ¶ 61,054 (2013) and Letter Order dated December 11, 2014, Docket No. RP15-174-000.
Part 8.42	Adding Part 8.42 “Negotiated and Discounted Rates,” including subparts: <ul style="list-style-type: none"> • 42.1 Negotiated Rates • 42.2 Order of Discounting • 42.3 Types of Discounts 	<i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions); See substantively identical language approved by the Commission in <i>Viking Gas Transmission Company</i> , 108 FERC ¶ 61,089 (2004) and Letter Order

		dated October 28, 2014, Docket No. RP15-17-000.
Part 9.10	Removing Article VIII, concerning Shipper bankruptcy, from the <i>pro forma</i> tariff agreement. This Article is duplicative: Article IV provides that the General Terms and Conditions of the Tariff govern the agreement. The GT&C include discussion of Shipper bankruptcy. Additionally, Article VIII could conflict with other terms in the General Terms and Conditions, creating confusion. Removal will therefore enhance clarity without substantive impact.	<i>ANR Pipeline Company</i> , 179 FERC ¶ 61,175, at PP 2, 6 (2022) (Approving changes to <i>pro forma</i> following change in creditworthiness provision); See <i>Double E Pipeline, LLC</i> , 173 FERC ¶ 61,074 at P. 53-54 (2020) (ordering removal of unnecessary and confusing language from tariff); <i>Iroquois Gas Transmission System, L.P.</i> , 178 FERC ¶ 61,200 at PP. 43-44 (2022) (allowing tariff amendment to avoid confusion); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).
Part 9.20	Removing Article VIII, concerning Shipper bankruptcy, from the <i>pro forma</i> tariff agreement. This Article is duplicative: Article IV provides that the General Terms and Conditions of the Tariff govern the agreement. The GT&C include discussion of Shipper bankruptcy. Additionally, Article VIII could conflict with other terms in the General Terms and Conditions, creating confusion. Removal will therefore enhance clarity without substantive impact.	<i>ANR Pipeline Company</i> , 179 FERC ¶ 61,175, at PP 2, 6 (2022) (Approving changes to <i>pro forma</i> following change in creditworthiness provision); See <i>Double E Pipeline, LLC</i> , 173 FERC ¶ 61,074 at P. 53-54 (2020) (ordering removal of unnecessary and confusing language from tariff); <i>Iroquois Gas Transmission System, L.P.</i> , 178 FERC ¶ 61,200 at PP. 43-44 (2022) (allowing tariff amendment to avoid confusion); <i>Tallgrass</i> , 158 FERC at PP 1-2, 6 (approving modernization changes to tariff including reorganizing tariff sections by similar topic, GT&C updates in line with Commission policy, clarifications, and standardizing definitions).