

**FERC GAS TARIFF**

**Third Revised Volume No. 1**

**(Supersedes Second Revised Volume No. 1)**

**OF**

**CHANDELEUR PIPE LINE, LLC**

**Filed with the**

**FEDERAL ENERGY REGULATORY COMMISSION**

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### Preliminary Statement

Chandeleur Pipe Line, LLC (hereinafter referred to as "Chandeleur") is a natural gas company, organized under the laws of the State of Delaware, with its principal office located at 1722 Routh Street, Suite 1300, Dallas, Texas, 75201 and subject to the jurisdiction of the Federal Energy Regulatory Commission (hereinafter referred to as "FERC"). Chandeleur is engaged in the business of transporting natural gas in interstate commerce for the accounts of natural gas shippers. It owns and operates an interstate natural gas transmission system extending from production areas offshore Louisiana and Mississippi to onshore delivery points at Pascagoula, Mississippi.

Chandeleur neither sells, resells, nor buys natural gas. It is the policy of Chandeleur to undertake the receipt, transportation and delivery of natural gas only pursuant to specific executed transportation service agreements upon terms and conditions acceptable to Chandeleur's self-implementing OCS Blanket Transportation Certificate pursuant to FERC Order 509, and consideration of other factors deemed material to Chandeleur.

### System Map

The currently effective System Map can be viewed and downloaded from Chandeleur's Internet Web site at:

<http://www.gasnom.com/ip/Chandeleur/map/>

STATEMENT OF RATES  
 Effective Rates Applicable to Rate  
 Schedules Contained in this FERC Gas Tariff  
 Third Revised Volume No. 1

Rate Schedule	Maximum Rate in Dth		Minimum Rate in Dth	
	Reservation	Usage <sup>1</sup>	Reservation	Usage <sup>1</sup>
FT (Firm) <sup>2</sup>				
Monthly Reservation	\$12.0604	\$0.0000	\$0.0000	\$0.00
Daily Reservation	\$0.3965	\$0.0000	\$0.0000	\$0.00
Daily Authorized Overrun		\$0.3965		\$0.00
Capacity Release Volumetric Rate		\$0.3965		\$0.00
IT (Interruptible) <sup>2</sup>				
Daily Usage		\$0.3965		\$0.00
Daily Authorized Overrun		\$0.3965		\$0.00

<sup>1</sup> These rates will be increased to include an Annual Charge Adjustment (ACA) as specified in the annual notice issued by the Commission entitled "FY [Year] Gas Annual Charge Correction for Annual Charges Unit Charge," available on the Commission's Web site at <http://ferc.gov>. This ACA unit charge will be effective on the first day of October and will extend to the last day of September the following year.

Chandeleur is electing to recover the annual charges assessed by the Commission under Part 382 of the Commission's regulations through the operation of this ACA clause, and does not intend to recover any annual charges recorded in FERC Account No. 928. This ACA surcharge is in addition to any amounts otherwise payable to Chandeleur under its Rate Schedules.

<sup>2</sup> Pursuant to Section 8.21 of the General Terms and Conditions, a deduction of 0.0% for Fuel and Line Loss Allowance will be retained on all allocated receipt volumes.

RATE SCHEDULE FT  
FIRM TRANSPORTATION SERVICE

6.1 AVAILABILITY

This rate schedule is available to any party (hereinafter referred to as "Shipper") desiring firm transportation service of Natural Gas by Chandeleur Pipe Line, LLC (hereinafter called "Chandeleur"), provided that:

- (a) Shipper submits to Chandeleur a formal written Request for Service pursuant to Section 8.19.2 of the General Terms and Conditions of this tariff;
- (b) Chandeleur determines that it has sufficient uncontracted capacity to render the firm transportation service and is able to provide said transportation;
- (c) Any construction, acquisition, maintenance or expansion of facilities necessary to commence and provide the firm transportation service has been completed;
- (d) Shipper has satisfied the Creditworthiness provisions of Section 8.17 of the General Terms and Conditions; and
- (e) Shipper executes a Form of Transportation Service Agreement for Rate Schedule FT (hereinafter referred to as "FT Transportation Service Agreement").



6.2 APPLICABILITY AND CHARACTER OF SERVICE

- 6.2.1 This rate schedule shall apply to all firm transportation of Natural Gas by Chandeleur for Shipper pursuant to the provisions hereof and to the General Terms and Conditions herein.
- 6.2.2 Chandeleur shall accept Natural Gas tendered by Shipper for transportation at the Receipt Point(s) specified in the executed FT Transportation Service Agreement, transport that Gas through Chandeleur, and deliver, subject to Section 6.5 of this rate schedule, thermally equivalent quantities of Gas at the Delivery Point(s) specified in the executed FT Transportation Service Agreement.
- 6.2.3 Transportation under this rate schedule shall be scheduled according to the provisions of Section 8.6.2 of the General Terms and Conditions. Curtailment of firm transportation will be based on Section 8.6.3 of the General Terms and Conditions.
- 6.2.4 Shippers having contracted firm transportation capacity under this rate schedule may segment such capacity into separate parts for their own use or for the purpose of releasing that capacity to replacement shippers to the extent such segmentation is operationally feasible and capacity is available at the Receipt Point(s) and Delivery Point(s) designated for a segment. Such segmentation may not exceed the Daily Maximum Reservation Quantity specified in the Shipper's executed FT Transportation Service Agreement.

A Shipper may make segmented transactions consisting of a coincident forwardhaul (up to its Daily Maximum Reservation Quantity) and a backwardhaul (up to its Daily Maximum Reservation Quantity) to the same Delivery Point. Such coincident movements do not constitute the Shipper as having exceeded such Shipper's Daily Maximum Reservation Quantity as specified in the Shipper's executed FT Transportation Agreement.

6.3 RATE

6.3.1 The applicable charge for transportation under this rate schedule is set forth in the currently effective Section No. 5 of this tariff and is hereby incorporated herein, except when different rates are agreed upon pursuant to Section 8.24 of the General Terms and Conditions of this tariff.

6.3.2 Chandeleur reserves the right to make changes to the rates hereunder. Shipper reserves the right to assert or contend, by protest or otherwise, that the rates and provisions of the Rate Schedule FT and the General Terms and Conditions are unjust, unreasonable, unduly discriminatory or otherwise unlawful under the Natural Gas Act.

QUANTITY

6.4.1 Receipt

- (a) Shipper shall deliver, or cause to be delivered the scheduled quantity of Gas at each Receipt Point each Day to Chandeleur, up to the Shipper's Contract Demand specified in its executed FT Transportation Service Agreement.
  
- (b) Chandeleur, however, will not be obligated to receive at each Receipt Point each Day quantities in excess of the Maximum Daily Quantity nor, during any single hour, more than one twenty-fourth (1/24) of the Maximum Daily Quantity, but may accept receipts for the account of the Shipper without regard to such limitations to the extent that, in Chandeleur's sole determination, it can do so without impairment of its system.

6.4.2 Delivery

- (a) Subject to Section 6.5 of this rate schedule, Chandeleur will deliver to Shipper or to Shipper's designee at the Delivery Point specified in the executed FT Transportation Service Agreement quantities which are scheduled to be delivered for Shipper's account by the schedulers of Chandeleur and Shipper.
  
- (b) Insofar as operating conditions permit, deliveries of Gas by Chandeleur to Shipper will be made at hourly and daily rates. Such deliveries will correspond as nearly as practicable to the hourly and daily rates at which Gas is received by Chandeleur for the account of Shipper. Further, Chandeleur will not be obligated to deliver during any single hour more than one twenty-fourth (1/24) of the Maximum Daily Quantity, but may make deliveries to Shipper without regard to such limitation to the extent that, in Chandeleur's sole determination, it can do so without impairment of the operation of its system.

6.5 FUEL AND LINE LOSSES

A Fuel and Line Loss Allowance will be retained on all allocated receipt volumes pursuant to Section 8.21 of the General Terms and Conditions herein.

ELECTION OF FIRM TRANSPORTATION SERVICE

6.6.1 Firm Transportation Service Request Queue

If no firm capacity exists at the time the request for service is received, Shipper will be placed on the firm transportation service request queue.

Shipper may receive information on available pipeline capacity pursuant to Section 8.19.4 of the General Terms and Conditions.



#### 6.6.2 Uncontracted Firm Capacity

If Chandeleur determines it has uncontracted firm capacity, Chandeleur will:

- (a) post for thirty (30) calendar days on its internet website, the availability of this capacity and the terms and conditions under which it is available per the provisions of Section 8.7.1 of the General Terms and Conditions;
- (b) require those requesting Shippers that have satisfied the requirements of Creditworthiness, per the provisions of 8.17 of the General Terms and Conditions, to notify Chandeleur by electronic or other means of their desire to obtain capacity; then,
- (c) at the end of the bidding period, award the capacity to the requesting Shipper offering the highest price up to the maximum allowable rate.

If two or more requesting Shippers offer the same price, and the requests for capacity exceeds Chandeleur's uncontracted firm capacity, then the provisions of Section 8.7.5 of the General Terms and Conditions will be used to determine which requesting Shipper has made the better offer. The requesting Shipper making the better offer will receive the capacity it has requested and the other requesting Shipper(s) will receive the remaining capacity in descending order of the value of their offers. When two or more requesting Shippers make identical better offers, capacity will be allocated to the requesting Shippers on the basis of the earliest date in the firm transportation service request queue. If the firm transportation queue is exhausted, the capacity will be allocated to the requesting Shippers, on the basis of the earliest valid offer received. The receipt date will be based on the date and time the bid is entered on Chandeleur's internet website; or, if not tendered via website, the date and time the bid is received by Chandeleur by other electronic means.

6.6.3 Invalid Requests for Firm Transportation Service

Requests for firm transportation under Rate Schedule FT will be invalid if:

- (a) Service is requested to commence later than six (6) Months after the date of the request; or
- (b) Within thirty (30) days after Chandeleur notifies Shipper that capacity is available, Shipper fails to execute an FT Transportation Service Agreement.

6.6.4 Receipt and Delivery Point Flexibility

Subject to the availability of firm capacity, Shipper shall have the right to amend its executed FT Transportation Service Agreement to add or delete Receipt or Delivery Points and to change the Maximum Daily Quantity applicable to any Receipt or Delivery Point. However, the sum of the changed Maximum Daily Quantities at all Receipt or Delivery Points shall not exceed Shipper's Contract Demand.

- 6.6.5 Chandeleur shall not be required to perform or continue to perform service on behalf of any Shipper that fails to comply with the terms contained in this Section 6.6 and any and all terms of the applicable rate schedule, General Terms and Conditions and the terms of Shipper's FT Transportation Service Agreement with Chandeleur. Chandeleur shall have the right to waive on a nondiscriminatory basis any one or more specific defaults by any Shipper hereunder, or any provision of the applicable rate schedule or FT Transportation Service Agreement.

6.7 AUTHORIZED OVERRUN TRANSPORTATION

Upon request of Shipper, Chandeleur may receive, transport, and deliver Natural Gas in excess of Shipper's Contract Demand in accordance with Section 8.22.2(f) of the General Terms and Conditions when, at Chandeleur's sole discretion, the delivery capacity of its system so permits without impairing Chandeleur's ability to meet its full delivery obligation to other transportation customers.

6.8 REIMBURSEMENTS

- 6.8.1 Chandeleur shall not be liable for and Shipper shall reimburse Chandeleur for any gas gathering, occupation or production, severance or sales tax, first use taxes, or taxes of a similar nature which are imposed or assessed by any lawful authority upon the Natural Gas transported pursuant to this rate schedule or the production or gathering of such Gas.
  
- 6.8.2 Shipper shall reimburse Chandeleur for all filing and other fees which are due pursuant to the regulations of the FERC and which are attributable to service to Shipper under this rate schedule.

6.9 PENALTIES

Penalties may be assessed for receipts or deliveries exceeding scheduling tolerances and for imbalances not settled in specified periods in accordance with Section 8.8.4 of the General Terms and Conditions.

6.10 GENERAL TERMS AND CONDITIONS

Except as otherwise indicated in this rate schedule or by the executed FT Transportation Service Agreement, all of the General Terms and Conditions contained in this Tariff, including any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation service rendered under this rate schedule.

7.7 AUTHORIZED OVERRUN TRANSPORTATION

Upon request of Shipper, Chandeleur may receive, transport, and deliver Natural Gas in excess of Shipper's Contract Demand in accordance with Section 8.22.2(f) of the General Terms and Conditions when, at Chandeleur's sole discretion, the delivery capacity of its system so permits without impairing Chandeleur's ability to meet its full delivery obligation to other transportation customers.



7.1 AVAILABILITY

This rate schedule is available to any party (hereinafter referred to as "Shipper") desiring interruptible transportation service of Natural Gas by Chandeleur Pipe Line, LLC (hereinafter called "Chandeleur"), provided that:

- (a) Shipper submits to Chandeleur a formal written Request for Service pursuant to Section 8.19.2 of the General Terms and Conditions of this tariff;
- (b) Chandeleur determines that it has sufficient uncontracted capacity to render the interruptible transportation service and is able to provide said transportation;
- (c) Any construction, acquisition, maintenance or expansion of facilities necessary to commence and provide the interruptible transportation service has been completed;
- (d) Shipper has satisfied the Creditworthiness provisions of Section 8.17 of the General Terms and Conditions; and
- (e) Shipper executes a Form of Transportation Service Agreement for Rate Schedule IT (hereinafter referred to as "IT Transportation Service Agreement").

7.2 APPLICABILITY AND CHARACTER OF SERVICE

- 7.2.1 This rate schedule shall apply to all interruptible transportation of Natural Gas by Chandeleur for Shipper pursuant to the provisions hereof and to the General Terms and Conditions herein.
- 7.2.2 Chandeleur shall accept Natural Gas tendered by Shipper for transportation at the Receipt Point(s) specified in the executed IT Transportation Service Agreement, transport that Gas through Chandeleur, and deliver subject to Section 7.5 of this rate schedule, thermally equivalent quantities of Gas at the Delivery Point(s) specified in the executed IT Transportation Service Agreement.
- 7.2.3 Transportation under this rate schedule shall be scheduled according to the provisions of Section 8.6.2 of the General Terms and Conditions. Curtailment of interruptible transportation will be based on Section 8.6.3 of the General Terms and Conditions.

7.3 RATE

7.3.1 The applicable charge for transportation under this rate schedule is set forth in the currently effective Section No. 5 of this tariff and is hereby incorporated herein, except when different rates are agreed upon pursuant to Section 8.24 of the General Terms and Conditions of this tariff.

7.3.2 Chandeleur reserves the right to make changes to the rates hereunder. Shipper reserves the right to assert or contend, by protest or otherwise, that the rates and provisions of the Rate Schedule IT and the General Terms and Conditions are unjust, unreasonable, unduly discriminatory or otherwise unlawful under the Natural Gas Act.

QUANTITY

7.4.1 Receipt

- (a) Shipper shall deliver, or cause to be delivered, the scheduled quantity of Gas at each Receipt Point each Day to Chandeleur, up to Shipper's Contract Demand as specified in its executed IT Transportation Service Agreement.
  
- (b) Chandeleur, however, will not be obligated to receive at each Receipt Point each Day quantities in excess of the Maximum Daily Quantity. Further, Chandeleur will not be obligated to receive during any single hour, more than one twenty-fourth (1/24) of the Maximum Daily Quantity. Chandeleur may accept receipts for the account of the Shipper without regard to such limitations to the extent that it can do so without impairment of its system.

7.4.2 Delivery

- (a) Subject to Section 7.5 of this rate schedule, Chandeleur will deliver to Shipper or to Shipper's designee at the Delivery Point specified in the executed IT Transportation Service Agreement quantities which are scheduled to be delivered for Shipper's account by the schedulers of Chandeleur and Shipper.
  
- (b) Insofar as operating conditions permit, deliveries of Gas by Chandeleur to Shipper will be made at hourly and daily rates. Such deliveries will correspond as nearly as practicable to the hourly and daily rates at which Gas is received by Chandeleur for the account of Shipper. Further, Chandeleur will not be obligated to deliver during any single hour more than one twenty-fourth (1/24) of the Maximum Daily Quantity, but may make deliveries to Shipper without regard to such limitation to the extent that, in Chandeleur's sole determination, it can do so without impairment of the operation of its system.

7.5 FUEL AND LINE LOSSES

A Fuel and Line Loss Allowance will be retained on all allocated receipt volumes pursuant to Section 8.21 of the General Terms and Conditions herein.

ELECTION OF INTERRUPTIBLE TRANSPORTATION SERVICE



7.6.1 Interruptible Transportation Service Request Queue

If no interruptible transportation capacity exists at the time the Request for Service is received, Shipper will be placed on the interruptible transportation service request queue.

Shipper may receive information on available pipeline capacity pursuant to Section 8.19.4 of the General Terms and Conditions.

7.6.2 Invalid Requests for Interruptible Transportation Service

Requests under Rate Schedule IT will be invalid if:

- (a) Service is requested to commence later than six (6) Months after the date of the request; or
- (b) Within thirty (30) Days after Chandeleur notifies Shipper that capacity is available, Shipper fails to execute an IT Transportation Service Agreement.

7.6.3 Receipt and Delivery Point Flexibility

Shipper shall have the right to amend its executed IT Transportation Service Agreement to add or delete Receipt or Delivery Points and to change the Maximum Daily Quantity applicable to any Receipt or Delivery Point. However, the sum of the changed Maximum Daily Quantities at all Receipt or Delivery Points shall not exceed Shipper's Contract Demand. That Shipper's first come/first served position shall be based on the date Chandeleur received the original valid request for service.

7.6.4 Chandeleur shall not be required to perform or continue to perform service on behalf of any Shipper that fails to comply with the terms contained in this Section 7.6 and any and all terms of the applicable rate schedule, General Terms and Conditions and the terms of Shipper's IT Transportation Service Agreement with Chandeleur. Chandeleur shall have the right to waive on a nondiscriminatory basis any one or more specific defaults by any Shipper hereunder, or any provision of the applicable rate schedule or IT Transportation Service Agreement.

7.7 AUTHORIZED OVERRUN TRANSPORTATION

Upon request of Shipper, Chandeleur may receive, transport, and deliver Natural Gas in excess of Shipper's Contract Demand in accordance with Section 8.22.2(f) of the General Terms and Conditions when, at Chandeleur's sole discretion, the delivery capacity of its system so permits without impairing Chandeleur's ability to meet its full delivery obligation to other transportation customers.

7.8 REIMBURSEMENTS

- 7.8.1 Chandeleur shall not be liable for and Shipper shall reimburse Chandeleur for any gas gathering, occupation or production, severance or sales tax, first use taxes, or taxes of a similar nature which are imposed or assessed by any lawful authority upon the Natural Gas transported pursuant to this Rate Schedule or the production or gathering of such gas.
- 7.8.2 Shipper shall reimburse Chandeleur for all filing and other fees which are due pursuant to the regulations of the FERC and which are attributable to service to Shipper under this rate schedule.

7.9 PENALTIES

Penalties may be assessed for receipts or deliveries exceeding scheduling tolerances and for imbalances not settled in specified periods in accordance with Section 8.8.4 of the General Terms and Conditions.

7.10 GENERAL TERMS AND CONDITIONS

Except as otherwise indicated in this rate schedule or by the executed IT Transportation Service Agreement, all of the General Terms and Conditions contained in this tariff, including any future modifications, additions, or deletions to said General Terms and Conditions, are applicable to the transportation service rendered under this rate schedule.

ACCOUNTING PROCEDURES



8.1 APPLICATION

The following General Terms and Conditions apply to services provided by Chandeleur Pipe Line, LLC (hereinafter called "Chandeleur") under Rate Schedules on file with and subject to the jurisdiction of the FERC.

8.2 DEFINITIONS

-A-

- 8.2.05 "Account Holder" is the party using the services of a Title Transfer Tracking Service Provider (TTTSP) under a contract or other arrangement with that TTTSP. (NAESB WGQ 1.2.18)
- 8.2.10 "Alternate Receipt and / or Delivery Points" is the reference to Receipt and Delivery Points not specified in a Shipper's executed Transportation Service Agreement, but which can be nominated by a Shipper in place of such Shipper's Primary Receipt and Delivery Points.
- 8.2.11 "Applicable Index Price" shall have the meaning as set forth in Sections 8.8.4(c)(i) and 8.8.4(c)(ii) of these General Terms and Conditions.
- 8.2.15 "Associated Liquids" shall mean (a) condensate (liquid hydrocarbons without free water) produced in conjunction with the production of Gas to be transported hereunder and (b) any liquid hydrocarbons condensed by mechanical means in separation, dehydration, and/or compression facilities of Chandeleur.

-B-

- 8.2.20 "Batch Flat File" is the term used within NAESB WGQ FF/EDM to describe the automated computer-to-computer transfer of flat files. (NAESB WGQ 4.2.18)
- 8.2.23 "Browser" is a software program capable of generating HTTP Requests, including HTTP POST requests. (NAESB WGQ 10.2.10)
- 8.2.25 "Btu" or "British Thermal Unit" shall mean the quantity of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit at sixty degrees (60o) Fahrenheit under standard pressure of fourteen and seventy-three hundredths (14.73) psia. The standard quantity for nominations, confirmation and scheduling is dekatherms per gas day in the United States. (For reference 1 dekatherm = 1,000,000 Btu's. The standard Btu is the International Btu, which is also called the Btu(IT).

For reporting purposes, Btu conversion factors will be reported to not less than 3 decimal places and Pressure Base conversion factors will be reported to not less than 6 decimal places. For calculation purposes, not less than 6 decimal places will be used for both conversion factors. (NAESB WGQ 2.3.10)

Reporting basis for gas volumes is cubic foot at standard conditions of 14.73 psia, 60 degrees F and dry.

- 8.2.30 "Business Day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico. (NAESB WGQ 3.2.1)

-C-

- 8.2.35 "Central Address Repository" (CAR) is the term used to describe: 1) the Web site providing links to all Transportation Service Providers' Informational Postings, and 2) the entity administering and maintaining the above Web site and repository. (NAESB WGQ 4.2.6)
- 8.2.40 "Central Clock Time" shall mean Central Standard Time throughout the year, as adjusted for Central Daylight Time.
- 8.2.43 "Client" means the computer hardware and software used by the Sender to transmit an Electronic Package to the Receiver's Server. A Client can be fully-automated or manual. (NAESB WGQ 10.2.11)
- 8.2.45 "Confirmation by Exception (CBE)" means that the Confirming Parties agree that one party deems that all requests at a location are confirmed by the other party (the CBE party) without response communication from that party. The CBE party can take exception to the request by so informing the other party within a mutually agreed upon time frame. (NAESB WGQ 1.2.11)
- 8.2.50 "Confirmation Requester" is a Service Provider (including a Point Operator) which is seeking to confirm a quantity of gas via the information outlined in NAESB WGQ Standard No. 1.4.3 with another Service Provider (the Confirming Party) with respect to a nomination at a location. (NAESB WGQ 1.2.8)
- 8.2.55 "Confirming Parties" refers to the Confirmation Requester and the Confirming Party. (NAESB WGQ 1.2.10)
- 8.2.60 "Confirming Party" is a Service Provider (including a Point Operator) which provides a confirmation for a quantity of gas via the information outlined in NAESB WGQ Standard No. 1.4.4 to another Service Provider (the Confirmation Requester) with respect to a nomination at a location. (NAESB WGQ 1.2.9)
- 8.2.65 "Content Area" is the term used to describe the area directly to the right of the Navigational Area of the Browser display. When the Navigational Area is not displayed, the entire Browser display is Content Area. (NAESB WGQ 4.2.8)
- 8.2.70 "Contract Demand" shall mean the maximum quantity of Natural Gas which a Shipper may tender to Chandeleur for firm or interruptible transportation from all Receipt Point(s) on any given Day.
- 8.2.75 "Critical Notices" shall mean to pertain to information on Chandeleur conditions that affect scheduling or adversely affect scheduled gas flow. (NAESB WGQ 5.2.1)
- 8.2.80 "Cubic Foot" or "CF" shall mean the volume of Gas contained in one (1) Cubic Foot of space when the Gas is at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of fourteen and seventy-three hundredths (14.73) psia and dry. "MCF" = one thousand (1,000) CF.

8.2.85 "Customer Activities" is the term used to refer to the business function categories relating to Nominations, Flowing Gas, Invoicing, Capacity Release, Contracts and other business functions on industry Web sites. (NAESB WGQ 4.2.10)

-D-

8.2.88 "Daily Allocation" is the term used to describe the process where the allocating party performs the allocation process following each Gas Day. (NAESB WGQ 2.2.5)

8.2.90 "Day" shall mean a period of time of twenty-four (24) consecutive hours beginning and ending at 9:00 a.m. Central Clock Time.

8.2.95 "Dekatherm" shall be the standard units for purposes of nominations, scheduling, confirmations, allocations, invoicing and balancing; however, any reference or document containing "MMBtu" as a unit of quantity, shall be deemed to be "dekatherm."

8.2.100 "Delivery Point" shall mean the point (or points) where Chandeleur delivers Natural Gas to or for the account of Shipper.

8.2.105 "Detail" is the term used to describe the area directly below the Header in the Content Area of the Browser display. (NAESB WGQ 4.2.15)

8.2.110 "Display" is the term used to describe the typical visual presentation derived by a Browser as a result of retrieval of information from a given URL. (NAESB WGQ 4.2.3)

8.2.115 "Download" is the term used to describe the retrieval of information from a Web site in a format suitable for storage. (NAESB WGQ 4.2.2)

-E-

8.2.120 "EDI" shall mean Electronic Data Interchange in accordance with NAESB WGQ Standards. EDI will be available on a non-discriminatory basis to any party upon execution of agreements with Chandeleur's third party provider of EDI services.

8.2.125 "Elapsed Prorata Capacity" means that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity. (NAESB WGQ 5.2.3)

8.2.130 "Elapsed-prorated-scheduled quantity" means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected. (NAESB WGQ 1.2.12)

- 8.2.135 "Electronic Notice Delivery" is the term used to describe the delivery of notices via Internet E-mail and/or EDI/EDM. (NAESB WGQ 5.2.2)
- 8.2.137 "Electronic Package" is a data stream sent via HTTP POST that contains envelope header information and Payload File(s). The Payload Files are encrypted using defined Internet ET encryption techniques. (NAESB WGQ 10.2.13)
- 8.2.140 "Equivalent Quantities" shall mean the thermal equivalent Dekatherms of the quantity of Gas received by Chandeleur from Shipper at the Receipt Point hereunder during a given period of time, reduced per Section 8.21 by Shipper's pro rata share of the applicable use, loss and shrinkage of Gas required for transportation of the Gas to the Delivery Point hereunder during the same period of time.

-F-

- 8.2.145 "FERC" or "F.E.R.C." shall mean the Federal Energy Regulatory Commission or any successor to its responsibilities relative to regulation of interstate Natural Gas pipelines.
- 8.2.150 "Form" is the term used to describe the portion of the Content Area of the Browser display on Customer Activities Web sites used for single transaction entry or display as well as, optionally, data selection. The Form should be either in the upper portion of the Content Area or, alternatively, a single page linked to the Matrix. (NAESB WGQ 4.2.16)

-G-

- 8.2.155 "Gas" or "Natural Gas" shall mean natural or synthetic Gas of the quality and at the pressures specified in these Sections 8.4 and 8.5, respectively.

-H-

- 8.2.160 "Header" is the term used to describe the area at the top of the Content Area of the Browser display. (NAESB WGQ 4.2.14)
- 8.2.161 "HTTP" is Hypertext transfer protocol; Assumes version HTTP/1.1; IETF RFCs 2616, 2069. See <http://www.w3.org/Protocols/Specs.html>. (NAESB WGQ 10.2.37)
- 8.2.162 "HTTP Request" is the stream of data sent from the Client to the Server that includes header information and payload data. (NAESB WGQ 10.2.15)
- 8.2.163 "HTTP Response" is the stream of data sent from the Server to the Client in response to an HTTP Request, including the Receipt. (NAESB WGQ 10.2.16)
- 8.2.164 "HTTP Server" means the computer hardware and software used by the Receiver to receive HTTP Requests from the Sender's Client, and to send HTTP Responses to the Sender's Client. The Server is an HTTP/Web Server. (NAESB WGQ 10.2.17)

-I-

- 8.2.165 "IETF" means the Internet Engineering Task Force, a body of technical experts that set standards for the Internet known as Request for Comments (RFC's). (NAESB WGQ 10.2.18)
- 8.2.166 "Imbalance Trade Confirmation" shall mean the agreement of a Shipper, with notification to Transporter, to an Imbalance Trade Request tendered by another Shipper pursuant to the provisions of Section 8.8.4(b) of these General Terms and Conditions.
- 8.2.167 "Imbalance Trade Notification" shall mean the notice, sent by Transporter to a Shipper initiating an imbalance trade, of the confirming Shipper's agreement to the imbalance trade pursuant to the provisions of Section 8.8.4(b) of these General Terms and Conditions.
- 8.2.168 "Imbalance Trade Request" shall mean a request from a Shipper to Chandeleur to trade an imbalance with another Shipper pursuant to the provisions of Section 8.8.4(b) of these General Terms and Conditions.
- 8.2.169 "Informational Postings" is the term that identifies common information as specified in NAESB WGQ Standard No. 4.3.23. (NAESB WGQ 4.2.1)
- 8.2.170 "Interactive Browser" is a Browser that requires manual operation or intervention. See "Browser". (NAESB WGQ 10.2.19)
- 8.2.171 "Interactive Flat File" is the term used within NAESB WGQ FF/EDM to describe the transfer of flat files using an Interactive Browser. (NAESB WGQ 4.2.19)
- 8.2.172 "Internet EDM" means the GISB and NAESB WGQ standards up to and including Version 1.7. The "Internet ET" and "QEDM" standards were derived from these WGQ EDM standards. (NAESB WGQ 10.2.20)
- 8.2.173 "Internet ET" or "Internet Electronic Transport" means the NAESB standards for the secure transport of electronic information between trading partners, building upon WGQ EDM Version 1.7. (NAESB WGQ 10.2.21)
- 8.2.175 "Intraday Nomination" is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day. (NAESB WGQ 1.2.4)

-M-

- 8.2.180 "Matrix" is the term used to describe the portion of the Content Area of the Browser display on the Customer Activities Web sites used to display selected data entered on the Form and, when appropriate, for data entry. The Matrix should be either the lower portion of the Content Area (that area below the Form) or, alternatively, a single page linked to the Form. (NAESB WGQ 4.2.17)

- 8.2.185 "Maximum Daily Quantity" shall mean the maximum quantity of Natural Gas which a Shipper may tender to Chandeleur for firm and interruptible transportation from any one Receipt or Delivery Point on any given Day.
- 8.2.190 "Month" shall mean the period beginning at 9:00 a.m. Central Clock Time on the first Day of the Calendar Month and ending at the same hour on the first Day of the next succeeding calendar Month.
- 8.2.192 "Monthly Allocation" is the term used to describe the process where the Allocating Party performs the allocation process at the end of the monthly flow period. (NAESB WGQ 2.2.4)
- 8.2.193 "Monthly Imbalance" shall have the meaning as set forth in Section 8.8.4(a) of these General Terms and Conditions.
- 8.2.194 "Monthly Imbalance Statement" shall have the meaning as set forth in Section 8.8.4(a) of these General Terms and Conditions.

-N-

- 8.2.195 "NAESB WGQ EBB/EDM" is the term used to describe the NAESB WGQ standardized electronic interchange of information for Customer Activities Internet Web site presentations. (NAESB WGQ 4.2.13)
- 8.2.200 "NAESB WGQ EDI/EDM" is the term used to describe ANSI ASC X12 computer-to-computer electronic data interchange of information in files as mapped from the x.4.z NAESB WGQ standards in the NAESB WGQ Implementation Guides and communicated between Trading Partners over the Internet using the NAESB Internet Electronic Transport. (NAESB WGQ 4.2.11)
- 8.2.205 "NAESB WGQ FF/EDM" is the term used to describe a standardized flat file electronic data interchange of information in files as mapped from the x.4.z NAESB WGQ standards. NAESB WGQ FF/EDM is communicated between Trading Partners over the Internet using the NAESB Internet Electronic Transport. (NAESB WGQ 4.2.12)
- 8.2.210 "NAESB WGQ Standards" shall mean those business standards and electronic communication standards promulgated by the North American Energy Standards Board, Wholesale Gas Quadrant ("NAESB WGQ") and adopted by F.E.R.C. in 18 CFR §284.12 of the F.E.R.C.'s regulations.
- 8.2.211 "Net Imbalance Percentage" shall have the meaning as set forth in Section 8.8.4(c) of these General Terms and Conditions.
- 8.2.212 "Net Negative Monthly Imbalance" shall have the meaning as set forth in Section 8.8.4(a) of these General Terms and Conditions.

- 8.2.213 "Net Positive Monthly Imbalance" shall have the meaning as set forth in Section 8.8.4(a) of these General Terms and Conditions.
- 8.2.215 "Navigational Area" is the term used to describe the area on the left side of the Browser display providing links to the Content Area and other navigational links. Navigational Area is not required to be displayed on Customer Activities Web pages where data entry, reporting or inquiry are displayed. (NAESB WGQ 4.2.7)
- 8.2.220 "Negotiated Rate" shall mean a rate or formula for computing a rate for Transportation service which may be greater than, equal to or less than the Recourse Rate, but which may not be less than the Minimum Tariff Rate(s) as set forth on the currently effective Section No. 5. A Negotiated Rate must be mutually agreed upon by Chandeleur and Shipper for a specific time period and may be based on a rate design other than the rate design used to compute Chandeleur's currently effective rates.
- 8.2.225 "Netting" is the term used to describe the process of resolving imbalances for a Shipper within an "Operational Impact Area". There are two types of Netting: 1) Summing is the accumulation of all imbalances above any applicable tolerances for a Shipper; and 2) Offsetting is the combination of positive and negative imbalances above any applicable tolerances for a Shipper. (NAESB WGQ 2.2.3)
- 0-
- 8.2.230 "Operational Balancing Agreement (OBA)" shall mean a contract between Chandeleur and an upstream or downstream Operator which specifies the procedures to manage operating variances at an interconnect. (NAESB WGQ 2.2.1)
- 8.2.235 "Operational Flow Order" shall mean an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of Chandeleur's system or to maintain operations required to provide efficient and reliable firm service. Whenever Chandeleur experiences these conditions, any pertinent order will be referred to as an Operational Flow Order. (NAESB WGQ 1.2.6)
- 8.2.240 "Operational Impact Area" is the term used to describe Chandeleur's designation of the largest possible area(s) on its system in which imbalances have a similar operational effect. (NAESB WGQ 2.2.2)
- 8.2.241 "Operational Transaction(s) Report" shall have the meaning as set forth in Section 8.8.4(f) of these General Terms and Conditions.
- 8.2.242 "Operational Transaction" shall have the meaning as set forth in Section 8.8.4(f) of these General Terms and Conditions.
- 8.2.245 "Operator" shall include any Person or Party responsible for operating facilities that are interconnected with



Chandeleur or acting as agent for the interconnected party and who is authorized to confirm Shipper nominations and ensure, in cooperation with the Shipper and other Person or Party in the confirmation path, that physical flows conform to the scheduled quantities. The Operator must have the ability to control or cause the control of the physical operation of the facilities interconnected to Chandeleur.

-P-

- 8.2.250 "Package ID" is a way to differentiate between discrete business transactions. (NAESB WGQ 1.2.5)
- 8.2.252 "Payload Files" means the data contents inside of an Electronic Package. NAESB Internet ET is content-independent. (NAESB WGQ 10.2.22)
- 8.2.255 "Person" or "Party" shall mean any individual, partnership, association, trust, corporation, government authority or other entity.
- 8.2.260 "Pooling" shall mean 1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point; and 2) the disaggregation of gas from a single physical or logical point to multiple physical and/or logical points. (NAESB WGQ 1.2.3)
- 8.2.265 "Primary Path" is the term used to describe the selected route of transportation from a Primary Receipt Point to a Primary Delivery Point as specified in an executed Transportation Service Agreement.
- 8.2.270 "Primary Receipt and Delivery Points" is the term used to describe the Receipt Point(s) and Delivery Point(s) specified in an executed Transportation Service Agreement.
- 8.2.275 "Printing" is the term used to describe the typical printed layout derived when a document is printed from a display tool (Browser, word processor, etc.). (NAESB WGQ 4.2.4)
- 8.2.280 "Psia" shall mean pounds per square inch, absolute.
- 8.2.285 "Psig" shall mean pounds per square inch, gauge.

-Q-

- 8.2.287 "QEDM" means Quadrant-specific Electronic Delivery Mechanism; the set of standards for each NAESB quadrant that define the EDM standards for EDI, flat-files, electronic bulletin boards, and other technologies. The QEDM excludes electronic transport practices and standards. The QEDMs were derived from the GISB and NAESB WGQ Internet EDM standards. (NAESB WGQ 10.2.25)

-R-

- 8.2.288 "Rate Default" - For index-based capacity release transactions, Rate Default is the term used to describe the non-biddable rate specified in the capacity release Offer to be used for invoicing purposes when the result of the

index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default. (NAESB WGQ 5.2.5)

- 8.2.288a "Rate Floor" - For index-based capacity release transactions, Rate Floor is the term used to describe the lowest rate specified in the capacity release Offer in dollars and cents that is acceptable to the Releasing Shipper. The Rate Floor may not be less than Chandeleur's minimum reservation rate or zero cents when there is no stated minimum reservation rate. (NAESB WGQ 5.2.4)
- 8.2.289 "Receipt" means the HTTP Response sent from the Receiver to the Sender that includes the 'gisb-acknowledge-receipt' section with a timestamp and OK/error status. (NAESB WGQ 10.2.26)
- 8.2.290 "Receipt Point" shall mean the point (or points) where Chandeleur receives Shipper's Natural Gas.
- 8.2.292 "Receiver" is the party that receives an Internet ET Electronic Package. (NAESB WGQ 10.2.27)
- 8.2.295 "Recourse Rate" shall mean the Maximum Reservation and/or Usage Rate, as applicable, on Section No. 5 of this tariff.
- 8.2.300 "Request for Information" is a request via electronic mail, phone, or fax to Chandeleur from Shipper or Shipper's agent for information listed in NAESB WGQ Standard No. 2.3.51.

-S-

- 8.2.303 "Sender" is the party that sends an Electronic Package. (NAESB WGQ 10.2.28)
- 8.2.304 "Service Agreement" shall mean either an FT Service Agreement or an IT Service Agreement.
- 8.2.305 "Shipper" shall mean any entity who has executed a Transportation Service Agreement with Chandeleur.
- 8.2.310 "Site Map" is the term used to describe a Web page of URL links, which resembles a table of contents or directory tree structure, of categories and subcategories of information. (NAESB WGQ 4.2.5)
- 8.2.315 "Standard Client Configuration" is the term used to describe the configuration that allows simultaneous access to multiple industry Web sites. (NAESB WGQ 4.2.9)

-T-

- 8.2.320 "Third Party Account Administrator" is a Title Transfer Tracking Service Provider other than Chandeleur. (NAESB WGQ 1.2.17)
- 8.2.325 "Title" is the term used to identify the ownership of gas. (NAESB WGQ 1.2.13)

- 8.2.330 "Title Transfer" is the change of title to gas between parties at a location. (NAESB WGQ 1.2.14)
- 8.2.335 "Title Transfer Nomination" is a nomination line item requesting the service of title transfer tracking and is sent by an Account Holder to a Title Transfer Tracking Service Provider. (NAESB WGQ 1.2.19)
- 8.2.340 "Title Transfer Tracking" is the process of accounting for the progression of title changes from party to party that does not effect a physical transfer of the gas. (NAESB WGQ 1.2.15)
- 8.2.345 "Title Transfer Tracking Service Provider" is a party conducting the title transfer tracking activity. (NAESB WGQ 1.2.16)
- 8.2.350 "Trading Partner" is a party that enters into an agreement with another party to transact business electronically using the Internet ET standard. (NAESB WGQ 10.2.3)
- 8.2.355 "Trading Partner Agreement" or "TPA" is a legal binding agreement between trading parties that defines each party's expectations and responsibilities. This agreement often dictates service level agreements and problem remediation processes. (NAESB WGQ 10.2.8)
- W-
- 8.2.400 "Weekly Average Price" shall have the meaning as set forth in Section 8.8.4(c) of these General Terms and Conditions.

8.3 GAS MEASUREMENT

8.3.1 Measurement Equipment

(a) Installation

- (1) Unless otherwise agreed upon, Chandeleur shall install, operate and maintain, at its own expense, at or near each Receipt Point, orifice meters with flange-type connections and continuous recording charts and any other auxiliary measuring equipment necessary to accomplish accurate measurement of the Gas received. Such measuring station and equipment shall be and remain the property of Chandeleur.
- (2) If the measuring station shall be on the premises of Shipper or Shipper's designee, Shipper will grant to Chandeleur the right of free ingress and egress to and from such measuring station for the purpose of installation, operation, repair or removal.
- (3) Shipper may install, maintain and operate, at its own expense, such check measuring equipment as desired, provided that such equipment is installed in a manner which does not interfere with the operation of Chandeleur's measuring equipment at or near the Receipt Point.

(b) Reading

Chandeleur or its representative shall read the meters at the Receipt Point and at the Delivery Point at such intervals as may be mutually agreed upon. Upon request of Shipper, Chandeleur will submit to Shipper for checking and calculating the records from the metering equipment together with calculations therefrom. Such records, and calculations shall be returned to Chandeleur in due course after receipt thereof, after which the same shall be kept on file for the mutual use of both Parties for a period of three years.

(c) Inspection and Testing

- (1) In addition to the regular inspection of measurement equipment required by the current edition of the U.S. Geological Survey's Outer Continental Shelf Order No. 13, including any supplements thereto and successive issues hereof, the meters, instruments and equipment installed by either Party shall be subject to inspection by the other at all reasonable times, and either Party may request that a test be made of the other's meters or instruments. If the percentage of inaccuracy of the equipment in question shall be found to be less than 2%, then no correction of previous

reading shall be made for the period since the last test.

- (2) If upon any test the percentage of inaccuracy of any metering equipment is found to be in excess of 2%, previous readings of such equipment shall be corrected for any period which is definitely known or agreed upon, but in case such period is not so known or agreed upon, such correction shall be made for a period covering the last half of the period since the last test.

(d) Failure of Measuring Equipment

If for any reason meters are out of service or out of repair so that the amount of Gas delivered cannot be ascertained or computed from the readings thereof, the amount of Gas delivered during such period shall be estimated and agreed upon by the use of the first of the following methods which is feasible:

- (1) By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or
- (2) In the absence of (1), by using the registration of any check measuring equipment if installed and accurately registering; or
- (3) In the absence of (1) and (2), by estimating the quantity delivered by reference to actual deliveries during preceding periods under similar conditions when the equipment in question was registering accurately.

(e) Measurement Closing and Prior Month Adjustment

The cutoff for the closing of measurement is 5 Business Days after business month. (NAESB WGQ 2.3.7)

For treatment of measurement prior period adjustments, treat the adjustment by taking it back to the production month. A meter adjustment becomes a prior period adjustment after the fifth Business Day following the business month. (NAESB WGQ 2.3.11)

Measurement data corrections must be processed within 6 months of the production month with a 3 month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal

decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ 2.3.14)

Chandeleur will report measurement prior period adjustments with the restated line item with new total quantity for the day and the month.

Chandeleur will estimate missing or late measurement data and treat the actual volume as a prior period adjustment, with the measuring party to provide the estimate. (NAESB WGQ 2.3.13)

Measurement data available upstream of aggregated points should be sent to the allocating party and used to allocate the aggregated volume back to the upstream points. (NAESB WGQ 2.3.8)



8.3.2 Volume Measurement

(a) General

- (1) The unit of volume for all purposes of this tariff shall be one thousand (1,000) Cubic Feet of Gas.
- (2) Volumes shall be corrected for temperature and specific gravity as provided in 3.2(b) below.
- (3) For the purposes of measurement and meter calibration, the atmospheric pressure shall be assumed to be constant at fourteen and seventy-three hundredths (14.73) Psia.
- (4) In determining the volumes of Gas delivered during any period, Electronic Gas Measurement shall be used.

(b) Calculations

- (1) Volumes shall be computed in accordance with the instructions for computing the flow of Gas through orifice meters contained in American Gas Association, Gas Measurement Committee's current edition of the Report No. 3 (AGA, Report #3). In the event physical properties of the Gas are not within the variations provided in AGA Report #3, the applicable factor Fr shall be calculated by such method as may be mutually agreed upon.
- (2) The flowing temperature of the Gas shall be determined by means of a temperature averaging device, flow computer, or a recording thermometer of standard manufacture. Volumes shall be corrected for each degree of variation in the average temperature from 60°F.
- (3) The specific gravity of the Gas shall be determined by a recording gravitometer of standard manufacture except that, if neither Party considers it necessary to install a recording gravitometer, continuous proportional flow sampling shall be made with an Edwards-type Gas balance, or by such other method as shall be mutually agreed upon.
- (4) Corrections of volumes for deviation from Boyle's Law shall be made by use of factors obtained from tables published by the American Gas Association, Gas Measurement Committee in the current edition of Report No. 8, "Compressibility and Supercompressibility for Natural Gas and Other Hydrocarbon Gases," as superseded or amended from time to time. Any other measurement corrections shall be made by use of factors obtained from tables published by the current edition of the American Gas Association, Gas Measurement Committee Report No. 3, as superseded or amended from time to time.

### 8.3.3 Heating Value Measurement

#### (a) Equipment

Unless otherwise agreed upon, the gross heating value of gas delivered hereunder shall be determined from read-outs of continuously operating measuring instruments. The method of measurement shall consist of one or more of the following:

- (1) calorimeter;
- (2) gas chromatograph; or
- (3) any other method mutually agreed upon by the parties.

#### (b) Standards

Measurements of gross heating value with the calorimeters shall comply with the standards set forth in the American Society for Testing and Materials' ASTM D 1826-83 or any subsequent revision. Analysis of gas with gas chromatographs shall comply with the standards set forth in ASTM 1945 or any subsequent revision.

#### (c) Testing

Chandeleur or its agent shall calibrate and maintain the gross heating value measuring device at intervals as agreed upon by Chandeleur and Shipper. Chandeleur shall have access to Shipper's devices and shall be allowed to inspect the devices and all charts or other records of measurement at any reasonable time.

## 8.4 RECEIPT SPECIFICATIONS

8.4.1 All Gas received for shipment by Chandeleur shall be merchantable and commercially free of objectionable liquids and solids which may become separated from the gas and interfere with its transmission in the System.

- (a) It shall not contain more than one quarter (0.25) grain of hydrogen sulfide nor more than ten (10) grains of total sulphur per one hundred (100) Cubic Feet, and no free water at the pressure and temperature bases provided for below. The Gas shall not contain in excess of three percent (3%) by volume of carbon dioxide, two percent (2%) by volume of nitrogen, four percent (4%) by volume of total inerts or two-tenths (0.2%) percent by volume of oxygen.

Gas which does not meet the specifications set forth in paragraph 4.1(a) above may, from time to time and on a non-discriminatory basis, be accepted by Chandeleur for transportation.

The Gas shall not have a temperature of less than forty degrees (40 ) Fahrenheit nor more than one hundred twenty degrees (120 ) Fahrenheit at the Receipt Point.

- (b) The water dew point of the Gas delivered by the Shipper to Chandeleur shall be controlled at the Receipt Point so as to avoid water condensation at any point in Chandeleur's pipeline; provided, however, in no event shall Shipper be allowed to deliver Gas containing more than seven (7) pounds of water per million (1,000,000) cubic feet of Gas measured at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch and at a temperature of sixty degrees (60 ) Fahrenheit, as determined by a method mutually agreed upon or, upon failure to agree, by dew point apparatus approved by the U.S. Bureau of Mines.

8.4.2 Gas Quality shall be determined by proportional flow sampling at each Receipt Point. Samples shall be analyzed by an independent laboratory on a monthly basis. The results of the analyses will be furnished to Chandeleur monthly for quality check purposes. In the event either Party desires a test, other than at the prescribed interval or the results of any test are questioned, a special test shall be secured at the expense of the requesting Party upon mutual agreement between the Parties as to time and method.

8.4.3 If at any time Gas tendered for delivery by Shipper to Chandeleur at the Receipt Point shall fail to conform to any of the quality specifications set forth above, Chandeleur may, at its option, refuse to accept receipt pending correction of the deficiency by Shipper.

RECEIPT AND DELIVERY PRESSURE

8.5.1 Pressure at Receipt Point

Shipper may deliver Gas to Chandeleur at the Receipt Point at pressures which will vary from time to time depending on Shipper's volume requirements.

8.5.2 Pressure at Delivery Point

Chandeleur shall deliver the Gas to or for the account of Shipper at working pressures existing in Chandeleur's lines from time to time at the Delivery Point.

SCHEDULING AND PRIORITY OF SERVICE

#### 8.6.1 General Information

If Shipper desires the transportation of Gas on any Day under Rate Schedule FT or IT, Shipper shall follow the Nominations Procedures in Section 8.22 of this tariff.

Shipper shall have the right to nominate gas at Alternate Receipt and / or Delivery Points not specified in its executed Transportation Service Agreement, and to nominate gas in excess of the Maximum Daily Quantity at the Primary Receipt and Delivery Points specified in Shipper's Service Agreement. However, Shipper's priority with respect to any such nominations shall be subordinate to other firm Shippers who nominate gas at such points within the Maximum Daily Quantity levels set forth in executed FT Transportation Service Agreements. In addition, Shipper's combined nominations shall not exceed Shipper's Contract Demand, unless authorized by Chandeleur in accordance with Section 8.22.2(f) of these General Terms and Conditions.



#### 8.6.2 Scheduling of Service by Priority

On any day and where capacity is available, Chandeleur will schedule all volumes tendered as follows:

- (a) First Priority is given to Firm Transportation Shippers using Primary Receipt and Delivery Points according to each such Shipper's requested capacity (but not exceeding Shipper's Maximum Daily Quantity).
- (b) Second Priority is given to Firm Transportation Shippers using Alternate Receipt and/or Delivery Points within their Primary Path(s) of shipment and according to each such Shipper's requested capacity (but not exceeding Shipper's Maximum Daily Quantity).
- (c) Third Priority is given to Firm Transportation Shippers using Alternate Receipt and/or Delivery Points outside their Primary Path(s) of shipment and according to each such Shipper's requested capacity (but not exceeding Shipper's Maximum Daily Quantity).

In the event multiple Shippers should choose identical and simultaneous Alternate Points outside their Primary Path(s) and capacity is not available to accommodate all such requests, Chandeleur will allocated the named requests on a pro rata basis.

- (d) Fourth Priority is given to Firm Transportation Shippers requesting capacity in excess of Shippers' Maximum Daily Quantity entitlement under executed FT Transportation Service Agreements (but not exceeding such Shipper's Contract Demand). Such requests will be scheduled by priority as set forth in (a) through (c) above.
- (e) Fifth Priority is given to Chandeleur's interruptible transportation Shippers according to each such Shipper's requested capacity.
- (f) Sixth Priority is given to Shippers' requests for Authorized Overrun Transportation.
- (g) Last Priority is given to Shippers' requests for make-up of imbalances.
- (h) Nominations received after the nomination deadline will be scheduled after the nominations received before the deadline. (NAESB WGQ 1.3.6)

However, such late nominations will not be scheduled to the extent that they would require interruption of volumes nominated by the deadline.

Where the requested capacity of all Shippers exceeds Chandeleur's available capacity, Chandeleur's curtailment plan discussed in Section 8.6.3 below will apply.

### 8.6.3 Curtailment

If, on any day, Chandeleur determines that the capacity of its system or any portion of its system including the points at which Gas is tendered for transportation or the point(s) at which Gas is delivered, is insufficient to serve all transportation requirements which are otherwise scheduled for that Day, then curtailments, to zero if necessary, shall be done in the following order:

- (a) First, all quantities scheduled as a result of IT nominations, and FT nominations in excess of MDQ received after the timely nomination deadline, per Shippers' rankings, if provided, otherwise starting with the latest nominated date and moving to the earliest.
- (b) Second, all quantities scheduled as Authorized Overrun Transportation and all quantities scheduled for the purpose of imbalance make-up.
- (c) Third, all quantities scheduled as a result of timely nominated IT, and FT in excess of MDQ per Shippers' rankings, if provided.
- (d) Fourth, all remaining volumes scheduled as a result of FT nominations utilizing Alternate Receipt and/or Delivery Points outside their Primary Path(s) will be curtailed per Shippers' rankings, if provided, otherwise on a pro rata basis.
- (e) Fifth, all remaining volumes scheduled as a result of FT nominations utilizing Alternate Receipt and/or Delivery Points within their Primary Path(s) will be curtailed per Shippers' rankings, if provided, otherwise on a pro rata basis.
- (f) Last, all remaining volumes scheduled as a result of FT nominations utilizing Primary Receipt and Delivery Points will be curtailed per Shippers' rankings, if provided, otherwise on a pro rata basis.

Chandeleur shall make telephone notice to all affected Shippers curtailed or bumped by Chandeleur and via electronic notification in accordance with Section 8.6.4 hereof.

#### 8.6.4 Operational Constraints

Due to the fact that the flow of Gas on Chandeleur is solely dependent on deliveries into its system from supply sources, and that the interruptions of deliveries into its system and the necessity to make repairs on the system may require service interruptions to Shippers, Chandeleur shall not be obligated to schedule deliveries and receipts on the basis of these Sections 8.6.2 and 8.6.3, if it is operationally impossible for Chandeleur. Chandeleur shall endeavor on a best efforts basis to give any Shipper affected hereby a minimum of twenty-four (24) hours notice of any interruption in deliveries or receipts. In the case of emergency, Chandeleur will give affected Shippers such notice of interruption (i.e. critical notices, operational flow orders, etc.) of service as the circumstances permit.

Chandeleur will provide affected parties with notification of intraday bumps, operational flow orders and other critical notices through the affected party's choice of Electronic Notice Delivery mechanism(s).

Unless the affected party and Chandeleur have agreed to exclusive notification via EDI/EDM, the affected party should provide Chandeleur with at least one Internet E-mail address to be used for Electronic Notice Delivery of intraday bumps, operational flow orders and other critical notices. The obligation of Chandeleur to provide notification is waived until the above requirement has been met.

#### 8.6.5 Data Requests

Upon request of Chandeleur, Shipper shall, from time to time within a reasonable time, submit estimates of the daily, monthly and annual desired transportation quantities of Gas hereunder, including peak Day quantities, together with such other operating data as Chandeleur may require in order to schedule its operations and to meet its system requirements.

8.6.6 "No Bump" Rule

Chandeleur will accept nominations for interruptible service based on a "no bump" rule. This rule provides that an interruptible agreement under which gas is flowing at a receipt point cannot be interrupted or "bumped" by an increased (or new mid-month) nomination under an interruptible agreement with a higher queue position.

FIRM CAPACITY RELEASE UNDER ORDER NO. 636

### 8.7.1 General Requirements

- (a) Firm Shippers are permitted to release their capacity, in whole or in part, on a permanent or temporary basis, without restriction on the terms or conditions of the release. A firm Shipper may pre-arrange for a Replacement Shipper to obtain its released capacity from the pipeline. A Replacement Shipper is any Shipper that obtains released capacity. In the event a firm Shipper permanently releases capacity, Chandeleur has pregranted authority to cease firm transportation to the Releasing Shipper pursuant to Section 284.221(d) of the Commission's regulations.
- (b) Chandeleur will enter into contracts with all Replacement Shippers. If the release of capacity is permanent, the Replacement Shipper will be required to execute a FT Transportation Service Agreement, a form of which is set forth herein. If the release of capacity is temporary, the Replacement Shipper will be required to execute a Temporary Term Transportation Service Agreement, a form of which is also set forth herein.

Regardless of the timeline for Chandeleur to tender Transportation Agreements to Replacement Shippers as set forth in Section 8.7.1 (d), Replacement Shippers can nominate at the earliest available nomination opportunity after receiving notification of award of released capacity by Chandeleur per timeline of Section 8.7.1 (e).

- (c) If the release of capacity is temporary, the Releasing Shipper will remain liable for the payment of Reservation Charges, but will receive a concurrent conditional credit against its monthly bill for the capacity resold through a pre-arranged transaction or through competitive bidding procedures as a result of Chandeleur's making the capacity available to the open market. The Releasing Shipper will not be liable for any penalties, e.g. scheduling, imbalancing, etc., incurred by the Replacement Shipper(s). Under negotiated rate agreements, the Releasing Shipper is obligated to pay Chandeleur the difference by which the negotiated rate exceeds the rate paid by the Replacement Shipper.

If a permanent release of capacity occurs, Chandeleur will enter into a firm contract with the Replacement Shipper. On the date that contract takes effect, the Replacement Shipper will replace the Releasing Shipper with respect to liability for payment of Reservation Charges. Under negotiated rate agreements, the Releasing Shipper is obligated to pay Chandeleur the difference by which the negotiated rate exceeds the rate paid by the Replacement Shipper.

(d) Chandeleur will post Offers and Bids, including prearranged deals, upon receipt. A Releasing Shipper may request a later time for posting of such Offer, and Chandeleur will support such request insofar as it comports with the standard Capacity Release timeline specified in NAESB WGQ Standard No. 5.3.2. (NAESB WGQ 5.3.24)

(e) Capacity Release Timeline (NAESB WGQ 5.3.2):

For biddable releases (1 year or less):

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

For biddable releases (more than 1 year):

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

For non-biddable releases:

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

- Timely Cycle 12:00 Noon



- Evening Cycle 5:00 p.m.
  - Intraday 1 Cycle 9:00 a.m.
  - Intraday 2 Cycle 1:30 p.m.
  - Intraday 3 Cycle 6:00 p.m.
- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).
  - Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.
- (f) The releasing party has the right to withdraw its Offer during the bid period, where unanticipated circumstances justify and no minimum Bid has been made. (NAESB WGQ 5.3.16)

A Releasing Shipper may not specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release. (NAESB WGQ 5.3.25)

Offers will be binding until notice of withdrawal is received by Chandeleur on its Customer Activities Web site. (NAESB WGQ 5.3.14)

Bids will be binding until notice of withdrawal is received by Chandeleur on its Customer Activities Web site. (NAESB WGQ 5.3.13)

A bid may not be withdrawn for the purpose of submitting a lower bid for the same package of capacity, in whole or in part. However, bid withdrawals will be permitted when the withdrawal is for the purpose of submitting a higher bid for the same package of capacity, in whole or in part.

Bids cannot be withdrawn after the bid period ends. (NAESB WGQ 5.3.15)

- (g) Releasing Shippers may consider contingent bids as long as the release notice specifies the economic criteria by which such bids will be evaluated. Such evaluation is for the purpose of 1.) determining which bid is the best offer, and 2.) whether and for what time period the second best bidder will be obligated to acquire the capacity should the winning bidder exercise its option not to take the capacity.
- (h) Basis for released quantity should be per day for transportation, storage injection, storage withdrawal, and a per-release quantity for storage capacity and total release period quantity. (NAESB WGQ 5.3.29)

Releasing Shippers shall also notify Chandeleur whether volumetric bids will be accepted.

Chandeleur will support volumetric releases with volumetric commitments by fully accounting for volumetric and reservation components, consistent with the rules and regulations enunciated by the Commission. (NAESB WGQ 5.3.5)

- (i) The capacity release timeline is applicable to all parties in the capacity release process provided that: 1) all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be creditworthy before the capacity release bid is tendered; 2) for index-based capacity release transactions, the Releasing Shipper has provided Chandeleur with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and 3) there are no special terms or conditions to the release. Further, Chandeleur may complete the capacity release process on a different timeline if the Offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by Chandeleur). (NAESB WGQ 5.3.1)
- (j) References to maximum rates in this section, including but not limited to, "maximum monthly reservation charge," or "maximum daily reservation charge," shall include negotiated rates when capacity is being released for less than one year.
- (k) Reput Methods and Rights  
  
Reput method and rights should be specified at the time of the deal. Reput method and rights are individually negotiated between the Releasing Shipper and Replacement Shipper. (NAESB WGQ 5.3.8)  
  
Releasing Shippers may specify rights of recall including the terms of recall and the terms of returning previously recalled capacity (reput) to the replacement Shipper.

When capacity is recalled, it may not be reput for the same Gas Day. (NAESB WGQ 5.3.53)

The deadline for notifying Chandeleur of a reput is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day. (NAESB WGQ 5.3.54)

(1) Recall Notification Timeline (NAESB WGQ 5.3.44)

Chandeleur will support the following recall notification periods for all released capacity subject to recall rights:

(i) Timely Recall Notification:

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

(ii) Early Evening Recall Notification:

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

(iii) Evening Recall Notification:

- (a) A Releasing Shipper recalling capacity must provide notice of such recall to Chandeleur and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;
- (b) Chandeleur will provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due;

(iv) Intraday 1 Recall Notification:

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

(v) Intraday 2 Recall Notification:

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

day that Intraday 2 Nominations are due;

(vi) Intraday 3 Recall Notification:

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

(m) For recall notification provided to Chandeleur prior to the recall notification deadline specified in NAESB WGQ Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., Chandeleur will provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notification provided to Chandeleur after 5:00 p.m. and prior to 7:00 a.m., Chandeleur will provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (NAESB WGQ 5.3.45)

(n) Other Recall Requirements

The Releasing Shipper must provide capacity recall notification to Chandeleur through Chandeleur's Customer Activities Web site. The recall notification must specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the capacity being recalled. (NAESB WGQ 5.3.48)

Recalled capacity notices should indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall. (NAESB WGQ 5.3.49)

The recall notification provided to Chandeleur should express the quantity in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity.

Chandeleur will not be obligated to deliver in excess of the total daily contract quantity of the release as a result of NAESB WGQ Standard No. 5.3.55. (NAESB WGQ 5.3.57)

In the event of an intraday capacity recall, Chandeleur will determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). Variations to the use of EPC may be necessary to reflect the nature of Chandeleur's tariff, services, and/or operational characteristics. (NAESB WGQ 5.3.56)

The amount of capacity allocated to the Replacement Shipper(s) should equal the original released

capacity less the recalled capacity that is adjusted based upon the Elapsed Prorata Capacity (EPC) or other Chandeleur FERC Gas Tariff specific variations of the EPC in accordance with NAESB WGQ Standard No. 5.3.56. (NAESB WGQ 5.3.58)

The Replacement Shipper should provide Chandeleur with no more than two Internet E-mail addresses to be used for recall notification. The obligation of Chandeleur to provide notification is waived until at least one of the addresses has been provided. (NAESB WGQ 5.3.47)

Affected Replacement Shippers shall manage internal distribution of notifications of recall received from Chandeleur. (NAESB WGQ 5.3.52)

- (o) Chandeleur shall provide the original Releasing Shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Chandeleur to the Releasing Shipper's Replacement Shipper(s), of the following:
- (1) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to Chandeleur's tariff;
  - (2) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;
  - (3) Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and
  - (4) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to Chandeleur's tariff. (NAESB WGQ 5.3.60)
- (p) The Releasing Shipper must specify which one of the following methods is acceptable for bidding on a given capacity release Offer:
- Non-Index-based release - dollars and cents,
  - Non-Index-based release - percentage of maximum rate, or
  - Index-based formula as detailed in the capacity release offer.

The Bids for the given capacity release Offer should adhere to the method specified by the Releasing Shipper. (NAESB WGQ 5.3.26)

### 8.7.2 Permanent Release of Capacity

- (a) The permanent release of capacity is where a releasing Shipper forgoes its contractual rights to any or all of its capacity with Chandeleur for the remaining term of its Service Agreement with Chandeleur.
- (b) The following procedures will be followed to allow for the nondiscriminatory permanent reassignment of capacity:
- (1) A firm Shipper that wants to release any or all of its firm capacity must notify Chandeleur of its terms and conditions including:
    - contract number and term,
    - amount of capacity,
    - methods of evaluating bids and breaking tied bids, and
    - prepayments of Reservation Charges, under which the Shipper will release its capacity.
  - (2) The firm Shipper must also notify Chandeleur of any pre-arranged replacement Shipper(s) it has designated to obtain the released capacity under the terms and conditions specified by the firm Shipper.
  - (3) Subject to Section 8.7.6 of the General Terms and Conditions, Chandeleur, upon receipt unless releasing Shipper states otherwise, will provide notice on its internet website any offer to release capacity or to purchase capacity and any terms and conditions under which such release or purchase shall be made.
  - (4) Potential replacement Shippers must notify Chandeleur of their intent to obtain capacity through a bid submitted via internet posting per the terms of Section 8.7.7 of the General Terms and Conditions.
  - (5) When a bid is received from a non-creditworthy Shipper, the terms of the bid will be posted on Chandeleur's internet website by 2:00 p.m. on the day following the wire transfer of applicable prepayments per the terms of Section 8.7.6 of the General Terms and Conditions.

### 8.7.3 Temporary Release of Capacity

- (a) The temporary release of capacity is where a releasing Shipper forgoes its contractual rights to any or all of its capacity with Chandeleur for a period of time that is less than the remaining term set forth in its Transportation Service Agreement with Chandeleur.
- (b) A releasing Shipper may designate a pre-arranged replacement Shipper to obtain the released capacity without the necessity of prior posting on Chandeleur's internet website and bidding for such released capacity, if the capacity release meets one of the following conditions:
- (1) the capacity release is for a period of 31 days or less;
  - (2) the capacity release is for more than one year at the maximum monthly or daily Reservation Charge;
  - (3) the capacity release is to an asset manager, as defined in Section 284.8(h)(3) of the Commission's regulations; or
  - (4) the capacity release is to a marketer participating in a state-regulated retail access program, as defined in Section 284.8(h)(4) of the Commission's regulations.

Chandeleur will place a notice of such a release on its internet website as soon as possible, but not later than the first nomination after the release transaction commences.

For capacity releases for a period of 31 days or less, no rollover or extension will be permitted without prior notice and opportunity to bid for the capacity.

- (c) The following procedures will be followed for all other temporary capacity releases:
- (1) A firm Shipper that wants to release any or all of its firm capacity must notify Chandeleur of its terms and conditions including:
    - contract number and term,
    - amount of capacity,
    - methods of evaluating bids and breaking tied bids, and
    - prepayments of Reservation Charges, under which the Shipper will release its capacity.
  - (2) The firm Shipper must also notify Chandeleur of any pre-arranged replacement Shipper(s) it has designated to obtain the released capacity

under the terms and conditions specified by the firm Shipper.

- (3) Subject to Section 8.7.6 of the General Terms and Conditions, Chandeleur, upon receipt unless releasing Shipper states otherwise, will provide notice on its internet website of any offer to release capacity or to purchase capacity and any terms and conditions under which such release or purchase shall be made.
- (4) Potential replacement Shippers must notify Chandeleur of their intent to obtain capacity through a bid submitted by on Chandeleur's internet website per the terms of Section 8.7.7 of the General Terms and Conditions.
- (5) When a bid is received from a non-creditworthy Shipper, the terms of the bid will be posted on Chandeleur's internet website by 2:00 p.m. Central Time on the day following the wire transfer of applicable prepayments, per the terms of Section 8.7.6 of the General Terms and Conditions.



#### 8.7.4 Secondary Release of Capacity

- (a) Chandeleur will allow re-releases on the same terms and basis as the primary release (except as prohibited by regulations). (NAESB WGQ 5.3.19)
- (b) A secondary Shipper is any replacement Shipper of any vintage, other than the original holder of the capacity.
- (c) If the secondary Shipper has obtained capacity pursuant to Section 8.7.2 of the General Terms and Conditions, the secondary Shipper is free to specify the terms and conditions under which its capacity will be released, either permanently or temporarily.
- (d) If the secondary Shipper has obtained capacity pursuant to Section 8.7.3 of the General Terms and Conditions, the secondary Shipper must release the capacity under terms consistent with the conditions under which it obtained the capacity.
- (e) If the secondary Shipper has obtained capacity pursuant to Section 8.7.3 of the General Terms and Conditions, and the acquisition of this capacity is on the basis of a daily Reservation Charge, the secondary Shipper is prohibited from exercising a release of capacity.
- (f) If the secondary Shipper is proposing to release capacity on a permanent basis, and it is in compliance with Section 8.7.4 (b) above, then the secondary Shipper will proceed under the provisions of Section 8.7.2 of the General Terms and Conditions.
- (g) If the secondary Shipper is proposing to release capacity on a temporary basis, and it is in compliance with Sections 8.7.4 (b), or (c) above, as applicable, then the secondary Shipper will proceed under the provisions of Section 8.7.3 of the General Terms and Conditions.

8.7.5 Best Offer Evaluation

- (a) When Chandeleur makes awards of capacity for which there have been multiple Bids meeting minimum conditions, Chandeleur will award the Bids, best Bid first, until all offered capacity is awarded. (NAESB WGQ 5.3.4)
- (b) When Chandeleur receives multiple bids for a package of capacity, it is necessary that Chandeleur have a known method of evaluating these bids in order to determine which is the best bid.

For the capacity release business process timing model, only the following methodologies will be supported by Chandeleur and provided to Releasing Shippers as choices from which they may select and, once chosen, will be used in determining the Award(s) from the Bid(s) submitted. They are: (1) highest rate; (2) net revenue; and(3) present value. For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology.

- (c) Releasing Shippers may specify their own objective and non-discriminatory economic criteria for determining the best bid. These criteria, including the right to bid for less than the full capacity offered, will be posted on Chandeleur's internet website and will be applicable to all bidders seeking to acquire the released capacity, in whole or in part. Chandeleur will determine the best bid on the basis of the Releasing Shipper's specified criteria for whole or partial bids within the capacity release timeline for evaluating bids and awarding capacity per Section 8.7.1(d).

#### 8.7.6 Chandeleur Will Accept Only Bona Fide Offers

Chandeleur will treat bids from current Shippers, from Shippers on Chandeleur's firm or interruptible transportation service request queues who are not currently shipping, and from prequalified bidders as bona fide offers. These classes of bidders have met Chandeleur's creditworthiness requirements pursuant to Section 8.17 of the General Terms and Conditions. Potential Replacement Shippers who have not met Chandeleur's creditworthiness requirements must prepay for those services for which they are submitting bids. With respect to bids from this latter class of Shippers, Chandeleur will require that a bid for a capacity release longer than three months be accompanied by a wire transfer of three (3) months prepayments of Reservation Charges for the capacity the potential Replacement Shipper is attempting to acquire. If the potential Replacement Shipper is bidding on a short-term (less than three months) release, Chandeleur will require that such offer be accompanied by wire transfer of full prepayment for the capacity the prospective Shipper is attempting to acquire. Wire transfer must follow the bid within one (1) business day for the bid to be considered valid. Bids will be posted on Chandeleur's internet website by 9:00 a.m. Central Time on the day after the wire transfer is received. In the event the Shipper is unsuccessful in its attempt to acquire released capacity, Chandeleur will refund the prepayment to the unsuccessful Shipper with interest computed pursuant to Section 154.67(c) of the Commission's regulations. In the event the Shipper is successful the prepayment will be credited to the first three (3) months' bills. In the event the Shipper is the successful bidder, but fails to ship any or only a part of the capacity acquired, the Shipper will forfeit to Chandeleur all or the remainder of the unused Reservation Charges that have been prepaid to Chandeleur.

8.7.7 Chandeleur's Internet Website: [www.chandeleur.com](http://www.chandeleur.com)

- (a) Chandeleur will maintain an interactive internet website at [www.http://www.chandeleur.com](http://www.chandeleur.com) that allows Shippers to enter notices of capacity available and bids for released capacity. This data will be maintained on a vintage basis with the most recent proposed released capacity shown first and the oldest proposed shown last. With regard to such postings, Chandeleur will show on its internet website the following information:
- (1) With respect to proposed released capacity, the releasing party (including Chandeleur itself with respect to uncontracted firm capacity), Receipt and Delivery Points, proposed price up to Chandeleur's maximum monthly or daily Reservation Charge, whether the proposed release is permanent or temporary, methods of evaluating bids and breaking ties, other terms and conditions of the proposed release, and in the event the releasing party has a pre-arranged agreement, the identity of pre-arranged replacement Shipper.
  - (2) Bids for each package of proposed released capacity showing the terms (excluding bidding Shipper's name) of the bid, e.g., matching all the terms proposed by the releasing Shipper or Chandeleur itself, including the price and the terms of that offer and the price and the terms of any counter offer.
  - (3) Upon the award of capacity, Chandeleur will post the terms of and the identity of the party submitting the winning bid in accordance with the Capacity Release Timeline in Subsection 8.7.1(d).
  - (4) Chandeleur will post on its Informational Postings website in the "Notices" category under the subcategory "Request to Purchase Releasable Capacity," instructions and related form(s) detailing the process for interested Parties to submit a request to purchase releasable capacity. The instructions and related form(s) will include the information that is required and the email address to which the completed form(s) should be sent. Upon receipt of the completed form(s), Chandeleur will post the request as a "Request to Purchase Releasable Capacity" on its Informational Postings website in the "Notices" category under the subcategory "Request to Purchase Releasable Capacity." Such request shall remain posted for a minimum of ninety (90) Days.
- (b) Chandeleur will maintain on a daily basis back-up records of the information that has been displayed on Chandeleur's internet website for the past three years, and Chandeleur will maintain this information in a manner that will permit users to review these records. Chandeleur will archive this data and insure that it is reasonably accessible. Archived information will be available upon written request.
- (c) Users will be able to view, download, and print informational and transactional files from Chandeleur's internet website.
- (d) Chandeleur is authorized to perform maintenance on its website and supporting systems for purposes of ensuring technologically current and secure web services. In the event these activities will result in website outages or could potentially result in such outages, Chandeleur shall provide its Shippers with notice postings of same on its website before the activities are undertaken. Chandeleur will use its best efforts to schedule and perform such maintenance or upgrades such that its Shippers shall not be precluded from conducting business during the hours of 6:00 AM and 10:00 PM Central Clock Time. In the event such maintenance should be required between the hours of 6:00 AM and 10:00

PM Central Clock Time, Chandeleur shall provide its Shippers with alternative methods of conducting business. Details of such alternative methods shall be outlined in the notice, as well as the date(s), times, and anticipated duration of such activities.

#### 8.7.8 Right of First Refusal/Pregranted Abandonment

Chandeleur's long-term firm Transportation Service Agreements (over one year) contain roll-over or evergreen clauses which allow the Agreement to remain in force until Shipper or Chandeleur gives ninety (90) Days written notice of its intent to terminate the Agreement. Within thirty (30) Days of either Party giving notice to terminate, firm capacity under this contract shall be posted on Chandeleur's internet website and subjected to third-party bids pursuant to Section 6.6.2 of FT Rate Schedule. Chandeleur will notify existing Shipper of the best offer received as a result of the bidding process described above no later than three (3) Business Days after the bid deadline date. Within thirty (30) Days of receipt of written notice from Chandeleur detailing the terms of the best offer, the existing Shipper, including any Shipper who has acquired capacity pursuant to Section 8.7.2 of this capacity release provision, may elect to retain all or a volumetric portion of its capacity subject to its exercise of its right of first refusal by agreeing to match the price up to the applicable maximum monthly Reservation Charge and length of term of the best offer to acquire long-term firm transportation from Chandeleur. The Right of First Refusal provision of this Section will not apply to discounted or negotiated firm Transportation Service Agreements. Chandeleur will have the authority for pregranted abandonment of its obligations at the expiration of that long-term firm transportation contract with the existing Shipper, if Shipper is unwilling to match the price up to the maximum monthly Reservation Charge, and match the length of the contract of the best offer. To be eligible to exercise this right of first refusal, the existing Shipper's contract must be for firm Transportation service for a minimum of twelve consecutive months at the applicable maximum monthly Reservation Charge for firm Transportation service.

8.7.9 Waiver of Maximum Rate Ceiling

(a) Capacity Releases of One Year or Less

The portion of Sections 8.7.7(a)(1) & (4) of the General Terms and Conditions capping the proposed price up to Chandeleur's maximum Reservation rate will not apply to capacity releases of one year or less. Releasing Shippers may propose a price of release in excess of Chandeleur's maximum rates.

(b) Capacity Releases to an Asset Manager

Capacity Releases to an asset manager, as defined in Section 284.8(h)(3) of the Commission's regulations, are not subject to the maximum rate ceiling.

ACCOUNTING PROCEDURES



### 8.8.1 Allocation

(a) There are two types of allocations: daily and monthly. At a location, Chandeleur will provide either daily allocations or monthly allocations. (NAESB WGQ 2.3.15)

The types of allocation methodologies is a list from which two parties may agree. If the two parties cannot agree upon an allocation methodology, pro rata based upon confirmed nominations will be used as the default method. The party responsible for custody transfer (the party performing the measurement function) will provide the allocation. (NAESB WGQ 2.3.18)

Chandeleur will allocate on a Monthly basis all receipt and delivery points on Chandeleur. Chandeleur will report the daily operational allocation within one Business Day after the end of the gas Day using scheduled quantities, if better data is not available.

At a location, the total quantity measured or estimated for the period will be used to provide allocations to parties' scheduled transactions (or otherwise identified transactions consistent with NAESB WGQ Standard No. 2.3.61). (NAESB WGQ 2.3.54)

In the allocation process, estimated quantities will be adjusted to actuals following the time that the actuals are known. (NAESB WGQ 2.3.55)

The time limitation for disputes of allocations will be 6 months from the date of the initial month-end allocation with a 3 month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ 2.3.26)

(b) Chandeleur shall have the right to enter into an Operational Balancing Agreement (OBA) at any point on its system. At a point where Chandeleur has entered into an OBA, to the extent actual volumes measured at the point vary from volumes scheduled at such point necessitating a cash settlement, Shippers utilizing such point shall be responsible for charges incurred by Chandeleur as a result of the terms of the OBA. Similarly, Shippers utilizing such point shall be entitled to any credits received by Chandeleur under the terms of the OBA.

At a location which is covered by an OBA, each party to the OBA should allocate its side of the location.

(NAESB WGQ 2.3.58)

Under normal operating conditions, at a location which is covered by an OBA, the scheduled quantity will be the allocated quantity. (NAESB WGQ 2.3.64)

Chandeleur shall use Shipper's and/or Operators of connected parties' Predetermined Allocation (PDA) methodology for allocating actual Gas flow at any points on Chandeleur's system where no OBA is in effect.

When a PDA is not received by Chandeleur from the Shipper or Operator of the connected parties, then the default allocation methodology described in Section 8.8.1 (e) will be used.

- (c) The upstream or downstream party providing the point confirmation should submit, where an OBA is not executed, the pre-determined allocation to Chandeleur after or during confirmation and before start of the gas Day.

The allocating party must send back "confirmation" of receipt of the pre-determined allocation within 15 minutes. (NAESB WGQ 2.3.6)

The PDA shall specify how any underage or overage from the scheduled quantity is to be allocated to the Shippers nominating at that point.

The PDA methodologies, as established by NAESB WGQ standards, shall include ranked, pro-rata, percentage, swing and Operator Provided Value.

The same standard allocation methodologies are available for use at all points. (NAESB WGQ 2.3.17)

Only one PDA allocation methodology can be applied per allocation period (NAESB WGQ 2.3.4) (i.e. only one PDA for receipt or delivery point allocated on a monthly basis).

A new allocation detail may be needed when a nomination changes. (NAESB WGQ 2.3.20)

A PDA submitted after the start of the Gas flow is subject to Chandeleur's approval, must be submitted by paper copy via fax and must be authorized by all affected Shipper(s).

At a location which is not covered by an OBA, an Allocating Party should receive Pre-determined Allocations and calculate the allocations for the location and provide these allocations to the appropriate parties for their use. (NAESB WGQ 2.3.56)

At a location which is not covered by an OBA, a party which is not the allocating party at the location

should receive and process the allocations from the allocating party and employ such allocations when providing allocation information to its parties (as applicable and appropriate). (NAESB WGQ 2.3.57)

At a location which is not covered by an OBA, a Confirming Party should submit a Pre-determined Allocation (PDA) to the allocating party at a level that is based on the allocating party's business practice, but, in no event, will such PDA be at a lower level (more detailed) than that level of information exchanged between such parties during their confirmation process. (NAESB WGQ 2.3.60)

A Pre-determined Allocation (PDA) may not be used to allocate gas to a nominatable transaction that was not identified in the nomination or confirmation process, as applicable, absent prior mutual agreement among the Confirming Parties and the party being allocated to in such transaction. In the event of a conflict between this standard and Chandeleur's existing tariff or general terms and conditions, the latter will prevail. (NAESB WGQ 2.3.61)

Except in cases where the Percentage or Operator Provided Value method of allocation is being employed, where there is (NAESB WGQ 2.3.62):

- (i) sufficient gas to fulfill all scheduled quantities at a location, a Pre-determined Allocation (PDA) should not result in a quantity being allocated to a party, contract or transaction, as applicable, that is less than the corresponding scheduled quantity(ies) for that party, contract or transaction, as applicable,
- (ii) insufficient gas to fulfill all scheduled quantities at a location, a PDA should not result in a quantity being allocated to a party, contract or transaction, as applicable, that is greater than the corresponding scheduled quantity(ies) for that party, contract or transaction, as applicable.

In the event of conflicts between this standard and Chandeleur's existing tariff or general terms and conditions, the latter will prevail.

- (d) Shippers shall cause the Operators at each point to provide Chandeleur with a PDA. In the event any Shipper at a receipt or delivery point fails to cause such information to be provided by Operator to Chandeleur, then the default allocation methodology described in Section 8.8.1(e) will be applied to all Shippers at the point. To the extent an Operator has submitted a PDA for a point, the Shippers with multiple scheduled nominations at that point may

submit a PDA to Chandeleur for purposes of further allocation.

(e) Absence of a PDA Methodology

In the absence of an allocation methodology, as referenced above, the default allocation procedures set forth below determine how Gas is to be allocated at each Pipeline point when the Gas quantities scheduled and the Gas quantities that actually flowed vary.

- (1) In the event actual Gas flow at a receipt or delivery point equals the scheduled Gas flow at that point, then all Shippers will receive their confirmed nominations.
- (2) In the event actual Gas flow at a receipt or delivery point is less than scheduled Gas flow at that point, actual Gas flow will be allocated as follows: The volume of gas scheduled for delivery by Chandeleur shall be allocated pro rata based on the scheduled quantities up to, but not in excess of, scheduled confirmed quantities.

(f) Adjustments to a Prior Day's Scheduled Quantities and PDA's:

Adjustments to a prior Day's scheduled quantities and PDA's after the nomination deadline set forth in this section will be permitted by Chandeleur in accordance with the following procedures and only if all parties affected by the resulting prior period reallocation (including Chandeleur) consent in writing to the adjustment; provided, however, Chandeleur shall not unreasonably withhold such consent. All prior Day's requests must be operationally feasible and are subject to the tariff limitations applicable to such Day.

(1) For adjustments to a prior Day's scheduled quantities and PDA's for Days in the current Month, Shipper or the point operator must submit requests via email to Chandeleur within five (5) Days after the close of the affected Day or by 5:00 PM Central Clock Time on the third (3rd) Business Day of the following Month, whichever is sooner.

(2) For adjustments to a prior Day's scheduled quantities and PDA's for Days in a prior Month for which allocations are closed, Shipper or the point operator must submit requests via email to Chandeleur by 5:00 PM Central Clock Time on the 25th Day of the succeeding Month.

Chandeleur will notify via email all parties affected by a Shipper's or point operator's request

for an adjustment to a prior Day's scheduled quantities and PDA's. Following the date of notification by Chandeleur as contemplated by the immediately-preceding sentence, all affected parties must indicate their consent via email to Chandeleur by 5:00 PM Central Clock Time on the third Day following the date of Chandeleur's notification; provided, however, all consents must be received by Chandeleur via email before the date that allocations close for the Month. If all affected parties' consents are not received by Chandeleur in accordance with these provisions, Shipper's or point operator's request will expire.

Chandeleur, in its sole judgment, may waive any deadlines established herein, on a non-discriminatory basis, if Chandeleur determines that operating conditions permit.

## 8.8.2 Billing and Payment

### (a) Billing

Imbalance statements must be generated at the same time or prior to the generation of the transportation invoice. (NAESB WGQ 2.3.28)

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. (NAESB WGQ 3.3.14)

### (b) Invoicing

Invoices will be based on actuals (if available) or best available data. Quantities at points where OBAs exist will be invoiced based on scheduled quantities. (NAESB WGQ 3.3.9)

Unless otherwise agreed, transportation invoices will state the net billing rate, rather than the maximum discount tariff rate and the discount amount. (NAESB WGQ 3.3.4)

Required invoice backup data will accompany or precede the invoice. (NAESB WGQ 3.3.10)

Regarding inadequate detail supporting documentation, supporting documentation should be provided upon request, with timing of supporting documentation to follow the timing of the flowing gas transactions. (NAESB WGQ 3.3.13)

Chandeleur will provide Shippers additional data to verify the invoice or imbalance statement, as requested. Prior period adjustments or error corrections will be reported by production month separately, as appropriate, on the invoice.

### (c) Payment

Shipper shall pay Chandeleur on or before the tenth (10th) Day subsequent to receipt of billing of all amounts due for the transportation charges for the preceding Month.

The effective payment due date of an invoice when such due date does not fall upon a Business Day (as defined in NAESB WGQ Standard No. 3.2.1) is the first Business Day following the due date. (NAESB WGQ 3.3.25)

All payments by Shipper to Chandeleur shall be made in United States dollars by electronic transfer directed to a bank account designated by Chandeleur, or in such other manner as may from time to time be

agreed upon.

Party making payment shall submit supporting documentation; party receiving payment shall apply payment per supporting documentation provided by the paying party; and if payment differs from the invoiced amount, remittance detail must be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date. (NAESB WGQ 3.3.17)

(d) Credits

If Chandeleur's interruptible transportation throughput for any year exceeds its projected interruptible throughput level of 18,706,250 Dth, Chandeleur will credit 90 percent of any interruptible revenues received in excess of Chandeleur's allocated interruptible costs to its firm Shippers. For purposes of administering this provision, the 12 month period beginning November 1 will be used to determine when credits to firm Shippers are required. The revenues credited to firm shippers will be apportioned on the basis of firm Shippers' weighted contract demands during the applicable crediting period.

(e) Failure to Pay

If invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for the dispute. (NAESB WGQ 3.3.19)

Should Shipper fail to pay all of the amount of any bill as herein provided when that amount is due, interest on the unpaid portion of the bill shall accrue at the then effective prime interest rate (Chase Manhattan Bank), from the due date until and including the date of payment. Upon thirty (30) Days notice from Chandeleur, service under the Agreement will automatically be suspended for such failure to pay.

However, if Shipper, in good faith, disputes the amount of any bill or part thereof and: 1) promptly pays to Chandeleur the undisputed amount, and 2) provide Chandeleur documentation identifying basis for the dispute 3) furnishes to Chandeleur a good and sufficient surety bond in an amount, and with surety satisfactory to Chandeleur, or provides other assurance acceptable to Chandeleur guaranteeing payment to Chandeleur of the amount ultimately found due after a final determination that may be reached either by agreement or by judgment of the courts, as may be the case, then Chandeleur shall not be entitled to automatically suspend service under the Agreement unless and until Shipper defaults on the conditions of the bond or other assurance.

Also, if the party that fails to pay any portion of any bill is a temporary replacement Shipper, then Chandeleur will bill the releasing Shipper who remains liable for payments in the subsequent monthly bill for that portion of the concurrent conditional credit that the releasing Shipper previously received and that the replacement Shipper failed to pay. Additionally, a releasing Shipper may terminate the release of capacity to a replacement Shipper if such Shipper fails to pay all of the amount of any bill for gas delivered under the executed Temporary Term Transportation Service Agreement, when such amount is due pursuant to this section of Chandeleur's tariff.

If Shipper's failure to pay extends beyond the thirty (30) Day notice period, in addition to automatically suspending service under the Agreement, Chandeleur shall have the right to terminate Shipper's Transportation Service Agreement, if failure to pay continues for seventy (70) days, in addition to any other remedy Chandeleur may have hereunder.



### 8.8.3 Adjustments of Billing Errors

Prior period adjustment time limits are 6 months from the date of the initial transportation invoice and 7 months from date of initial sales invoice with a 3-month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ 3.3.15)

If it is found that Shipper has been overcharged or undercharged in any form and Shipper has actually paid the bills containing the overcharge or undercharge, then within thirty (30) Days after the final determination thereof, either Chandeleur shall refund the amount of any overcharge or Shipper shall pay the amount of any such undercharge.

Chandeleur shall retain billing records for no less than three (3) Years.

Prior period adjustments are reported by production date, but they do not have to be invoiced separately by production month - nor is each production month a separate paper invoice page. (NAESB WGQ 3.3.16)

## 8.8.4 Imbalance Management Services

### (a) Calculation of Monthly Imbalances

A Monthly Imbalance occurs when the quantity of a Shipper's allocated receipts differs from the quantity of its allocated deliveries during a Month (after taking into account appropriate deductions for Fuel and Line Loss volumes pursuant to Section 8.21 herein) under a Service Agreement. Chandeleur shall calculate the Monthly Imbalance for each Service Agreement for each Shipper each Month. All Monthly Imbalances under each Shipper's Service Agreement(s) will be combined to derive either a Net Positive Monthly Imbalance (where the total of all allocated receipts under all Service Agreements so netted are greater than the total of all allocated deliveries), or a Net Negative Monthly Imbalance (where the total of all allocated deliveries under all Service Agreements so netted are greater than the total of all allocated receipts). A Monthly Imbalance Statement will be issued (by U.S. mail or electronically) each Month by Chandeleur detailing all such Net Positive or Net Negative Monthly Imbalances prior to or simultaneous with the invoice as per Section 8.8.2(b) of these General Terms and Conditions.

### (b) Imbalance Trading and Netting

Imbalances to be posted for trading must be authorized by the Shipper. (NAESB WGQ 2.3.43)

Chandeleur is not required to post zero imbalances. (NAESB WGQ 2.3.44)

Following the issuance of the Monthly Imbalance Statement as per Section 8.8.4(a) hereinabove, a Shipper may trade its Net Positive or Net Negative Monthly Imbalances and/or imbalances resulting from a force majeure event with other Shippers on Chandeleur's system.

Chandeleur shall provide the ability to post and trade imbalances until at least the close of the seventeenth Business Day of the month. (NAESB WGQ 2.3.41)

Chandeleur shall provide the ability to view and, upon request, download posted imbalances. (NAESB WGQ 2.3.42)

An Authorization to Post Imbalances (pursuant to NAESB WGQ Standard No. 2.4.9) that is received by Chandeleur by 11:45 a.m. shall be effective by 8:00 a.m. the next Business Day. An imbalance that is previously authorized for posting shall be posted on or before the ninth Business Day of the month. (NAESB WGQ 2.3.40)

Chandeleur shall enable the imbalance trading process by providing the ability for:

- The Service Requester to authorize the posting of imbalances (pursuant to NAESB WGQ Standard 2.4.9) on Chandeleur's Informational Postings and/or Customer Activities Web site(s);
- A party to view the posted imbalances (pursuant to NAESB WGQ Standard No. 2.4.10) on Chandeleur's Informational Postings Web site;
- The Initiating Trader to submit a request to Chandeleur for an imbalance trade (pursuant to NAESB WGQ Standard No. 2.4.11) on Chandeleur's Informational Postings and/or Customer Activities Web site(s);
- Chandeleur, in response to the request for an imbalance trade, to provide any error/warning message(s), as necessary, which includes the name of the relevant data element, if appropriate, along with the corresponding message;
- The Initiating Trader to withdraw its request for an imbalance trade on Chandeleur's Informational Postings and/or Customer Activities Web site(s);
- Chandeleur to, optionally, request the Confirming Trader to confirm the

- request for an imbalance trade;
- The Confirming Trader to confirm the request for an imbalance trade on Chandeleur's Informational Postings and/or Customer Activities Web site(s);
  - Chandeleur to provide the Initiating Trader and the Confirming Trader with the status of the requested imbalance trade no later than Noon on the next Business Day, including, if applicable, an explanation when the trade quantity is not equal to the trade quantity requested;
  - Chandeleur to effectuate the confirmed trade; and
  - Chandeleur to reflect the trade prior to or on the next monthly Shipper Imbalance or cashout. (NAESB WGQ 2.3.46)

An imbalance trade can only be withdrawn by the Initiating Trader and only prior to the Confirming Trader's confirmation of the trade. An Imbalance trade is considered final when confirmed by the Confirming Trader and effectuated by Chandeleur. (NAESB WGQ 2.3.47)

Chandeleur will finalize a trade of imbalances only if and when each party to the trade timely notifies Chandeleur of (i) the trade, (ii) the identity of the Shipper(s) with whom the trade was made, (iii) the relevant Chandeleur Service Agreement numbers for each Shipper involved in the trade, and (iv) the volumes traded, and

Chandeleur is able to verify that the afore-mentioned provided information is correct and a match.

When trading imbalances, a quantity must be specified. (NAESB WGQ 2.3.45)

(c) Cash Out of Remaining Imbalances

(i) On or after the last calendar Day of each Month following the Month during which the imbalance arose, all remaining Net Positive or Net Negative Monthly Imbalances for each Shipper will be divided by the sum of the total gas volumes delivered under all such Service Agreements for such Shipper during such Month during which the imbalance arose to yield Shipper's Net Imbalance Percentage for said Month.

(ii) If Shipper has a Net Positive Monthly Imbalance for such Month, then Chandeleur shall pay Shipper, within ten (10) Business Days from the date of the invoice, for each and every Dt of such Net Positive Monthly Imbalance the Applicable Index Price, based on the aforementioned Net Imbalance Percentage, according to the following tiers:

Net Imbalance Percentage	Applicable Index Price (per Dt of Net Positive Monthly Imbalance)
Equal to or less than 2.5%	100% x Weekly Average Price
Greater than 2.5% but less than or equal to 5%	95% x Weekly Average Price
Greater than 5% but less than or equal to 10%	90% x Weekly Average Price
Greater than 10% but less than or equal to 20%	80% x Weekly Average Price
Greater than 20% but less than or equal to 30%	70% x Weekly Average Price
Greater than 30%	60% x Weekly Average Price

For purposes of determining the tier at which an imbalance will be cashed out, the Applicable Index Price will apply only to volumes within a particular tier. For example, if there is a Net Positive Monthly Imbalance that equates to a Net Imbalance Percentage of 7%, the volumes that make up the first 2.5% (i. e., "Equal to or less than 2.5%") of the Net Positive Monthly Imbalance will be priced at 100% of the Applicable Index Price, volumes that make up the next 2.5% (i. e., "Greater than 2.5% but less than or equal to 5%") of the Net Positive Monthly Imbalance will be priced at 95% of the Applicable Index Price, and volumes that make up the remaining 2.0% (i. e., "Greater than 5% but less than or equal to 10%") of the Net Positive Monthly Imbalance will be priced at 90% of the Applicable Index Price.

(iii) If Shipper has a Net Negative Monthly Imbalance for such Month, then Shipper shall pay Chandeleur, within ten (10) Business Days from the date of the invoice, for each and every Dt of such Net Negative Monthly Imbalance the Applicable Index Price, based on the aforementioned Net Imbalance Percentage, according to the following tiers:

Net Imbalance Percentage	Applicable Index Price (per Dt of Net Positive Monthly Imbalance)
Equal to or less than 2.5%	100% x Weekly Average Price
Greater than 2.5% but less than or equal to 5%	105% x Weekly Average Price
Greater than 5% but less than or equal to 10%	110% x Weekly Average Price
Greater than 10% but less than or equal to 20%	120% x Weekly Average Price
Greater than 20% but less than or equal to 30%	130% x Weekly Average Price
Greater than 30%	140% x Weekly Average Price

For purposes of determining the tier at which an imbalance will be cashed out, the Applicable Index Price will apply only to volumes within a particular tier. For example, if there is a Net Negative Monthly Imbalance that equates to a Net Imbalance Percentage of 7%, the volumes that make up the first 2.5% (i. e., "Equal to or less than 2.5%") of the Net Negative Monthly Imbalance will be priced at 100% of the Applicable Index Price, volumes that make up the next 2.5% (i. e., "Greater than 2.5% but less than or equal to 5%") of the Net Negative Monthly Imbalance will be priced at 105% of the Applicable Index Price, and volumes that make up the remaining 2.0% (i. e., "Greater than 5% but less than or equal to 10%") of the Net Negative Monthly Imbalance will be priced at 110% of the Applicable Index Price. All payments shall be in accordance with Section 8.9.2 of the General Terms and Conditions of this Tariff.

For these purposes, the Weekly Average Price shall be the arithmetic average of the weekly average prices for spot gas supplies at "Transco Zone 4," Southeast, in the table "Natural Gas Weekly Spot Prices" of the publication of "Natural Gas Week." The weeks to be used in determining each Month's Weekly Average Price shall include all weeks that such publication is issued within the calendar Month during which the imbalance accrued, plus the first week of the next succeeding Month. The Applicable Index Prices resulting from the above calculations shall be computer to four decimal places.

(d) Imbalances Resulting From Force Majeure

Imbalances created as a direct result of a force majeure event on Chandeleur's system during a Month shall be resolved by Chandeleur and Shipper pursuant to the provisions of this section; provided, however, that the price to be paid by Chandeleur or Shipper for any Net Positive or Net Negative Monthly Imbalance created during the period in which such force majeure event occurred shall be the Applicable Index Price for the "Equal to or less than 2.5% Net Imbalance Percentage" for the period during which the force majeure event occurred, regardless of the size of the Net Positive or Net Negative Monthly Imbalance. Such payments shall be made within thirty (30) Days of the end of such force majeure event.

(e) Imbalances Resulting From Prior Period Adjustments

Imbalances created as a direct result of a prior period adjustment shall be resolved by Chandeleur and/or Shipper in the same manner as set forth above, except that they shall not be eligible for trading, and shall be priced at the Applicable Index Price(s) for the month to which the prior period adjustment is applicable. All payments relating to imbalances resulting from prior period adjustments shall be made within ten (10) Business Days from the date of receipt of any invoice or imbalance statement detailing the Net Positive or Net Negative Imbalance that is the result of such prior period adjustment.

(f) Annual Billing Period and Annual True-Up Filing

During each Annual Billing Period, as hereinafter defined (Annual Billing Period), Chandeleur shall calculate the difference(s), if any, between the revenues it collects and the costs it incurs under this Section 8.8.4 during such Annual Billing Period. For these purposes, Annual Billing Period is defined as the one year period beginning on April 1 of each calendar year and ending on March 31 of the next succeeding calendar year, except for the first Annual Billing Period which shall be defined as the period beginning on the effective date of this Section 8.8.4 and ending on March 31 of the next succeeding calendar year. To the extent the difference between the revenues Chandeleur collects pursuant to this Section 8.8 and the costs it incurs pursuant to this Section 8.8 is less than One Hundred Thousand Dollars (\$100,000), Chandeleur shall carry forward the difference to the next Annual Billing Period. To the extent the difference between the revenues Chandeleur collects pursuant to this Section 8.8 and the costs it incurs pursuant to this Section 8.8 is greater than One Hundred Thousand Dollars (\$100,000), Chandeleur shall file (Annual True-Up Filing), within thirty (30) Days of the end of said Annual Billing Period, to establish a volumetric negative (if revenues exceed costs) or positive (if costs exceed revenues) surcharge applicable to both its FT-1 and IT-1 Rate Schedules to true-up said difference(s) over the next Annual Billing Period. Such surcharge shall be calculated based on the projected FT-1 and IT-1 quantities for the next Annual Billing Period. Notwithstanding any other provision of this FERC Gas Tariff, Chandeleur shall retain all revenues received from any Shipper pursuant to this Section 8.8.4 if that Shipper had been granted a rate less than the applicable maximum tariff rate during any Month of the Annual Billing Period to which this Section 8.8.4(f) applies.

(g) Operational Transactions

(i) Chandeleur may buy, sell, and/or borrow or tender gas, for return at a later date (each individually an "Operational Transaction") to the extent necessary to:

- 1) maintain system pressure and line pack;
- 2) manage system imbalances, fuel, and loss and unaccounted for retentions;
- 3) perform other operational functions of Chandeleur in connection with the transportation of gas; and,
- 4) otherwise protect the operational integrity of Chandeleur's system.

(ii) All such Operational Transactions shall be made on an unbundled basis on Chandeleur, with the purchaser or receiver of the gas sold or tendered by Chandeleur responsible for any transportation on Chandeleur. Sales by Chandeleur shall be made at receipt point(s) on Chandeleur's system, and have a lower scheduling priority than firm

service. Other Operational Transactions shall be made at those locations where the gas may be operationally needed from time to time.

- (iii) Prior to making any purchases or sales under this Section 8.8.4(g), Chandeleur shall post such purchase and sales quantities for bidding on its electronic bulletin board in accordance with the applicable bidding provisions that will be posted at the time of the purchase/sale. Chandeleur reserves the right, in its sole discretion
  - 1) to withdraw its postings;
  - 2) reject all bids due to operational changes; and/or
  - 3) reject any bids that do not meet, or that contain modifications to, the terms of the posting or that contain terms that are operationally unacceptable.
  
- (iv) In addition to the Annual True-Up Filing concerning imbalance cash outs pursuant to Section 8.8.4(f), Chandeleur shall file a report (Operational Transaction(s) Report) on or before April 1 of each year reflecting the Operational Transactions for the twelve Month period ending the previous December 31. The report shall include:
  - 1) the source of the gas making up the each Operational Transaction;
  - 2) the date of the Operational Transaction;
  - 3) the volumes/quantities associated with the Operational Transaction;
  - 4) the price/cost associated with any purchase/sale;
  - 5) the disposition of the revenues/costs of any purchase/sale, including their absorption by Chandeleur;
  - 6) an explanation of the purpose of any such Operational Transaction; and,
  - 7) whether Chandeleur exercised its rights under Section 8.8.4(g)(iii) above to withdraw or reject any bid.

8.9 TAXES

- 8.9.1 "Tax" shall mean any Tax (other than ad valorem, income or excess profits taxes), license, fee, assessment, or charge now or hereafter levied, assessed or made by any governmental authority on the Gas itself or on the act, right, or privilege of gathering, transportation, handling or delivery of Gas which is measured by the volume, value or the transportation charge of the Gas in question; provided however, that the term Tax shall not be deemed to include any general franchise tax imposed on corporations on account of their corporate existence or on their right to do business within the state as a foreign corporation.
- 8.9.2 Shipper agrees to pay or cause to be paid any Tax including new, additional and increased taxes imposed upon Chandeleur with respect to the Gas transported hereunder after the receipt of Gas by Chandeleur at Receipt Point and prior to the delivery of such Gas by Chandeleur to Shipper at the Delivery Point. Shipper agrees to pay or cause to be paid any Tax imposed upon Shipper with respect to the Gas transported hereunder after its delivery to Shipper from Chandeleur.



8.10 CONTROL AND RESPONSIBILITY

Shipper shall be in control and possession of the Gas to be transported hereunder and responsible for any damage or injury caused thereby until the same has been delivered to Chandeleur at the Receipt Point, after which delivery Chandeleur shall be in exclusive control and possession of such Gas and responsible for any injury or damage caused thereby until the same has been redelivered to Shipper at the Delivery Point after which delivery Shipper shall be in exclusive control and possession of such Gas and responsible for any injury or damage caused thereby.

8.11 WARRANTY

Shipper hereby warrants the title to all Gas delivered to Chandeleur for transportation hereunder, the right to deliver the same, and that it is free from all liens and adverse claims, and agrees, if notified thereof by Chandeleur, to indemnify and defend Chandeleur against all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse legal claims of any and all persons to or against said Gas.

FORCE MAJEURE

#### 8.12.1 Force Majeure

Should either Shipper or Chandeleur be rendered unable, wholly or in part, by force majeure to carry out its obligations under the Transportation Service Agreement, the obligations of such Party, so far as they are affected by force majeure, and the other Party's corresponding obligations shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch. Where practical, the Party affected by force majeure shall give notice of the occurrence to the other.

#### 8.12.2 Force Majeure Defined

(a) The term "force majeure," as employed herein, shall mean acts of God, strikes, lockouts or other industrial disturbance, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, partial or entire failure of Natural Gas wells, and any other causes, whether of the kind herein enumerated or otherwise, not reasonably within the control of the Party claiming suspension. Such term shall likewise include:

(1) In those instances where either Shipper or Chandeleur is required to obtain servitudes, rights-of-way grants, permits or licenses to enable it to fulfill its obligations hereunder, the inability of such Party to acquire, or the delays on the part of such Party in acquiring, at reasonable cost and after the exercise of reasonable diligence, such servitudes, rights-of-way grants, permits or licenses; and

(2) In those instances where Shipper or Chandeleur is required to furnish materials and supplies for the purpose of constructing or maintaining facilities or is required to secure permits or permissions from any governmental agency to enable it to fulfill its obligations hereunder, the inability of such Party to acquire, or the delays on the part of such Party in acquiring, at reasonable cost and after the exercise of reasonable diligence, such materials and supplies, permits and permissions.

(b) It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of opposing the Party when such course is inadvisable in the discretion of the Party having the difficulty.

(c) Suspension of Reservation Charges

In the event Chandeleur is unable on any Day to make deliveries due to a force majeure event, Chandeleur shall credit in full affected Shippers reservation charges only after the expiration of ten (10) Days of said force majeure event and only for service at primary points. In the event Chandeleur is unable on any Day due to a non-force majeure event, Chandeleur shall credit in full affected Shippers reservation

charges for and during the non-force majeure event but only for service at primary points. Shipper shall remain obligated to make payments for all or any portion of reservation charges applicable to firm transportation service provided under a Firm Service Agreement when Chandeleur is capable, wholly or in part, of performing its firm transportation obligations and Chandeleur's ability to perform such obligations is not affected by force majeure.

8.13 LAWS AND REGULATIONS

These General Terms and Conditions, the Rate Schedules to which they apply and any executed Transportation Service Agreements are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

8.14 WAIVER

No waiver by either Chandeleur or Shipper of any default by the other in the performance of any provision, condition or requirement herein shall be deemed to be a waiver of, or in any manner release the other from, performance of any other provision condition or requirement herein, nor deemed to be a waiver of, or in any manner release the other from, future performance of the same provision, condition or requirement; nor shall any delay or omission of either Chandeleur or Shipper to exercise any right hereunder in any manner impair the exercise of any such right or any like right accruing to it thereafter.



8.15 SUBJECT HEADINGS

Subject headings in Rate Schedules, General Terms and Conditions and Transportation Service Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the above nor to be considered in the interpretation of the same.

8.16 TITLE TRANSFER TRACKING

Nothing contained herein shall be construed to convey to Chandeleur title to the Natural Gas.

Chandeleur will accommodate Title Transfer Tracking (TTT) services on its single pooling point system, where TTT services are requested.

Chandeleur will support TTT services by means of the nominations, quick responses and scheduled quantities processes. At Chandeleur's election, the confirmation process may also be utilized with Title Transfer Tracking Service Providers within Chandeleur's system as a means of supporting TTT services. (NAESB WGQ 1.3.65)

All Third Party Account Administrators (3PADS) wishing to provide title transfer tracking services shall so notify Chandeleur. All coordination between 3PADS and Chandeleur will be performed under a contract between the parties. Where Chandeleur is a Title Transfer Tracking Service Provider on its system, tariff provisions (terms, conditions and rates) or general terms and conditions of Chandeleur, may take the place of a contract. (NAESB WGQ 1.3.66)

Upon reasonable request of the Third Party Account Administrator (3PAD), Chandeleur shall provide the 3PAD with one of the following for conducting title transfer tracking (TTT) activity: (1) location code(s); (2) contract identifier(s) used in the exchange of transactional data; or (3) both one and two above. In any event, TTT activity is always performed at or with respect to a location (physical or logical). (NAESB WGQ 1.3.67)

Chandeleur will communicate with any Title Transfer Tracking Service Provider (TTTSP) that performs according to the applicable contract between the TTTSP and Chandeleur, and that operates in accordance with those NAESB WGQ standards applicable to Title Transfer Tracking. (NAESB WGQ 1.3.69)

All Title Transfer Tracking services should be performed under a contract or other arrangement between the Account Holder and their Title Transfer Tracking Service Provider. (NAESB WGQ 1.3.68)

8.17 CREDITWORTHINESS

8.17.1 Chandeleur shall not be required to perform or continue service on behalf of any Shipper who is or has become insolvent, or who, at Chandeleur's request, fails within a reasonable time to demonstrate creditworthiness; provided, however, Chandeleur shall continue service to such Shipper if Shipper prepays for such service or furnishes good and sufficient security (as determined by Chandeleur in the exercise of reasonable discretion) in an amount equal to the cost of performing the service requested by Shipper for a three (3) month period.

Potential replacement Shippers who currently are not Shippers on Chandeleur or are not currently included on Chandeleur's firm or interruptible service request queue and who believe there is a possibility they may bid for released capacity on Chandeleur in the future may seek to satisfy Chandeleur's creditworthiness requirements prior to bidding for capacity and actually receiving service. Upon notification by a releasing Shipper of a pre-arranged replacement Shipper who has not met Chandeleur's creditworthiness standard or a potential replacement Shipper seeking to meet Chandeleur's creditworthiness standard, Chandeleur will run a Dun & Bradstreet Credit Report to establish potential replacement Shippers' creditworthiness for up to 3 months of service. This pre-qualification of creditworthiness will provide for a more efficient bidding process and faster implementation of capacity releases.

8.17.2 For the purpose of this section, the insolvency of a Shipper shall be evidenced by the filing by Shipper or any parent entity thereof (collectively referred to as "Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction of the premises adjudging Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of 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.

8.17.3 If Chandeleur requests additional information to be used for credit evaluation after the initiation of service, Chandeleur, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to Shipper and designate to whom the response should be sent. Chandeleur and Shipper may mutually agree to waive the requirements of this standard. (NAESB WGQ 0.3.3)

Upon receipt of either an initial or follow-up request from Chandeleur for information to be used for creditworthiness

evaluation, Shipper's authorized representative(s) shall acknowledge receipt of Chandeleur's request. Chandeleur and Shipper may mutually agree to waive the requirements of this standard. (NAESB WGQ 0.3.4)

Shipper's authorized representative(s) shall respond to Chandeleur's request for credit information, as allowed by Chandeleur's tariff, on or before the due date specified in the request. Shipper shall provide all the credit information requested by Chandeleur or provide the reason(s) why any of the requested information was not provided. (NAESB WGQ 0.3.5)

Upon receipt from Shipper of all credit information provided pursuant to applicable NAESB WGQ standards, Chandeleur shall notify Shipper's authorized representative(s) that it has received such information. Chandeleur and Shipper may mutually agree to waive the requirements of this standard. (NAESB WGQ 0.3.6)

- 8.17.4 At any time after Shipper is determined to be non-creditworthy by Chandeleur, Shipper may initiate a creditworthiness re-evaluation by Chandeleur. As part of Shipper's re-evaluation request, Shipper must either update or confirm in writing the prior information provided to Chandeleur 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. (NAESB WGQ 0.3.8)

After Chandeleur's receipt of Shipper's request for re-evaluation, including all required information pursuant to NAESB WGQ Standard 0.3.8 ("Shipper's Request"), within five (5) Business Days, Chandeleur 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 Chandeleur'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 Shipper's Request unless the parties mutually agree to some later date. (NAESB WGQ 0.3.9)

- 8.17.5 Shipper shall designate up to two representatives who are authorized to receive notices regarding Shipper's creditworthiness, including requests for additional information, pursuant to the applicable NAESB WGQ standards and shall provide to Chandeleur 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 to by the parties. The obligation of Chandeleur 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. Chandeleur shall designate, on its Internet website 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 Chandeleur shall manage internal distribution of any such confirmations. (NAESB WGQ 0.3.7)

In complying with the creditworthiness related notifications pursuant to the applicable NAESB WGQ standards, Shipper and Chandeleur may mutually agree to other forms of communication in lieu of Internet E-mail notification. (NAESB WGQ 0.3.10)

8.18 LATERAL LINE POLICY

- (1) Chandeleur may choose to build or contribute to the cost of building any lateral pipelines to Shippers' proposed facilities.
- (2) Nothing in this policy statement shall require Chandeleur to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act at the request of a Shipper or other party.

COMPLIANCE PLAN FOR TRANSPORTATION SERVICES AND AFFILIATED TRANSACTIONS

#### 8.19.1 Relationship with Marketing Affiliates

As applicable, pursuant to Part 358 of the Commission's regulations, all Chandeleur transmission function employees will function independently of its marketing function employees, and if there are any shared employees, they will not be used as a conduit for the disclosure of non-public transmission function information to marketing function employees.

As applicable, Chandeleur maintains separate security access systems for Chandeleur employees and any affiliates engaged in marketing functions at all of the Chandeleur facilities.



### 8.19.2 Transportation Service Requests

Requesting Shipper must provide the following information in writing to Chandeleur:

- (a) The date of receipt of the request (left blank for Chandeleur to fill in).
- (b) The date the request was accepted as valid (left blank for Chandeleur to fill in).
- (c) The specific affiliation of the requestor with Chandeleur and the extent of Chandeleur's affiliation, if any, with the person to be provided transportation services.
- (d) The extent of the supplier's affiliation with Chandeleur.
- (e) DUN's Number.
- (f) The identification of the Shipper making the request for service:
  - (1) Whether the requesting Shipper is a Local Distribution Company (LDC), an Interstate Pipeline, and Intrastate Pipeline, an End-user, a Producer, a Marketer, or Other (specify).
  - (2) Shipper's legal name and business address,
  - (3) Shipper's address(es) for notices and billing,
  - (4) Name, title and telephone number of Party(ies) authorized to request service or submit nominations for Shipper,
  - (5) Name, title and telephone number of Party(ies) authorized to perform day-to-day scheduling.
  - (6) A written statement from Shipper certifying that the deliverability behind each Receipt Point is or will be greater than or equal to the nominated Maximum Daily Quantity for any such point.
- (g) Type of transportation service requested (firm or interruptible; new or amended).
- (h) Contract Quantities
  - (1) The Maximum Daily Quantity applicable to each Receipt and Delivery Point; and
  - (2) The estimated total quantities to be transported during the period for which transportation is requested.

- (i) The producing area of the source of the gas requested to be transported
- (j) Term of Service
  - (1) Date service requested to commence; and
  - (2) Date service requested to terminate.
- (k) Receipt Point(s)
  - (1) The Receipt Point(s) into Chandeleur's system; and
  - (2) The name of the pipeline, gatherer, producer, or other entity delivering the gas into Chandeleur's system.
- (l) Delivery Point(s)
  - (1) Point(s) of delivery by Chandeleur; and
  - (2) The name of the pipeline or other entity receiving the Gas downstream of Chandeleur.
- (m) The state of the ultimate end-user of the gas.
- (n) The identity of Chandeleur rate schedules and the transportation rates applicable for such service.
- (o) Whether and by how much the cost of the gas to the affiliated marketer exceeds the price received for the sale of the gas by the affiliated marketer, after deducting associated costs, including those incurred for transportation; i.e., whether the gas is being sold at a loss.
- (p) A request for transportation shall also contain a written statement from Shipper certifying that Shipper has title to, or has a current contractual right to acquire title to, the Natural Gas to be transported by Chandeleur and has entered into, or will enter into, those arrangements necessary to assure all upstream and downstream transportation will be in place prior to commencement of service.

### 8.19.3 Complaint Procedure

Chandeleur uses the following procedure to address and to resolve complaints by Shippers and potential Shippers.

- (a) Any shipper or potential shipper who has a complaint regarding service or a request for service should report such complaint with sufficient details, in writing to:

Chandeleur Pipe Line, LLC  
1722 Routh Street, Suite 1300  
Dallas, Texas 75201  
Attn: Chief Compliance Officer

- (b) The complaint will be reviewed by Chandeleur and the shipper or potential shipper will be notified, in writing, within thirty (30) days of the receipt of the complaint. An initial response will be provided within 48 hours of receipt of the complaint to acknowledge that the complaint was received.

#### 8.19.4 Available Pipeline Capacity

Potential Shippers may receive information regarding the availability of Receipt Point, Delivery Point and mainline capacity and rates for firm and interruptible transportation either through Chandeleur's internet website or by submitting a valid request for transportation service pursuant to Section 8.19.2 of the General Terms and Conditions.

8.20 INTERNET WEBSITE SECURITY

Within five Business Days of a Shipper's request, Chandeleur shall provide the Shipper information, such as the user name and the security privileges, regarding users who have been granted access to Chandeleur's Customer Activities Web site on behalf of the Shipper.

The Shipper shall designate to Chandeleur up to two representatives who are authorized to receive such information and the obligation of Chandeleur to provide the information is waived until Chandeleur has received such designation.

The Shipper shall manage its own internal review and validation of users who have been identified. (NAESB WGQ 4.3.100)

8.21 FUEL AND LINE LOSS ALLOWANCE

Gas used for compressor station fuel and other utility purposes, including but not limited to line losses and other unaccounted-for Gas (including Gas lost through explosion, fire or other calamity) in the operation of Chandeleur's pipeline system, shall be furnished in kind by Shipper. The Fuel and Line Loss Allowance (FLLA) reimbursement percentage will be based on a 12-month period (which covers the preceding November through the following October) and will be recalculated annually by Chandeleur. Adjustment to the FLLA reimbursement percentage will be made in November of each year and will become effective January 1st of the following year and listed on Section 5, Statement of Rates. FLLA reimbursement volumes will be retained based on allocated receipt volumes.

This FLLA reimbursement percentage shall apply to Rate Schedules FT and IT. Shipper's nominated delivery quantities shall equal Shipper's nominated receipt quantities multiplied by  $(1 - \text{FLLA}\% / 100)$  rounded to the nearest Dekatherm. All Gas furnished in kind by Shipper and not measured as fuel use for compressors, etc. shall be allocated and classified as unaccounted-for Natural Gas.

The methodology to change the FLLA reimbursement percentage consists of, first, accumulating the total actual monthly Line Loss over the 12-month period. Second, divide this total Line Loss by the total throughput of the 12-month period to generate an actual Line Loss percentage rate. Third, round this percentage to the nearest 0.1%. Fourth, set this as the new FLLA reimbursement percentage effective January 1 of the next year. Any underrecoveries or overrecoveries will not be carried forward.

## 8.22 NOMINATION PROCEDURES

Once a Transportation Service Agreement has been properly executed, the movement of gas is initiated through a process call "nomination." Shippers shall furnish to the Chandeleur's Customer Service Representative nominations as to the quantity of Gas requested to transport, as well as the point(s) of receipt into the Chandeleur's system and point(s) of delivery out of the Chandeleur's system. Quantities nominated for each receipt and delivery point shall be stated in Dekatherms. The procedures provided herein are required for all Rate Schedules at all points on Chandeleur.

All nominations shall include shipper defined begin dates and end dates. All nominations excluding intraday nominations shall have roll-over options. Specifically, shippers shall have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of shipper's contract. (NAESB WGQ 1.3.5)

For the purposes of nominations, Chandeleur's entire system has been established as a single pooling point.

At the end of each Gas Day, Chandeleur shall provide the final scheduled quantities for the just completed Gas Day. With respect to the implementation of this process via the EDI/EDM, Chandeleur shall send an end of Gas Day Scheduled Quantity (NAESB WGQ Standard No. 1.4.5) and Scheduled Quantity for Operator (NAESB WGQ Standard No. 1.4.6). A receiver of either of these documents can waive the requirement to send such documents. (NAESB WGQ 1.3.3)

8.22.1 Nominations Timeline (NAESB WGQ 1.3.2 i, ii, iii, iv, v, and vi)

Chandeleur supports the following standard nomination cycles:

(i) The Timely Nomination Cycle

On the day prior to gas flow:

- 1:00 p.m. Nominations leave control of the Service Requester (SR);
- 1:15 p.m. Nominations are received by Chandeleur (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. Chandeleur sends the Quick Response to the SR;
- 4:30 p.m. Chandeleur receives completed confirmations from Confirming Parties;
- 5:00 p.m. SR and Point Operator receive scheduled quantities from Chandeleur.

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

(ii) The Evening Nomination Cycle

On the day prior to gas flow:

- 6:00 p.m. Nominations leave control of the SR;
- 6:15 p.m. Nominations are received by Chandeleur (including from TTTSPs);
- 6:30 p.m. Chandeleur sends the Quick Response to the SR;
- 8:30 p.m. Chandeleur receives completed confirmations from Confirming Parties;
- 9:00 p.m. Chandeleur provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties).

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

(iii) The Intraday 1 Nomination Cycle:

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the SR;
- 10:15 a.m. Nominations are received by Chandeleur (including from TTTSPs);
- 10:30 a.m. Chandeleur sends the Quick Response to the SR;
- 12:30 p.m. Chandeleur receives completed confirmations from Confirming Parties;
- 1:00 p.m. Chandeleur provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties).

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

(iv) The Intraday 2 Cycle

On the current Gas Day:

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



- 2:45 p.m. Nominations are received by Chandeleur(including from TTTSPs);
- 3:00 p.m. Chandeleur sends the Quick Response to the SR;
- 5:00 p.m. Chandeleur receives completed confirmations from Confirming Parties;
- 5:30 p.m. Chandeleur provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties).

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

(v) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the SR;
- 7:15 p.m. Nominations are received by Chandeleur (including from TTTSPs);
- 7:30 p.m. Chandeleur sends the Quick Response to the SR;
- 9:30 p.m. Chandeleur receives completed confirmations from Confirming Parties;
- 10:00 p.m. Chandeleur provides scheduled quantities to the affected SR and Point Operator.

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

- (vi) For purposes of NAESB WGQ Standard No. 1.3.2 (ii), (iii), (iv), and (v), the word "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

### 8.22.2 Nomination and Confirmation

- (a) Shipper's nominations shall contain the following information:
- (1) The Transportation Service Agreement number under which Gas flow is being nominated; and
  - (2) The receipt quantity of Gas and the delivery quantity (as adjusted for FLLA per Section 8.21) to be tendered in Dekatherms; and
  - (3) The receipt point, the upstream contract number, if applicable, and/or identifier code and the associated ranking; and
  - (4) The delivery point, the downstream contract number and/or identifier code and the associated ranking; and
  - (5) The term of the nomination (beginning and ending dates), provided the nomination begin and end dates are within the term of the Shipper's Transportation Service Agreement.
  - (6) To request Authorized Overrun transportation quantities, Shipper should separately nominate the Authorized Overrun quantities desired.
- (b) Scheduled Quantity

With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity will be the new confirmed quantity.

With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity will be the new confirmed quantity.

With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities will be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-

scheduled quantity will be the new confirmed quantity.

With respect to the above, if there is no response to a Request For Confirmation or an unsolicited Confirmation Response, Chandeleur shall provide the Shipper with the following information to explain why the nomination failed, as applicable:

- a) Chandeleur did not conduct the confirmation;
- b) the upstream confirming party did not conduct the confirmation;
- c) upstream Service Requester did not have the gas or submit the nomination;
- d) the downstream confirming party did not conduct the confirmation;
- e) the downstream Shipper did not have the market or submit the nomination.

This information will be furnished to the Shipper on the Scheduled Quantity document.

- (c) Shippers shall also provide to Chandeleur the following information; 1) the name, position and phone number of a person authorized by the Shipper to submit nominations, and 2) the name and phone number of the persons authorized by the Shipper to confirm the Shipper's nomination with Operators of the connected parties.

Each Shipper and their upstream and downstream connected parties are required to comply with all the provisions of Section 8.22.1 and are required to match daily Gas flows with confirmed nominated quantities.

Chandeleur reserves the right to take any necessary action to verify Gas is flowing as scheduled by Chandeleur. Upon request of Chandeleur, Shipper shall contact its source of supply and verify to Chandeleur that the source is flowing as scheduled hereunder.

### 8.22.3 Intraday Nominations

An intra-day nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day. Such nominations must be submitted on a currently existing Transportation Service Agreement and will be scheduled on a first-come, first-served basis.

Intraday bump notices shall indicate whether daily penalties will apply for the Gas Day for which quantities are reduced. (NAESB WGQ 1.3.51)

Intraday bump notices shall contain at least the affected Service Requester Contract, Receipt and/or Delivery Location, and Receipt and/or Delivery Point Quantity from the Scheduled Quantity (NAESB WGQ Standard No. 1.4.5). (NAESB WGQ 5.3.40)

- (a) Intraday nominations may be used to nominate new supply or market. (NAESB WGQ 1.3.33)

Intraday nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas. (NAESB WGQ 1.3.11)

A nomination reduction shall not result in a revised nomination which is less than the volume of Gas received or delivered on behalf of such Shipper by Chandeleur on that Gas day.

Intraday nominations do not roll over (i.e. intraday nominations span one Gas Day only). Intraday nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an intraday nomination modifies an existing nomination. (NAESB WGQ 1.3.13)

- (b) Shipper must obtain prior confirmation from all affected upstream and downstream Operators.
- (c) Intra-day nominations will be scheduled only if operationally feasible.
- (d) For services that provide for intraday nominations and scheduling, there is no limitation as to the number of intraday nominations (line items as per NAESB WGQ Standard No. 1.2.1) which a Shipper may submit at any one standard nomination cycle or in total across all standard nomination cycles. (NAESB WGQ 1.3.32)
- (e) All nominations, including intraday nominations, should be based on a daily quantity; thus, an intraday nominator need not submit an hourly nomination. Intraday nominations should include an effective date and time. The interconnected parties should agree on the hourly flows of the intraday nomination, if not otherwise addressed in transporter's contract or tariff. (NAESB WGQ 1.3.9)

8.22.4 Operation and Nomination Questions

Operation and nomination questions should be directed to:  
Customer Service Representative  
Phone (214)721-9474

8.23 COMPLIANCE WITH 18 CFR, SECTION 284.12

Chandeleur has adopted the Business Practice and Electronic Communications Standards, NAESB WGQ Version 3.0, and the standards revised by Minor Corrections MC15003, MC15004, MC15005, MC15009 and MC15012 all marked with an asterisk [\*], which are required by the Commission in 18 CFR, Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

**Standards not Incorporated by Reference and their Location in Tariff:**

<u>NAESB Standard</u>	<u>Tariff Record</u>
0.3.3	Creditworthiness, 8.17
0.3.4	Creditworthiness, 8.17
0.3.5	Creditworthiness, 8.17
0.3.6	Creditworthiness, 8.17
0.3.7	Creditworthiness, 8.17
0.3.8	Creditworthiness, 8.17
0.3.9	Creditworthiness, 8.17
0.3.10	Creditworthiness, 8.17
1.2.3	Definitions, 8.2
1.2.4	Definitions, 8.2
1.2.5	Definitions, 8.2
1.2.6	Definitions, 8.2
1.2.8	Definitions, 8.2
1.2.9	Definitions, 8.2
1.2.10	Definitions, 8.2
1.2.11	Definitions, 8.2
1.2.12	Definitions, 8.2
1.2.13	Definitions, 8.2
1.2.14	Definitions, 8.2
1.2.15	Definitions, 8.2
1.2.16	Definitions, 8.2
1.2.17	Definitions, 8.2
1.2.18	Definitions, 8.2
1.2.19	Definitions, 8.2
1.3.2(i-vi)	Nominations Timeline, 8.22.1
1.3.3	Nomination Procedures, 8.22
1.3.5*	Nomination Procedures, 8.22
1.3.6	Scheduling of Service by Priority, 8.6.2
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1.3.11*	Intra-Day Nominations, 8.22.3
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Standards:

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Data Sets:

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**Location Data Download:**

Standards:

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0.4.4\*

**Storage Information:**

Data Set:

0.4.1\*

**Nominations Related Standards:**

Definitions:

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Standards:

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1.3.17, 1.3.18, 1.3.19, 1.3.20, 1.3.21, 1.3.22, 1.3.23,  
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Data Sets:

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Standards:

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Standards:

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Data Sets:

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Definition:

4.2.20

Standards:

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4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35,  
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**Capacity Release Standards:**

Standards:

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5.3.21, 5.3.22, 5.3.23, 5.3.28, 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,  
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5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67,  
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Data Sets:

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Definitions:

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

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0.4.1	Extension of Time
0.4.2	Extension of Time
0.4.3	Extension of Time
1.4.1	Extension of Time
1.4.2	Extension of Time
1.4.3	Extension of Time
1.4.4	Extension of Time
1.4.5	Extension of Time
1.4.6	Extension of Time
1.4.7	Extension of Time
2.4.1	Extension of Time
2.4.2	Extension of Time
2.4.3	Extension of Time
2.4.4	Extension of Time
2.4.5	Extension of Time
2.4.6	Extension of Time
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2.4.8	Extension of Time
2.4.9	Extension of Time
2.4.10	Extension of Time
2.4.11	Extension of Time
2.4.17	Extension of Time
2.4.18	Extension of Time
3.4.1	Extension of Time
3.4.2	Extension of Time
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3.4.4	Extension of Time
5.4.14	Extension of Time
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5.4.16	Extension of Time
5.4.17	Extension of Time
5.4.20	Extension of Time
5.4.21	Extension of Time
5.4.22	Extension of Time
5.4.23	Extension of Time
5.4.24	Extension of Time
5.4.25	Extension of Time
5.4.26	Extension of Time
5.4.27	Extension of Time

## NEGOTIATED & DISCOUNTED RATES

#### 8.24.1 Negotiated Rate Availability

Chandeleur and Shipper may agree to Negotiated Rates, as defined in Section 8.2 of the General Terms and Conditions of this Tariff, for a specific term of service under any rate schedule contained in this tariff. The rates as shown by Chandeleur in its Statement of Rates tariff section are available as Recourse Rates for any Shipper that does not negotiate a rate with Chandeleur.

## 8.24.2 Negotiated Rate Applicability

- (a) Existing Service. Notwithstanding anything to the contrary contained in this Tariff, Chandeleur and Shipper may mutually agree to negotiate rates and contract term for all or any portion of the capacity under any existing service agreement, provided that Shipper has not acquired its capacity through a capacity release. If only a portion of the capacity under any existing service agreement will be priced at Negotiated Rates, the original service agreement must first be bifurcated, and Recourse Rates will continue to apply to the service agreement not subject to the Negotiated Rates.
- (b) New Service Requested by Shipper. Chandeleur and Shipper may mutually agree to Negotiated rates and contract term for any available capacity that is requested by Shipper.
- (c) Bids on Posted Capacity. If available capacity is posted for bid and Chandeleur has determined that it is willing to consider bids at Negotiated Rates, Chandeleur must specify in its posting that it will consider Negotiated Rate bids in addition to Recourse Rate and discounted Recourse Rate bids.
- (d) Expiring/Terminating Service. An existing Shipper with a right-of-first-refusal may retain all or a portion of its capacity, when such capacity is posted subject to Negotiated Rate offers, (1) by matching the highest Negotiated Rate offer submitted by another Shipper that meets or exceeds the lowest rate that Chandeleur is willing to accept for such service, or (2) by paying a Recourse Rate or discounted Recourse Rate that is equivalent to the Negotiated Rate for the capacity it wishes to retain; provided, however, that nothing herein shall obligate Chandeleur to render service to any Shipper at rates less than Chandeleur's then applicable maximum tariff rates.
- (e) Bid Evaluation Criteria. If Chandeleur determines that it is willing to accept Negotiated Rate offers for capacity that is available, it will state in its posting the specific basis on which Negotiated Rate offers will be considered and the bid evaluation criteria that will be used to determine the winning bid.
  - (1) If capacity is posted for a period of three days or less, the value of the guaranteed revenue for all bids must be determined using any of the following methods, as specified in the posting:
    - (i) Rate;
    - (ii) Revenue (rate x quantity); or
    - (iii) Net Present Value (rate x quantity x term, discounted using the interest rate(s) shown in the posting);
  - (2) If capacity is posted for a period of more than three days, Chandeleur may specify any bid evaluation method it chooses, provided that the bid evaluation criteria is non-discriminatory and assigns value only to guaranteed revenues. The evaluation method will be described in sufficient detail so that other parties can duplicate the calculation.
  - (3) The value of a Negotiated Rate bid will be capped at the value of a Recourse Rate bid under comparable terms.
  - (4) If more than one bid has the same value, capacity will be awarded to the bid with the highest rate.

### 8.24.3 Negotiated Rate Filing Requirement

Chandeleur will submit to the Commission a tariff section stating the name of the Shipper, the Negotiated Rate, the rate schedule, the receipt and delivery points, the contract quantities and the term applicable to any Negotiated Rate service agreement. Unless Chandeleur executes and files a non-conforming service agreement, such tariff section will contain a statement that the Negotiated Rate service agreement does not deviate in any material aspect from the form of service agreement in the tariff for the applicable rate schedule. Other than the rate referenced in Section 3.0 "Rate Schedule and Price."



8.24.4 Limitations

This Section 8.24 does not authorize Chandeleur to negotiate terms and conditions of service.

#### 8.24.5 Discounted Rates

Chandeleur may at any time, and in its sole discretion, selectively discount the rate(s) applicable to any Shipper the FT and IT Rate Schedules set forth in this Tariff. Discounts will be applied only to the Reservation Rates for FT service, and to the Usage Rate for IT service. Such discounted rate (s) shall not be less than the minimum rate(s) for the applicable service as set forth in the currently effective Statement of Rates of this Tariff.

Chandeleur may agree to apply the following types or combinations of discounts:

- a) specified quantities;
- b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level;
- c) quantities during a specified time period;
- d) quantities at or between specified points, or other geographically defined areas; or
- e) other, as offered equitably to similarly situated Shippers.

#### 8.24.6 Discount Retention Policy

A Shipper granted a discounted rate with Chandeleur which is limited to service to a specific receipt and delivery point can request that it be permitted to retain that discount rate when seeking to use Alternate Receipt and / or Delivery Points as part of the Shipper's segmentation, capacity release, or flexible receipt and delivery point rights under this Tariff. A discount rate will not be retained by Shipper if Chandeleur can demonstrate that it has not granted a discount with respect to a similarly situated shipper at the point(s). If no discount has been granted to a similarly situated shipper at the point(s), Shipper requesting the discount retention will be subject to the Maximum Rate as set forth in the currently effective Statement of Rates at the requested point(s). If the discount is to be retained by Shipper, Shipper will pay the higher of its contractual rate or the discount rate applicable to the similarly situated Shipper at the point(s).

8.24.7 Processing Discount Retention Requests

Chandeleur will process discount retention requests in the following manner:

- Requests received by 4:00 P.M. Central Clock Time on a Business Day will be processed within two (2) hours of Chandeleur receiving the request.
- Requests received after 4:00 P.M. Central Clock Time on a Business Day will be processed by 8:30 A.M. Central Clock Time on the following Business Day.

STATEMENT OF NEGOTIATED RATES

<u>Shipper Identification</u>	<u>Type of Service</u>	<u>Term of Contract</u>	<u>Dth/d</u>	<u>Reservation Charge(s)</u>	<u>Usage Charge(s)</u>	<u>Primary Receipt Point</u>	<u>Primary Delivery Point</u>
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## 8.25 NONCONFORMING AGREEMENTS

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE FT, dated July 30, 2004, by and between Chandeleur Pipe Line Company and Chevron U.S.A., Inc., Agreement No. CF-46

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated January 1, 1994, by and between Chandeleur Pipe Line Company and Chevron U.S.A. Inc., Agreement No. CI-01

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated July August 31, 2000, by and between Chandeleur Pipe Line Company and Range Energy Services Company, Agreement No. CI-55

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated August 1, 2002, by and between Chandeleur Pipe Line Company and Superior Natural Gas Corporation, Agreement No. CI-58

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated April 1, 2003, by and between Chandeleur Pipe Line Company and Western Gas Resources, Inc., Agreement No. CI-60

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated July 1, 2004, by and between Chandeleur Pipe Line Company and MoBay Storage Hub, Inc., Agreement No. CI-64

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated August 4, 2004, by and between Chandeleur Pipe Line Company and Magnus Energy Marketing, Ltd., Agreement No. CI-65

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated February 4, 2005, by and between Chandeleur Pipe Line Company and Cheyenne Petroleum Company, Agreement No. CI-66

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated August 16, 2006, by and between Chandeleur Pipe Line Company and Infinite Energy Inc., Agreement No. CI-69

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated September 1, 2007, by and between Chandeleur Pipe Line Company and Sequent Energy Management, LP, Agreement No. CI-70

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated October 1, 2007, by and between Chandeleur Pipe Line Company and PPM Energy Inc., Agreement No. CI-71

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated October 1, 2007, by and between Chandeleur Pipe Line Company and Petsec Energy Inc., Agreement No. CI-72

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated October 1, 2007, by and between Chandeleur Pipe Line Company and Cokinos Gas Company, Agreement No. CI-73

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated November 1, 2007, by and between Chandeleur Pipe Line Company and ConocoPhillips, Agreement No. CI-74

TRANSPORTATION SERVICE AGREEMENT FOR RATE SCHEDULE IT, dated November 28, 2007, by and between Chandeleur Pipe Line Company and BG Energy Merchants, LLC, Agreement No. CI-75

FORM OF SERVICE AGREEMENTS

SERVICE AGREEMENT FOR FIRM TRANSPORTATION  
SERVICE UNDER FT-1 RATE SCHEDULE  
CONTRACT NO. \_\_\_\_\_

THIS AGREEMENT ("Transportation Service Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Chandeleur Pipe Line, LLC, a Delaware limited liability company, hereinafter referred to as "Chandeleur," and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper."

1.0 OBLIGATION TO TRANSPORT

The Parties hereto agree that Chandeleur will accept and receive from Shipper Natural Gas at the Receipt Point(s) specified hereunder in the manner and subject to the conditions herein and as set forth in Rate Schedule FT and the General Terms and Conditions of Chandeleur's effective FERC Gas Tariff, which are hereby made a part hereof.

2.0 QUANTITY TO BE TRANSPORTED

2.1 Subject to the General Terms and Conditions and Chandeleur's Rate Schedule FT, Chandeleur agrees to accept such volumes of Natural Gas as Shipper may cause to be tendered to Chandeleur at the Receipt Point(s) specified hereunder; provided, however, that Chandeleur shall not be obligated to accept on any Day a volume of Natural Gas in excess of \_\_\_\_\_ Dth, which is Shipper's Contract Demand.

2.2 Chandeleur shall deliver and Shipper shall accept such volume of Natural Gas as specified in Exhibit A at the Delivery Point(s) specified in Exhibit A.

3.0 RATE SCHEDULE AND PRICE

Shipper shall pay Chandeleur for all service rendered hereunder in accordance with Rate Schedule FT and the General Terms and Conditions, particularly the provisions of Sections 8.7.1(c) and 8.8.2 of Chandeleur's FERC Gas Tariff as the same may be amended or superseded from time to time by Chandeleur.

4.0 TERM OF AGREEMENT

4.1 This Transportation Service Agreement shall continue and remain in full force for a period of \_\_\_\_\_ from the effective date hereof, and thereafter unless terminated by either party giving notice of termination not less than ninety (90) Days prior to commencement of any contract Month.

4.2 This Transportation Service Agreement supersedes and cancels as



of the effective date hereof the following contracts between the Parties hereto:

5.0 ASSIGNS

This Transportation Service Agreement shall be binding upon, and inure to the benefit of the Parties hereto and their respective successors and assigns.

6.0 NOTICES

Except as herein otherwise provided, any notice, request, demand, statement, bill or payment provided for in this Transportation Service Agreement, or any notice which any Party may desire to give to the other shall be in writing and shall be considered as duly delivered when mailed by registered or ordinary mail to the post office address of the Parties hereto, as the case may be, as follows:

Chandeleur:

Payments: Chandeleur Pipe Line, LLC  
1722 Routh Street, Suite 1300  
Dallas, Texas 75201

Other: Chandeleur Pipe Line, LLC  
1722 Routh Street, Suite 1300  
Dallas, Texas 75201

Shipper:

Invoices:

Notices:

Other:

7.0 OTHER PROVISIONS IN WITNESS WHEREOF, the Parties hereto have caused their authorized officers to execute this Agreement the Day and Year hereinafter set forth.

CHANDELEUR PIPE LINE, LLC

By: \_\_\_\_\_

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

\_\_\_\_\_

By: \_\_\_\_\_

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

As Shipper

EXHIBIT A

To The Firm  
 Transportation Service Agreement  
 Dated \_\_\_\_\_  
 Between Chandeleur Pipe Line, LLC  
 And \_\_\_\_\_  
 Contract No. \_\_\_\_\_

1.0 RECEIPT POINTS

Receipt Point(s):

Description of Receipt Point(s)	Maximum Pressure	Maximum Daily Quantity (Dth)
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2.0 DELIVERY POINTS

Delivery Point(s):

Description of Delivery Point(s)	Maximum Pressure	Maximum Daily Quantity (Dth)
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SERVICE AGREEMENT FOR  
INTERRUPTIBLE TRANSPORTATION SERVICE  
UNDER IT-1 FOR RATE SCHEDULE  
CONTRACT NO. \_\_\_\_\_

THIS AGREEMENT ("Transportation Service Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Chandeleur Pipe Line, LLC, a Delaware limited liability company, hereinafter referred to as "Chandeleur," and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as "Shipper."

1.0 OBLIGATION TO TRANSPORT

The Parties hereto agree that Chandeleur will accept and receive from Shipper Natural Gas at the Receipt Point(s) specified hereunder in the manner and subject to the conditions herein and as set forth in Rate Schedule IT and the General Terms and Conditions of Chandeleur's effective FERC Gas Tariff, which are hereby made a part hereof.

2.0 QUANTITY TO BE TRANSPORTED, RECEIPT POINT(S), DELIVERY POINT(S), AND PRESSURES

2.1 Subject to the General Terms and Conditions and Chandeleur's Rate Schedule IT, Chandeleur agrees to accept such volumes of Natural Gas as Shipper may cause to be tendered to Chandeleur at the Receipt Point(s) specified hereunder; provided, however, that Chandeleur shall not be obligated to accept on any Day a volume of Natural Gas in excess of \_\_\_\_\_ Dth, which is Shipper's Contract Demand.

2.2 All Receipt Points and Delivery Points listed in the Informational Postings section of Chandeleur's Internet web site shall be available for transportation service under this Transportation Service Agreement. Priority of transportation service using such points will be determined pursuant to Section 8.6 of the General Terms and Conditions incorporated by reference into Chandeleur's IT-1 Rate Schedule.

3.0 RATE SCHEDULE AND PRICE

Shipper shall pay Chandeleur for all service rendered hereunder in accordance with Rate Schedule IT and the General Terms and Conditions of Chandeleur's FERC Gas Tariff as the same may be amended or superseded from time to time by Chandeleur.

4.0 TERM OF AGREEMENT

4.1 This Transportation Service Agreement shall continue and remain in full force for a period of \_\_\_\_\_ from the effective date hereof, and thereafter unless terminated by either party giving notice of termination not less than ninety (90) Days prior to commencement of any contract Month.

4.2 This Transportation Service Agreement supersedes and cancels as of the effective date hereof the following contracts between the Parties hereto:

5.0 ASSIGNS

This Transportation Service Agreement shall be binding upon, and inure to the benefit of the Parties hereto and their respective successors and assigns.

6.0 NOTICES

Except as herein otherwise provided, any notice, request, demand, statement, bill or payment provided for in this Transportation Service Agreement, or any notice which any Party may desire to give to the other shall be in writing and shall be considered as duly delivered when mailed by registered or ordinary mail to the post office address of the Parties hereto, as the case may be, as follows:

Chandeleur:

Payments: Chandeleur Pipe Line, LLC
1722 Routh Street, Suite 1300
Dallas, Texas 75201

Other: Chandeleur Pipe Line, LLC
1722 Routh Street, Suite 1300
Dallas, Texas 75201

Shipper:

Invoices:

Notices:

Other:

7.0 OTHER PROVISIONS IN WITNESS WHEREOF, the Parties hereto have caused their authorized officers to execute this Agreement the Day and Year hereinafter set forth.

CHANDELEUR PIPE LINE, LLC

By: \_\_\_\_\_

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

\_\_\_\_\_

By: \_\_\_\_\_

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

As Shipper

FORM OF TEMPORARY TERM TRANSPORTATION  
SERVICE AGREEMENT  
FOR CAPACITY RELEASES

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, by Chandeleur Pipe Line, LLC, a Delaware limited liability company, hereinafter referred to as "Chandeleur," and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as "Shipper."

1.0 OBLIGATION TO TRANSPORT

The Parties hereto agree that Chandeleur will accept and receive from Shipper Natural Gas at the Receipt Point(s) specified hereunder for delivery to Shipper, or for its account, at the Delivery Point(s) specified hereunder in the manner and subject to the conditions set forth in Shipper's winning bid for released capacity or its pre-arranged acquisition of capacity and the General Terms and Conditions of Chandeleur's effective FERC Gas Tariff, which are hereby made a part hereof.

2.0 QUANTITY TO BE TRANSPORTED

2.1 Subject to the General Terms and Conditions, Chandeleur agrees to accept such volumes of Natural Gas as Shipper may cause to be tendered to Chandeleur at the Receipt Point(s) specified hereunder; provided, however, that Chandeleur shall not be obligated to accept on any Day a volume of Natural Gas in excess of \_\_\_\_\_ Dth, which capacity is Shipper's Contract Demand obtained by winning bid for released capacity or its pre-arranged acquisition of capacity.

2.2 Chandeleur shall deliver and Shipper shall accept such volume of Natural Gas as specified in Exhibit A at the Delivery Point(s) specified in Exhibit A.

3.0 RATE SCHEDULE AND PRICE

Shipper shall pay Chandeleur for all service rendered hereunder in accordance with the price set forth in Shipper's winning bid for released capacity or its pre-arranged acquisition of capacity and the General Terms and Conditions of Chandeleur's FERC Gas Tariff as the same may be amended or superseded from time to time by Chandeleur.

4.0 TERM OF AGREEMENT

4.1 This Transportation Service Agreement shall continue and remain in full force for a period of \_\_\_\_\_ from the effective date hereof, and thereafter unless terminated by either party giving notice of termination not less than ninety (90) Days prior to

commencement of any contract Month.

4.2 This Transportation Service Agreement supersedes and cancels as of the effective date hereof the following contracts between the Parties hereto:

5.0 ASSIGNS

This Transportation Service Agreement shall be binding upon, and inure to the benefit of the Parties hereto and their respective successors and assigns.

6.0 NOTICES

Except as herein otherwise provided, any notice, request, demand, statement, bill or payment provided for in this Transportation Service Agreement, or any notice which any Party may desire to give to the other shall be in writing and shall be considered as duly delivered when mailed by registered or ordinary mail to the post office address of the Parties hereto, as the case may be, as follows:

Chandeleur:

Payments: Chandeleur Pipe Line, LLC  
1722 Routh Street, Suite 1300  
Dallas, Texas 75201

Other: Chandeleur Pipe Line, LLC  
1722 Routh Street, Suite 1300  
Dallas, Texas 75201

Shipper:

Invoices:

Notices:

Other:

7.0 NOTIFICATIONS TO RELEASING SHIPPER

Shipper acknowledges and agrees that, in accordance with NAESB WGQ 5.3.60, Chandeleur will provide releasing Shipper, \_\_\_\_\_, with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Chandeleur to Shipper, of the following:

- (1) Notice to Shipper regarding Shipper's past due, deficiency, or default status pursuant to Chandeleur's FERC Gas Tariff;
- (2) Notice to Shipper regarding Shipper's suspension of service notice;
- (3) Notice to Shipper regarding Shipper's contract termination notice due to default or credit-related issues; and
- (4) Notice to Shipper that Shipper is no longer creditworthy and has not provided credit alternative(s) pursuant to Chandeleur's FERC Gas Tariff.

IN WITNESS WHEREOF, the Parties hereto have caused their authorized officers to execute this Agreement the Day and Year hereinafter set forth.

CHANDELEUR PIPE LINE, LLC

By: \_\_\_\_\_

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

\_\_\_\_\_

By: \_\_\_\_\_

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

As Shipper

FORM OF TEMPORARY TERM TRANSPORTATION  
SERVICE AGREEMENT  
FOR CAPACITY RELEASES

EXHIBIT A

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1.0 RECEIPT POINTS

Receipt Point(s):

Description of Receipt Point(s)	Maximum Pressure	Maximum Daily Quantity (Dth)
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2.0 DELIVERY POINTS

Delivery Point(s):

Description of Delivery Point(s)	Maximum Pressure	Maximum Daily Quantity (Dth)
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