

KO Transmission Company

Effective Date: 09/20/2010

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FERC Order: Delegated Letter Order

FERC Gas Tariff Vol. No 1, Cover and Table of Contents, 0.0.0 A

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11/24/2010

FERC GAS TARIFF VOLUME NO. 1

of

KO TRANSMISSION COMPANY
FILED WITH
THE FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this Tariff should be addressed to:

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KO Transmission Company			
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Part 1, Preliminary Statement, 0.0.0 A			

PRELIMINARY STATEMENT

KO Transmission Company is a natural gas pipeline company principally engaged in the business of transporting natural gas in interstate commerce under the authorization and the jurisdiction of the Federal Energy Regulatory Commission. The facilities owned by Transporter consist of a natural gas pipeline network located in the states of Kentucky and Ohio.

KO Transmission Company's ownership consists of:

(a)

a 48.77% interest in the pipeline system referred to herein as the "Kentucky system" previously fully owned by Columbia Gas Transmission Corporation ("Columbia"). As continuing Owner-Operator, Columbia will be fully responsible for all operations of the Kentucky system, including maintenance, inspection, replacement and repairs, and shall procure and furnish all necessary materials, equipment, services, supplies and labor. The Operating Agreement, signed between KO Transmission Company and Columbia on March 31, 1994, and subsequently amended on September 30, 2004 and January 13, 2009 is consistent with the provisions of this Tariff and provides that Columbia shall monthly bill KO Transmission Company for a share of all expenses prudently incurred. The Operating Agreement grants both parties the reciprocal right to use their undivided ownership interests and provides that the cost of operation shall be divided in accordance with their respective shares. The shared cost for operating and maintaining the Kentucky system to be borne by KO Transmission Company include: (i) Kentucky system Operation and Maintenance ("O&M") expenses, (ii) an allocable share of Columbia's Kentucky system Administrative and General ("A&G") expenses and (iii) applicable taxes. Neither party is permitted to utilize any portion of the undivided interest belonging to the other party.

(b)

In addition to its purchase of the 48.77% interest in the Kentucky system, KO Transmission has also acquired from Columbia a 100% interest in a portion of Line AM-4. This portion will be operated by personnel of Duke Energy Ohio, Inc., and/or Duke Energy Kentucky, Inc., who will allocate that portion of expense to KO Transmission.

The Company's services are provided on a non-discriminatory basis upon satisfaction of the requirements set forth in the applicable rate schedules, service agreement and general terms and conditions applicable to such services.

This tariff is filed in compliance with Part 154, Subchapter E, Chapter I, Title 18, of the Code of Federal Regulations.

KO Transmission Company

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Part 2, Maps, 0.0.0A

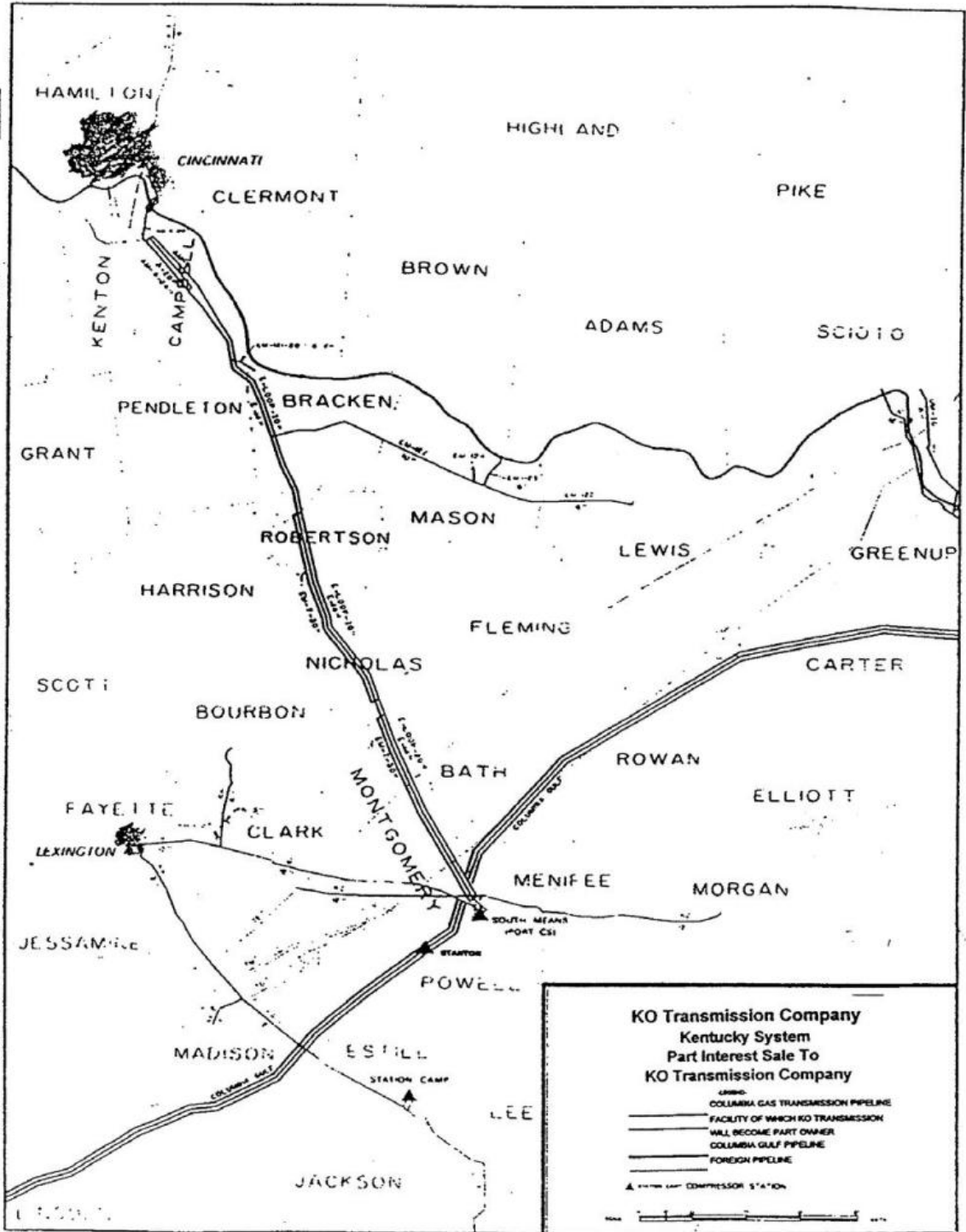
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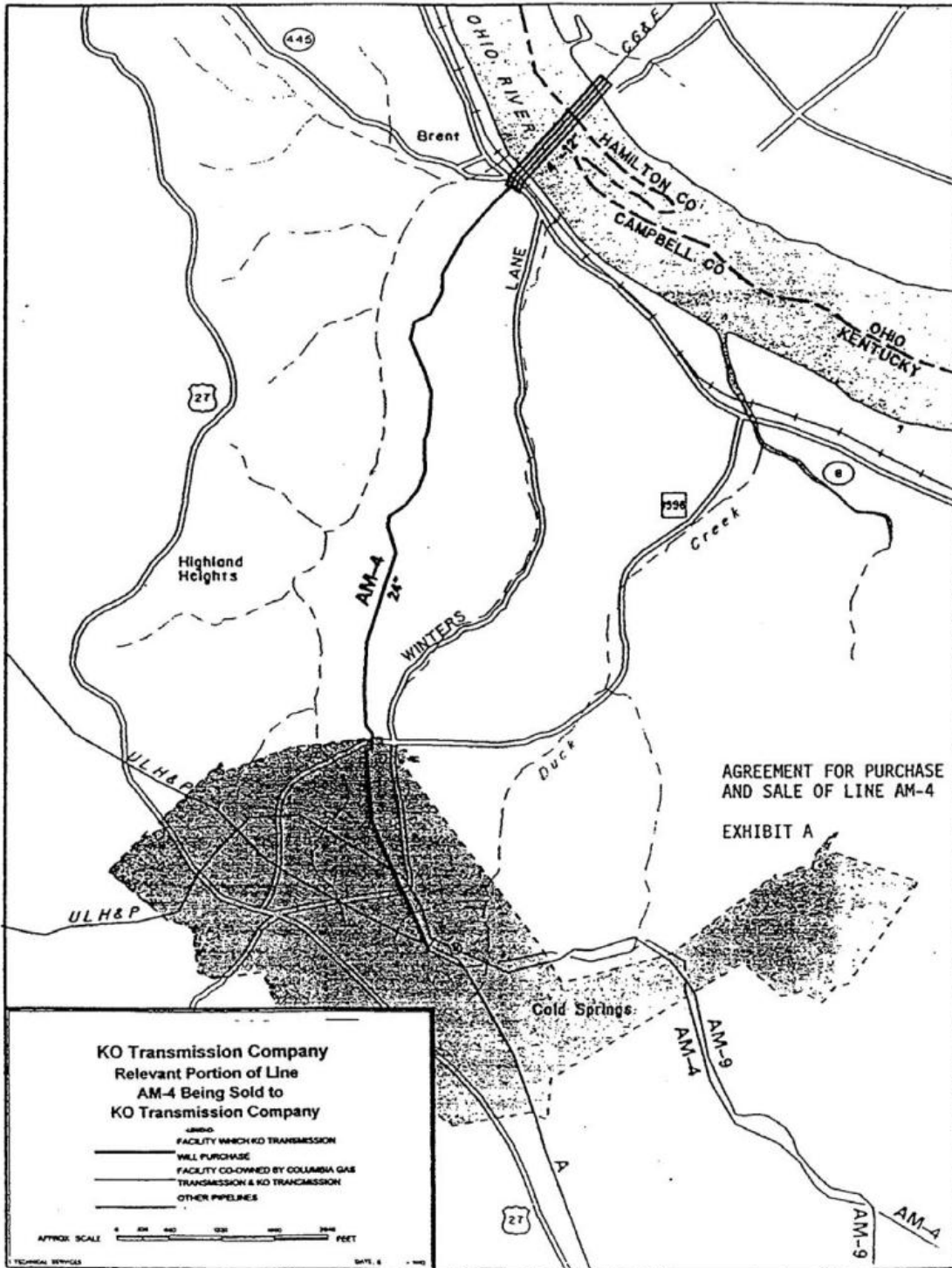
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MAPS





KO Transmission Company, Tariffs, Rate Schedules and Service Agreements			
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FERC Order:	delegated order	Order Date:	03/22/2011
Effective Date:	04/01/2011	Status:	Effective
Part 3, Currently Effective Rates, 2.0.0			

**CURRENTLY EFFECTIVE RATES
APPLICABLE TO RATE SCHEDULES FTS AND ITS**

RATE LEVELS - RATE PER DTH

	Base Tariff Rate	Annual Charge Adjustment^{1/}	Total Effective Rate
RATE SCHEDULE FTS			
Reservation Charge ^{2/}			
Maximum 1	\$0.3560	--	\$0.3560
Maximum 2	\$0.3560	--	\$0.3560
Daily Rate - Maximum 1	\$0.0117	--	\$0.0117
Daily Rate - Maximum 2	\$0.0117	--	\$0.0117
Commodity			
Maximum	\$0.0000	\$0.0019	\$0.0019
Minimum	\$0.0000	\$0.0019	\$0.0019
Overrun	\$0.0117	\$0.0019	\$0.0136
RATE SCHEDULE ITS			
Commodity			
Maximum	\$0.0117	\$0.0019	\$0.0136
Minimum	\$0.0000	\$0.0019	\$0.0019

^{1/} ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made.

^{2/} Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment 0.94%

NOTE: Utilizing GISB standards 5.3.22 and 5.3.23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30.4 days.

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Part 4, Rate Schedules, 0.0.0 A

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RATE SCHEDULES

KO Transmission Company
Effective Date: 09/20/2010 Status: Effective
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order Order Date: 11/24/2010
Rate Schedule FTS, Firm Transmission Service, 0.0.0 A

RATE SCHEDULE FTS

Firm Transportation Service

1. Availability

Service under this rate schedule is available for the transportation of natural gas by KO Transmission Company (Transporter) for any Shipper, providing that:

(a)

Transporter has sufficient facilities and transportation capacity available to receive gas from or on behalf of Shipper and deliver gas to or for Shipper,

(b)

Through the expansion of facilities, Transporter has awarded capacity to Shipper under the provisions of Section 3 (Auction of Available Firm Service) of the General Terms and Conditions,

(c)

Shipper has executed an FTS Service Agreement with Transporter, and

(d)

Shipper complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. Applicability and Character of Service

(a)

Service provided under this Rate Schedule shall be performed under Subpart G of Part 284 of the Commission's Regulations. Subject to the limitations set forth below, Transporter, under this Rate Schedule, shall receive scheduled quantities from or on behalf of Shipper and shall deliver thermally equivalent scheduled quantities, less Retainage, to or for Shipper. Such service shall be provided on a firm basis and shall apply to all gas transported by Transporter for Shipper under this Rate Schedule, up to the Transportation Demand set forth in Shipper's FTS Service Agreement.

(b)

Service provided under this Rate Schedule (i) shall have the priority specified in Section 12 (Nominating, Scheduling and Monitoring) of the General Terms and Conditions, (ii) shall be subject to interruption as provided in this Rate Schedule, or in Section 17 (Non-Emergency Service Interruption) or Section 18 (Force Majeure and Curtailment) of the General Terms and Conditions and (iii) shall be subject to operational flow orders to the extent provided in this Rate Schedule or in Section 19 (Operational Flow Orders) of the General Terms and Conditions.

(c)

Transporter shall not be obligated on any Day to accept gas in excess of the lesser of (i) Shipper's Transportation Demand plus Retainage, or (ii) Shipper's Scheduled Daily Receipt Quantity. Transporter also shall not be obligated on any Day to deliver more gas to Shipper than the lesser of: (i) Shipper's Transportation Demand, (ii) Shipper's Scheduled Daily Delivery Quantity, or (iii) the quantity of gas Transporter receives for Shipper less Retainage. For the purposes of balancing any imbalances in Shipper's account, Shipper may deliver or take quantities in excess of the above limitations in accordance with the provisions of Sections 6 (Operating Conditions) and 12 (Nominating, Scheduling and Monitoring) of the General Terms and Conditions.

(d)

Service Rights under an FTS Service Agreement may be released and assigned in accordance with Section 4 (Release and Assignment of Service Rights) of the General Terms and Conditions. Service to a Replacement Shipper under any such release and assignment shall be subject to the provisions set forth in this Rate Schedule and in the applicable General Terms and Conditions.

(e)

The interconnection points shall be incorporated by reference in Shipper's FTS Service Agreement(s).

3. Rate

(a)

The unit rate charges to be paid by Shipper, set forth in paragraph (b) below, shall be no higher than the applicable total effective maximum rate charges and no lower than the applicable total effective minimum rate charges set forth in the Currently Effective Rates Section of this Tariff.

(b)

For all service rendered under this Rate Schedule, Shipper each month shall pay Transporter the charges set forth below unless a lower charge is specified in the Shipper's

FTS Service Agreement:

- (1) Reservation Charge The maximum Reservation Charge for each Month, assessed on each Dth of Transportation Demand specified in Shipper's FTS Service Agreement.
- (2) Overrun Charge The applicable Overrun Charge per Dth of gas actually delivered on any Day during the Month in excess of Shipper's Transportation Demand.
- (3) Surcharges The surcharges applicable to this Rate Schedule.

(c)

The charges and surcharges described above are subject to adjustment in accordance with the procedures set forth in the General Terms and Conditions.

(d)

The Reservation Charge shall apply as of the date service is deemed to commence by the terms of the Shipper's FTS Service Agreement.

(e)

In addition to collecting the applicable charges and surcharges, Transporter shall retain from the gas tendered for transportation the effective Retainage percentage set forth in the Currently Effective Rate Section of this Tariff. That Retainage percentage shall be subject to adjustment in accordance with Section 24 (Transportation Retainage Adjustment) of the General Terms and Conditions.

4. General Terms and Conditions

All of the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1, are applicable to this Rate Schedule and are hereby incorporated as a part of this Rate Schedule.

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Rate Schedule ITS, Interruptible Transportation Service, 0.0.0 A

RATE SCHEDULE ITS INTERRUPTIBLE TRANSPORTATION SERVICE

1. Availability

Service under this rate schedule is available for the transportation of natural gas by Transporter for any Shipper, providing that:

(a)

Transporter has sufficient facilities and transportation capacity available to receive gas from or on behalf of Shipper and deliver gas to or for Shipper,

(b)

Shipper has submitted a valid request for service under Section 2 (Request for Service) of the General Terms and Conditions, and Transporter has awarded capacity to Shipper under the provisions of this Rate Schedule through the expansion of facilities,

(c)

Shipper has executed an ITS Service Agreement with Transporter, and

(d)

Shipper complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. Applicability and Character of Service

(a)

Service provided under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Subject to the limitations set forth below, Transporter shall receive scheduled quantities from or on behalf of Shipper and shall deliver thermally equivalent scheduled quantities, less Retainage, to or for Shipper. Such service shall be provided on an interruptible basis and shall apply to all gas transported by Transporter for Shipper under this Rate Schedule, up to the Transportation Quantity set forth in Shipper's ITS Service Agreement.

(b)

Service provided under this Rate Schedule (i) shall have the priority specified in Section 12 (Nominating, Scheduling and Monitoring) of the General Terms and Conditions, (ii) shall be subject to interruption as provided in this Rate Schedule, or in Section 18 (Force Majeure and Curtailment) and Section 17 (Non-Emergency Service Interruption) of the General Terms and Conditions and (iii) shall be subject to operational flow orders to the extent provided in this Rate Schedule or in Section 19 (Operational Flow Orders) of the General Terms and Conditions.

If the total quantities nominated for transportation pursuant to this Rate Schedule for a particular point of receipt and/or point of delivery by all interruptible customers exceed the total capacity at that point, then quantities scheduled for receipt and/or delivery will be allocated as provided in Section 12 (Nominating, Scheduling and Monitoring) of the General Terms and Conditions."

(c)

Transporter shall not be obligated on any Day to accept gas in excess of the lesser of (i) Shipper's Transportation Quantity plus Retainage, or (ii) Shipper's Scheduled Daily Receipt Quantity. Transporter also shall not be obligated on any Day to deliver more gas to Shipper than the lesser of: (i) Shipper's Transportation Quantity, (ii) Shipper's Scheduled Daily Delivery Quantity, or (iii) the quantity of gas Transporter receives for Shipper less Retainage. For the purposes of balancing any imbalances in Shipper's account, Shipper may deliver or take quantities in excess of the above limitations in accordance with the provisions of Section 6 (Operating Conditions) and Section 12 (Nominating, Scheduling and Monitoring) of the General Terms and Conditions.

(d)

The interconnection points shall be incorporated by reference in Shipper's FTS Service Agreement(s).

(e)

Shipper shall not be permitted to increase its existing flowing quantities under this Rate Schedule, regardless of the Transportation Quantity set forth in Shipper's ITS Service Agreement, if such increase would cause a reduction of existing quantities flowing on Transporter's system under any other Service Agreement of equal or higher priority. A scheduled temporary reduction in the quantities being transported, if requested by Shipper and approved by Transporter, shall not reduce the level the Shipper's existing quantities flowing on Transporter's system for the purposes of this paragraph.

(f)

Service rights under an ITS Service Agreement may not be released and assigned.

3. Rate

(a)

The unit rate charges to be paid by Shipper, set forth in paragraph (b) below, shall be no higher than the applicable total effective maximum rate charges and no lower than the applicable total effective minimum rate charges set forth in the Currently Effective Rates Section of this Tariff.

(b)

For all service rendered under this Rate Schedule, Shipper each month shall pay Transporter the charges set forth below:

- (1) Commodity Charge A Commodity Charge per Dth of gas actually delivered each Day during the Month to or for the account of Shipper.
- (2) Surcharges The surcharges applicable to this Rate Schedule.

(c)

The charges and surcharges described above are subject to adjustment in accordance with the procedures set forth in the General Terms and Conditions.

(d)

In addition to collecting the applicable charges and surcharges, Transporter shall retain from the gas tendered for transportation the effective Retainage percentage set forth in the Currently Effective Rates Section of this Tariff. That Retainage percentage shall be subject to adjustment in accordance with Section 24 (Transportation Retainage Adjustment) of the General Terms and Conditions.

4. General Terms and Conditions

All of the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1, are applicable to this Rate Schedule and are hereby incorporated as a part of this Rate Schedule.

KO Transmission Company

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Part 5, General Terms and Conditions, 0.0.0 A

GENERAL TERMS AND CONDITIONS

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KO Transmission Company

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1, Definition of Terms, 0.0.0 A

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1. Definition of Terms

- 1.1 "Billing Month" refers to the period elapsed between consecutive final monthly meter readings and, in reference to the calendar month, shall mean that calendar month in which the majority of the Billing Month occurs.
- 1.2 "Btu" is the standard abbreviation employed to denote a British thermal unit.
- 1.3 "Business Day" shall mean Monday through Friday, excluding Federal Banking Holidays.
- 1.4 "Central Clock Time" shall mean Central Standard Time adjusted for Daylight Savings Time.
- 1.5 "Day" shall mean a period of twenty-four consecutive hours beginning at 9 a.m. Central clock time, as adjusted for Daylight Savings Time, and the date of the Day shall be that of its Beginning.
- 1.6 "Dth" (Dekatherm) shall mean 1,000,000 Btu.
- 1.7 "Elapsed-prorated-scheduled quantity" shall mean that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intra-day nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.
- 1.8 "Electronic Measurement" shall mean that form of measurement consisting of flow computers or computerized Remote Terminal Units (RTUs), electronic transducers, and associated power, data communications, and other electronic equipment to accomplish the measurement of gas and transfer of data without the use of charts, or other paper Recordings.
- 1.9 "gas day" shall mean a period of twenty four consecutive hours, beginning at 9:00 a.m. central clock time, as adjusted for Daylight Savings Time, and the date of the Day shall be that of its Beginning.
- 1.10 "Heating Value" shall mean the gross heating value on a dry basis, which is the number of British thermal units produced by the complete combustion at constant pressure of the amount of dry gas (gas containing no water vapor) that would occupy a volume of one Cubic Foot at 14.73 psia and 60 degrees F with combustion air at the same temperature and pressure as the gas, the products of combustion being cooled to the initial temperature of the gas and air, and the water formed by combustion condensed to the liquid state.
- 1.11 "Intra-day Nomination" shall mean a nomination submitted after the nomination

deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day.

- 1.12 "Mcf" shall be defined as one thousand standard cubic feet of gas.
- 1.13 The term "MMBtu" is an abbreviation employed to denote 1,000,000 Btu.
- 1.14 "Month" shall constitute a period of time beginning at 8 a.m. on the first day of the calendar month and ending 7:59 a.m. on the first day of the succeeding calendar month.
- 1.15 "Nomination Cycle" shall mean the timing and activities related to nominations, capacity allocation, confirmation and scheduled quantities. Nomination cycles are:
 - (a) "Timely Nomination Cycle" is 11:30 a.m. central clock time regarding gas flowing at 9:00 a.m. the next gas day.
 - (b) "Evening Nomination Cycle" is 6:00 p.m. central clock time regarding gas flowing at 9:00 a.m. the next gas day.
 - (c) "Intra-day 1 Nomination Cycle" is 10:00 a.m. central clock time regarding gas flowing at 5:00 p.m. on the same gas day
 - (d) "Intra-day 2 Nomination Cycle" is 5:00 p.m. central clock time regarding gas flowing at 9:00 p.m. on the same gas day
- 1.16 "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 the transportation service provider's system or to maintain operations required to provide efficient and reliable firm service. Whenever Transporter experiences these conditions, any pertinent order shall be referred to as an Operational Flow Order.
- 1.17 "Psia" is the abbreviation for pounds per square inch absolute.
- 1.18 "Psig" is the abbreviation for pounds per square inch gauge.
- 1.19 The term "quantity of gas" shall refer to the units of gas expressed in MMBtu, unless otherwise specified.
- 1.20 "Record" or "Recording" when used herein shall include: (a) charts or other paper recordings, or (b) any binary or other machine-readable representation of information stored in computer memory or other electronic device.
- 1.21 "Retainage" shall denote the quantity of gas, expressed as a percentage of

receipts, which Shipper will provide to Transporter in addition to those quantities of gas Transporter will deliver for Shipper to account for company-use, lost and unaccounted-for quantities under any of the Rate Schedules referring to such term.

- 1.22 "Scheduled Daily Delivery Quantity" refers to the quantity of gas scheduled by Shipper for delivery by Transporter on a daily basis to and for the account of Shipper pursuant to each Service Agreement under any of the Rate Schedules which reference the term.
- 1.23 "Scheduled Daily Receipt Quantity" refers to the quantity of gas scheduled by Shipper for receipt by Transporter on a daily basis to and for the account of Shipper pursuant to each Service Agreement under any of the Rate Schedules which reference the term.
- 1.24 "Shipper" shall mean any person or entity receiving service under any of Transporter's Rate Schedules.
- 1.25 "Total Firm Entitlement" or "TFE" shall mean the aggregate daily quantity of gas that Transporter is obligated to Shipper at its delivery points under Rate Schedule FTS.
- 1.26 "Transporter", "Pipeline", and "Company" are synonymous terms with all referring to KO Transmission Company.
- 1.27 "Utilization Factor" shall mean the factor calculated by dividing the saturated heating value of the gas by the square root of its specific gravity.
- 1.28 The term "Year" shall mean a period of three hundred sixty-five consecutive days beginning with the date of first delivery of gas under the executed service agreement, or on any anniversary thereof; provided, however, that any such year which contains a date of February 29 shall consist of three hundred sixty-six consecutive days.

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2, Request for Service, 0.0.0A

2. Request for Service

2.1 Request for Service Form

Valid requests for new or increased levels of transportation shall be made by submitting to Transporter a fully-completed Request for Service form in the form included in this Tariff and by otherwise complying with all of the provisions of this Section. Requests for amended Service Agreements shall be made on a form provided or approved by Transporter. The completed request for amended Service Agreements shall be forwarded to Transporter by U.S. Mail or other method of delivery approved by Transporter. A Shipper or prospective Shipper seeking new or increased transportation from Transporter, including a prospective bidder for released capacity under the provisions of Section 4 (Release and Assignment of Service Rights) of the General Terms and Conditions of this Tariff, is referred to as "Requestor" in this Section.

2.2 Approved Bidders List

Transporter shall maintain on its website an Approved Bidders List containing the names of the parties satisfying the conditions of this Section and approved to bid for firm and interruptible service, including released capacity under the provisions of Section 4 of the General Terms and Conditions. A Requestor may not bid for service unless its name appears on the Approved Bidders List. A Requestor may be removed from the Approved Bidders List if (i) Transporter later determines that such Requestor is no longer credit-worthy, (ii) Requestor has contracted for the level of service for which it has been authorized, or (iii) the underlying credit data is more than twelve months old and has not been updated by Requestor.

2.3 Credit Data

Except as provided in Section 2.3(b), Requestor shall submit with its completed Request for Service form the following credit evaluation data:

(a)

a copy of Requestor's current financial statement prepared within twelve (12) months preceding the date of the request for service;

(b)

a copy of Requestor's most recent Annual Report and, if applicable, most recent Forms 10-Q and 10-K; provided that if Requestor has no Annual Report or Forms 10-Q or 10-K it must provide its most recent audited financial report, any current filings with other regulatory agencies that discuss Requestor's financial condition, and a detailed business description that includes Requestor's corporate form, the number of years or months it has been in business, the nature of its business, and the number of its employees;

(c)

a list of Requestor's affiliates, including any parent and subsidiary companies;

(d)

the names, addresses and telephone numbers of three trade references with whom Transporter may make reasonable inquiry into Requestor's creditworthiness, and copies of any available reports from credit reporting and bond rating agencies;

(e)

names, addresses and telephone numbers of bank references;

(f)

disclosure of past and pending bankruptcy or other similar state or federal proceedings, outstanding judgments or pending claims or lawsuits that could affect the solvency of Requestor; and

(g)

any other data Requestor desires to submit that would assist Transporter in determining creditworthiness.

Transporter may waive the requirements of all or any part of Section 2.3 on a nondiscriminatory basis. A Requestor that is an existing Shipper on Transporter's system shall not be required to provide the information required by Section 2.3 in order to make a new request for service, provided however that Transporter may require an existing Shipper to furnish any information necessary to make a creditworthiness determination with respect to that Shipper/Requestor's new request for service.

In lieu of submitting all or any part of the data required by this Section a Requestor that has submitted such data to Transporter within the past twelve months may certify that all or any part of such data has not changed in any manner material to creditworthiness and may update items that have materially changed.

2.4 Advance Determination of Creditworthiness

A Requestor shall submit the data required in this Section at least fifteen (15) business days in advance of bidding for or requesting new or increased service for an advance determination of creditworthiness by Transporter.

2.5 Deficient Requests

Transporter shall promptly notify a Requestor whose request for service has been rejected because of Requestor's failure to satisfy the provisions specified in this Section. Such notice shall identify the deficiencies that must be corrected in order to make a valid request to Transporter.

2.6 Material Changes

If any information provided by Requestor pursuant to this Section materially changes, Requestor shall provide Transporter with prompt written notification of such changes.

2.7 Denial of Requests

Transporter may reject any request for service from a Requestor that fails to meet Transporter's creditworthiness requirements unless Requestor provides assurance of payment as provided in Section 2.8 below. Grounds for rejection shall include, but shall not be limited to, Requestor's failure (i) to show that Requestor's obligations are being paid in a timely manner, or (ii) to provide reasonable assurance that Requestor will be able to continue to pay its obligations in the future.

2.8 Assurance of Payment

If Transporter denies a request for service and does not approve the placement of Requestor's name on the Approved Bidders List due to a failure to satisfy Transporter's creditworthiness requirements, Requestor may obtain service or be placed on the Approved Bidders List if it provides Transporter with assurance of payment in the manner set forth in Section 27 (Creditworthiness of Shipper) of the General Terms and Conditions of this Tariff. If Requestor fails to tender such assurance of payment within ten (10) days, or such longer time period reasonably established by Transporter, Transporter may deny Requestor's request for service or reject any bid submitted by Requestor.

2.9 Execution of Service Agreement

Following the approval of a request for service and the award of service by Transporter, Transporter and Requestor shall enter into a new or amended Service Agreement under each appropriate Rate Schedule in accordance with the provisions of the Tariff. If Requestor fails to execute such Service Agreement within fifteen (15) days after Transporter tenders it to Requestor, or within such other time period agreed to by Transporter or required by a specific provision of this Tariff, Requestor's request for service and Transporter's offer of service shall be void and of no further force or effect. Service shall not commence until Requestor returns or transmits an executed electronic or paper Service Agreement to Transporter in compliance with the provisions of the Tariff. Transporter may waive the provisions of this subsection on a non-discriminatory basis.

2.10 Record Retention

Transporter shall maintain records of all valid requests for service and their disposition for a period of three (3) years from the date of receipt of those requests. Transporter shall not disclose such information, including information related to bids for service, other than pursuant to the provisions of this Tariff, a Commission proceeding or valid court order.

KO Transmission Company

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3, Auction of Available Firm Service, 0.0.0 A

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3. Auctions of Available Firm Service

This Section governs the manner in which requests for firm transportation service (FTS) shall be accommodated by Transporter when capacity is or becomes available, unless otherwise indicated in the applicable Rate Schedule.

3.1 Circumstances under which Capacity becomes available

(a)

Termination of Short-Term Service Agreements. Upon the termination of any firm Service Agreement having a term of less than one year, the capacity associated with such terminated Service Agreement shall be made available for bidding under the procedures described in Section 3.2 below, provided that: (i) the capacity is not previously committed under the terms of this Tariff, and (ii) facility capacity remains available.

(b)

Continuing Service under certain Long-Term Agreements. Six (6) months prior to the completion of the term of any firm Service Agreement having a term of one year or more (a long-term Service Agreement), Transporter shall provide the Shipper written notification of the Agreement's forthcoming expiration. Shipper shall have the right to continue receiving service beyond the initial expiration date under the long-term Service Agreement if that Service Agreement is at the maximum rate and (i) contains a provision that continues service absent notice of termination by Transporter or Shipper (an evergreen provision) and neither party has provided such notice, (ii) otherwise extends beyond that term according to its terms, or (iii) does not provide for pregranted abandonment and Shipper executes a new long-term Service Agreement at a maximum rate. If the above requirements are not satisfied at the termination date of the primary term of a long-term Service Agreement, service under that long-term Service Agreement shall be subject to the termination and right of first refusal provisions set forth in Section 3.1 (c) below.

(c)

Termination of Long-Term Service Agreements; Exercise of Right of First Refusal. If Shipper's long-term Service Agreement does not extend according to its terms or otherwise continue as described in Section 3.1(b) above, or Shipper declines to extend the contract under the provisions described in paragraph (b) above, Shipper may continue service upon termination of that Service Agreement by (i) agreeing to match the highest value bid offered to Transporter for Shipper's firm service, or any portion thereof, through the bidding process described in Section 3.2 below, and (ii) executing a new Service Agreement incorporating the new rate and term. This right of first refusal shall

be deemed to be assigned where a Shipper holding such a right permanently releases and assigns all or a portion of the capacity under that Service Agreement, regardless of the duration of that permanent release. Moreover, a Shipper releasing and assigning all or a portion of the capacity may structure the release so as to transfer the right of first refusal for the duration of the release, even if that release and assignment is subject to a recall by Shipper that would terminate that release and assignment.

If Shipper intends to exercise its right of first refusal as described above, Shipper shall notify Transporter in writing via fax or e-mail of that intent not less than three (3) months before the termination date of its Service Agreement.

In the event that Shipper provides Transporter with a three (3) month notice of intent to exercise its right of first refusal, Transporter shall promptly post on its website the information described in Section 3.2 below. For no more than sixty (60) days prior to the termination of such Service Agreement, and for no more than thirty (30) days thereafter, Transporter shall accept bids from any prospective Shipper, including prospective Shippers that have already submitted requests for service for all or a portion of the service rights under the existing Shipper's long-term Service Agreement.

If Transporter receives an offer for all or a portion of the service rights under Shipper's long-term Service Agreement, Transporter, within five (5) days after the last day for receiving offers, shall notify Shipper of the offer having the greatest economic value to Transporter. For purposes of comparing the respective values of offers under this Section, Transporter shall evaluate all bids in accordance with the criteria set forth in Section 3.2(c) below. If Shipper elects to match the offer, Shipper shall notify Transporter of such election in writing via fax or e-mail within fifteen (15) days after receiving Transporter's notice and shall execute a new Service Agreement matching the offer prior to the termination of the existing long-term Service Agreement. If no offers are received, Shipper may continue to receive service on a month-to-month basis or for such other term agreed to by Transporter and Shipper, and at the applicable maximum rate or at a lower rate agreed to by Transporter and Shipper. Shipper continuing on that basis retains its right of first refusal. If no acceptable offers satisfying Transporter's stated minimum terms are received, and no new long-term agreement has been reached between Transporter and the Shipper holding the capacity under the expiring Service Agreement, Transporter shall post such capacity for an indefinite period as Generally Available Capacity. Transporter shall post minimum price and other terms for such Generally Available Capacity, as described below. Transporter may change those minimum price and other terms, or may withdraw the posting of such Generally Available Capacity, at any time prior to receipt of a bid satisfying the posted minimum terms of that capacity. Any such minimum price and other terms shall be subject to the same limitations applicable to other available capacity, as set forth in this Section.

Transporter will accept maximum rate bids for posted Generally Available Capacity on a first-come, first-served basis, subject to the right of an existing holder with a right of first refusal to exercise its right to match that offer. If Transporter receives an acceptable bid for such Generally Available Capacity that meets its stated minimum conditions but is at less than the maximum rate, Transporter will post that bid on its website for a period of

five (5) business days. During that five-day period:

- (i) an existing holder of the capacity that has retained a right of first refusal may retain the capacity by matching all of the terms of the highest value bid; or
- (ii) any other competing bidder may obtain the capacity by submitting a highest value bid (that exceeds the value of the initial posted bid), as determined in accordance with the bid evaluation criteria as set forth below.

(d)

Termination of Other Long-Term Service Agreements. If a long-term Service Agreement is not continued by its own terms or by reason of the Shipper's exercise of its right of first refusal, such long-term Service Agreement shall be subject to pregranted abandonment unless otherwise specified in the Service Agreement and shall terminate as specified therein and Transporter shall have no further obligation to Shipper.

3.2 Auctions of Capacity that Becomes Available

As capacity becomes available on Transporter's system for firm services, such capacity shall be made available for bidding provided that it is not previously committed and capacity remains available.

(a)

Website Posting Procedure. Capacity that becomes or will become available will be posted by Transporter on its Website for a period of sixty (60) days. Transporter's posting shall include the following information regarding the available capacity:

- (1) daily and other applicable quantity of service available from each receipt point;
- (2) the maximum reservation charge, as set forth in this Tariff;
- (3) any applicable restrictions;
- (4) whether the capacity is subject to an existing right of first refusal;
- (5) any minimum price or other terms applicable to the capacity; and
- (6) the date when bids are due to Transporter.

All posted capacity shall be subject to the 20-year limitation for long term service agreements unless otherwise stated in the posting. The due date set by Transporter for bids shall be at least sixty (60) days after the first posting date.

(b)

Bidding Procedure. Potential Shippers may submit multiple bids, each higher than its preceding bid, for all or any portion of the capacity or term of service made available by

Transporter. A bidder shall submit its bid via fax, e-mail or internet bidding software, which will be posted on the website or internet bidding software without revealing the identity of the bidder, specifying the monthly reservation charge (or other firm or demand charge(s), if applicable, herein referred to collectively as Reservation Charge) it is bidding for the service. Bidder also shall provide to Transporter a valid request for service fully complying with Section 2 (Request for Service) of this Tariff's General Terms and Conditions. The price bid for the monthly reservation charge shall be expressed per Dth and shall be expressed to the nearest thousandth of one dollar (\$0.000). The bid shall not exceed the then-effective Maximum Base Reservation Charge for the applicable service set forth in this Tariff. In addition to the bid price, Bidder shall pay all applicable commodity charges, demand and commodity surcharges and any other applicable charges, as they may be adjusted from time to time by Transporter. Transporter shall reserve the right to reject any bids that: (i) are at a rate that is less than the minimum rate stated in Transporter's posting of that capacity; (ii) do not satisfy any of the other terms specified in the posting; or (iii) include conditions or provisions that Transporter determines, in its reasonable discretion, to be unacceptable.

(c)

Assessing Bids and Awarding Capacity. Transporter shall assess the bids to assure that capacity is available to serve the precise delivery point(s) requested. If capacity is not available, Transporter shall reject the bids and advise Shipper.

Transporter shall evaluate bids based upon their net present value as set forth below, taking into account the price and term offered. Transporter shall use the current Commission-approved interest rate in calculating the net present value of bids. Capacity shall be awarded, as set forth below, based on the acceptable highest value of the bids offered to Transporter calculated in accordance with this Section. Transporter shall report the winning bids on its website.

(d)

Award between Equal Bidders. Consistent with the bid assessment criteria set forth immediately above, Transporter shall award capacity: (i) first to an existing capacity holder that exercises a right of first refusal to match the highest value bid, and (ii) then to the bidder submitting the highest value bid or if two or more bidders submit equal acceptable highest value bids then to the bidder submitting that highest value bid first in time, as determined by the receipt time and date noted by Transporter with that first in time assignment to the Bidder having first transmitted the bid to Transporter via fax, e-mail or internet bidding software, as determined by the date and time electronic stamp.

(e)

Binding Nature of Bids; All bids are binding. If a successful bidder fails to execute a Service Agreement within fifteen (15) days after such Service Agreement is tendered by Transporter, the bid shall be void. Transporter shall then award the capacity to the next acceptable bidder on the basis of the highest net present value, as described in this Section. If Transporter finds no other bid acceptable, the capacity shall be posted again

and thereby made available for a new round of bids.

(f)

Adjustment to Bid Rate. When the bid rate by a Bidder is at the maximum base reservation charge, that bid rate shall be subject to adjustment in accordance with the procedures of this Tariff and of the Commission, unless otherwise clearly stated in the Service Agreement. When the rate bid by a bidder is lower than the maximum base reservation charge, that bid rate shall be subject to adjustment in accordance with the procedures of this Tariff and of the Commission by an amount proportionate to the increase or decrease in the maximum base reservation charge, unless otherwise clearly stated in the Service Agreement.

KO Transmission Company

Effective Date: 09/20/2010
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order
4, Release and Assignment of Service Rights, 0.0.0 A

Status: Effective
Order Date: 11/24/2010

4. Release and Assignment of Service Rights

The procedures set forth in this Section govern the release and assignment of service rights by the Shipper and shall apply to all services offered by the Transporter for which such right is provided in the applicable Rate Schedule. A Shipper under such applicable Rate Schedule may release and assign all or any portion of the service under its Service Agreement. Any Shipper accepting such assignment ("Assignee") must be listed on Transporter's Approved Bidders List, complying with all conditions and requirements as set forth in the General Terms and Conditions and in the applicable Rate Schedule and Service Agreement of this Tariff.

4.1 Initiating the Release and Assignment

(a)

Website. The release and assignment of service rights by Shipper shall be facilitated through Transporter's website, described in Section 25 (Internet Website) of the General Terms and Conditions. As explained below, Shippers seeking to release and assign firm service rights ("Releasing Shippers") shall send offers to release and notices of prearranged assignments to Transporter through fax, e-mail or internet form. Potential Replacement Shippers also may send offers to purchase service rights and bids for capacity noticed by Releasing Shippers to Transporter through fax, e-mail or internet form. Transporter will post the offers on its website and reserves the right to request modifications or deletions of all or any portion of postings that fail to conform to the requirements of Section 4.1(b); provided, however, that Transporter shall have no responsibility for any errors, omissions, or other aspects of these postings from third parties on its website.

A summary report of capacity release postings is available on the website.

(b)

Release Notice. Releasing Shipper may initiate the assignment of the service rights it is seeking to release and assign by transmitting the information specified below to Transporter via fax, e-mail or internet form ("Release Notice"). Such Release Notice shall contain the following information regarding the capacity that the Shipper is seeking to release:

- (i) Releasing Shipper's identity, the Rate Schedule under which Releasing Shipper seeks to release capacity, and the contract number assigned by Transporter to the Service Agreement under which Shipper seeks to release capacity;

- (ii) the numeric quantity on a per day basis and term (duration);
- (iii) receipt and delivery points;
- (iv) any applicable recall provisions relating to the proposed release (Recall method and rights are individually negotiated between Releasing Shipper and Replacement Shipper);
- (v) any minimum conditions concerning the rate, term, or volume that the releasing Shipper is willing to accept (and that Releasing Shipper wishes to have posted on Transporter's website), or a statement that it has separately revealed to Transporter any such minimum conditions, which shall be posted following the close of bidding;
- (vi) whether Releasing Shipper will accept contingent bids for the capacity being released and, if so, all terms and conditions of acceptable contingencies including the manner in which such contingent bids will be evaluated, and whether and for how long the next highest bidder will be obligated to accept the capacity if a contingent bidder exercises its option not to take the capacity;
- (vii) the maximum reservation charge (including demand-type surcharges) applicable to the capacity being released;
- (viii) the date and time of the close of the bidding for the release capacity;
- (ix) whether the Releasing Shipper has a prepackaged arrangement to assign the service to a specified Replacement Shipper, and, if so, the identity, address and telephone number of the designated Replacement Shipper and the price the prospective Replacement Shipper has agreed to pay under any such prepackaged arrangement;
- (x) objective criteria for evaluating responsive bids by potential Replacement Shippers and for breaking ties among highest bidders, to the extent that Releasing Shipper's criteria are at variance with the criteria established by Transporter in this Section;
- (xi) the name, telephone and facsimile machine numbers of Releasing Shipper's designated contact person;
- (xii) whether bids for the released capacity are to be submitted on a volumetric or reservation basis;

- (xiii) whether bids for the released capacity are to be submitted on a fixed dollars and cents amount or on a percentage basis;
- (xiv) whether the release is subject to an indemnification provision pursuant to which the initial Replacement Shipper indemnifies Releasing Shipper against any claim by successive Replacement Shippers relating to refunds (where Releasing Shipper has provided correctly calculated refunds to the initial Replacement Shipper) and all terms of any such indemnification provision;
- (xv) whether the release is to an asset manager as defined in Section 284.8(h)(3) of the Commission's regulations and the asset manager's obligation to deliver gas to, or purchase gas from the releasing shipper; and
- (xvi) whether the 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. Releasing Shipper shall submit the information as detailed on the Form of Release Notice within the Tariff to Transporter by facsimile, e-mail, internet form or other delivering methods as mutually agreed, and Transporter will then post the Release Notice on its website.

(c)

Evaluation Criteria. Transporter shall evaluate bids submitted for capacity offered for release based on the best bid first utilizing the methodology chosen by Releasing Shipper, including (1) highest rate, (2) net revenue, (3) present value or (4) Other. Releasing Shipper, upon choosing "Other", must establish alternative, nondiscriminatory criteria for evaluating bids. Should Releasing Shipper choose "Other" as the method of evaluation, Transporter shall not be required to meet the timelines outlined in Section 4.5. Releasing Shipper shall include any all such alternative evaluation criteria in the Release Notice. When multiple bids meeting minimum conditions are received, Transporter shall award capacity, best bid first, until all offered capacity is awarded. Evaluations shall end at 3:00 p.m. central clock time. The standard timeline shall apply for releases with nonstandard evaluation methods.

(d)

At any time up to the close of the bidding period for the posted capacity, Releasing Shipper may withdraw its posting for release of capacity if Releasing Shipper itself has an unanticipated use of the capacity or if the bids do not meet the minimum conditions. Such a withdrawal shall be effected by Releasing Shipper sending a withdrawal notice via fax or e-mail to Transporter. Offers will be binding until a notice of withdrawal is

received.

4.2 Posting

Posting of Release Notices on Transporter's website shall be complete and subject to the conditions and exceptions set forth below:

(a)

Exempt Transactions. Posting for purposes of inviting bids shall not be required for (i) prepackaged arrangements Releasing Shipper has arranged with a designated Replacement Shipper for a period of 31 days or less; (ii) prepackaged arrangements where the Replacement Shipper is providing asset management service to the Releasing Shipper utilizing the released capacity; (iii) prepackaged arrangements in relation to an approved retail open access program; or (iv) prepackaged arrangements for longer than one (1) year that Releasing Shipper has arranged with a designated Replacement Shipper under which the designated Replacement Shipper agrees to pay the maximum reservation charge and commodity rate, and applicable surcharges and meets all requirements set forth in this Tariff (collectively, "exempt transactions"): provided, however, there shall be no maximum price cap for prepackaged arrangements one (1) year or less in length, or for releases to an asset manager. Prepackaged arrangements for more than 31 days and one (1) year or less in length are not exempt transactions under this Section 4.2(a). For cross-month releases, the maximum duration for eligibility as an exempt transaction under part (i) above shall be 31 days.

(b)

Informational Posting. For any exempt transaction, as described in paragraph (a) above, Releasing Shipper, for informational purposes, shall notify Transporter via fax, e-mail or internet form prior to nominations of the information in essentially the format as the form contained within this Tariff identified as Informational Posting Form for Prearranged Assignments. Transporter shall post the information on its website and Replacement Shipper may nominate as soon as Transporter is informed of the exempt transaction.

(c)

Limitations on Continuation of Exempt Transactions. A Releasing Shipper that has employed an exempt transaction to assign service to a designated Replacement Shipper for a period of 31 days or less: (i) shall not roll over, extend, or otherwise continue that release beyond its original term without complying with the posting and competitive bidding requirements applicable to all non-exempt transactions, as set forth in this Section, unless the rollover, extension or continuation is at the maximum rate, meets all the terms and conditions of the Release Notice, and qualifies as an exempt transaction under this Section, or is released to an asset manager; and (ii) shall not, pursuant to this exemption, re-release to the same Replacement Shipper within 28 days after termination of the earlier release period without fully complying with the ordinary posting and competitive bidding requirements applicable to all non-exempt transactions, as set forth in this Section, unless the re-release is at the maximum rate, meets all of the terms and

conditions of the Release Notice, and qualifies as an exempt transaction under this Section, or is released to an asset manager.

(d)

Posting of Requests to Purchase. Transporter shall permit, at no charge, postings on its website, for thirty (30) days, of requests from potential Replacement Shippers seeking to purchase capacity. Such postings shall contain all information regarding the requested assignment corresponding to the information required for Release Notices. In the event that a posting of a request to purchase results in a release and assignment, the Releasing Shipper shall notify Transporter via fax, e-mail or internet form and the transaction shall be posted for competitive bidding unless it qualifies as an exempt transaction as defined herein.

(e)

Timing and Duration of Posting. Offers by potential Releasing Shippers to release and assign capacity shall be posted at a date and for a posting period to be established by Releasing Shipper in the Release Notice; provided that the posting, regardless of the term of the proposed release, satisfies the minimum posting period of one (1) business day for releases of less than one (1) year, or five (5) days for releases of one (1) year or more. Offers to release and assign capacity for releases of less than five months which are not exempt from bidding requirements shall be sent to Transporter via fax, e-mail or internet form by 1:00 p.m. (central clock time). Open season for accepting bids shall end by 2:00 p.m. (central clock time) on the day preceding nominations. Releases of five months or more which are not exempt from bidding requirements shall be sent to Transporter via fax, e-mail or internet form by 1:00 p.m. (central clock time) four business days before nominations are due. Open season for accepting bids shall end at 2:00 p.m. (central clock time) on the day before nominations are due. Releasing Shipper may not specify an extension of the original bid period without posting a new release.

(f)

Alternate Method to Post. Releasing Shipper may request a posting time and such request shall be supported insofar as it comports with GISB Standard 5.3.2.

4.3 Bidding

(a)

Potential Replacement Shippers shall submit bids for released capacity which comport with the methodology of the release notice stated in thousandths of one dollar (\$0.000) per Dth one day per month for reservation charges (including all applicable surcharges as a total or stated separately), or in hundredths of one cent (0.00) per Dth for volumetric rate bids or a percent of maximum, accompanied by a valid request for service as set forth in Section 2 (Request for Service) of the General Terms and Conditions. For capacity release transactions one (1) year or less in length, there shall be no maximum price cap. Such bids shall (i) be submitted by potential Replacement Shippers to

Transporter via fax, e-mail or internet form in the format established by Transporter for such bids, and (ii) in accordance with Transporter's specifications, specifically reference the capacity for which the bid is being submitted.

(b)

A potential Replacement Shipper responding to the posting of a Release Notice shall be permitted to bid a quantity and a term of service different from those specified in the posted Release Notice; provided, however, that a Bidder shall not be permitted to bid a quantity or a term of service lower than any minimum quantity or term disclosed and posted by Releasing Shipper in the Release Notice. Bidders must, however, accept all other conditions set forth in the Release Notice.

(c)

Bids shall be submitted by potential Replacement Shippers without bidders knowing the identities of other bidders. Bidders may submit multiple bids, each higher than the previous bid on the days on which the capacity is posted.

(d)

All bidders must (i) have prequalified under Transporter's creditworthiness standards, and (ii) appear on Transporter's Approved Bidders List.

(e)

All bids for capacity release transactions of more than one (1) year in length shall neither exceed the maximum nor be less than the minimum permitted by the Commission for the released services. Bids for capacity release transactions of one (1) year or less may exceed the maximum rates but shall not be less than the minimum rates permitted by the Commission for released services. Bids are binding, other than contingent bids, until written notice of withdrawal is received by Transporter. Bids may be withdrawn before the close of the bidding period. Any bidder that withdraws its bid for release capacity may not, within that same bidding period, submit a bid at a lower rate for any portion of that same capacity. Transporter shall communicate an award made pursuant to a contingency bid by 3:00 p.m. (central clock time) and the contingent bidder must respond by 4:00 p.m. (central clock time).

(f)

Where higher bids are received for capacity that Releasing Shipper proposes to release under a prepackaged arrangement that is subject to competitive bidding because the prearranged price is lower than the maximum rate, (including prepackaged arrangements for 31 days or less for which Releasing Shipper requests competitive bidding), the Replacement Shipper designated by Releasing Shipper (designated Replacement Shipper) shall be notified by Transporter by 3:00 p.m. (central clock time) on the day bidding closes of higher competing bids and shall have one hour to exercise its right to match the highest competing bid. For prepackaged arrangements one (1) year or less in length, a designated Replacement Shipper desiring to exercise the right to match, shall be required

to match the highest competing bid, including bids that may be submitted in excess of the maximum rate. A Releasing Shipper shall not be able to specify an extension of the original pre-arranged match period without posting a new release.

4.4 Evaluation of Bids and Assigning Service Rights

(a)

Transporter shall perform the evaluation of bids in accordance with the criteria specified in the Release Notice and shall determine which, if any, bids to accept. Such evaluation period begins upon the termination of posting as referenced in Section 4.2(e), whereupon contingency is eliminated, determination of best bid is made and ties are broken.

(b)

In the absence of any such Releasing Shipper-developed alternative criteria to the contrary, as specified in Releasing Shipper's Release Notice, bids shall be evaluated and rights to released capacity assigned by Transporter in accordance with the bid evaluation criteria referenced at Section 4.1(c).

(c)

Where Releasing Shipper has posted a prepackaged arrangement at less than the maximum rate (including prepackaged arrangements for 31 days or less for which the Releasing Shipper requests competitive bidding), or if a prepackaged arrangement is for one (1) year or less, the designated Replacement Shipper under that arrangement will be awarded the capacity if, within the time limits specified in Section 4.3(f), that designated Replacement Shipper matches the competing bid(s) offering the highest economic value, as calculated, in accordance with the bid evaluation set forth in Section 4.1(c) or in Releasing Shipper's Release Notice.

(d)

Where highest bids of equal value are received for released capacity from more than one bidder, not including a designated Replacement Shipper under a prepackaged arrangement, the capacity (i) shall be assigned in accordance with any non-discriminatory method for breaking ties established by Releasing Shipper in the Release Notice, or (ii) shall, if Releasing Shipper does not establish a tie-breaking method, be awarded to the highest bidder having first transmitted the highest bid to Transporter with that transmittal order determined by the electronic date and time stamping assigned to all fax, e-mail and internet messages received by Transporter.

(e)

Transporter shall post on the website the winning bid and the identity of the winning bidder(s). by 5:00 p.m. central clock time on the day the bid closes. Replacement Shippers may immediately make a nomination upon the Transporter's award of capacity at 5:00 p.m. central clock time.

4.5 Assignment Agreements

(a)

For all transactions effected pursuant to this Section, Transporter shall transmit an Assignment Agreement reflecting the terms of the Release Notice to Replacement Shipper following: (i) 5:00 p.m. (central clock time) on the day bidding closes; or (ii) one hour after Releasing Shipper notifies Transporter of an exempt transaction not subject to competitive bidding (by providing to Transporter the information specified in Sections 4.1(b) and 4.2(b)). Replacement Shipper may make a nomination at the beginning of the next available nomination cycle. In the event Replacement Shipper has not executed the Assignment Agreement prior to making a nomination, Replacement Shipper shall be deemed to have executed Transporter's pro-forma Assignment Agreement.

(b)

Transporter and Replacement Shipper shall execute the Assignment Agreement in substantially the form contained in this Tariff. The Assignment Agreement shall contain all terms and conditions of the release and assignment; provided that such terms and conditions are identical to those set forth in the underlying Release Notice.

All Assignees must appear on Transporter's Approved Bidders List. If the Replacement Shipper does not return such agreement within twenty-four (24) hours of Transporter's tender (or such date or time established by Releasing Shipper through notice to Transporter and Replacement Shipper), the bid and Transporter's offer of a Service Agreement shall be void and Transporter shall tender an Assignment Agreement to the next highest acceptable bidder, if any, consistent with the terms of the Release Notice.

4.6 Implementation: Receipt and Delivery Points

Following acceptance of a bid for assignment, Transporter will accept nominations or requests for alternate receipt or delivery points for the assigned capacity. Replacement Shippers may submit nominations to Transporter in the next available nomination cycle. Replacement Shippers may not however exercise flexible receipt or delivery point authority at primary points unless such exercise is agreed to in writing by Releasing Shipper. Quantities flowing under assigned service rights shall have the same priority as those quantities had under the applicable underlying service agreement originally entered into by Releasing Shipper and Transporter, and that priority shall be unaffected by whether or not the assignment is subject to recall, as described below.

4.7 Recall: Reassignment of Assigned Service Rights

(a)

Agreements Subject to Recall. Releasing Shippers shall be permitted to specify as a condition for releasing capacity the right to recall that assigned capacity upon notice to Transporter and to Replacement Shipper. Any such recall provision must be included in

the Release Notice originally submitted by Releasing Shipper and in the assignment agreement executed following assignment of the capacity. The Release Notice and the assignment agreement governing the assigned capacity shall clearly state (i) the frequency with which Releasing Shipper may recall any released capacity, (ii) the maximum duration of any such recall, (iii) the length of the advance notice to Transporter and Replacement Shipper required before recall may be effectuated, and (iv) whether and under what conditions any right of first refusal held by Releasing Shipper is transferred to Replacement Shipper, and (v) such other terms as Releasing Shipper may specify.

Releasing Shipper also may provide in the Release Notice for self-implementing recalls of the released capacity to be effected without the participation of Transporter, where such self-implementing recalls would be consistent with pipeline operations; provided that Transporter has approved in advance the terms and conditions applicable to that self-implementing release. Replacement Shipper shall be permitted to make secondary assignments of all or any part of the capacity contained in its assignment agreement that is subject to Releasing Shipper's right to recall, provided, however, that such assignments shall not vary the recall provisions contained in the original assignment; provided, moreover, that all recalls must comply with (b) below.

(b)

Agreements Not Subject to Recall. A Replacement Shipper that desires to release some or all of its assigned capacity (Replacement Shipper/Secondary Releasing Shipper) may release and reassign all or a portion of the assigned capacity to other parties (Secondary Replacement Shippers) if the original assignment is not subject to recall by the original Releasing Shipper, as described in Section 4.7(a). Any such reassignment must satisfy all of the posting, bidding and notice requirements set forth in this Section, and any Secondary Replacement Shipper must satisfy all of the creditworthiness and other requirements set forth in this Section. No limitation unless prohibited by the Releasing Shipper shall be placed on the number of times service rights that are not subject to recall may be reassigned, provided however that a Replacement Shipper/Secondary Releasing Shipper may not assign rights any greater than the rights it received pursuant to the earlier assignment, and may not place any unreasonable or discriminatory conditions on such assignments.

(c)

Assignment Agreements that call for payment by Shipper of a volumetric rate may not be released and assigned

(d)

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 the Replacement Shipper. Releasing Shipper may specify rights of recall including the terms 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. The deadline for notifying Transporter of a recall is 8:00 a.m. (Central Clock Time) to allow for timely nominations to flow on the next gas day.

(e)

Recall Notification Timeline. Releasing Shipper may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Notification cycle and the Evening Nomination cycle, and recall unscheduled released capacity at the Intra-Day 1 and Intra-Day 2 Nomination cycles. Transporter 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 should provide notice of such recall to Transporter and the first Replacement Shipper no later than 8:00 a.m. (Central Clock Time) on the day that Timely Nominations are due;
 - (b) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. (Central Clock Time) on the day that Timely Nominations are due;
- (ii) Early Evening Recall Notification
 - (a) a Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 3:00 p.m. (Central Clock Time) on the day that Evening Nominations are due;
 - (b) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. (Central Clock Time) on the day that Evening Nominations are due;
- (iii) Evening Recall Notification
 - (a) a Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 5:00 p.m. (Central Clock Time) on the day that Timely Nominations are due;
 - (b) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than

6:00 p.m. (Central Clock Time) on the day that Timely Nominations are due;

(iv) Intra-Day 1 Recall Notification

- (a) a Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 7:00 a.m. (Central Clock Time) on the day that Intra-Day 1 Nominations are due;
- (b) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. (Central Clock Time) on the day that Intra-Day 1 Nominations are due;

(iv) Intra-Day 2 Recall Notification

- (a) a Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 2:30 p.m. (Central Clock Time) on the day that Intra-Day 2 Nominations are due;
- (b) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 3:30 p.m. (Central Clock Time) on the day that Intra-Day 2 Nominations are due;

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

(f)

Other Recall Requirements. The Releasing Shipper should 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. Recalled capacity notices should indicate whether penalties will apply for the gas day for which quantities are reduced subject to recall. The recall notification provided to Transporter should express the quantity in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. Transporter will not be obligated to deliver in excess of the total daily contract quantity of the release. In the event of an intra-day capacity recall, Transporter will determine the allocation of capacity between Releasing Shipper and the Replacement

Shipper(s) based upon the Elapsed Prorata capacity. Variations to the use of Elapsed Prorata capacity may be necessary to reflect the nature of Transporter's FERC Gas Tariff, services and/or operational characteristics. 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 or Transporter's FERC Gas Tariff specific variations.

4.8 Billing

(a)

Transporter, in accordance with the terms of this Tariff, shall: (i) bill the Releasing Shipper for the full reservation charge, applicable reservation-related surcharges and any other fixed charges which the Releasing Shipper is obligated to the Transporter, less either the reservation charge bid by Releasing Shipper's Replacement Shipper, or the reservation charge portion of the payments received from Replacement Shippers, and (ii) bill the Replacement Shipper for (1) the reservation charge bid by that Replacement Shipper, (2) all commodity charges and surcharges, and any minimum volumetric commitment agreed to but not met by the Replacement Shipper, and (3) any penalties or imbalance correction costs associated with the assigned capacity, as any of these charges may change from time to time upon approval of the Commission. For all payments received from Replacement Shipper, Transporter shall allocate such payment first to the reservation charge and then to any amounts above that level to the commodity charge. Replacement Shipper may, upon notice to Transporter and approval of Releasing Shipper, appoint Releasing Shipper as its agent to receive such billings from Transporter. The charges shall be pro rated for any Billing month if necessary.

(b)

For all assignments of service rights, Releasing Shipper shall remain ultimately responsible to Transporter for full payment of the reservation charge, any applicable reservation-related surcharges, and any other fixed charges for which Releasing Shipper is otherwise obligated to Transporter. For permanent releases of capacity, Transporter may in its reasonable discretion agree to release the Releasing Shipper from this responsibility. Such discretion shall be exercised by Transporter in a nondiscriminatory manner. Until payment by Replacement Shipper to Transporter of any unpaid reservation charges, any claims Releasing Shipper may have relating to those charges shall be subordinated to those of Transporter.

Any reservation charge payments made by Replacement Shipper to Transporter will not be withheld from Releasing Shipper by Transporter due to Replacement Shipper's failure to pay Transporter other amounts owed that are unrelated to the released capacity.

(c)

In the event that a Replacement Shipper (including a Secondary Replacement Shipper) fails to pay Transporter's invoice relating to the released capacity, Transporter shall

within five (5) business days provide the Releasing Shipper (the most recent Releasing Shipper, where the capacity has been secondarily assigned) with written or telephonic notice of such nonpayment. Upon Releasing Shipper's receipt of such notice of Replacement Shipper's nonpayment, Releasing Shipper, without prejudice to any other rights it may have, may immediately recall the assigned capacity upon twenty-four (24) hour notice to Replacement Shipper unless within such period Replacement Shipper pays in full the outstanding indebtedness, together with accrued interest at the Commission-approved interest rate, and furnishes adequate assurance of payment to Releasing Shipper if required by Releasing Shipper.

4.9 Refunds

(a)

For all refunds other than those described at paragraph (b) below, the original Releasing Shipper of any capacity shall receive from Transporter any reservation charge-related refunds associated with the assigned capacity. The Replacement Shipper holding the assigned right to service at the time of the overpayment shall receive from Transporter its share of any commodity charge-related refunds associated with the assigned capacity. Refunds owed by Transporter will be made by Transporter directly to Replacement Shipper, or indirectly through the Releasing Shipper if Replacement Shipper has appointed Releasing Shipper as its agent for billings pursuant to the Section above.

(b)

The refund obligation of Transporter set forth in paragraph (a) shall be modified where Releasing Shipper has released capacity at a rate in excess of that owed by Releasing Shipper to Transporter for that capacity ("Releasing Shipper's Margin"). To the extent that Releasing Shipper's margin equals or exceeds the amount of any refund obligation, Transporter shall not be obligated to make refunds to Releasing Shipper. (Any refunds ultimately paid to a Replacement Shipper in that event shall be paid by Releasing Shipper.)

4.10 Fees

Transporter shall not charge a fee for posting of a Release Notice or a Request to Purchase on its website. Transporter shall be entitled to charge a reasonable fee if Releasing Shipper and Transporter agree that Transporter shall receive a fee for actively marketing the capacity Releasing Shipper seeks to release.

4.11 Discount Retention Policy

(a)

Applicability. This section sets forth Transporter's procedures for processing a Shipper's request to retain its previously negotiated discount rate with Transporter, in accordance with Colorado Interstate Gas Company, 95 FERC 61,321 (2001).

(b)

Discount Retention Procedures. A Shipper with a previously negotiated discount rate with Transporter limited to service at a specific receipt and delivery point can request that it be permitted to retain that discount rate when seeking to use an alternate point, as part of its capacity release or use of its flexible receipt and delivery point rights under this Tariff. Transporter will process requests to retain discounts within one hour of the request where such request is made one hour prior to the 5:00 p.m. central clock time Evening Nomination. For requests made less than one hour prior to the 5:00 p.m. Evening Nomination, Transporter will process the request by 8:30 a.m. central clock time the next morning. In such cases, a discount rate will not be retained by the Shipper if the pipeline can demonstrate that it has not granted a discount with respect to a similarly situated Shipper at that point. If the discount is to be retained, the Shipper will pay the higher of its contractual rate or the discount rate applicable to the similarly situated Shipper receiving a discount at that point.

4.12 Capacity Release Timeline

The capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if 1) all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be credit worthy before the capacity release bid is tendered and 2) there are no special terms or conditions of the release.

Capacity Release Timeline:

For biddable releases (less than 1 year):

offers should be tendered by 12:00 P.M. on a Business Day;

open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);

evaluation period ends and award posting if no match required at 2:00 P.M.

match or award is communicated by 2:00 P.M.

match response by 2:30 P.M.

where match required, award posting by 3:00 P.M.;

contract issued within one hour of awarding posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract (Central Clock Time)

For biddable releases (1 year or more):

offers should be tendered by 12:00 P.M. four Business Days before award;

open season ends no later than 1:00 P.M. on the Business Day before timely nominations are due (open season is three Business Days);

evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;

evaluation periods ends and award posting if no match required at 2:00 P.M.;

match or award is communicated by 2:00 P.M.;

match response by 2:30 P.M.;

where match required, award posting by 3:00 P.M.;

contract issued within one hour of award posting (with new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For non-biddable releases:

Timely Cycle

posting of prearranged deals not subject to bid are due by 10:30 A.M.;

contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Evening Cycle

posting of prearranged deals not subject to bid are due by 5:00 P.M.;

contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 1 Cycle

posting of prearranged deals not subject to bid are due by 9:00 A.M.;

contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 2 Cycle

posting of prearranged deals not subject to bid are due by 4:00 P.M.;

contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

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5, Gas Quality, 0.0.0

A

5. Gas Quality

5.1 General Requirement

Natural gas delivered to Transporter and redelivered to Shipper hereunder shall at all times conform to the quality provisions set forth in this Section. Transporter shall not be required to receive gas from Shipper or for Shipper's account which fails to conform to this Section's requirement. Shipper shall indemnify Transporter and save it harmless from all suits, actions, regulatory proceedings, damages, costs, losses and expenses (including reasonable attorney fees) arising out of the failure of said gas to conform to such quality provisions.

5.2 Gas

The gas delivered to Transporter and redelivered to Shipper hereunder shall be a combustible gas consisting wholly of, or a mixture of:

(a)

natural gas of the quality and composition produced in its natural state except as provided herein;

(b)

gas generated by vaporization of Liquefied Natural Gas (LNG); or

(c)

manufactured, reformed, or mixed gas consisting essentially of hydrocarbons of the quality and character produced by nature in the petroleum, oil and gas fields with physical properties such that when commingled, the gasses become indistinguishable with respect to the physical properties of the mixture.

5.3 Conditioning

The gas received and delivered hereunder shall be natural gas as defined in Section 5.2 above; provided, however, that Transporter may subject or permit the subsection of said natural gas to compression, cooling, cleaning or other processes to such an extent as may be required in its transmission from the source thereof to the point(s) of delivery.

5.4 Heating Value

Neither Shipper nor Transporter shall be required to accept natural gas having a heating value of less than 967 Btu per cubic foot.

5.5 Objectionable Properties

The gas both received and delivered:

(a)

shall be commercially free from particulates or other solid or liquid matter which may interfere with its merchantability or cause injury to or interfere with proper operation of the line, regulators, meters and other Transporter's equipment.

(b)

shall not contain more than twenty-five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) cubic feet of gas; and

(c)

shall not contain more than twenty (20) grains of total sulfur per one hundred (100) cubic feet of gas.

(d)

Transporter may refuse to accept gas or may impose additional gas quality specifications and restrictions if Transporter, in its reasonable judgment, determines that harm to Transporter's facilities or operations could reasonably be expected to occur if it receives gas that fails to meet such additional specifications and restrictions. Transporter reserves the right to refuse to execute any agreement which does not contain the gas quality specifications and restrictions deemed reasonable and necessary by Transporter, and Transporter reserves the right to refuse to accept or continue to accept gas that fails to meet such additional specifications and restrictions. Such additional specifications and restrictions may be imposed to limit the concentrations of elements or compounds that Transporter determines, in its reasonable judgment may be corrosive or toxic in nature, may represent an environmental hazard, may interfere with the merchantability of the gas, or may cause injury to or interference with proper operation of the line, regulators, meters, and other equipment of Transporter.

(e)

Transporter may impose restrictions on the temperature of the flowing gas and/or on the Utilization Factor of the gas that it receives if Transporter determines, in its reasonable judgment, that these restrictions are necessary to insure the merchantability of the gas, or to prevent injury to or interference with proper operation of the line, regulators, meters and other Transporter equipment.

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6, Operating Conditions, 0.0.0	A		

6. Operating conditions

The general operating conditions set forth in this Section supplement the terms and conditions set forth in the individual Rate Schedules and elsewhere in the General Terms and Conditions.

6.1 Rates and Quantities

Shipper shall tender gas or arrange to have gas tendered on its behalf in quantities that conform to its Scheduled Daily Receipt Quantity and take gas or cause gas to be taken on its behalf in quantities that conform to its Scheduled Daily Delivery Quantity.

Shipper shall not schedule, inject, or cause gas to be injected into Transporter's system in excess of the gas it actually takes from Transporter's system.

6.2 Third Party Arrangements

Shipper shall be responsible for making all necessary arrangements with third parties (i) at or upstream of the point(s) of receipt at which Shipper tenders gas to Transporter, and (ii) at or downstream of point(s) of delivery at which Transporter delivers gas for the account of Shipper. Shipper shall be responsible for requiring such third parties to confirm all of Shipper nominations with Transporter in a form and manner approved by Transporter. Such third-party arrangements shall be coordinated with Transporter.

6.3 Service Obligation

Transporter shall not be required to perform service under any of its Rate Schedules if any of the facilities necessary to render the requested service do not exist or are not available including periods during which facilities are being maintained or repaired. Transporter shall not be required to construct facilities.

6.4 General Limitation of Transporter's Obligation

Transporter shall not be required to perform or continue service on behalf of any Shipper that, within ten (10) days after receipt of notice from Transporter, fails to comply with any of the terms of the applicable Rate Schedule and Service Agreement with Transporter; provided however that Shipper's failure to comply with the billing and payment requirements of this Tariff shall be governed by the provisions of Sections 10 (Billing) and 11 (Payment) of the General Terms and Conditions. Other provisions of such Rate Schedule notwithstanding, Transporter shall have the right to take unilateral action to protect the integrity of its system in the event Transporter, in its reasonable discretion, determines that immediate or irreparable harm to facilities or operations will be caused by Shipper's failure to comply with any of the terms of the applicable Rate Schedule, the terms of the Shipper's Service Agreement with Transporter, and/or the General Terms and Conditions of this Tariff.

6.5 Balancing at Termination of Service Agreement

(a)

Following the termination of a Service Agreement, Shipper under that Service Agreement shall be required to correct any outstanding imbalance in receipts and deliveries within sixty (60) days after Transporter determines, and notifies Shipper, that such an imbalance exists, or within such longer period of time agreed to by Shipper and Transporter (the "balancing period"). If, after the end of the balancing period, Transporter determines that an imbalance continues to exist in Shipper's account, Transporter shall resolve such imbalance as set forth below.

(b)

If Transporter determines that it delivered quantities to or for Shipper in excess of the quantities tendered to Transporter by or for Shipper, Transporter shall assess and collect from Shipper a penalty. Shipper shall pay Transporter a penalty for each Dth of such outstanding imbalance, grossed up for the Retainage percentages applicable. The penalty shall be the sum of: (i) 120% of the Spot Market Price for the Month during which such quantities are made up by Transporter; plus (ii) the cost of transporting such quantities at the total effective maximum rate under Columbia Gulf Transmission Company's ITS-1 Rate Schedule and Transporter's ITS Rate Schedule.

"Spot Market Price", for purposes of this Section, shall mean, for the applicable month, the contract index price last published during the applicable Month for gas delivered to Columbia Gulf Transmission Company at Rayne Station, Louisiana, as reported in Natural Gas Intelligence or successor publication.

Upon payment of such charge, the imbalance shall be deemed resolved.

(c)

If Transporter determines that Shipper tendered to Transporter quantities in excess of the quantities taken by or for Shipper at the delivery point(s), any such quantities automatically shall be forfeited by Shipper to Transporter free and clear of all liens and encumbrances.

(d)

Transporter may waive the provisions of this Section 6.7 on a non-discriminatory basis.

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7, Delivery Pressure, 0.0.0 A

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7. Delivery Pressure

7.1 Point(s) of Receipt

Shipper shall deliver gas or cause gas to be delivered to Transporter at the receipt points at a pressure sufficient to allow the gas to enter Transporter's pipeline as such pressure will vary from time to time. Transporter shall not be required to compress into its pipeline gas transported under any Rate Schedule or otherwise change its normal pipeline operations. At each receipt point, Shipper shall provide, or cause to be provided, equipment acceptable to Transporter that will prevent overpressuring of Transporter's pipeline.

7.2 Point(s) of Delivery

Transporter shall deliver gas at each delivery point to or for the account of Shipper at the pressure which shall be available from time to time in Transporter's pipeline after required measurement, flow control, or regulation; provided that Transporter, by agreement with Shipper, may establish Transporter's maximum delivery pressure obligation at any delivery point or points. Notwithstanding any such maximum pressure obligation, Transporter may at any time, and from time to time, exceed the maximum pressure obligation. Transporter also may operate its facilities at less than the maximum pressure obligation when Shipper does not require the agreed-upon maximum pressure.

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8, Gas Measurement, 0.0.0 A

8. Gas Measurement

8.1 General

The volumes of natural gas and the quantities of energy received or delivered through a meter or meters shall be determined in accordance with the provisions set forth in this Section.

8.2 Measurement Unit

The Measurement Unit shall be one Dekatherm of natural gas and shall be calculated by multiplying the volume delivered in Mcf by a fraction, the numerator of which is the Heating Value and the denominator of which is 1,000.

8.3 Volumetric Measurement Base

The volumetric measurement base shall be one cubic foot of natural gas at a pressure base of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute, a temperature base of sixty (60) degrees Fahrenheit (519.67 R Absolute), and without adjustment for water vapor content.

8.4 Atmospheric Pressure

The average absolute atmospheric (barometric) pressure shall be assumed to be fourteen and four-tenths (14.4) pounds per square inch, irrespective of actual elevation or location of the delivery point above sea level or variations in actual barometric pressure from time to time.

8.5 Temperature

The temperature of the natural gas shall be determined at Transporter's option:

(a)

where Electronic Measurement equipment is provided,

- (i) by continuous application of instantaneous temperature measurements from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the temperature Record from one or more of the meters for the time during which gas is flowing;

(b)

where Electronic Measurement equipment is not provided,

- (i) where an instrument which measures and records the temperature of the flowing gas is installed, by

contemporaneous application of the arithmetic or other average of the hourly or daily temperature Record from one or more of the meters at a measuring station, or

- (ii) where an instrument which measures and records the temperature of the flowing gas is not installed, by contemporaneous application of the temperature as read from established tables of monthly averages for the point of measurement; or

(c)

by any other method or methods mutually agreed upon by Transporter and Shipper.

8.6 Static Pressure

The static pressure of the natural gas shall be determined at Transporter's option:

(a)

where Electronic Measurement equipment is provided,

- (i) by continuous application of instantaneous static pressure measurements from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the static pressure Record from one or more of the meters for the time during which gas is flowing;

(b)

where Electronic Measurement equipment is not provided,

- (i) by contemporaneous application of static pressure Record from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the hourly or daily static pressure Record from one or more of the meters at a measuring station; or

(c)

by any other method or methods mutually agreed upon by Transporter and Shipper.

8.7 Specific Gravity

The specific gravity (relative density) of the natural gas shall be determined by gravimetric, chromatographic, or other generally accepted analytical method at Transporter's option:

(a)

where Electronic Measurement equipment is provided,

- (i) by contemporaneous application of continuous instantaneous specific gravity measurements, or by contemporaneous application of arithmetic or other average of the specific gravity for the time during which gas was flowing,
- (ii) by prospective application of the arithmetic or other average of the specific gravity Record, or
- (iii) by prospective application of the results of analyses of samples of the gas;

(b)

where Electronic Measurement equipment is not provided,

- (i) by contemporaneous application of arithmetic or other average of the hourly or daily continuous specific gravity Record,
- (ii) by prospective application of the results of analyses of samples of the gas; or

(c)

by any other method or methods mutually agreed upon by Transporter and Shipper.

8.8 Heating Value

The heating value of the natural gas shall be determined by calorimetric, chromatographic, or other generally accepted analytical method at Transporter's option:

(a)

where Electronic Measurement equipment is provided,

- (i) by contemporaneous application of continuous instantaneous heating value measurements, or by contemporaneous application of arithmetic or other average of the heating value for the time during which gas was flowing,
- (ii) by prospective application of the arithmetic or other average of the heating value Record, or
- (iii) by prospective application of the results of analyses of

samples of the gas;

(b)

where Electronic Measurement equipment is not provided,

- (i) by contemporaneous application of arithmetic or other average of the hourly or daily continuous heating value Record,
- (ii) by prospective application of the results of analyses of samples of the gas; or

(c)

by any other method or methods mutually agreed upon by Transporter and Shipper.

8.9 Supercompressibility

The deviation of the natural gas from the Ideal Gas Laws shall be determined in accordance with the American Gas Association, Par Research Project NX-19 report, titled "Manual for the Determination of Supercompressibility Factors for Natural Gas", Reprinted 1976, if the composition of the natural gas is such to render this procedure applicable, or by any other method mutually agreed upon by Transporter and Shipper.

If the measurement method used by Transporter requires the concentrations of nitrogen and carbon dioxide, the concentrations of nitrogen and carbon dioxide shall be determined by chromatographic or other generally accepted analytical method at Transporter's option:

(a)

where Electronic Measurement equipment is provided,

- (i) by contemporaneous application of continuous instantaneous measurements of the concentrations of nitrogen and carbon dioxide, or by contemporaneous application of arithmetic or other average of the concentrations of nitrogen and carbon dioxide for the time during which gas was flowing,
- (ii) by prospective application of the arithmetic or other average of the concentrations of nitrogen and carbon dioxide Record, or
- (iii) by prospective application of the results of analyses of samples of the gas; or

(b)

where Electronic Measurement equipment is not provided,

- (i) by contemporaneous application of arithmetic or other average of the hourly or daily concentrations of nitrogen and carbon dioxide, or
- (ii) by prospective application of the results of analyses of samples of the gas; or

(c)

by any other method or methods mutually agreed upon by Transporter and Shipper.

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9, Measuring Equipment, 0.0.0 A

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9. Measuring Equipment

9.1 Calibration and Test of Gas Meters

If either Shipper or Transporter shall, at any time, have reason to doubt the accuracy of any gauge, measuring device, or other appliance used in measuring the gas received or delivered, it shall notify the other in writing, and within a reasonable time thereafter the measuring device shall be tested in the presence of both parties. Neither the Shipper nor Transporter shall be required to verify the accuracy of such equipment more frequently than once in any ninety (90) day period.

9.2 Correction of Metering Errors

If, upon any test, any measuring equipment is found to be in error, such that the resultant aggregate error in the computed volumes of gas and quantities of energy received or delivered does not exceed two percent (2%), such errors may be taken in account in a practical manner in computing the volumes of gas and quantities of energy received or delivered. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in the computed volumes of gas and quantities of energy received or delivered exceed two percent (2%), previous Recordings of such equipment, and the corresponding volumes of gas and quantities of energy received or delivered, shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one half of the time elapsed since the date of the last test, not exceeding a correction period of forty-six (46) days.

9.3 Failure of Measuring Equipment

In the event any measuring equipment is out of service, or is found registering inaccurately and the error is not determinable by test, previous Recordings from such equipment, or the volumes of gas or quantities of energy received or delivered through such equipment, shall be estimated:

- (1) by using the registration of any check meter(s) if installed and accurately registering;
- (2) in the absence of check meters, by correcting the error if the percentage of error is ascertainable by calibration, special test or mathematical calculation;
- (3) in the absence of check meters or the possibility of calibrations, by using Recordings or quantities received or delivered through such equipment during periods of similar conditions when the equipment was registering accurately;
or

(4) as otherwise agreed between Transporter and Shipper.

The Recordings from such equipment, or the volumes of gas and quantities of energy received or delivered through such equipment, so estimated shall be used in determining the volumes of gas and quantities of energy received or delivered for any applicable period.

In case the period is not known or agreed upon, such estimated receipts or deliveries shall be used in determining the quantity of gas received or delivered during the latter half of the period beginning on the date of the immediately preceding test and ending on the date the measuring equipment has been adjusted to record accurately. The recordings of the measuring equipment during the first half of said period shall be considered accurate in computing receipts or deliveries.

9.4 Preservation of Record

Both Transporter and Shipper shall preserve all test data, charts, and other similar Records for a period of at least two (2) years, or such other longer period as may be required by public authority.

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10, Billing, 0.0.0 A

10. Billing

10.1 Monthly Billing Date

On or before the ninth (9th) day following the date of final monthly meter readings for each Billing Month, an imbalance statement (if applicable) and a statement shall be rendered by Transporter of the total quantity of gas delivered to or for the account of Shipper under each Rate Schedule during each day of the proceeding Billing Month, the net billing rate and the amount due. Billing statements shall be deemed as rendered when such statements are deposited by Transporter with the U. S. Mail for first-class delivery, as evidenced by the postmark date, deposited by Transporter with an overnight courier service for delivery to Shipper, sent via facsimile machine to the Shipper or hand-delivered to Shipper offices.

10.2 Customer Shipper Information

When information necessary for billing purposes is in the possession and control of the Shipper, Shipper will furnish such information to Transporter on or before the fifth (5th) day after the final meter reading of each Billing Month.

10.3 Right of Examination

Both Transporter and Shipper have the right to examine, at reasonable times agreed to by both parties, any books, charts, records or other pertinent information of the other to the extent necessary to verify the accuracy of any charge, computation, and statement made pursuant to any of the provisions within this Tariff.

10.4 Adjustment of Billing Errors

If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under this Section and Shipper has actually paid the bills containing such overcharge or undercharge, Transporter shall refund the amount of any such overcharge or Shipper shall pay the amount of any such undercharge within thirty (30) days after final determination of such amounts. In the event an error is discovered in the amount billed in any statement rendered by Transporter, such error shall be adjusted within thirty (30) days from the date of discovery of such error but in any event within six (6) months from the date of such statement with a three (3) month rebuttal period. These time limitations shall not apply in cases of Commission-required rate changes, to deliberate omissions, to misrepresentations or mutual mistakes of fact. Neither Shipper's nor Transporter's other statutory or contractual rights shall be diminished by this provision.

10.5 Billing Disputes

If Shipper in good faith disputes an invoice from Transporter and complies with the provisions of Section 11 (Payment) of the General Terms and Conditions of this Tariff, further resolution of the dispute shall be in accordance with the provisions of Section 26 (Complaint Procedure) of the General Terms and Conditions.

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11, Payment, 0.0.0A

11. Payment

11.1 Monthly Payment Date

Shipper shall make payment to Transporter for services purchased during the preceding month and billed pursuant to the provisions of this Tariff or the Service Agreement within ten (10) days from the receipt of the bill, by wire transfer of Federal Funds at such bank account designated by the Transporter, except when such day of the month is a Saturday, Sunday or federal bank holiday, in which case payment is due on the following business day. All such payments shall be considered to have been made on the date when Transporter has use of such funds. All payments shall be identified by invoice number and, if a payment differs from the invoiced amount, remittance detail shall be provided with the payment. Transporter shall apply payment based upon any remittance detail provided by Shipper.

11.2 Delayed bill or notice

If the rendering of the bill is delayed after the eleventh (11th) day of the month following the month of actual delivery, then the time of payment shall be extended by the same number of days as the delay. If Shipper is responsible for the delay, the provisions of Section 11.1 remain as applicable.

11.3 Remedies for non-payment

(a)

Should Shipper fail to pay all or a portion of any bill when such amount is due as provided herein, Shipper shall make payment to Transporter, in addition to the unpaid amount, a Charge for Late Payment, calculated by multiplying:

- (i) the unpaid portion of the monthly bill, by
- (ii) the day ratio, as determined by the number of days in occurrence from the due date to the date of actual payment, to 365, by
- (iii) the interest rate as set forth in accordance with Section 154.501 of the Commission's Regulations.

(b)

On or about ten (10) days after the due date of any payment, Transporter shall notify Shipper by written notice to advise that continued refusal to bring payment in full may lead to suspension of service. Transporter shall have the right to waive any Charge for Late Payment accrued on the unpaid portion of the bill on a non-discriminatory basis.

11.4 Bona fide disputes

In the event of a bona fide dispute between Shipper and Transporter concerning the amount of the unpaid bill, Transporter shall not suspend service under the procedure outlined in 11.3(b) above when Shipper acts in a timely manner to provide additional information and security for the Transporter in accordance with the following procedures:

(a)

Identification of the dispute: Within ten (10) days after the due date of any payment, Shipper shall notify Transporter by written notice of any amount billed which is in bona fide dispute, documenting all reasons and factors as to why the billing is in dispute.

(b)

Payment security: Within ten (10) days of the due date for any payment, Shipper shall either (i) pay in full the amount indicated on the disputed billing, without prejudice to the Shipper's rights to dispute all or part of said amount and subject to the return of the disputed amount so identified, with interest calculated in accordance with Section 11.3 after resolution of the dispute in favor of the Shipper, or (ii) pay the undisputed portion of the billing in full and furnish good and sufficient surety bond, guaranteeing payment to Transporter of all amounts ultimately found due after resolution the dispute, including interest charges which accrue until resolution of the dispute which may be reached by both parties either by agreement or court judgment.

11.5 Suspension or Termination for Nonpayment

If Shipper under any Rate Schedule becomes delinquent by ten (10) days in the payment of any invoice, then such Shipper shall provide adequate assurance of payment to Transporter within ten (10) days of the date of Transporter's written notice of such delinquency. If Shipper does not, within such ten (10) day period, pay the invoice together with accrued interest, or does not provide adequate assurance of payment in accordance with the provisions of this Section, Transporter, in addition to other remedies it may have, may commence suspension of service procedures by:

- a) sending a first written notice to Shipper informing Shipper that its service will be suspended and its Service Agreement with Transporter will be terminated in thirty (30) days ("suspension date") if payment is not received; and
- b) sending a second written notice to Shipper and the Commission ten (10) days before the suspension date informing Shipper that its service will be suspended and its Service Agreement with Transporter will be terminated on the suspension date if payment is not received before that date. Shipper's service will be suspended and its Service Agreement terminated if full payment is not received by Transporter before the suspension date. Termination of the

Service Agreement shall not excuse payments of the amounts then due or any other existing obligation of Shipper. Transporter shall not be entitled to suspend service or terminate Shipper's Service Agreement pending resolution of an invoice disputed in good faith by Shipper if Shipper complies with the provisions of Section 11.4 above.

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12, Nominating, Scheduling and Monitoring, 0.0.0 A

12. Nominating, Scheduling and Monitoring

Except for events solely within Transporter's control, the obligation to monitor, control, adjust and maintain a concurrent balance between tenders and takes of transportation gas under ITS or FTS Rate Schedules shall rest with Shipper. By the provisions of this Section, Transporter shall assume no responsibility to monitor or adjust Shipper's tenders or takes. All nominations pursuant to the requirements of this Section shall be submitted electronically through Columbia Gas Transmission, LLC's Navigates website. All other notices or other communications from Shipper to Transporter pursuant to the requirements of this Section shall be submitted either by facsimile ("telex") or delivery to Transporter, with the date and time of such notices and other communication from Shipper deemed to be the date and time as received by Transporter, unless otherwise specified. Transporter shall post onto its website and in the greeting of its business phones a telephone number to be used after normal business hours to assist Shippers having scheduling or confirmation problems.

The sending party shall adhere to nomination, confirmation and scheduling dead-lines. It is the party receiving the request who has the right to waive the deadline.

12.1 Nominations

(a)

Quantities of gas nominated and capacity awarded will be made effective at the time designated on the nomination provided Shipper adheres to the nomination timeline prescribed in Section 12.1(e) and receipt and delivery quantities can be confirmed pursuant to Section 12.2(b) of the General Terms and Conditions.

(b)

A Shipper seeking to nominate quantities under any applicable Service Agreement shall furnish to Transporter, for each Service Agreement, (i) a Nominated Daily Delivery Quantity to be delivered by Transporter to or for Shipper at the applicable delivery point(s) on Transporter's pipeline system, and (ii) a Nominated Daily Receipt Quantity to be tendered to Transporter at each applicable receipt point(s) on Transporter's pipeline system. Retainage shall be included in the Scheduled Daily Receipt Quantity and will be calculated by using the following formula: $(1 - \text{fuel \%}/100) \times \text{receipt quantity}$ rounded to the nearest dekatherm = delivery quantity. Shipper's Nominated Daily Delivery Quantity and Nominated Daily Receipt Quantity collectively are referred to as Shipper's "nominations".

(c)

Quantities shall be nominated in dekatherm units and represent the total requested

quantity for the gas day.

(d)

Each nomination shall be considered an original nomination and shall be replaced to be changed. When a nomination includes a date range, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range are unaffected. Nominations have a prospective effect only. Subsequent nominated quantities shall represent replacement daily quantities.

(e)

Transporter shall support the following nomination cycles:

- (i) The Timely Nomination Cycle: The deadline for nominations to be effective for the start of the next gas day is 11:30 am (central clock time).
- (ii) The Evening Nomination Cycle: The deadline for the last opportunity to provide a nomination to be effective for the start of the next gas day is 6:00 pm (central clock time).
- (iii) The Intraday 1 Nomination Cycle: For nominations to be effective at 5:00 pm (central clock time) on the gas day, the deadline to provide a nomination is 10:00 am (central clock time).
- (iv) The Intraday 2 Nomination Cycle: For nominations to be effective at 9:00 pm (central clock time) on the gas day, the deadline to provide a nomination is 5:00 pm (central clock time).

(f)

Shipper shall have the option to either submit overrun quantities (nominations under firm contracts in excess of maximum daily quantities) as a separate nomination or within the aggregate sum of all nominations. When nominations for overrun quantities are submitted as a separate transaction, they must be identified as such on the nomination form.

(g)

Except for intra-day nominations, Shipper may nominate for several days, months or years in one day increments provided such nomination is within the begin and end dates of Shipper's Service Agreement.

(h)

Shipper may submit intra-day nominations according to the deadlines noted in Section 12.1(e). There is no limitation as to the number of intra-day nominations which Shipper may submit at any one standard nomination cycle or in total across all standard nomination cycles. Such intra-day nominations may be used to request increases or decreases in total flow, changes to receipt points or changes to delivery points of scheduled gas. Interconnected parties should agree on the hourly flows of the intra-day nominations. All intra-day nominations shall be based on a daily quantity. Intra-day nominations shall include an effective date and time. During any gas day of interruption pursuant to Section 17 (Non-Emergency Service Interruption) or Section 18 (Force Majeure and Curtailment), a Shipper may not make intra-day changes to receive or take gas at its primary receipt or delivery point if such change would cause interruption of a Shipper using that receipt or delivery point as a firm primary point during that gas day. Excepting the Intra-day 2 nomination cycle, intra-day nominations submitted by Customers utilizing firm transportation service have scheduling priority over nominated and scheduled volumes of Customers shipping under Transporter's Interruptible Transportation Service. Transporter shall give notice to Customers nominating and scheduling volumes under Interruptible Transportation Service of any volumes bumped by intra-day nominations of Shippers using Firm Transportation Service by telephone, facsimile or written communication, consistent with notice provisions of Operational Flow Orders. Shipper may make such intra-day changes only if the following requirements and conditions are satisfied:

- (i) all applicable receipt points are equipped with real-time electronic measuring devices;
- (ii) if Transporter does not control the receipt or delivery points, actual flows consistent with the requested nominations are confirmed;
- (iii) Shipper's tenders or takes during any twenty-four (24) hour period do not exceed Shipper's Transportation Demand.
- (iv) Shipper's revised nominations during a Day under no circumstances fall below the elapsed-pro-rated scheduled quantity up to the effective time of the revised nominations.
- (v) Nominations received after the nomination deadline shall be scheduled after nominations received before the nomination deadline.

(i)

Shippers shall cause the operator of each point of receipt and each point of delivery designated in any nomination or change in nomination submitted by Shipper to confirm all such nominations or changes in nominations, before implementation by Transporter.

12.2 Confirmation and Scheduling by Transporter

(a)

No gas shall flow under any nomination until Transporter has confirmed the nomination, awarded capacity, and scheduled the applicable quantities. If Shipper's gas is not confirmed on the same day in which capacity is nominated, the nomination of that Shipper shall be void and the capacity shall be offered to the next eligible Shipper.

(b)

Transporter shall initiate confirmation with Operator. The party that would receive a Request for Confirmation or an unsolicited Confirmation Response may waive the obligation of the sender to send. Transporter and Operator shall complete confirmation by the following deadlines:

- (i) The Timely Nomination Cycle: Confirmation shall be completed by 3:30 pm (central clock time) the day before the start of the gas day.
- (ii) The Evening Nomination Cycle: Confirmation shall be completed by 9:00 pm (central clock time) the day before the start of the gas day.
- (iii) The Intraday 1 Nomination Cycle: Confirmation shall be completed by 1:00 pm (central clock time) on the gas day.
- (iv) The Intraday 2 Nomination Cycle: Confirmation shall be completed by 8:00 pm (central clock time) on the gas day.

(c)

Transporter shall provide to Shippers their scheduled quantities by the following deadlines and provisions:

- (i) The Timely Nomination Cycle: Scheduled quantities shall be provided by 4:30 pm (central clock time) the day before the start of the gas day.
- (ii) The Evening Nomination Cycle: Scheduled quantities shall be provided by 10:00 pm (central clock time) the day before the start of the gas day.
- (iii) The Intraday 1 Nomination Cycle: Scheduled quantities shall be provided by 2:00 pm (central clock time) on the gas day.
- (iv) The Intraday 2 Nomination Cycle: Scheduled quantities shall be provided by 9:00 pm (central clock time) on the

gas day.

In addition to making scheduled quantities information available by the following timelines, Transporter shall also provide to Shippers information containing scheduled quantities, including scheduled intra-day nominations, any other scheduling changes and shall provide scheduled quantities to bumped parties (notice to bump parties).

(d)

No intra-day nomination changes, including reductions, shall become effective unless the changes are confirmed.

- (i) 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 should 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 should be the new confirmed quantity.
- (ii) With respect to the processing of requests for increases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity should be the new confirmed quantity.
- (iii) With respect to the processing of requests for decreases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should 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 should be the new confirmed quantity.
- (iv) With respect to (i), (ii) and (iii) above, if there is no response to a Request for Confirmation or an unsolicited Confirmation Response, Transporter shall provide Customer with the following information to explain why the nomination failed, as applicable:
 - 1. Transporter did not conduct the confirmation;

2. Customer is told by Transporter that the upstream confirming party did not conduct the confirmation;
3. Customer is told by Transporter that the upstream Customer did not have the gas or submit the nomination;
4. Customer is told by Transporter that the downstream confirming party did not conduct the confirmation;
5. Customer is told by Transporter that the downstream Customer did not have the market or submit the nomination.

(e)

When a Shipper has more than one receipt point or more than one delivery point, such Shipper shall specify in its nomination the supply reduction priorities and delivery reduction priorities (Priority Reduction List) to be utilized at the receipt points or delivery points in the event of a loss of volume at the receipt points or delivery points.

(f)

If only partial confirmations are received by Transporter from the upstream entity delivering gas on behalf of the Shipper, Shipper's nominations shall be reduced in accordance with the priorities set forth on the Shipper's Priority Reduction List.

(g)

In the event Shipper's gas is not confirmed, Transporter shall have no obligation to deliver such unconfirmed gas to Shipper. If after Shipper's gas is confirmed, Transporter is notified that Shipper's gas is not available, then Transporter may cease deliveries.

12.3 Allocation

(a)

For transportation capacity at delivery and receipt points under Rate Schedules FTS and ITS, Transporter shall (i) allocate capacity sequentially among the Rate Schedule priority groupings set forth below, and (ii) allocate among Shippers paying the same rate within those Rate Schedule priority groupings, in the order and manner set forth below:

(i)

Rate Schedule FTS

For deliveries to primary and secondary receipt and delivery points under the FTS Rate Schedule, Transporter shall allocate capacity among those Shippers on a pro rata basis,

based upon those Shippers' respective levels of Transportation Demand.

(ii)

Rate Schedule ITS and Overrun Quantities under Rate Schedule FTS

- (1) Where Shippers have nominated deliveries commencing on the first Day of the Month of quantities under the ITS Rate Schedule or overrun quantities under the FTS Rate Schedule, Transporter shall award capacity to the Shippers paying the highest rate. Among Shippers paying the same rate, Transporter shall allocate capacity first to those Shippers flowing gas on a pro rata basis, based upon each such Shipper's respective confirmed nominations on the due date for nominations.

Transporter shall award capacity first to the Shippers paying the applicable maximum rate under Rate Schedule ITS. In situations where Shippers are paying less than the applicable maximum rate, Transporter shall allocate the remaining capacity based on the rate paid from the highest rate to the lowest rate. Among Shippers paying the same rate, Transporter shall allocate capacity:

- a) first to those Shippers flowing gas during the previous month (on a pro rata basis based on each Shipper's quantities flowing on the fourth business day preceding the first day of that month, up to but not exceeding such flowing quantities); and

- b) second to those Shippers who were not flowing gas during the previous month (on a pro rata basis based on nominated quantities for service during the upcoming month, up to but not exceeding nominated quantities).

- (2) Where Shippers have requested deliveries in excess of available capacity and commencing other than on the first Day of the Month of quantities under the ITS Rate Schedule or overrun quantities under the FTS Rate Schedule, Transporter shall allocate any available capacity on the basis of the highest rate. Where requested deliveries at the same highest rate exceed available capacity, Transporter shall allocate capacity first to those Shippers flowing gas on a pro rata basis, based upon respective confirmed nominations; and second to all remaining Shippers based upon the order in which Transporter received nominations from those Shippers

(equally to any Shippers submitting nominations on the same day).

Transporter shall award capacity first to the Shippers paying the applicable maximum rate under Rate Schedule ITS. In situations where Shippers are paying less than the applicable maximum rate, Transporter shall allocate the remaining capacity based on the rate paid from the highest rate to the lowest rate. Among Shippers paying the same rate, Transporter shall allocate capacity: a) first to those Shippers flowing gas during the previous month (on a pro rata basis based on each Shipper's quantities flowing on the fourth business day preceding the first day of that month, up to but not exceeding such flowing quantities); and b) second to those Shippers who were not flowing gas during the previous month (on a pro rata basis based on nominated quantities for service during the upcoming month, up to but not exceeding nominated quantities).

(b)

If intra-day nominations require an allocation of the pipeline system, the following will describe the circumstances that allow a higher priority service to bump a lower priority service:

- (i) Evening Nomination Cycle: For nominations received by 6:00 p.m. (central clock time) and to be effective at the start of the upcoming gas day, nomination increases at a primary point under Rate Schedule FTS will not bump nominations at a secondary receipt point that is submitted and scheduled within the timely nomination cycle. Nomination increases submitted under Rate Schedule FTS will have priority over nominated and scheduled quantities under Rate Schedule ITS and overruns under Rate Schedule FTS and may bump such quantities effective at 9:00 a.m. (central clock time) the next day. Nomination increases submitted under Rate Schedule ITS and overruns under Rate Schedule FTS shall be subject to available unscheduled capacity and will not bump scheduled quantities.
- (ii) Intra-day 1 Nomination Cycle: For nominations received by 10:00 a.m. (central clock time) and to be effective at 5:00 p.m. on the current gas day, nomination increases at a primary point under Rate Schedule FTS will not bump nominations at a secondary receipt point that is submitted and scheduled within the timely or Evening nomination cycle. Nomination increases submitted under Rate Schedule FTS will have priority over nominated and scheduled quantities under Rate Schedule ITS and overruns under Rate Schedule FTS and may bump such quantities effective at 5:00 p.m. (central clock time) on the same gas day. Nomination increases submitted under Rate Schedule

ITS and overruns under Rate Schedule FTS shall be subject to available unscheduled capacity and will not bump scheduled quantities.

- (iii) Intra-day 2 Nomination Cycle: For nominations received by 5:00 p.m. (central clock time) and to be effective at 9:00 p.m. on the same gas day, nomination increases regardless of Rate Schedule shall be subject to available unscheduled capacity and shall not bump scheduled quantities.

Transporter shall notify parties that are bumped during Evening and Intra-day 1 nomination cycles by providing the scheduled quantities information and through Internet e-mail. Shipper is responsible for providing Transporter the Internet e-mail address to be used for this notification.

(c)

Allocations. If confirming parties cannot agree on an allocation methodology, "pro rata based upon confirmed nominations" shall be used as the default method. Types of allocation methods include, but are not limited to, Ranked, Pro Rata, Percentage and Swing. Month-end allocations shall be based on a measurement closing date of the fifth business day after the business month. If actual quantities are not available, quantities will be estimated by Transporter. Disputed allocations shall be communicated to Transporter within six months of the initial month-end allocation, with a three month rebuttal. This time limitation shall not apply in the case of deliberate omission or misrepresentation, or mutual mistake of fact. No party's other statutory or contractual rights are affected by this provision.

(d)

Prior Period Adjustments. Prior period measurement adjustments will be taken back to the production month and reflected as such on invoices, imbalance statements and allocation statements. Measurement corrections shall be processed within six months of the end of the flow month, with a three month rebuttal period. This time limitation shall not apply in the case of deliberate omission or misrepresentation, or mutual mistake of fact. No party's other statutory or contractual rights are affected by this provision.

12.4 Shipper's Notice of Changes

Except for reasons of force majeure, as described in Section 18 (Force Majeure and Curtailment) of the Tariff's General Terms and Conditions, Shipper shall notify Transporter or cause Transporter to be notified at least 24 hours in advance of any anticipated material change in the daily quantity of gas Shipper desires to deliver or cause to be delivered to Transporter for transportation under Transporter's Rate Schedules. If an unanticipated or force majeure event causes a material change in the quantity of gas Shipper will deliver or cause to be delivered to Transporter for transportation, Shipper shall notify or cause Transporter to be notified as soon as possible after occurrence of that event. In the event of such material changes, Shipper shall tender or cause to be tendered

to Transporter such estimated daily quantities at flow rates as close as possible to uniform hourly rates. Departures by Shipper from the daily quantities that it has notified Transporter it intends to tender to Transporter under a Rate Schedule shall be kept to a minimum and in no event shall exceed the amount permitted by operating conditions.

12.5 Monitoring

(a)

Transporter may monitor: (i) the daily tenders of gas by or on behalf of any Shipper; (ii) the quantities delivered by an Intermediate Transporter on behalf of Shipper; and (iii) the daily usage of gas by Shipper. Transporter may do so for the purpose of monitoring on an hourly, daily, weekly, or monthly basis the quantities being tendered to and delivered by Transporter and thereby maintain, as nearly as possible, a concurrent balance between receipts and deliveries of gas. The approximate quantities determined by Transporter in that monitoring process shall be referred to herein as Monitored Quantities.

(b)

Monitoring may be performed by Transporter using either the estimates or actual data received by Transporter pursuant to this Section or actual meter readings by Transporter. Transporter may make reasonable adjustments to Shipper's Scheduled Daily Delivery Quantity and Scheduled Daily Receipt Quantity based upon either the Monitored Quantities or the actual data received by Transporter pursuant to the provisions of this Section. Transporter may make such adjustments upon telephonic notice to

Shipper twenty-four (24) hours in advance of the effective time of the adjustment. Any such adjustments by Transporter shall not result in Shipper's incurrence of any penalty if Transporter, in making such adjustment, relied upon inaccurate estimates, inaccurate meter readings, or inaccurate data received by Transporter pursuant to this Section. Transporter also shall have the right to notify any entity described in Sections 12.4 (d) and (e) below of the revised Scheduled Daily Receipt Quantities it will accept on behalf of Shipper.

(c)

For operational monitoring at electronically measured locations, allocated quantities shall be available one business day after the gas has flowed at the end of the gas Day. The scheduled quantity shall be made available at locations which are not measured electronically. Transporter shall provide allocation statements to the appropriate party for the meters it operates each month.

(d)

Transporter shall have the right to contract and obtain actual or estimated data regarding production or tenders to Transporter on behalf of Shipper from any entity (i) from whom Shipper is purchasing gas for tender to Transporter, or any other brokers or resellers of such gas; (ii) that is delivering or causing the tender of gas to Transporter for Shipper's

account; or (iii) that is producing gas ultimately purchased by Shipper for tendering to Transporter. Shipper shall cause each such entity to provide such actual or estimated data to Transporter upon request in the normal course of business as soon as such data is available.

(e)

Shipper shall furnish to Transporter with its nomination a list, by receipt points, showing the names and addresses of each entity identified in Section 12.4(c) above and the name and telephone number of the contact person who will provide the data required to be furnished pursuant to paragraph (c) above. Shipper's nominations shall also include (i) the identity of the shipper of any upstream pipeline that will be tendering the gas directly to Transporter and the shipper's contract number on such upstream pipeline, and (ii) the identity and gas sales contract number of any producer that will be tendering the gas directly to Transporter. Such data shall be furnished regardless of the entity from whom Shipper is purchasing the gas. A marketer, broker or other similar entity selling gas or arranging the sale of gas to more than one Shipper may furnish such data to Transporter on behalf of all such Shippers, segregated to each Shipper. Transporter reserves the right, in appropriate circumstances and on a non-discriminatory basis, to waive the information requirements set forth in the paragraph.

(f)

At times established by Transporter, each Shipper and Intermediate Transporter shall provide to Transporter any data requested by Transporter concerning gas used by Shipper or delivered to or for Shipper. The Intermediate Transporter shall furnish such data either on an actual basis or on an estimated basis sufficient to allow Transporter accurately to monitor tenders and deliveries and adjust Shipper's Scheduled Daily Delivery Quantity or Scheduled Daily Receipt Quantity. Intermediate Transporters shall only be required to furnish such data on an aggregate basis for end-users on their system for whom transportation gas is delivered by Transporter.

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13, Flexible Primary and Secondary Receipt and Delivery Points, 0.0.0	A		

13. Flexible Primary and Secondary Receipt and Delivery Points

13.1 Primary Receipt and Delivery Points

The point(s) of receipt for all gas tendered to Transporter for transportation under Transporter's Rate Schedules shall be at the interconnection of the facilities of the Transporter, Shipper or any applicable third parties, or at such other primary point(s) agreed upon by Shipper and Transporter and specified in Shipper's Service Agreement with Transporter. The point(s) of delivery for all gas delivered by Transporter to Shipper or to a third party on behalf of Shipper under Transporter's Rate Schedules shall be (i) at the interconnection of the facilities of Transporter and Shipper or any applicable third parties, or (ii) at such other primary point(s) agreed upon by Shipper and Transporter and specified in Shipper's Service Agreement with Transporter.

13.2 Flexible Primary Receipt and Delivery Point Authority

Except as may otherwise be specified in this Section or in individual Rate Schedules, Shipper shall have flexible primary receipt and delivery point authority; provided that Transporter, in its reasonable discretion, determines that sufficient firm capacity exists in its existing facilities to accommodate the proposed changes in primary receipt or delivery points. Any Shipper seeking to change primary receipt or delivery points under an existing Service Agreement shall request such a change by advising Transporter, identifying the Service Agreement affected, and furnishing Transporter with the information described in Section 2 (Request for Service) of the General Terms and Conditions. If firm capacity is available to accommodate Shipper's requested change, Transporter and Shipper shall execute a revised agreement that shall reflect the agreed changes in such receipt and delivery points, or maximum daily quantities.

13.3 Secondary Receipt and Delivery Point Authority

Except as provided in section 13.2 above or elsewhere in this Tariff, Shipper may have secondary receipt and delivery points under any firm Service Agreement as provided and subject to the requirements in the applicable Rate Schedule. Shippers using secondary points within their contract path have priority over shippers using secondary points outside their contract path. Receipts and deliveries of gas at such secondary receipt and delivery points under firm transportation agreements shall have the allocation priority as described in Section 12 (Nominating, Scheduling and Monitoring) of the General Terms and Conditions. Transporter shall interrupt service at such secondary receipt and delivery points as set forth in Sections 17 (Non-Emergency Service Interruption) and 18 (Force Majeure and Curtailment) of the General Terms and Conditions. The list of interconnections at which secondary point service is available will be maintained by Transporter in a Master List of Interconnections posted on its website.

KO Transmission Company

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14, Max. Daily Del. Oblig. at DPs & Max. Daily Quantity at RPs, 0.0.0

A

14. Maximum Daily Delivery Obligation at Delivery Points and Maximum Daily Quantity at Receipt Points

14.1 Maximum Daily Delivery Obligation at Delivery Points

The Maximum Daily Delivery Obligation (MDDO) at each point of delivery under Transporter's FTS Rate Schedule shall be set forth in the applicable Service Agreement. Notwithstanding the MDDO at individual delivery points, Transporter's combined aggregate MDDO at all or some of the delivery points to Shipper shall, if applicable, be specified in the applicable Service Agreement.

14.2 Maximum Daily Quantity at Receipt Points

Shipper's Maximum Daily Quantity at each point of receipt under Transporter's firm service Rate Schedules shall be set forth in the applicable Service Agreement. The sum of Shipper's Maximum Daily Quantity at all receipt points shall equal the sum of the Transportation Demand under Shipper's firm Service Agreements plus quantities necessary for Retainage.

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15, Possession of Gas, 0.0.0 A

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15. Possession of Gas

After Shipper delivers gas, or causes gas to be delivered, to Transporter at the point(s) of receipt specified in the Service Agreement, Transporter shall be deemed to be in possession and control of the gas until thermally equivalent volumes of comparable Btu value (less Retainage) are redelivered to Shipper or for the account of Shipper at the point(s) of delivery. Shipper shall have no responsibility with respect to any gas deliverable by Transporter or on account of anything which may be done, happen or arise with respect to such gas until Transporter delivers such gas to Shipper or for the account of Shipper. Transporter shall have no responsibility with respect to such gas before Shipper delivers or causes such gas to be delivered to Transporter or after Transporter redelivers such gas to Shipper or for the account of Shipper, or on account of anything which may be done, happen or arise with respect to such gas before such delivery or after such redelivery.

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16, Warranty of Title to Gas, 0.0.0 A

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16. Warranty of Title to Gas

Each Shipper under this Tariff warrants for itself, its successors and assigns, that Shipper or the party on whose behalf Shipper is acting will at the time of delivery to Transporter for transportation has good and merchantable title to or good right to receive all gas so delivered free and clear of all liens, encumbrances and claims whatsoever. Shipper will indemnify Transporter and save it harmless from all suits, actions, regulatory proceedings, debts, damages, costs, losses and expenses (including reasonable attorney fees) arising from or out of adverse claims arising from breach of this warranty (including, without limitation, claims from any royalties, taxes, license fees or charges applicable to such gas or to the delivery thereof to Transporter for transportation under the applicable Rate Schedules.) Replacement Shippers under Section 4 (Release and Assignment of Service Rights) of the General Terms and Conditions of this Tariff shall be considered to be "Shippers" for purposes of this Section, and therefore Releasors under Section 4 shall not be liable under this Section for breach of the foregoing warranty by its Replacement Shippers.

KO Transmission Company

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17, Non-Emergency Service Interruption, 0.0.0 A

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17. Non-Emergency Service Interruption

Transporter shall allocate capacity among its Rate Schedules when it has received nominations from Shippers that exceed available capacity and Transporter must establish scheduling priorities due to a non-emergency or a foreseen interruption of service

17.1 Relief from liability

In the event of a non-emergency or a foreseen interruption of service which could cause the receipt or delivery of gas to be decreased, suspended or discontinued (such as, but not limited to, maintenance, construction, test, rehabilitation, and repairs on pipelines), neither Transporter nor Shipper shall be liable to the other for any damages resulting from any act, omission, or circumstances occasioned by or in consequence of such events either on Transporter's system or Columbia's system as it pertains to the Agreement by Columbia Gas Transmission Corporation (the agreement by and between Columbia and Transporter, dated March 31, 1994 and as amended from time to time).

17.2 Liabilities not relieved

Such causes or contingencies affecting the performance by either party, as defined in Section 17.1, however, shall not relieve it of liability in the event of its failure to use due diligence to remedy the situation and remove the causes or contingencies affecting the performance of said contract, nor shall such causes or contingencies relieve either party from its obligations to make payments of amounts then due thereunder, nor shall such causes or contingencies relieve either party of liability unless such party shall give immediate telephonic notice followed by full particulars of the same in writing or by facsimile to the other party as soon as possible after the occurrence relied on.

17.3 Reallocation of Capacity

Transporter shall allocate capacity among its Rate Schedules when it has received nominations from Shippers that exceed available capacity due to a non-emergency or a foreseen interruption of service.

(a)

In a particular segment of Transporter's system, interruptions of firm and interruptible services shall be put into effect; in accordance with this Section, only for those Shippers served through the segment(s) in which service has been impaired. Any Shipper that fails to interrupt its firm or interruptible service as directed by Transporter shall be subject to penalties as set forth in Section 20 (Penalties) of the General Terms and Conditions of this Tariff. No penalties shall be imposed if Transporter fails to provide appropriate notice of reduced volumes.

Transporter shall waive the penalties as specified in Section 20.1 of Transporter's Tariff for interruptible shippers whose scheduled

volumes were reduced by a firm intra-day nomination. Such penalties shall be waived only for the day on which the bump takes place. Transporter will not waive penalties during periods of critical situations, such as specified in Section 18 (Force Majeure and Curtailment) and Section 19 (Operational Flow Orders) of Transporter's Tariff.

(b)

Shipper Priority List For transportation capacity at delivery and receipt points under Rate Schedules FTS and ITS, Transporter shall (i) allocate capacity sequentially among the Rate Schedule priority groupings set forth below, and (ii) allocate among customers paying the same rate within those Rate Schedule priority groupings, in the order and manner set forth below:

(i)

For deliveries to primary receipt and/or delivery points under the FTS Rate Schedule:

Transporter shall allocate capacity among those Shippers on a pro rata basis, based upon those Shippers' respective levels of Transportation Demand.

(ii)

For deliveries to secondary receipt and/or delivery points under the FTS Rate Schedule:

Transporter shall allocate capacity among those Shippers on a pro rata basis, based upon those Shippers' respective levels of Transportation Demand.

(iii)

For deliveries under the ITS Rate Schedule and Overrun Quantities under the FTS Rate Schedule:

- (1) Where Shippers have nominated deliveries commencing on the first Day of the Month of quantities under the ITS Rate Schedule or overrun quantities under the FTS Rate Schedule, Transporter shall award capacity to the Shippers paying the highest rate. Among Shippers paying the same rate, Transporter shall allocate capacity first to those Shippers flowing gas on a pro rata basis, based upon each such Shipper's respective confirmed nominations on the due date for nominations.

Transporter shall award capacity first to the Shippers paying the applicable maximum rate under Rate Schedule

ITS. In situations where Shippers are paying less than the applicable maximum rate, Transporter shall allocate the remaining capacity based on the rate paid from the highest rate to the lowest rate. Among Shippers paying the same rate, Transporter shall allocate capacity:

- a) first to those Shippers flowing gas during the previous month (on a pro rata basis based on each Customer's Shipper's quantities flowing on the fourth business day preceding the first day of that month, up to but not exceeding such flowing quantities); and
- b) second to those Shippers who were not flowing gas during the previous month (on a pro rata basis based on nominated quantities for service during the upcoming month, up to but not exceeding nominated quantities).

- (2) Where Shippers have requested deliveries in excess of available capacity and commencing other than on the first Day of the Month of quantities under the ITS Rate Schedule or overrun quantities under the FTS Rate Schedule, Transporter shall allocate any available capacity on the basis of the highest rate. Where requested deliveries at the same highest rate exceed available capacity, Transporter shall allocate capacity first to those Shippers flowing gas on a pro rata basis, based upon respective confirmed nominations; and second to all remaining Shippers based upon the order in which Transporter received nominations from those Shippers (equally to any Shippers submitting nominations on the same day).

Transporter shall allocate any available capacity first to the Shippers paying the applicable maximum rate under Rate Schedule ITS. In situations where Shippers are paying less than the applicable maximum rate, Transporter shall allocate the remaining capacity based on the rate paid from the highest rate to the lowest rate. Among Shippers paying the same rate, Transporter shall allocate capacity:

- a) first to those Shippers who are currently flowing gas (on a pro rata basis based on each Shipper's quantities flowing on the current day, up to but not exceeding such flowing quantities); and

- b) second to those Shippers who were not flowing gas during the current day (on a pro rata basis based upon the order in which Transporter received nominations from those Shippers for service during the current day).

(c)

Transporter shall notify Shipper of a non-emergency or foreseen interruption of service by telephonic and electronic communication to Shipper's representative, and shall do so seventy (70) hours in advance or at the latest by 3:30 pm (ET) on the day preceding the planned interruption. Transporter will specify in its interruption orders the (i) date and time by which Shipper must comply; (ii) the revised quantity (if any) authorized to flow (lowered quantity). In situations where Transporter's ability to render service is impaired in a particular segment, interruptions of both firm and interruptible services shall be effected, in accordance with the section, only for those Shippers served through the segment(s) in which service has been impaired. Any Shipper that fails to interrupt its firm or interruptible service as directed by Transporter shall be subject to penalties as set forth in Section 20 (Penalties) of the General Terms and Conditions of this Tariff.

KO Transmission Company

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18, Force Majeure and Curtailment, 0.0.0 A

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18. Force Majeure and Curtailment

This section provides the procedures in the event that transportation service is curtailed due to force majeure, other unforeseen conditions or operating conditions. Force majeure events are defined as acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy or terrorists, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, tropical storm or hurricane warnings issued by the National Weather Service (to the extent that such warnings result in actions preventing or restricting service to Shipper), washouts, arrest or restraint of rulers and people, civil disturbances, explosions, or breakage or accident to machinery or walls or lines of pipe, line or well freezeups, partial or total failure or unavailability of capacity, inability to obtain or unavoidable delay in obtaining materials, supplies, equipment, permits or labor to perform or comply with any obligations or conditions of an agreement, inability to obtain access to rights-of-way, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any declaration of a force majeure event under the Operating Agreement or any breach of the Operating Agreement by Columbia Gas Transmission Corporation (Columbia). The Operating Agreement shall mean the agreement by and between Columbia and Transporter, dated March 31, 1994 and as amended from time to time, concerning the operation of Transporter's system.

In the event that Columbia experiences a force majeure event on its system which would directly impact Transporter's operations pursuant to the Agreement, or in the event that there is a breach of the March 31, 1994 Agreement by Columbia, or if Transporter experiences a force majeure event on its system, then the following curtailment provisions would apply.

18.1 Curtailment Service Priorities

The provisions set forth in this Section shall apply to Shippers' FTS and ITS Rate Schedules and all Service Agreements thereunder. In the event capacity is unavailable to continue the receipt, transport and delivery of all Shippers' natural gas volumes which has been scheduled and is flowing on Transporter's system, Transporter may elect to curtail transportation sequentially among the Rate Schedules priority groupings set forth below and in the order and manner as proscribed until the necessary level of curtailment is achieved.

(a)

Quantities under Shipper's Rate Schedule ITS and overrun quantities in excess of Shipper's Transportation Contract Demand under Schedule FTS.

Curtailment would be based on Shippers paying the lowest rate and then in an ascending order of rates to the maximum rate. Among Shippers paying the same rate, Transporter shall allocate capacity to those Shippers who are currently flowing gas on a pro rata basis

based on each Shipper's quantities flowing on the current day, up to but not exceeding such flowing quantities.

(b)

Quantities at primary and secondary receipt and/or delivery points under Shipper's Rate Schedule FTS.

If the gas available for delivery on Transporter's system or portion thereof is temporarily insufficient to meet all of Transporter's authorized firm services on any day, then Transporter, upon providing as much notice as possible, shall curtail all such services on a pro rata basis, based on transportation demand.

18.2 Curtailment of Transportation Service

(a)

If the gas available for delivery on Transporter's system or portion thereof is temporarily insufficient to meet all of Transporter's authorized firm services on any day due to force majeure or other unforeseen conditions on Transporter's system, then Transporter, upon providing as much notice as possible by telephonic and electronic communication to Shipper's representative, shall curtail any interruptible service for the purpose of making capacity available for firm services in the manner set forth in Section 18.1 - Curtailment Service Priorities.

Transporter will specify in curtailment orders issued pursuant to this Section the (i) date and time by which Shipper must comply; and (ii) the revised quantity (if any) authorized to flow (lowered quantity).

(b)

Where Transporter's ability to render service is impaired in a particular segment of Transporter's system, curtailment of firm and interruptible services shall be put into effect only for those Shippers served through the segment(s) of Transporter's system in which service has been impaired.

(c)

A Shipper that fails to curtail its firm or interruptible service as directed by Transporter shall be subject to penalties as set forth in Section 20 (Penalties) of the General Terms and Conditions of this Tariff.

18.3 Liabilities not relieved

Such causes or contingencies affecting the performance by either party, as defined in this Section, however, shall not relieve it of liability in the event of its failure to use due diligence to remedy the situation and remove the causes or contingencies affecting the performance of said contract, nor shall such causes or contingencies relieve either party from its obligations to make payments of amounts then due thereunder, nor shall such

causes or contingencies relieve either party of liability unless such party shall give immediate telephonic notice followed by full particulars of the same in writing or by facsimile to the other party as soon as possible after the occurrence relied on.

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19, Operational Flow Orders, 0.0.0 A

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19. Operational Flow Orders

19.1 In General

(a)

Transporter, in its reasonable discretion, shall have the right to issue Operational Flow Orders (OFOs) as specified in this Section upon determination by Transporter that action is required in order to alleviate conditions which threaten the integrity of Transporter's system, to maintain pipeline operations at the pressures required to provide reliable firm services, to have adequate supplies in the system to deliver on demand (including injection of gas into the mainline and providing line pack), to maintain firm service to all Shippers and for all firm services, and to maintain the system in balance for the foregoing purposes. To the extent feasible, Transporter shall attempt to direct such OFOs to those Shippers causing the condition that necessitates issuance of the OFO.

(b)

Each Operational Flow Order shall contain the following information:

- (1) Time and date of issuance;
- (2) Time that OFO is effective;
- (3) Duration of OFO (if none specified, the OFO will remain in effect until further notice);
- (4) The Shipper(s) or class of Shippers affected;
- (5) The action that Shipper(s) must take;
- (6) The reason or justification for issuing the OFO; and,
- (7) Any other information which may be required by the terms of this Tariff.

(c)

Except for events or conditions which threaten the integrity of Transporter's system, or as specified in Section 19.2(a), Transporter will give twenty-four (24) hours general advance notice of an Operational Flow Order, by telephonic, facsimile, or electronic communication to Shipper's representative, the conditions that may jeopardize the system or affect Transporter's ability to meet its contractual obligation to meet all firm services. Transporter reserves the right to issue an Operational Flow Order with less than twenty-four (24) hours to comply if necessary to protect the integrity of its system. Additionally, Transporter shall give as much advance warning as is reasonably possible, information regarding the operational variables that will give, or will in the future give, rise to issuance of an OFO, and Transporter shall provide updates regarding the expected duration of an OFO based on those operational variables. Once an OFO

has been issued, Transporter will post on its Internet website available information regarding the status of operational variables that determine the beginning and end of the OFO. Within a reasonable period of an OFO, Transporter shall prepare a report detailing the factors requiring the issuance and termination of the OFO and shall post this report on its Internet web site.

If Transporter issues an Operational Flow Order without providing such twenty-four (24) hours notice, except for those Operational Flow Orders issued pursuant to Section 19.2(a), Transporter shall post on its website and send to the Commission a detailed explanation containing information specific to that individual situation to justify the issuance of the Operational Flow Order.

(d)

Transporter shall issue Operational Flow Orders by telephonic, facsimile or written communication to Shipper's representative. Shippers shall be solely responsible for compliance with each OFO.

19.2 Specific Conditions for Issuance

(a)

If, in Transporter's reasonable judgment, impending operating conditions will cause the delivery pressure to one or more Shippers to drop below the pressure provided in the Service Agreement(s) of the Shipper(s), Transporter may immediately issue an Operational Flow Order pursuant to this Section requiring that deliveries under the FTS and/or ITS Rate Schedules be made on a basis consistent with the flow rates and limitations set forth in the OFO, effective three (3) hours after issuance of the OFO. If only one segment of the Transporter's system will be affected by low pressure, the OFO will be limited to that segment of the system and shall be so stated. For the duration of this Operational Flow Order, increases in scheduled delivery quantities within affected segments of Transporter's system will be made on a prospective basis only. If Transporter issues an Operational Flow Order pursuant to this Section 19.2(a) without providing such three (3) hour notice, Transporter shall post on its website and send to the Commission a detailed explanation containing information specific to that Individual situation to justify the issuance of the OFO.

(b)

Transporter shall have the right to issue Operational Flow Orders requiring Shippers to deliver gas to Transporter at Shipper's primary receipt points under Shipper's FTS Service Agreement with Transporter. This right shall also apply to Shippers which have acquired capacity via Transporter's capacity release and assignment procedures.

(c)

Transporter may issue an OFO as follows to preserve its ability to provide firm service to Shippers:

- (i) Transporter may issue an OFO limiting all Shippers to receipts and deliveries at primary points.
- (ii) Transporter may issue an OFO directing a Shipper to correct imbalances or operate within the limitations on transportation as set forth in Shipper's Service Agreement or the applicable Rate Schedule.

(d)

Transporter may, on a nondiscriminatory basis, issue such other reasonable OFOs as may be required for the purposes set forth in this Section in order to provide the services contemplated by this Tariff.

(e)

Transporter has the right to issue OFOs on a nondiscriminatory basis without liability except in cases of Transporter's sole negligence or undue discrimination. Compliance with the OFOs and the other terms and conditions of this Tariff is essential to Transporter's ability to provide deliveries and services under all Rate Schedules. A failure by one or more Shippers to comply with any OFO may affect Transporter's ability to provide such deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies available in law or at equity, Transporter will, except in cases of Transporter's sole negligence or undue discrimination, have no liability or responsibility for its inability to provide deliveries and services and will be indemnified and held harmless against any claims related to such failure to provide deliveries and services by the Shipper(s) failing to comply with Transporter's Tariff, and in particular, the provisions of this Section.

19.3 Limitations

(a)

Shipper shall not be required to flow gas pursuant to this Section in excess of Shipper's Total Firm Entitlement or any maximum entitlement level specified in Shipper's Service Agreement(s) with Transporter.

(b)

A Shipper must comply with an OFO within the time period set forth therein unless the Shipper is able to demonstrate that such compliance:

- (i) is not within Shipper's physical or contractual control;
- (ii) is prevented by operating conditions on a third party pipeline system beyond Shipper's control;
- (iii) is precluded by its contractual restrictions with a third party

pipeline system; and/or

- (iv) is prevented due to curtailment, as defined in Section 17 (Non-Emergency Service Interruption) or Section 18 (Force Majeure and Curtailment) of the General Terms and Conditions of this Tariff; provided that Shipper shall make a good faith effort to comply with an OFO, including seeking waivers of any contractual limits with third party pipelines or modifications of operating conditions on third party pipeline systems. Shipper shall notify Transporter immediately if it believes that it is excused from compliance with the OFO for the reasons set forth in this subparagraph, and shall promptly provide Transporter with documentation sufficient to support its basis for non-compliance.

(c)

A Shipper shall not incur penalties for complying with an OFO.

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20, Penalties, 0.0.0

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20. Penalties

The penalties set forth in this Section apply to Rate Schedules FTS and ITS, unless otherwise indicated in this Section or in individual Rate Schedules.

20.1 Takes in Excess of Total Firm Entitlement (TFE)

If Shipper's takes on any day exceed 103 percent of the Total Firm Entitlement (TFE), Shipper shall be assessed and pay a penalty of \$10.00 per dekatherm for quantities taken in excess of 103 percent of its TFE.

20.2 Failure to Interrupt Service

If Shipper fails to interrupt service as directed by Transporter pursuant to Section 17 (Non-emergency Service Interruption) and Section 18 (Force Majeure and Curtailment) of the Tariff's General Terms and Conditions, and thereby delivers gas to or takes gas from Transporter in excess of 103 percent of the sum of the lowered Scheduled Daily Receipt Quantity or Scheduled Daily Delivery Quantity under all applicable Rate Schedules set by Transporter's Interruption Order, Shipper shall be assessed and pay penalties of \$5.00 per Dth on the first three percent (3%) of quantities taken or delivered in excess of its Scheduled Daily Receipt Quantity or Scheduled Daily Delivery Quantity, and \$10.00 per Dth for quantities taken or delivered in excess of 103 percent of its Scheduled Daily Receipt Quantity or Scheduled Daily Delivery Quantity. The penalties set forth in this Section and in Section 20.1 above shall not be both assessed for the same actions by a Shipper.

20.3 Failure to Comply with Operational Flow Orders

If Shipper fails to comply with an operational flow order issued by Transporter pursuant to Section 19 (Operational Flow Orders) of the General Terms and Conditions, a penalty of \$5.00 per Dth per day shall be assessed on all quantities taken or delivered in violation of that operational flow order.

20.4 Miscellaneous

(a)

All penalties and charges assessed under this Section shall be paid in addition to the applicable transportation rates and charges, including any overrun charge.

(b)

In the event Shipper seeks to avoid any penalty provided for in this Section on the ground that such charge was incurred because of a force majeure event as defined in Section 18 (Force Majeure and Curtailment) of the General Terms and Conditions, Shipper shall document such force majeure event to Transporter. Transporter shall waive penalties to

the extent that it determines that the imbalance was caused by a bona fide force majeure event as defined in Section 18.

(c)

In the event Shipper, or any other individual or entity receiving or delivering gas on behalf of, as an assignee of, or otherwise for the benefit of Shipper, does not (i) provide the schedules, allocations, or other data required by this Section or other Sections of this Tariff.

(d)

Transporter may waive its right to collect all or any portion of the penalties assessed against Shipper, provided that any such waiver is granted in a nondiscriminatory manner.

(e)

Any disputes between Transporter and Shipper concerning Shipper's scheduled or actual quantities delivered or received (imbalance disputes), shall be subject to the complaint procedures, as set forth in Section 26 (Complaint Procedure) of the Tariff's General Terms and Conditions.

20.5 Penalty Crediting Mechanism

(a)

The purpose of this provision is to provide the mechanism by which Transporter shall credit any "Penalty Revenues", as defined herein, to "Non-Penalized Shippers".

(b)

The term "Penalty Revenues" shall mean penalty amounts assessed and actually, net of Transporter's costs, collected during a contract year (November 1 - October 31) pursuant to the penalty provisions of this Tariff. The term "Non-Penalized Shippers" shall apply to all Shippers, other than Shippers that were assessed penalties during a contract year (November 1 - October 31) pursuant to the penalty provisions of this Tariff under all of Transporter's Rate Schedules.

(c)

On a monthly basis, Transporter shall calculate the amount of Penalty Revenues. Shippers who did not incur penalties during the reporting month are eligible for credits of penalty revenues related to the reporting month. Transporter shall allocate such Penalty Revenues to the Non-Penalized Shippers based on their actual monthly throughput under the FTS and/or ITS service agreements. Transporter shall credit the bills of Non-Penalized Shippers that are the original capacity holders (and not Replacement Shippers under Section 4 of the General Terms and Conditions) for such allocated amounts within thirty (30) days of the end of the reporting month.

20.6 Critical Day Requirement for Penalties

A "Critical Day" will be declared by Transporter whenever Transporter, in Transporter's reasonable discretion, determine (based on criteria such as weather forecasts, line pack, pipeline pressures, horsepower availability, system supply and demand and other operational circumstances that operational conditions have severely deteriorated such that Transporter faces a threat to its system integrity and/or to Transporter's ability to meet its firm service obligation. With the exception of (1) failure to interrupt penalties imposed pursuant to Sections 16 and 19 of the General Terms and Conditions and (2) OFO penalties imposed pursuant to the provisions of Sections 17 and 19 of the General Terms and Conditions, Transporter will not impose penalties under this Section 20 and under any rate schedule unless a "Critical Day" as defined above has been declared and is in effect on Transporter's system. For penalties ascribed for conduct that occurs over a monthly as opposed to a daily period of time, these monthly penalties will be imposed only if Transporter has declared a "Critical Day" on any day occurring in that monthly period.

Except for force majeure events and/or events or conditions which threaten the integrity of Transporter's system or Transporter's ability to meet its firm service obligations, Transporter will notify Shippers at least 24 hours in advance on its Internet website of the effective date of the Critical Day, and of the type of penalties that will be applicable during the Critical Day period. If due to declaration of a Critical Day, a monthly penalty becomes applicable, Transporter will notify Shippers by posting on its Internet website notice that the monthly penalty is applicable.

20.7 No Imposition of Multiple Penalties

Transporter will not impose on a Shipper both OFO or failure to interrupt penalties pursuant to Section 17 and 20 of the General Terms and Conditions for the same infraction.

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21, Discounting, 0.0.0

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21. Discounting

21.1 In General

Transporter may at any time in its reasonable discretion selectively discount the rate(s) applicable to any individual Shipper under the Rate Schedules set forth in Original Volume No. 1 of this Tariff; provided, however, that such discounted rate(s) shall not be less than the Minimum Rate(s) for the applicable service as set forth in the currently-effective rates of this Tariff. If Transporter discounts any rate to any Shipper, Transporter shall file with the Commission any required reports respecting such adjusted rate. Transporter and Shipper shall enter into a written agreement describing the term of any such discounting of Transporter's rate(s).

21.2 Allocation or Interruption

To the extent that Transporter allocates or interrupts service rights based upon price, as set forth in Section 12 (Nominating, Scheduling and Monitoring) and Section 17 (Non-Emergency Service Interruption) and Section 18 (Force Majeure and Curtailment) of the General Terms and Conditions, the price utilized by Transporter for such purposes, where rates for service has been discounted by Transporter, shall be Shipper's discounted rate for the service.

21.3 Refunds

If the rates charged Shipper exceed the rates ultimately approved by the Commission, any required refund shall be made based on the amount by which the rate actually collected from Shipper exceeds the rate approved by the Commission.

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22, Warranty of Eligibility for Transportation, 0.0.0	A		

22. Warranty of Eligibility for Transportation

Each Shipper under this Tariff warrants for itself, its successors and assigns, that all gas delivered to Transporter for transportation shall be eligible for transportation in interstate commerce under applicable rules, regulations or orders of the Commission. Shipper will indemnify Transporter and save it harmless from all suits, actions, damages, costs, losses, expenses (including reasonable attorney fees), and regulatory proceedings arising from breach of this warranty. Replacement Shippers under Section 4 (Release and Assignment of Service Rights) of the General Terms and Conditions shall be considered to be "Shippers" for purposes of this Section, and therefore Releasers under Section 4 shall not be liable under this Section for breach of the foregoing warranty by its Replacement Shippers.

Where transportation will be provided under Section 311 of the Natural Gas Policy Act (15 U.S.C. 3371) and pursuant to Subpart B of Part 284 of the Commission's Regulations (18 C.F.R. Part 284.101 et. seq.), Shipper warrants that such transportation service is authorized to be provided within the meaning of 18 C.F.R. Section 284.102 (d)(3), if the local distribution company or intrastate pipeline company on whose behalf the transportation service is being provided will not have physical custody of and transport the gas or will not hold title to the gas. Where transportation will be provided under Transporter's blanket certificate and pursuant to Section 222 of Subpart G of Part 284 of the Commission's Regulations (18 C.F.R. Part 284.222), Shipper warrants that an interstate pipeline will receive some benefit from the transaction.

KO Transmission Company

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23, FERC Annual Charge Adjustment, 0.0.0 A

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23. FERC Annual Charge Adjustment (ACA) Unit Charge

23.1 Purpose

The Omnibus Budget Reconciliation Act of 1986 (Act), by its Section 3401(a)(1), requires the FERC to assess and collect fees and annual charges in any fiscal year (October 1 through September 30) in amounts equal to all of the costs incurred by the FERC in that fiscal year. Transporter will be required to remit to the FERC Transporter's share of any FERC undercollections as calculated on Transporter's Annual Charges Bill for the previous fiscal year. For the purpose of recovering this payment, this Section establishes a FERC ACA Unit Charge (pursuant to FERC authority) to be applicable to all jurisdictional transportation quantities transported. By electing the FERC ACA Unit Charge method of recovery, Transporter hereby acknowledges its intent not to recover any annual charges recorded in FERC Account No. 928 in a NGA Section 4 rate case.

23.2 Basis of the FERC ACA Unit Charge

Transporter's ACA rate shall be the increment specified by the Commission for such charge for that fiscal year (October 1 through September 30). The ACA unit charge shall be reflected in the Currently Effective Rates Section of this Tariff.

23.3 Filing Procedure

Pursuant to Section 154.207 of the FERC's Regulations, Transporter shall file, at least thirty (30) days prior to the effective date of an ACA filing, and post, pursuant to Section 154.2(d) of the FERC's Regulations, the necessary tariff changes to reflect the FERC approved ACA Unit Charge, unless, for good cause shown, a lesser notice period and different effective date is allowed by valid FERC order.

KO Transmission Company

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24, Transportation Retainage Adjustment, 0.0.0 A

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24. Transportation Retainage Adjustment

Shipper must furnish the sufficient quantity of gas required for fuel, company use and unaccounted for quantities associated with the rendering of applicable service. That quantity of gas required for retainage shall be calculated as an amount equal to the quantity of gas tendered for Shipper on a daily basis multiplied by the applicable percentage as stated in the Currently Effective Rates Section of this Tariff. Transporter will adjust the fuel retainage as operating conditions warrant.

Such changes will (a) be made with prior written notice and (b) shall not be assessed to Shipper retroactively. Retainage, as defined at Section 1 of the General Terms and Conditions, shall apply to all Rate Schedules of this Tariff.

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FERC Order: Delegated Letter Order
25, Internet Web Site, 0.0.0 A

Status: Effective
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25. Internet Website

25.1 Introduction

Transporter has established the KO Transmission Company website for use by any participant, including potential Shippers. The website shall be available on a nondiscriminatory basis to any participant. Transporter will provide timely and equal access to any information available on the website.

25.2 General Features of the website

The website is accessed through any web browser at www.kotransmission.com. Use of the associated fax feature is obtained by dialing 513-287-2938. The website is available twenty-four hours a day. The website provides the means to advise participants on the daily availability of released capacity from Shippers, firm and interruptible capacity from the pipeline, Transporter's Approved Bidders List, posted offers to release, notices of prearranged assignments, posted offers to purchase service rights, bids for capacity, unsubscribed capacity created through either construction or expansion, service interruptions, capacity constraints and winning bids and bidder(s). The website will be continually updated to be consistent with the terms and conditions of this Tariff.

Transporter shall maintain and retain back up records, by means of magnetic tape or printed documents, of the information on the website for three (3) years and permit a participant to review those records to be archived and accessible. Transporter will periodically delete transactions from the website when transactions have been completed. Information on the most recent entries will appear ahead of older information.

The following information is obtainable through or posted on the website:

- (a) Transporter's FERC Gas Tariff;
- (b) transactional report;
- (c) marketing affiliate name;
- (d) critical notices such as operational flow order reports and other operational issues;
- (e) any other information or notices .

25.3 Announcements

(a)

Shippers may utilize the website, fax or e-mail for the purposes of recording (i) bids for capacity, (ii) notification to Transporter on exercise of right of first refusal, , (iii) offers of

release, (iv) notices of prearranged assignment, (v) withdrawal notices, (vi) offers to purchase service rights and (vii) bids on released capacity.

(b)

The Transporter will use the website to announce (i) the Approved Bidders List, (ii) Generally Available Capacity, (iii) winning bids and identity of winning bidder(s), (iv) general notices, and (v) summaries of bids and offers.

25.4 Available Capacity

(a)

Transporter shall post the availability of firm and interruptible capacity at Point(s) of Receipt and Point(s) of Delivery for which Transporter receives real-time measurement information. The website shall also disclose whether the capacity is available from Transporter directly, or through Capacity Release provisions as set forth in Section 4 (Release and Assignment of Service Rights) of this Tariff's General Terms and Conditions.

(b)

The website will not announce as "available capacity" any capacity which would be created by backhaul, displacement or exchange. Potential Replacement Shippers inquiring of available capacity on a specific transportation path not specified on the website may make that inquiry to Transporter by way of facsimile or telephonic request. Transporter shall reply to that inquiry by telephone or facsimile.

(c)

Interruptible capacity which is identified on the website as "available" can be interrupted if a Shipper holding firm capacity on that transportation path revises a nomination or assigns firm capacity and that nomination conforms to nominating provisions in Section 12 (Nominating, Scheduling and Monitoring) of the General Terms and Conditions.

25.5 Indemnity Clause

A participant on the website assumes sole responsibility for all use of the website and hereby indemnifies and holds Transporter harmless against any liability or claim of any person that is attributable to improper use of the website. In no event will Transporter be liable to any participant for consequential, exemplary, or special damages resulting, in whole or in part, from use of the website; however, in case of negligence, bad faith, fraud or willful misconduct on the part of Transporter, the Transporter is not excused from liability regarding the use of the website.

25.6 Limitation

The website shall be employed by Shippers and other parties for the uses identified in this Section and elsewhere in this Tariff. To the extent other provisions of this Tariff prescribe that certain types of communications should be transmitted by the means other than the website, those specific provisions shall govern.

25.7 Confidentiality

All communications received through fax, e-mail or internet form, and any data contained therein, shall be subject to the same requirements of confidentiality, if any, applicable to such communications made by any other means permitted under any Rate Schedule or Service Agreement.

25.8 Contact Information

Transporter's website can be accessed at www.kotransmission.com. Questions about this website and the information posted on the website may be directed to the Administrator at 139 East Fourth Street, Rm-EM025, Cincinnati, Ohio 45202. The phone number is 513-287-3553 and the telefax number is 513-287-2938.

Transporter's website is bound to all the terms and conditions of Transporter's FERC Gas Tariff, Volume No. 1.

KO Transmission Company

Effective Date: 09/20/2010
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order
26, Complaint Procedure, 0.0.0 A

Status: Effective
Order Date: 11/24/2010

26. Complaint Procedure

26.1 Application

Any Shipper or potential Shipper may make a written complaint to Transporter regarding any dispute between Shipper and Transporter arising from this Tariff. Shipper must specify each reason for the dispute. Within two (2) business days of receiving a complaint, Transporter shall provide an initial response to complainant, acknowledging receipt of the complaint and requesting further information as appropriate.

26.2 Resolution

Within thirty (30) days after receipt of Shipper's complaint, Transporter shall appoint a Committee composed of necessary personnel to review the complaint and provide a written decision to the complainant addressing each element thereof and, where appropriate, recommending a course of action. In the event the complainant disagrees with this determination and makes a written request for reconsideration or clarification, specifying each reason the complainant disagrees with the initial determination, the Committee shall consider such request and within thirty (30) days after receipt thereof shall render its final written decision to complainant, addressing each element thereof and, where appropriate, recommending a course of action.

KO Transmission Company

Effective Date: 09/20/2010
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order
27, Creditworthiness of Shipper, 0.0.0 A

Status: Effective
Order Date: 11/24/2010

27. Creditworthiness of Shipper

27.1 Subject to the provisions immediately below, Transporter shall not be required to perform or to continue to perform service on behalf of any Shipper that (i) is or has become insolvent, (ii) has applied for bankruptcy under Chapter 11 of the Bankruptcy Code or is subject to similar proceedings under State or Federal law, or (iii) fails, in Transporter's reasonable judgment, to demonstrate minimal creditworthiness for all or any part of the service requested, based upon Transporter's consideration of available credit data concerning Shipper and its past payment history, financial statements and credit reports.

27.2 Transporter may require adequate assurance of payment for any service under this Tariff requested by an insolvent or uncreditworthy Shipper. Such Shipper may receive or continue to receive service if it provides adequate assurance of payment for service within ten (10) working days after the date of written demand by Transporter. Adequate assurance of payment may include:

- (a) a deposit with Transporter of an amount equal to two (2) months of total charges for the service, as set forth in the applicable Service Agreement, provided that such deposit may be applied by the Transporter to satisfy a delinquent account;
- (b) advance payment for service at the time service is scheduled;
- (c) an irrevocable letter of credit from a creditworthy financial institution;
- (d) a guarantee from a creditworthy entity; or,
- (e) a surety bond from an acceptable, creditworthy insurance company.

27.3 Transporter may at any time re-evaluate the creditworthiness of Shipper and demand adequate assurance of payment or additional adequate assurances of payment if Transporter determines that Shipper has in any respect become uncreditworthy. Circumstances under which Transporter may re-evaluate Shipper's creditworthiness include, but are not limited to, a filing by Shipper for bankruptcy or a submission to bankruptcy or similar federal or state proceedings, an adverse change in Shipper's payment practices, a reorganization of Shipper's business structure, an assignment of Shipper's contracts, or a request by Shipper for increased service.

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

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

The Shipper's authorized representative(s) should respond to Transporter's request for credit information, as allowed by Transporter's Tariff, on or before the due date specified in the request. The Shipper should provide all the credit information requested by Transporter or provide the reason(s) why any of the requested information was not provided. Upon receipt from the Shipper of all credit information provided pursuant to applicable NAESB WGQ standards, Transporter shall notify Shipper's authorized representative(s) that it has received such information. Transporter and Shipper may mutually agree to waive the requirement of this standard.

The Shipper should designate up to two representatives who are authorized to receive notices regarding the Shipper's creditworthiness, including requests for additional information, pursuant to the applicable NAESB WGQ standards and should provide to Transporter the Internet e-mail addresses of such representatives prior to the initiation of service. Written requests and responses should be provided via Internet e-mail, unless otherwise agreed to by the parties. The obligation of Transporter to provide creditworthiness notifications is waived until the above requirement has been met. The Shipper should manage internal distribution of any creditworthiness notices that are received. The Transporter should designate, on its Internet website or in written notices to the Shipper, the Internet e-mail addresses of up to two representatives who are authorized to receive notices regarding notices regarding the Shipper's creditworthiness. The Shipper's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and the Transporter should manage internal distribution of any such confirmations.

At any time after the Shipper is determined to be non-creditworthy by Transporter, the Shipper may initiate a creditworthiness re-evaluation by Transporter. As part of Shipper's re-evaluation request, Shipper may either update or confirm in writing the prior information provided to Transporter related to Shipper's creditworthiness. Such update should include any event(s) Shipper believes could lead to a material change in Shipper's creditworthiness. After Transporter'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, Transporter shall provide a written response to Shipper's request. Such written response should include either a determination of creditworthiness status, clearly stating the reason(s) for Transporter's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event should such re-evaluation determination exceed twenty (20) business

days from the date of the receipt of Shipper's request unless specified in Transporter's Tariff or if the parties mutually agree to some later date.

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

KO Transmission Company

Effective Date: 09/20/2010

Status:

Effective

FERC Docket: RP10-01312-000 1

FERC Order: Delegated Letter Order

Order Date:

11/24/2010

28, FERC Gas Tariff and Exec. SA Subject to Regulation, 0.0.0 A

28. FERC Gas Tariff and Executed Service Agreement subject to Regulation

This Tariff and the executed service agreement, and the respective obligations of the parties thereunder, are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

KO Transmission Company

Effective Date: 09/20/2010
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order
29, Non-Waiver and Future Default, 0.0.0 A

Status:

Effective

Order Date:

11/24/2010

29. Non-Waiver and Future Default

No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provisions of this Tariff or the executed service agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

KO Transmission Company

Effective Date:

09/20/2010

Status:

Effective

FERC Docket:

RP10-01312-000 1

FERC Order:

Delegated Letter Order

Order Date:

11/24/2010

30, Notices, 0.0.0 A

30. Notices

Unless otherwise specifically provided in this Tariff, particularly with regard to notices and communications required through Transporter's website, any notice, request, demand, or communication provided for in these General Terms and Conditions or in the Rate Schedules, or any other notice that Transporter or Shipper may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered mail to the Post Office address of Transporter or Shipper, or at such other address as either shall designate for formal written notice. Any notice, request, demand, communication, or other posting made on Transporter's website as required by this Tariff shall be considered as duly delivered when posted on Transporter's website. Routine communications by telephone between members of the operating staffs of Transporter and Shipper shall be considered duly delivered without confirmation by mail. If Transporter is required by this Tariff to provide any notice, request, demand, or other communication to a Shipper by telephone communication, Transporter may, at its option, make such communication via datafax without any telephonic communication.

KO Transmission Company
Effective Date: 09/20/2010
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order
31, Reserved for future use, 0.0.0 A

Status: Effective
Order Date: 11/24/2010

31. Reserved for Future Use

KO Transmission Company
Effective Date: 09/20/2010
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order
32, Reserved for future use, 0.0.0 A

Status: Effective
Order Date: 11/24/2010

32. Reserved for Future Use

KO Transmission Company
Effective Date: 09/20/2010
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order
33, Compliance with 18 C.F.R., Section 284.10, 0.0.0 A

Status: Effective
Order Date: 11/24/2010

33. Compliance with 18 CFR Section 284.12

Transporter shall comply with the business practices and standards incorporated by reference in Section 284.12 of the Commission's Regulations (18 CFR Section 284.12), as amended from time to time. Transporter specifically incorporates by reference the following Version 1.8 standards as promulgated by the Wholesale Gas Quadrant of the North American Energy Standards Board:

0.1.3	1.3.71	2.3.25	3.3.16	5.3.41
0.2.1	1.3.72	2.3.27	3.3.20	5.3.42
0.2.2	1.3.73	2.3.51	3.3.21	5.3.44
0.2.3	1.3.74	2.3.52	3.3.26	5.3.45
0.3.2	1.3.75	2.3.53	4.2.1	5.3.46
0.3.11	1.3.76	2.3.54	4.3.1	5.3.47
0.3.12	1.3.77	2.3.55	4.3.16	5.3.48
0.3.13		2.3.56	4.3.18	5.3.49
0.3.14	2.1.6	2.3.57	4.3.22	5.3.50
0.3.15	2.2.4	2.3.58	4.3.23	5.3.51
1.1.14	2.2.5	2.3.59	4.3.25	5.3.52
1.1.22	2.3.1	2.3.60	4.3.89	5.3.53
1.2.1	2.3.2	2.3.61	4.3.90	5.3.54
1.2.2	2.3.3	2.3.62	4.3.91	5.3.55
1.2.8	2.3.4	2.3.63	4.3.92	5.3.56
1.2.9	2.3.5	2.3.64	4.3.93	5.3.57
1.2.10	2.3.6	2.3.65	5.1.2	5.3.58
1.2.11	2.3.8	3.3.2	5.1.3	5.3.59
1.3.2(v)(vi)	2.3.10	3.3.3	5.1.4	5.3.60
1.3.17	2.3.12	3.3.5	5.2.3	
1.3.18	2.3.15	3.3.6	5.3.7	
1.3.32	2.3.17	3.3.7	5.3.17	
1.3.39	2.3.19	3.3.8	5.3.22	
1.3.40	2.3.20	3.3.11	5.3.24	
1.3.41	2.3.21	3.3.12		
1.3.42	2.3.23	3.3.13		
1.3.43				
1.3.44				
1.3.64				
1.3.65				
1.3.66				
1.3.67				
1.3.68				
1.3.69				

1.3.70

KO Transmission Company

Effective Date: 09/20/2010

FERC Docket: RP10-01312-000 1

FERC Order: Delegated Letter Order

Part 6, Forms of Service Agreement, 0.0.0 A

Status:

Effective

Order Date:

11/24/2010

FORMS OF SERVICE AGREEMENT FOR SERVICE UNDER:

RATE SCHEDULES FTS AND ITS

KO Transmission Company
Effective Date: 09/20/2010
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order
SA Form 1, Service Agreement, 0.0.0 A

Status: Effective
Order Date: 11/24/2010

Service Agreement No. _____

SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____ 20__, by and between KO Transmission Company, a Kentucky corporation, hereinafter referred to as "Transporter", and _____, a _____, hereinafter referred to as "Shipper",

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1

Service to be Rendered.

Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective ____ Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Original Volume No. 1 (Tariff), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Service hereunder shall be provided subject to the provisions of Part 284 Subpart G of the Commission's regulations. Shipper warrants that service hereunder is being provided on behalf of _____, a _____ or Shipper.

Section 2

Term.

Service under this Agreement shall commence as of _____ and shall continue in full force and effect until _____ and from year-to-year thereafter unless terminated by either party upon thirty days written notice to the other party.

Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3

Rates.

Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement.

Section 4

Notices.

Notices to Transporter under this Agreement shall be addressed to it at 139 East Fourth Street, Cincinnati, Ohio 45202, Attention: _____.

Notices to Shipper shall be addressed to it at _____, Attention: _____, until changed by either party by written notice.

Shipper

By _____

Title _____

KO Transmission Company

By _____

Title _____

Revision No. _____
Control No. _____

Appendix A to Service Agreement No. _____
under Rate Schedule _____
between KO Transmission Company (Transporter)
and _____ (Customer)

Transportation Demand _____ Dth/day

Primary Receipt Points

<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>
-----------------------------	------------------------------	----------------------------	-----------------------------	---

Primary Delivery Points

<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>
-----------------------------	------------------------------	----------------------------	-----------------------------	---

All other Transporter receipt and delivery points are incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of _____, 19 _____. This Appendix A shall cancel and supersede the previous Appendix A effective as of _____, 19 ____, to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said Service Agreement shall remain in full force and effect.

KO Transmission Company

By _____
Its _____
Date _____

KO Transmission Company

Effective Date: 09/20/2010

FERC Docket: RP10-01312-000 1

FERC Order: Delegated Letter Order

Part 7, Miscellaneous Forms, 0.0.0 A

Status:

Effective

Order Date:

11/24/2010

MISCELLANEOUS FORMS

KO Transmission Company
Effective Date: 09/20/2010
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order
Misc. Form 1, Request for Service, 0.0.0 A

Status: Effective
Order Date: 11/24/2010

REQUEST FOR SERVICE

THIS FORM MUST BE COMPLETED FOR EACH REQUEST FOR SERVICE

Send to: KO Transmission Company
139 East Fourth Street, RM-EM025
Cincinnati, Ohio 45202
Attention: Administrator

Business phone: 513-287-3553
Facsimile: 513-287-2938

Signatory: _____
(Party to execute transportation agreement/amendment)

THIS PART TO BE COMPLETED BY NEW SHIPPER OR FOR ANY CHANGES

I. Contact for Notices

Attention: _____
Company: _____
Street Address: _____
City: _____
State: _____
Zip: _____
Telephone: _____
Fax: _____

II. Dispatching and Nominations

Attention: _____
Company: _____
Street Address: _____
City: _____
State: _____
Zip: _____
Telephone: _____
Fax: _____

III. Billing Invoices and Imbalance Statements

Attention: _____
Company: _____
Street Address: _____
City: _____
State: _____
Zip: _____
Telephone: _____
Fax: _____

If specific activities will be performed by the signatory's agent, a copy of the agency agreement must be attached and Sections IV through VII of this request completed.

IV. Agent Functions (check one or more)

- _____ Contracting: Request and negotiate new transportation agreements, or amendments to existing transportation agreements.
- _____ Nominating: Submit and change nomination information; receive confirmation of nomination activity from Transporter.
- _____ Accounting: Receive and pay invoices relating to all activity under transportation agreement; receive, monitor, and correct imbalances created under transportation agreement.

TO BE COMPLETED ONLY IF AGENT IS USED

V. Notices

Attention: _____
Company: _____
Street Address: _____
City: _____
State: _____
Zip: _____
Telephone: _____
Fax: _____

VI. Dispatching and Nominations

Attention: _____
Company: _____
Street Address: _____
City: _____
State: _____
Zip: _____

Telephone: _____
Fax: _____

VII. Billing Invoices and Imbalance Statements

Attention: _____
Company: _____
Street Address: _____
City: _____
State: _____
Zip: _____
Telephone: _____
Fax: _____

TRANSPORTER USE ONLY
Vendor Code _____
Company Abbrev. _____

1. Legal Name _____

State of Incorporation: _____

2. Service Type
_____ ITS _____ FTS

3. Transportation Contract Demand

(i) ITS Maximum Daily Contract Demand: _____ MMBtu

(ii) FTS Maximum Daily Contract Demand: _____ MMBtu

Maximum Winter Season Quantity: _____ MMBtu

Maximum Summer Season Quantity: _____ MMBtu

Maximum Annual Contract Volume: _____ MMBtu

4. Authority

Please designate the one applicable transportation regulatory authority for the requested service:

Self-Implementing Authorities -

_____ Subpart B of Part 284 (i.e., Section 311) transportation "on behalf of" local distribution company or intrastate pipeline.

NOTE: Under Section 311 Authority, the requester represents that the local distribution company or intrastate pipeline on whose behalf transportation service is requested either;

- (i) Has physical custody of and transports the gas at some point in the transaction; or
- (ii) Has title to such gas at some point in the transaction for a purpose related to its status as a local distribution company or intrastate pipeline; or
- (iii) The gas is delivered at some point to a Shipper that is either located in a local distribution company's service area or is physically able to receive direct deliveries of gas from an intrastate pipeline, and that local distribution company or intrastate pipeline certifies that it is on its behalf that Transporter is providing service.

_____ If Shipper is requesting service under Section 311 authority, then an "on behalf of" certification or agency agreement signed by the local distribution company or intrastate pipeline on whose behalf service is being performed must be attached.

_____ Subpart G of Part 284 (i.e., Order 500, Section 284.222) transportation by an interstate pipeline for interstate pipeline.

_____ Subpart G of Part 284 (i.e., Order 500, Section 284.222) transportation by an interstate pipeline for any other shipper.

Filed Authority -

_____ Section 7 - Requires FERC order approving request of certificate filing.

5. Request Type

Request is for: _____ new transportation agreement
_____ amendment to existing agreement
_____ existing contract number _____
_____ reactivation - Yes _____ No _____

6. Requester Type

Designation of party requesting service: _____

7. Commencement Date

Date service is requested to commence: _____
(response of "ASAP" not acceptable)

8. Term

List the primary term of firm agreement and indicate if an evergreen term is requested.

Primary term _____
Year-to-year evergreen: _____ Yes _____ No

9. "On Behalf Of" Entities

Does this request use any agency or "on behalf of" entities: _____ Yes
_____ No

10. Facilities Required

Does this request require new facilities: _____ Yes
_____ No
_____ Unknown

11. Receipt Point(s)

List Transporter receipt point(s) and estimate of volume available at each receipt point:

Receipt Point Meter No. & Name	Estimate of Gas Quantities (MMBtu)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

12. Delivery Point(s)

Delivery point(s) and estimate of gas quantities (MMBtu @ 14.73 dry):

Delivery Point Meter No. & Name	Estimate of Gas Quantities (MMBtu)
_____	_____
_____	_____
_____	_____

Through signature hereunder, the party requesting transportation service states that the information herein is complete and accurate to the best of its knowledge, information and belief.

Company Name

By: _____
Name and Title

FOR TRANSPORTER USE ONLY

Transporter Log Number: _____

Date Request Received _____

Date Requestor Notified of Incomplete Status _____

Date Request Accepted as Complete & Valid _____

Related Docket Number _____

Credit Application _____

Representative _____

KO Transmission Company

Effective Date: 09/20/2010
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order
Misc. Form 2, Form of Release Notice, 0.0.0 A

Status:

Effective

Order Date: 11/24/2010

FORM OF RELEASE NOTICE

_____ (Releasing Shipper) hereby notifies KO Transmission Company (Transporter) that pursuant to Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Original Volume No. 1 (Tariff), it desires to release and assign its service rights (i) under its Service Agreement (Agreement) under the FTS Rate Schedule with Transporter dated _____, _____ and having Contract Number _____, as limited and described herein; or (ii) under another Assignment Agreement (Agreement) by and between Releasing Shipper _____ and _____ pertaining to service under Transporter's FTS Rate Schedule dated _____, _____, and having Assignment Number _____, as limited and described herein.

1. Prearrangement

The capacity and service rights described herein shall be submitted for bid pursuant to Section 4 (Release and Assignment of Service Rights) of the General Terms and Conditions of Transporter's Tariff as a release for which:

- (a) _____ There is no prearranged assignment; or
- (b) _____ an assignment has been prearranged with _____ (Replacement Shipper) for a period of more than 31 days and does not qualify as an exempt from bidding offer as described in the General Terms and Conditions 4.2(a) or 4.2(c).

2. Released Service Rights

The capacity and service rights to be released and assigned under the Agreement shall be as follows:

- (a) Quantity: _____ MMBtu per day
- (b) The release of capacity and service rights described herein shall commence as of _____, 20____, and shall continue if full force and effect until _____, 20____, subject to any recall rights specified herein by Releasing Shipper.
- (c) Receipt points and MDQ's, and delivery points and MDDOs

Receipt point(s) MDDOs	MDQ(s)	Delivery point(s)

- (d) In case of 1(b) above, the price offered under the prearrangement in absolute dollars and cents or percent of maximum: _____
- (e) The resulting assignment may ____ may not ____ be reassigned.

3. Releasing Shipper's Recall Rights

Releasing Shipper's recall rights shall be subject to the following requirements: [a] The frequency with which Releasing Shipper may recall the capacity shall be _____; (b) the maximum duration of any such recall(s) shall be: _____; and (c) the length of advance notice to Replacement Shipper and Transporter required before recall(s) may be effected shall be as follows: (no less than twenty-four (24) hours, unless otherwise agreed to between Releasing Shipper and Replacement Shipper): _____. (d) The Replacement Shipper has ____ has not ____ the option to accept the capacity after a recall for the remainder of the release term.

4. Minimum Conditions

The minimum price, minimum term, or minimum volume, if any, applicable to bids for the released capacity are as follows:

- a. (i) Price _____ (iii) Volume _____
(ii) Term _____
- b. (i) absolute dollars and cents, or _____
(ii) percent of maximum rate _____

Any other minimum conditions applicable to bids for the released capacity are as follows:

5. Posted Period

The date and time at which this Release Notice shall be posted on Transporter's Bulletin Board shall be:

Date _____ Time _____

Bidding shall commence at the time of posting and shall continue until:

Date _____ Time _____

(must comply with the minimum established in the General Terms and Conditions Section 4.2(d)).

6. Maximum Demand Charge

The maximum demand charge (including demand-type surcharges) applicable to the released capacity is: _____.

7. Evaluation and Tie-breaking Criteria

Releasing Shipper agrees that all bids for its released capacity shall be evaluated by Transporter pursuant to the evaluation criteria referenced in Section 4 of this Tariff's General Terms and Conditions, unless specified as follows:

8. Releasing Shipper's Contact Person

Releasing Shipper's contact person with respect to this Release Notice is:

Name _____
Telephone No. _____
Facsimile No. _____

9. Type of Rate

Bids for the capacity are to be submitted on the following basis:

Reservation _____ Volumetric _____

10. Indemnification

This release ____ is ____ is not subject to an indemnification provision pursuant to which the initial Replacement Shipper for the released capacity shall indemnify Releasing Shipper for any claims relating to refunds made by successive Replacement Shippers of that capacity. Any such indemnification provision must be subject to the requirement that Releasing Shipper correctly calculate refunds to the initial Replacement Shipper. If any such indemnification provision applies to this release, the terms of that provision are as follows:

11. Bids

All bids for the capacity to be released and assigned, as limited and described in this Release Notice, shall be made to Transporter in accordance with the provisions of Section 4 of the General Terms and Conditions of Transporter's Tariff.

12. Conditions of Release

Transporter reserves the right to request modifications or deletions of all or any portion of this Release Notice to the extent it is incomplete or fails to conform in any manner to the requirements in Transporter's Tariff. Transporter shall have no responsibility for any errors, omissions, or other aspects of this Release Notice.

KO Transmission Company
Effective Date: 09/20/2010
FERC Docket: RP10-01312-000 1
FERC Order: Delegated Letter Order
Misc. Form 3, Form of Assignment Agreement, 0.0.0 A

Status: Effective
Order Date: 11/24/2010

FORM OF ASSIGNMENT AGREEMENT

This Assignment Agreement (Agreement) made and entered into the _____ of _____, 20____, is by and among _____ (Replacement Shipper), and KO Transmission Company (Transporter).

WITNESSETH:

WHEREAS, pursuant to a Release Notice complying with Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Original Volume No. 1, _____ ("Releasing Shipper") released capacity and service rights under its Service Agreement with Transporter or under a prior Assignment Agreement, subject to the requirements set forth in said Section 4 and in the Release Notice; and

WHEREAS, Replacement Shipper is to be awarded all or part of such capacity and service rights in accordance with Section 4 of Transporter's Tariff.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

Assignment

Transporter hereby assigns to Replacement Shipper the capacity and service rights hereinafter specified under (check one):

- (a) _____ Releasing Shipper's Service Agreement under the FTS Rate Schedule with Transporter dated _____, _____ having Contract Number _____, to the extent described in Appendix A, attached hereto and incorporated herein by reference; or
- (b) _____ Releasing Shipper's Assignment Agreement by and between Releasing Shipper and Transporter pertaining to service under Transporter's FTS Rate Schedule dated _____, _____ having Assignment Number _____, to the extent described in Appendix A, attached hereto and incorporated herein by reference.

2. Obligations of Replacement Shipper

(a)

Replacement Shipper shall be responsible for nominating and scheduling with Transporter all service to be rendered by Transporter for the benefit of Replacement Shipper under this Agreement.

(b)

Replacement Shipper shall comply with (i) the terms and conditions of the assigned Service Agreement or Assignment Agreement described in Section 1 above, (ii) Transporter's applicable Rate Schedule, (iii) Appendix A attached hereto, and (iv) the General Terms and Conditions of Transporter's Tariff, under which Replacement Shipper shall be deemed to be a "Shipper".

(c)

Replacement Shipper shall pay Transporter a reservation charge of \$_____ or a percentage of the maximum rate per Dth per day per month. In addition, Replacement Shipper shall pay to Transporter (i) all commodity charges, (ii) any commodity surcharges, and (iii) any penalties or imbalance correction costs associated with the capacity and service rights assigned under this Agreement, as any of these charges may be adjusted from time-to-time upon approval of the Commission.

3. Obligations of Transporter

Transporter shall provide service to Replacement Shipper and shall bill Releasing Shipper and Replacement Shipper in accordance with (i) the assigned Service Agreement or Assignment Agreement described in Section 1 above, (ii) Transporter's applicable Rate Schedule, (iii) Appendix A attached hereto, and (iv) the General Terms and Conditions of Transporter's Tariff.

4. Term

Service under this Agreement shall commence as of _____, 20____, and shall continue in full force and effect until _____, 20____.

5. Releasing Shipper's Recall Rights

This Agreement and the assignment herein shall be subject to Releasing Shipper's rights to recall in accordance with the following requirements:

(a) the frequency with which Releasing Shipper may recall the capacity shall be:

(b) the maximum duration of any such recall(s) shall be:

(c) and the length of advance notice to Replacement Shipper and Transporter required before recall(s) may be effected shall be as follows (Note: not less than twenty-four (24) hours):

-
- (d) The Replacement Shipper ____ has ____ has not the option to accept the capacity after a recall for the remainder of the release term.

6. Notices

Notices given under this Agreement shall be provided as follows:

If to Transporter: KO Transmission Company
139 East Fourth Street, Room EM025
Cincinnati, Ohio 45202

If to Replacement Shipper: _____

7. Successors and Assigns

Consistent with Section 4 of the General Terms and Conditions of Transporter's Tariff, this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns; provided that any further assignment by Replacement Shipper of the capacity and service rights assigned herein shall not vary Releasing Shipper's recall rights set forth in Section 5 above.

8. Other Provisions

All applicable provisions of Transporter's Tariff are incorporated herein and made a part hereof by reference.

9. Special Agreements

Other agreements between Transporter and Replacement Shipper not inconsistent with Transporter's Tariff, or with the Release Notice underlying this Assignment Agreement and other terms and conditions specified in the Release which applicable to this Assignment Agreement are as follows:

10. Applicable Law

This Agreement shall be construed and interpreted under the laws of the Commonwealth of Kentucky.

By: _____
Replacement Shipper

Name: _____

Title: _____

Date: _____

By: _____
Transporter

Name: _____

Title: _____

Date: _____

Note: Appendix A, attached hereto and incorporated herein by reference, shall be Transporter's form of Appendix A set forth in Transporter's Tariff pertaining to the Rate Schedule under which the service assigned in this Assignment Agreement is released by Transporter, completed to describe the capacity and service rights assigned to Replacement Shipper under this Assignment Agreement.

KO Transmission Company		Status:	Effective
Effective Date:	09/20/2010		
FERC Docket:	RP10-01312-000 1		
FERC Order:	Delegated Letter Order	Order Date:	11/24/2010
Misc. Form 4, Informational Posting Form for Prearranged Assignments, 0.0.0		A	

INFORMATIONAL POSTING FORM FOR PREARRANGED ASSIGNMENTS

_____ (Releasing Shipper) hereby submits for posting on the website of KO Transmission Company (Transporter), pursuant to Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Original Volume No. 1, Releasor's release of its service rights (i) under its Service Agreement (Agreement) under the FTS Rate Schedule with Transporter dated _____, _____, and having Contract Number _____, as limited and described herein; or (ii) under that certain Assignment Agreement (Agreement) by and between Releasing Shipper and _____ pertaining to service under Transporter's FTS Rate Schedule dated _____, _____, having Assignment Number _____, as limited and described herein.

1. Prearrangement

An assignment has been prearranged with _____ (Replacement Shipper) (check one)

- _____ (a) for a period of 31 days or less;
- _____ (b) for a period of more than one year and Replacement Shipper has agreed to pay the applicable maximum rate,
- _____ (c) in order to effectuate an Asset Management Agreement, or
- _____ (d) in relation to an eligible state-approved retail open access program.

2. Released Service Rights

The capacity and service rights released under the Agreement shall be as follows:

(a)
Quantity: _____ Dth/day.

(b)
The release of capacity and service rights described herein shall commence as of _____, 20____, and shall continue in full force and effect until _____.

_____, 20____, subject to any recall rights specified herein by
Releasing Shipper.

3. Releasing Shipper's Recall Rights

Releasing Shipper's recall rights shall be subject to:

- (a) the frequency with which Releasing Shipper may recall the capacity shall be:

- (b) the maximum duration of any such recall(s) shall be:

- (c) and the length of advance notice to Replacement Shipper required before recall(s) may be effected shall be as follows (Note: not less than twenty-four (24) hours unless otherwise agreed to by Releasing Shipper and Replacement Shipper):

4. Charges

All rates, charges and surcharges for the release to be paid by Replacement Shipper to Releasing Shipper shall be:

