

Sheet Nos. 11 through 14 are reserved for future use.

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

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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 Sheet No. 10 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:

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- (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 Sheet No. 10 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, Original Volume No. 1, are applicable to this Rate Schedule and are hereby incorporated as a part of this Rate Schedule.

Sheet Nos. 18 through 23 are reserved for future use.