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December 8, 2010

Via eTariff

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

Re: **KO Transmission Company, Dkt. No. RP10-1231-002**

Dear Secretary Bose:

Pursuant to the order issued in the above referenced docket, as well as the November 24, 2010 order accepting its baseline tariff, KO Transmission Company (“KO Transmission”) hereby files a compliance filing. When KO Transmission baselined its FERC Gas Tariff Volume No. 1 (“Tariff”) in Docket No. RP10-1312, substantial changes to its Tariff were pending in Docket No. RP10-1231, with a requested effective date of November 1, 2010. Such changes were accepted by Commission order on October 28, 2010. KO Transmission is thus submitting the changes that were accepted in eTariff format.¹ Clean and Marked versions of the Tariff Records are included.

Additionally, KO Transmission noticed that the baseline Tariff submitted included a rate-related provision that had been superseded (in converting the Tariff from sheets to sections, an outdated sheet was used). Specifically, in Section 3 (Currently Effective Rates), the Transportation Retainage Adjustment should be 0.58% rather than 0.74%. The 0.58% rate was approved by the Commission on March 30, 2010 in Docket No. RP10-472. Also, the Tariff Record Title of Section 33 contained a typo which has been corrected, as reflected in the Tariff Record and the Table of Contents.

¹ *Order on Filings in Compliance with Order No. 587-U*, 133 FERC ¶ 61,096 (2010). As discussed in a request for clarification or rehearing submitted on November 29, 2010, the Commission may have inadvertently neglected to rule on certain KO Transmission waiver requests. Because such order does not indicate that KO Transmission should make any changes to the text of the tariff changes submitted, this compliance filing reflects the textual changes as originally submitted by KO Transmission.

Kimberly D. Bose, Secretary

December 8, 2010

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Please contact the undersigned if you have any questions.

Respectfully submitted,

/Jennifer L. Key/

Jennifer L. Key
Attorney for KO Transmission Company

Attachments

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 8th day of December, 2010.

/Jennifer L. Key/
Jennifer L. Key
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**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 0.58%

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.

GENERAL TERMS AND CONDITIONS

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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, a percentage basis, or an index-based formula;
- (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 reput 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 applies to all parties involved in the capacity release process provided that:

- 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
- 2) for index-based capacity release transactions, the releasing shipper has provided the capacity release service provider with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and
- 3) there are no special terms or conditions of the release.

Further, the capacity release service provider may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by the Transportation Service Provider).

Capacity Release Timeline:

For biddable releases (1 year or less):

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 (more than 1 year):

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)

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 ("telefax") 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 submit overrun quantities (nominations under firm contracts in excess of maximum daily quantities) as a separate nomination.

(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)

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.

(c)

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.

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, in accordance with Order No. 587, et al.. In addition to the NAESB WGQ Standards referenced elsewhere in the Tariff. Transporter specifically incorporates by reference the following NAESB WGQ Version 1.9 Principles, Standards and Definitions by reference:

Additional Standards:

General:

Principles

0.1.1, 0.1.2, 0.1.3

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Gas/Electric Operational Communications:

Definitions:

0.2.1, 0.2.2, 0.2.3

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Nomination Related Standards:

Principles:

1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5, 1.1.7, 1.1.9, 1.1.10, 1.1.11, 1.1.12, 1.1.13, 1.1.14, 1.1.15, 1.1.16, 1.1.17, 1.1.18, 1.1.20, 1.1.21, 1.1.22

Definitions:

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

Standards

1.3.1, 1.3.2(v)(vi), 1.3.4, 1.3.5, 1.3.8, 1.3.9, 1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.51, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.80

Flowing Gas Related Standards

Principles:

2.1.1, 2.1.2, 2.1.3

Flowing Gas Related Standards (Continued):

Definitions:

2.2.1, 2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12,
2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.22, 2.3.23, 2.3.25,
2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58,
2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65

Invoicing Related Standards:

Principles:

3.1.1, 3.1.2

Definitions:

3.2.1

Standards:

3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13,
3.3.14, 3.3.15, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.20, 3.3.21, 3.3.25, 3.3.26

Quadrant Electronic Delivery Mechanism Related Standards:

Principles:

4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.20, 4.1.21, 4.1.22, 4.1.23, 4.1.24, 4.1.29

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.14, 4.2.15

Standards:

4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.30, 4.3.31,
4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.89, 4.3.90, 4.3.91,
4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98

Capacity Release Related Standards:

Principles:

5.1.2, 5.1.3

Definitions:

5.2.3, 5.2.4, 5.2.5

Standards:

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5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69

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 in 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, of maximum or index based formula:

(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 _____
(iii) index based formula _____

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.

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 \$ _____, a percentage of the maximum rate, or an index based formula rate (as described in 2(d) below) 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.

(d)

If the reservation charge is based on monthly or daily price indexes, the formula for calculating the rate shall be:

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.

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 **0.740.58%**

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.

GENERAL TERMS AND CONDITIONS

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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, **or an index-based formula**;
- (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 reput 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~~ applies to all parties involved in the Capacity Release process; however, it is only applicable if capacity release process provided that:

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) for index-based capacity release transactions, the releasing shipper has provided the capacity release service provider with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and

3) there are no special terms or conditions of the release,

Further, the capacity release service provider may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and

conditions (e.g. designation of an index not supported by the Transportation Service Provider).

Capacity Release Timeline:

For biddable releases (~~less than~~ 1 year or less):

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 (more than 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)

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.~~

~~(e)~~

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)~~

(c)

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.

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, in accordance with Order No. 587, et al. In addition to the NAESB WGO Standards referenced elsewhere in the Tariff. 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:~~ NAESB WGO Version 1.9 Principles, Standards and Definitions by reference:

	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					

Additional Standards:

General:

Principles

0.1.1, 0.1.2, 0.1.3

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Gas/Electric Operational Communications:

Definitions:

0.2.1, 0.2.2, 0.2.3

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Nomination Related Standards:

Principles:

1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5, 1.1.7, 1.1.9, 1.1.10, 1.1.11, 1.1.12, 1.1.13, 1.1.14, 1.1.15, 1.1.16, 1.1.17, 1.1.18, 1.1.20, 1.1.21, 1.1.22

Definitions:

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

Standards

1.3.1, 1.3.2(v)(vi), 1.3.4, 1.3.5, 1.3.8, 1.3.9, 1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.51, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.80

Flowing Gas Related Standards

Principles:

2.1.1, 2.1.2, 2.1.3

Flowing Gas Related Standards (Continued):

Definitions:

2.2.1, 2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.22, 2.3.23, 2.3.25,

2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65

Invoicing Related Standards:

Principles:

3.1.1, 3.1.2

Definitions:

3.2.1

Standards:

3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.20, 3.3.21, 3.3.25, 3.3.26

Quadrant Electronic Delivery Mechanism Related Standards:

Principles:

4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.20, 4.1.21, 4.1.22, 4.1.23, 4.1.24, 4.1.29

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.14, 4.2.15

Standards:

4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98

Capacity Release Related Standards:

Principles:

5.1.2, 5.1.3

Definitions:

5.2.3, 5.2.4, 5.2.5

Standards:

5.3.3, 5.3.5, 5.3.7, 5.3.9, 5.3.12, 5.3.15, 5.3.16, 5.3.17, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.26, 5.3.27, 5.3.28, 5.3.29, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.41, 5.3.42, 5.3.46, 5.3.47, 5.3.50, 5.3.51, 5.3.52, 5.3.59, 5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69

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 in 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: of maximum or index based formula:

(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 _____
(iii) index based formula _____

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.

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, **or an index based formula rate (as described in 2(d) below)** 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.

(d)

If the reservation charge is based on monthly or daily price indexes, the formula for calculating the rate shall be:

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.