

RATE SCHEDULE FT-1  
FIRM TRANSPORTATION SERVICE

### 5.1.1 AVAILABILITY

This Rate Schedule is available to any Person (hereinafter referred to as "Shipper") desiring the transportation of natural gas on a firm basis, provided the capacity is or will be available on a firm basis on Company's facilities for the term of service requested.

### 5.1.2 QUALIFICATION FOR SERVICE

1. Requests for firm transportation service under this Rate Schedule shall be subject to Section 6.30 of the General Terms and Conditions.
2. Requests for firm service under this Rate Schedule shall satisfy the creditworthiness provisions under Section 6.40 of the General Terms and Conditions.
3. Requests for firm service under this Rate Schedule and qualifying for service shall execute a Rate Schedule FT-1 Service Agreement with Company prior to the Billing Commencement Date.

### 5.1.3 APPLICABILITY AND CHARACTER OF SERVICE

1. This Rate Schedule shall apply to firm Forwardhaul and Backhaul transportation of natural gas provided pursuant to the terms of Shipper's Rate Schedule FT-1 Service Agreement. This service shall be provided to any Shipper, on a non-discriminatory basis, to the extent Company determines firm capacity is available.
2. Company shall not be required to modify, install, operate, or maintain any facilities on its pipeline system in order to provide transportation service under this Rate Schedule. However, Company may modify, install, operate, or maintain facilities on its pipeline system in accordance with Section 6.19 of the General Terms and Conditions.

#### 5.1.4 RATES

##### 1. Applicable Rates and Charges.

The applicable rates for service under this Rate Schedule are set forth on the currently effective Statement of Rates of this Tariff and are incorporated herein. For all service rendered hereunder, Shipper shall pay Company each month the sum of the applicable charges listed in this Section 5.1.4.

##### 2. Transportation Rates and Charges.

Shipper shall pay Company each month the sum of the charges listed below:

- (a) Reservation Charge - The product of 1) the applicable daily reservation rate in accordance with Exhibit A of the Rate Schedule FT-1 Service Agreement multiplied by 2) Shipper's Maximum Delivery Quantity on an MMBtu basis set forth on Exhibit A of Shipper's Rate Schedule FT-1 Service Agreement multiplied by 3) the applicable number of days in such Production Month.
- (b) Commodity Charge - The daily Maximum Commodity Rate set forth on the Statement of Rates for Rate Schedule FT-1 multiplied by the quantity of gas delivered on an MMBtu basis by Company under Rate Schedule FT-1 for Shipper in such Production Month.

##### 3. Other Rates and Charges.

###### (a) Annual Charge Adjustment (ACA).

Shipper shall pay Company the ACA as defined and computed in accordance with Section 6.16 of the General Terms and Conditions.

###### (b) Other Charges.

Company reserves the right to seek authorization to collect various surcharges and other types of rates other than base tariff rates. Shipper shall pay Company for any other applicable FERC approved charges that apply to service under this Rate Schedule.

###### (c) Third Party Charges.

Shipper may, on a non-discriminatory basis, be required to pay Company, if applicable, any Third Party Charges in accordance with Section 6.39 paragraph 2 of the General Terms and Conditions. In no event shall such Third

Party Charges paid by Shipper exceed the amount incurred and paid by Company for the applicable off-system services.

(d) Backhaul Charge.

For any Backhaul, Shipper shall pay Company the applicable rates and charges set forth in Section 5.14 paragraphs 2 and 3 herein plus the lost and unaccounted for component of the Company Use Gas Percentage, as set forth in Section 6.41 of the General Terms and Conditions.

4. Discounted Rates.

Notwithstanding the foregoing provisions of this Section 5.1.4, Company may agree to discounted rates for service hereunder in accordance with Section 6.38 of the General Terms and Conditions.

In the event secondary points are utilized which impact the directional flow of a discounted Backhaul transaction, such Backhaul discount shall not be applicable to such secondary points unless otherwise expressly agreed to in writing by Company. Utilization of such secondary points shall be billed the applicable Maximum Commodity Rate under Rate Schedule IT-1 set forth on the currently effective Statement of Rates.

5. Negotiated Rates.

Notwithstanding the foregoing provisions of this Section 5.1.4, Company and Shipper may mutually agree to negotiated rates for service hereunder as provided in Section 6.37 of the General Terms and Conditions.

6. Shipper's Obligation to Pay.

In accordance with Section 6.6 of the General Terms and Conditions, Shipper shall be obligated to pay to Company its respective monthly billing invoice effective on the Billing Commencement Date of the respective Service Agreement.

7. Exit Fee.

Company and Shipper may mutually agree to early termination of Shipper's Service Agreement, provided that Shipper agrees to pay an exit fee that is sufficient, in Company's judgment, to make the termination beneficial to Company, taking into account, but not limited to, the remaining term of the Service Agreement and any other amounts outstanding under such Service Agreement.

#### 5.1.5 COMPANY USE GAS

Shipper shall provide daily, Company Use Gas associated with rendering Forwardhaul transportation service pursuant to this Rate Schedule at no cost to Company. Regarding Backhaul transportation service provided pursuant to this Rate Schedule, Shipper shall provide daily, the lost and unaccounted for component of the Company Use Gas Percentage at no cost to Company. The applicable Company Use Percentage shall be posted on Company's public Internet website in accordance with Section 6.41 of the General Terms and Conditions.

#### 5.1.6 AUTHORIZED OVERRUN

Quantities of gas Shipper desires to transport in excess of Shipper's Maximum Delivery Quantity shall be scheduled on an interruptible basis pursuant to a Rate Schedule IT-1 Transportation Agreement and shall be subject to the Maximum Commodity Rate pursuant to Rate Schedule IT-1, unless a rate is otherwise agreed to by Company, in a not unduly discriminatory manner.



#### 5.1.7 RIGHT OF FIRST REFUSAL

A right of first refusal shall be applicable to a Shipper receiving service in accordance with Section 6.18 of the General Terms and Conditions.

#### 5.1.8 RELEASE OF FIRM CAPACITY

Any Shipper receiving service under this Rate Schedule FT-1 shall have the right to release its firm capacity rights on a permanent or temporary basis in accordance with Section 6.27 of the General Terms and Conditions.

### 5.1.9 UNIFORM QUANTITIES

As nearly as practical, Shipper shall deliver and receive gas in uniform hourly quantities during any day. However, Company shall use its best efforts, as operational conditions permit, to allow a Shipper to deliver or receive gas in non-uniform hourly quantities during any day.

#### 5.1.10 GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this Tariff are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. To the extent any terms and conditions specified in this Rate Schedule are inconsistent with the General Terms and Conditions, the General Terms and Conditions shall govern.