

RATE SCHEDULES

FT-1 (Firm Transportation Service)
IT-1 (Interruptible Transportation Service)
PAL (Park and Loan Service)

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.

RATE SCHEDULE IT-1
INTERRUPTIBLE TRANSPORTATION SERVICE

5.2.1 AVAILABILITY

This Rate Schedule is available to any Person (hereinafter referred to as "Shipper") desiring the transportation of natural gas on an interruptible basis.

5.2.2 QUALIFICATION FOR SERVICE

1. Requests for interruptible transportation service under this Rate Schedule shall be subject to Section 6.30 of the General Terms and Conditions.
2. Shipper shall satisfy the creditworthiness provisions under Section 6.40 of the General Terms and Conditions upon Company's receipt of each nomination under this Rate Schedule pursuant to Section 6.10 of the General Terms and Conditions.
3. Requests for interruptible service under this Rate Schedule and qualifying for service shall execute a Rate Schedule IT-1 Service Agreement with Company prior to commencement of service.

5.2.3 APPLICABILITY AND CHARACTER OF SERVICE

1. This Rate Schedule shall apply to the interruptible Forwardhaul and Backhaul transportation of natural gas up to the Total Interruptible Delivery Quantity set forth on Exhibit A of Shipper's Rate Schedule IT-1 Transportation Agreement. This service shall be provided to any Shipper, on a non-discriminatory basis, and shall be allocated in accordance with Section 6.10 of the General Terms and Conditions.
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.

5.2.4 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 5.2.4.

2. Transportation Rates and Charges.

Shipper shall pay Company each month the applicable charge listed below:

- (a) **Commodity Charge** - The daily Maximum Commodity Rate set forth on the Statement of Rates for Rate Schedule IT-1 multiplied by the quantity of gas delivered on an MMBtu basis by Company under Rate Schedule IT-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 5.2.4 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 5.2.4, 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 5.2.4, Company and Shipper may mutually agree to negotiated rates for service hereunder as provided in Section 6.37 of the General Terms and Conditions.

5.2.5 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.

5.2.6 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.

5.2.7 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.

RATE SCHEDULE PAL
PARK AND LOAN SERVICE

5.3.1 AVAILABILITY

1. Availability of Service.

This Rate Schedule is available to any Person desiring interruptible park and loan (PAL) service from Company, and has executed a PAL Agreement under this Rate Schedule (a "Shipper" for purposes of this Rate Schedule). Company shall provide PAL service on a non-discriminatory basis: 1) subject to Company's ability to provide such service and 2) at the sole discretion of Company.

2. Limits on Service.

(a) Existing Facilities.

Company shall not be required to provide service under this Rate Schedule that would require Company to construct or acquire any new facilities.

(b) Existing Services.

Company shall not be required to provide service under this Rate Schedule if such service would prevent Company from providing any other firm or interruptible service.

(c) Creditworthiness.

Company shall not be required to execute a PAL Agreement under this Rate Schedule prior to determining the creditworthiness of Shipper. Furthermore, Company shall not be required to perform service under this Rate Schedule on behalf of any Shipper who fails to satisfy the creditworthiness provisions under Section 6.40 of the General Terms and Conditions.

3. Use of Third Party Storage Services.

Company may contract for storage services offered by third party service providers for use in providing PAL service. 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.

5.3.2 APPLICABILITY AND CHARACTER OF SERVICE

1. Applicability of Service.

This Rate Schedule shall apply to all PAL services offered by Company for Shipper.

2. Character of Service.

(a) Park Service.

Park service is an interruptible service that provides for:

- (i) The receipt by Company of gas quantities that have been delivered by Shipper at a Park Point(s);
- (ii) Company holding the parked gas quantities; and
- (iii) The subsequent return of parked gas quantities to the Shipper at such Park Point(s), or a mutually agreeable alternative Park Point(s), subject to Section 5.3.4 paragraph 2 of this Rate Schedule.

(b) Loan Service.

Loan service is an interruptible service that provides for:

- (i) The receipt of gas quantities by Shipper from Company at a Loan Point(s),
- (ii) The subsequent return of the loaned gas quantities to the Company at such Loan Point(s), or a mutually agreeable alternative Loan Point(s), subject to Section 5.3.4 paragraph 2 of this Rate Schedule.

Company shall attempt to park and/or loan a quantity of gas to Shipper up to the Maximum PAL Quantity stated in MMBtu as specified in the effective Rate Schedule PAL Agreement.

3. Park and Loan (PAL) Service Options.

For all PAL service options listed under this Section 5.3.2 paragraph 3, service shall be subject to confirmation by Company prior to being scheduled.

(a) Requested Term Park/Loan (RPL).

RPL is a service option that allows Shipper the opportunity to receive park and/or loan service for a mutually agreed upon term.

Requests for RPL service shall be considered if Shipper has completed and submitted a proposed Exhibit A of an effective PAL Agreement reflecting the selection of RPL service for a specific time period.

Company shall execute Shipper's proposed Exhibit A to an effective Rate Schedule PAL Agreement in order to provide any RPL service provided.

(b) Company Offered Park/Loan (OPL).

OPL is a service option that allows Company to offer and provide park and/or loan service to a potential Shipper for a mutually agreed upon term.

Company shall post all OPL offers, detailing the specific terms and conditions of each OPL offer.

Bid(s) for OPL service shall be considered only if Company has received from Shipper a proposal for service under this Rate Schedule.

For the purposes of determining the Best Bid(s) for a posted OPL, Company will award service on basis of highest rate Bid. In the event there is more than one Best Bid, Company will allocate service on a pro-rata basis.

Company and Shipper shall execute Exhibit A to an effective Rate Schedule PAL Agreement(s) for the winning Bid(s).

In the event that the Receipt Point(s) and Delivery Point(s) differ under a specific OPL transaction, then a separately stated amount for transportation and associated Company Use Gas shall be included in the Bid. Such transportation amount shall not be priced at less than the Minimum Commodity Rate or greater than the Maximum Commodity Rate set forth in the Statement of Rates for Rate Schedule IT-1.

(c) Shipper Authorized Automatic Term Park/Loan (ATPL).

ATPL is a service option that allows Shipper to pre-authorize Company to nominate, on the Shipper's behalf, park and/or loan service at a designated Park Point or Loan Point within a supported nomination cycle for a mutually agreed upon term.

A Maximum Cumulative Tolerance Level shall be established under ATPL which shall be equivalent to the maximum cumulative quantity of natural gas that Shipper is pre-authorized, subject to availability, to park or loan at a

designated Park Point or Loan Point during the term of the applicable ATPL service, as set forth on Exhibit A to the Rate Schedule PAL Agreement.

To initiate on a prospective basis, a Shipper must complete and submit to Company a proposed Exhibit A to an effective Rate Schedule PAL Agreement.

Shipper retains the right to prospectively adjust scheduled park and/or loan activity nominated via ATPL in subsequent nomination cycles.

4. Term of Service.

Service under this Rate Schedule shall be provided for a minimum of one (1) day and a maximum term set forth in the effective Rate Schedule PAL Agreement between Shipper and Company.

In the event parked quantities remain in Company's pipeline system and/or loaned quantities have not been returned to Company's pipeline system by the expiration of a Rate Schedule PAL Agreement, Company and Shipper may mutually agree to an extended time frame and/or modified terms, including the rate, of such PAL Agreement, to permit Shipper to return such quantities to Company or to permit Company to return such quantities to Shipper.

5. Nominations for Service.

Shipper shall nominate PAL services under this Rate Schedule in accordance with the nomination deadlines set forth in Section 6.10.2 of the General Terms and Conditions, except for service provided under Section 5.3.2 paragraph 3(c) herein.

6. Confirmation and Scheduling of Service.

Service under this Rate Schedule shall be confirmed and scheduled, after all Shippers' firm and interruptible transportation services offered by Company are confirmed and scheduled. The ATPL service shall be confirmed and scheduled before all other PAL service options hereunder. The RPL and OPL services shall be confirmed and scheduled on the basis of the Shipper paying the highest rate commitment at a Park Point or Loan Point. Ties will be confirmed and scheduled on a pro rata basis.

Existing quantities of gas parked or loaned by Company cannot be bumped by new requests for park and/or loan service.

5.3.3 RATE AND PAYMENT

1. Maximum and Minimum Rates.

The applicable daily Maximum Rates and Minimum Rates for service under this Rate Schedule are listed on the Statement of Rates.

Shipper shall pay the applicable daily Maximum Rate for service under this Rate Schedule unless a lower daily rate has been requested by Shipper and approved in writing by Company. Company is not obligated to accept a rate for services rendered hereunder at less than the daily Maximum Rate.

The charge to be invoiced monthly pursuant to Section 6.6.2 of the General Terms and Conditions for service under this Rate Schedule shall be as follows:

- (a) for service under the RPL and OPL service option, the applicable daily commodity rate multiplied by the Maximum PAL Quantity multiplied by the number of days within such month that service is in effect, all as set forth in Exhibit A of the executed Rate Schedule PAL Agreement; and
- (b) for service under the ATPL service option, the daily reservation rate multiplied by the Maximum PAL Quantity multiplied by the number of days within such month that a service commitment is in effect, all as set forth in Exhibit A of the executed Rate Schedule PAL Agreement.

2. Discounted Rates.

Company may from time to time, at its sole discretion, permit Shipper under this Rate Schedule to request a daily PAL rate that is lower than the applicable daily Maximum PAL Rate set forth in the Statement of Rates. However, such discounted rate shall not be less than the applicable daily Minimum PAL Rate.

3. Negotiated Rates.

Notwithstanding the foregoing provisions of this Section 5.3.3, Company and Shipper may mutually agree to negotiated rates for service specifically identified and for a term reflected on an Exhibit A to an effective Rate Schedule PAL Agreement as provided for in Section 6.37 of the General Terms and Conditions.

5.3.4 RATE SCHEDULE PAL POINTS OF SERVICE

1. Listing of Available Park Points and Loan Points.

Company shall post the name and location of all Park Points and Loan Points on its public Internet website.

To fully support segmentation of transportation capacity, a Park Point and Loan Point shall be associated with an existing physical point of service on Company's pipeline system.

2. Addition or Deletion of Points of Service.

Company may post from time to time additions or deletions to the list of available points for service under this Rate Schedule. If Company terminates a point of service where parked quantities are to be returned to Shipper or loaned quantities are to be returned to Company, such point(s) of service shall remain available for the limited purpose of completing such outstanding transactions unless Shipper and Company mutually agree to utilize a different Park Point or Loan Point. In the event Shipper and Company mutually agree to utilize a different Park Point or Loan Point for the limited purpose of completing such outstanding transactions, Shipper may be charged a separately stated amount for transportation and associated Company Use Gas which shall not be less than the Minimum Commodity Rate set forth in the Statement of Rates for Rate Schedule IT-1.

3. Use of DRN Numbers.

In order to facilitate PAL service under this Rate Schedule, all Park Points and Loan Points shall be assigned nominatable DRN numbers. Such DRN numbers shall be posted.

5.3.5 NOTIFICATIONS, ALLOCATIONS AND CURTAILMENT

1. For purposes of prioritizing PAL services, Company shall assign priority within the nomination class in the following order:
 - (a) Pro rata allocation of service within the ATPL nomination class based on Shipper's Maximum PAL Quantity.
 - (b) Shipper with the highest PAL rate commitment within the combined RPL and OPL nomination class shall receive a higher priority than those Shippers with a lower PAL rate commitment. Pro rata allocation of service within this combined nomination class for two or more Shippers at an equal rate commitment, if necessary, will be based on the validated nominated quantity.

A Shipper willing to pay more than the daily Maximum Rate listed on the Statement of Rates of this Tariff will be considered to be paying the daily Maximum Commodity Rate.

2. Shipper may be required, upon notification from Company, to suspend or reduce deliveries for the agreed upon park service, or receipts for the agreed upon loan service. Further, Shipper may be required, upon notification from Company, to remove quantities of gas previously provided to Company under the park service, or return quantities of gas previously loaned to Shipper under the loan service. Such notification shall be by facsimile or confirmed delivery e-mail.
3. Should Company notify Shipper to remove or return quantities of gas pursuant to Section 5.3.5 paragraph 2 herein, Company's notification shall specify the time frame within which park service quantities shall be removed, and/or loan service quantities shall be returned. Such notifications shall be consistent with Company's operating conditions, but in no event shall the specified time frame be less than three (3) Business Days from the date of Company's notification unless Company and Shipper mutually agree to a different time frame. The obligation of Shipper to comply with the issued notification shall be monitored until such time as Company is able to recommence the park and/or loan services.
4. In the event Shipper makes a timely nomination in response to a notification by Company pursuant to Section 5.3.5 paragraph 2 herein, the obligation of Shipper to comply with that notification shall be suspended until such time as Company's operational conditions allow Company to schedule the nomination.

5.3.6 FAILURE BY SHIPPER TO RESPOND

1. Park Service.

- (a) In the event any of the following occurs, parked quantities shall become the property of Company at no cost to Company, free and clear of any adverse claims:
 - (i) Company's prevailing operations require Company to notify Shipper that receipts of parked quantities must be suspended or be reduced, and Shipper fails to comply with such notification; and/or
 - (ii) Company's prevailing operations require Company to notify Shipper that all or part of Shipper's parked quantities must be removed, and Shipper fails to comply within the specified time frame; and/or
 - (iii) Subject to Section 5.3.2 paragraph 4 herein, the PAL account reflects a balance at the termination date of the associated Exhibit A to an executed Rate Schedule PAL Agreement.
- (b) If, pursuant to Section 5.3.6 paragraph 1(a)(i) herein, Company notifies Shipper that receipts of parked quantities must be suspended or be reduced, only those quantities parked in violation of the notification shall become the property of Company at no cost to Company, free and clear of any adverse claims.
- (c) No penalty will be assessed, pursuant to this Section 5.3.6 paragraph 1, on a remaining balance if the Shipper-submitted nominations related to that balance to clear the PAL transaction cannot be scheduled by the Company, through no fault of the Shipper.
- (d) Penalty amounts received by Company, net of administrative costs, shall be allocated using the methodology set forth in Section 6.48 of the General Terms and Conditions.

2. Loan Service.

- (a) In the event any of the following occurs, loaned quantities shall be sold to Shipper at one hundred fifty percent of the highest price published in the absolute range for "Cheyenne Hub" during the term of the agreed upon transaction as set forth in the associated Exhibit A to a Rate Schedule PAL Agreement, as reported in Platts Gas Daily (Daily Price Survey) or any successor publication thereto.

- (i) Company's prevailing operations require Company to notify Shipper that deliveries of Shipper's loaned quantities must be suspended or be reduced, and Shipper fails to comply with such notification; and/or
 - (ii) Company's prevailing operations require Company to notify Shipper that all or part of Shipper's loaned quantities must be returned to Company, and Shipper fails to comply within the specified time frame; and/or
 - (iii) Subject to Section 5.3.2 paragraph 4 herein, the PAL account reflects a balance at the termination date of the associated Exhibit A to an executed Rate Schedule PAL Agreement.
- (b) If, pursuant to Section 5.3.6 paragraph 2(a)(i) herein, Company notifies Shipper that deliveries of Shipper's loaned quantities must be suspended or be reduced, only those quantities loaned in violation of the notification are subject to Section 5.3.6 paragraph 2(a) herein.
- (c) No penalty will be assessed, pursuant to this Section 5.3.6 paragraph 2, on a remaining balance if the Shipper-submitted nominations related to that balance to clear the PAL transaction cannot be scheduled by the Company, through no fault of the Shipper.
- (d) Penalty amounts received by Company, net of administrative costs, shall be allocated using the methodology set forth in Section 6.48 of the General Terms and Conditions.

5.3.7 RESERVATION CHARGE CREDITS

For ATPL service, in the event that on any day Company fails to park/loan all of Shipper's quantities scheduled for such day, due to Company's allocation and curtailment of such service, then Company shall credit to Shipper an amount equal to the applicable reservation charge as specified on Exhibit A of the Rate Schedule PAL Agreement multiplied by the quantity of gas which was scheduled but not provided due to Company's allocation and curtailment of service.

5.3.8 GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this Tariff are applicable to this Rate Schedule and are incorporated herein by reference and made a part hereof. 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.