RATE SCHEDULES

RATE SCHEDULE FTS-1
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

(a) Service under this Rate Schedule is available from Columbia Gulf Transmission, LLC (Transporter) to any Shipper, provided that (i) Transporter has sufficient facilities and transportation capacity available to receive gas from or on behalf of Shipper and deliver gas to or for Shipper; (ii) Transporter has awarded capacity to Shipper under the provisions of Section 4 of the General Terms and Conditions; (iii) Shipper has executed an FTS-1 Service Agreement with Transporter; and (iv) Shipper complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) Zone of Service. Service under this Rate Schedule is applicable to any Shipper who delivers gas to and receives gas from Transporter from Transporter's Market Zone.

(b) Character of Service. The transportation service provided under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Subject to the limitations set forth below, Transporter under this Rate Schedule shall receive scheduled quantities from or on behalf of Shipper and shall deliver thermally equivalent scheduled quantities, less Retainage, to or for Shipper. Such service shall be provided on a firm basis and shall apply to all gas transported by Transporter for Shipper under this Rate Schedule, up to the Transportation Demand set forth in the Shipper's FTS-1 Service Agreement.

(c) Receipt and Delivery Obligations. Transporter shall not be obligated on any Day to accept gas in excess of the lesser of: (i) Shipper's Scheduled Daily Receipt Quantity; or (ii) Shipper's Transportation Demand plus Retainage. Transporter shall also not be obligated on any Day to deliver more gas to Shipper than the lesser of: (i) Shipper's Transportation Demand; (ii) the quantity of gas Transporter receives for Shipper, less Retainage; or (iii) Shipper's Scheduled Daily Delivery Quantity. For the purpose of balancing any imbalances in Shipper's account Shipper may deliver or take quantities in excess of the above limitations in accordance with the provisions of Section 6 and Section 7 of the General Terms and Conditions.

(d) Segmentation.

(1) General. Under normal operating conditions, a Shipper under this Rate Schedule may segment its transportation capacity between both primary and secondary physical receipt and delivery points. For purposes of this section, the phrase "normal operating conditions" means those situations in which Transporter is not required to: (i) construct or install new facilities in order to accommodate a capacity segmentation request from a Shipper under this Rate Schedule; or (ii) operate or modify Transporter's

existing facilities in a manner consistent with the current design and operation of such facilities in order to accommodate a capacity segmentation request from a Shipper.

(2) Eligible Points. Virtual aggregation points under Rate Schedule AS, supply pooling points under Rate Schedule IPP, and virtual scheduling points that represent physical receipt or delivery points are eligible receipt or delivery points for segmentation purposes.

(3) Limitations. A Shipper may not use its segmented primary or secondary physical points in such a way that its total nomination within any segment or at any primary or secondary points exceeds its original Transportation Demand in that segment or at such point(s). Notwithstanding the foregoing, Shipper may segment its capacity to consist of south-north and north-south flows up to original Transportation Demand to the same point at the same time, subject to the scheduling and allocation provisions of Section 7 of the General Terms and Conditions. Segmented nominations in the opposite direction of the original capacity to the same point will be provided on a secondary basis. Shipper shall not be permitted to segment its transportation capacity under this Rate Schedule if such segmentation would limit Transporter's ability to provide firm service to other Shippers or in situations where transportation capacity is not available in particular segments or at primary or secondary points.

(4) Requests for Segmentation. Requests for segmentation of transportation capacity under this Rate Schedule must be submitted by Shipper and Transporter shall evaluate such requests to determine if capacity segmentation can be permitted as requested by Shipper. Transporter reserves the right to evaluate and disallow segmentation on a case-by-case basis for those situations that are not operationally feasible and not already described in this section. Transporter shall review all properly submitted requests for segmentation within ten (10) days but will use reasonable efforts to accommodate a Shipper if a request for segmentation is made less than ten (10) days before the desired effective date. Disallowance of segmentation requests will be made on a non-discriminatory basis. Within ten business days, Transporter will post on its EBB the reason for denial of any request for capacity segmentation that is due to Transporter's determination that the request is not operationally feasible.

(e) Capacity Release. Service rights under an FTS-1 Service Agreement may be released and assigned in accordance with Section 14 of the General Terms and Conditions. Service to an assignee under any such release and assignment shall be subject to the terms and conditions set forth in this Rate Schedule and in the General Terms and Conditions. Under normal operating conditions, a Shipper that releases its service under an FTS-1 Service Agreement may release transportation capacity on any segment between primary physical receipt and delivery points, and secondary physical receipt and delivery points at which it does not have primary receipt and delivery rights under its FTS-1 Service Agreement. A Releasor may not re-release a released segment until the Releasor either recalls the released segment or the released segment reverts to the Releasor at the end of the release term. Replacement Shippers that desire

to re-release a released segment may release transportation capacity within their acquired capacity segment and to any points within the zone for which the Shipper pays. The sum of capacity released in any segment cannot exceed the Releasor's original Transportation Demand.

(f) Termination Dates for Specified Volumes. Transporter and Shipper may mutually agree on a not unduly discriminatory basis to (i) different termination dates for specified volumes of Transportation Demand within the same Service Agreement and/or (ii) combine Service Agreements under this Rate Schedule into a single Service Agreement under this Rate Schedule with different termination dates for specified volumes of Transportation Demand. Transporter and Shipper may mutually agree to combine Service Agreements only to the extent that the individual Service Agreement's rates, terms, and conditions can be distinctly maintained and will not be altered by the combination. For Service Agreement(s) executed in accordance with this section, each of the varying termination dates and associated volumes of Transportation Demand will be set forth on a separate Appendix A to the Service Agreement applicable to service pursuant to this Rate Schedule. Each component with a different termination date for a specified volume of Transportation Demand within the same Service Agreement and reflected in a separate Appendix A will be regarded as a single Service Agreement for purposes of Shipper's exercise of any right of first refusal under the provisions of Section 4 of the General Terms and Conditions of Transporter's Tariff. In the event of a constraint or other occurrence that precludes combined nominations or allocations, Transporter may advise Shippers under such combined Service Agreements that capacity must be nominated separately and is subject to separate allocation pursuant to the terms of each separate Appendix A of the Service Agreement. Each Appendix A of the combined Service Agreements will be identified by its original contract number or such other identification convention determined to be applicable by Transporter.

(g) Increase / Decrease of Transportation Demand. Appendix A of the Service Agreement will contain a stated Transportation Demand, provided however, that the Transporter and Shipper may mutually agree on a not unduly discriminatory basis to allow a Shipper to structure Transportation Demand to increase and decrease at pre-determined intervals on pre-determined dates. Transporter and Shipper will utilize the fill-in-the-blanks in Appendix A to specify the Begin Date, End Date, and volumes of Transportation Demand associated with each pre-determined interval. For purposes of Shipper’s exercise of any right of first refusal under the provisions of Section 4 of the General Terms and Conditions of Transporter’s Tariff, Shipper shall have the right to retain the Transportation Demand in effect on the termination date of Shipper’s Service Agreement.

(h) If the Transportation Demand is to be provided under one Service Agreement (Multi-Party Service Agreement) for multiple Shippers (“Principals”) that have designated a party to act as administrator on their behalf (“Administrator”), Principals and Administrator shall provide notice of such to Transporter in the form of an executed Administrator Agreement, posted on Transporter’s Electronic Bulletin Board, between Principals and Administrator. Principals and Administrator also shall provide sufficient information to verify:

(1) that Principals collectively meet the "Shipper must have title" requirement as set forth in Section 23 (Warranty of Title to Gas) of the General Terms and Conditions;

(2) that once the Administrator executes the Multi-Party Service Agreement, each Principal agrees that it is jointly and severally liable for all of the obligations of Shipper under the Multi-Party Service Agreement;

(3) that Principals agree that they shall be treated collectively as one Shipper for nomination, allocation and billing purposes; and

(4) that Principals collectively satisfy the requirements to request service, including the credit requirements under the provisions outlined in Section 3 (Requests for Service) and Section 9.5 (Creditworthiness of Shipper) of the General Terms and Conditions. Administrator will provide Transporter information on Principals to determine that Principals collectively satisfy the requirements to request service.

Administrator shall be permitted to unilaterally amend the Multi-Party Service Agreement to remove a Principal or to add a Principal that satisfies the requirements of Section 3 (Request for Service) and Section 9.5 (Creditworthiness of Shipper) of the General Terms and Conditions and of this Section 2(h). No such amendment shall be binding on Transporter prior to the date that notice thereof has been given to Transporter. In order for Principals to replace the Administrator of the Multi-Party Service Agreement, Principals must provide Transporter with notice in the form of a new, executed Administrator Agreement between Principals and the new Administrator. Transporter will require the new Administrator to enter a new Multi-Party Service Agreement on behalf of the Principals.

3. RATE

(a) The charges to be paid by Shipper shall be no higher than the applicable total effective maximum charges and no lower than the applicable total effective minimum charges set forth in this Tariff, unless otherwise mutually agreed by Transporter and Shipper. For all service rendered under this Rate Schedule, Shipper each month shall pay Transporter the charges set forth below, unless otherwise mutually agreed to by Transporter and Shipper:

(1) Reservation Charge: The maximum Reservation Charge for each Month, assessed on each Dth of Transportation Demand specified in Shipper's FTS-1 Service Agreement.

(2) Commodity Charge: The maximum Commodity Charge per Dth of gas actually delivered each Day during the Month to or for the account of Shipper.

(3) Overrun Charge: The applicable Overrun Charge per Dth of gas nominated by Shipper, scheduled by Transporter and actually delivered on any Day during the Month in excess of Shipper's Transportation Demand.

(4) Surcharges: The surcharges applicable to this Rate Schedule.

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

(c) The Reservation Charge shall apply as of the date firm transportation service is deemed to commence by the terms of Shipper's FTS-1 Service Agreement.

(d) In addition to the charges and applicable surcharges, Transporter shall retain from the gas tendered for transportation the effective Retainage percentage set forth in this Tariff. That Retainage percentage shall be subject to adjustment in accordance with Section 32 (Transportation Retainage Adjustment) of the General Terms and Conditions.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof.

RATE SCHEDULE FTS-2
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

(a) Service under this Rate Schedule is available from Columbia Gulf Transmission, LLC (Transporter) to any Shipper, provided that: (i) Transporter has sufficient facilities and transportation capacity available to receive gas from or on behalf of Shipper and deliver gas to or for Shipper; (ii) Transporter has awarded capacity to Shipper under the provisions of Section 4 of the General Terms and Conditions; (iii) Shipper has executed an FTS-2 Service Agreement with Transporter; and (iv) Shipper complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) Zone of Service. Service under this Rate Schedule is available to any Shipper who delivers gas to and receives gas from Transporter on Transporter's Offsystem-Onshore Zone.

(b) Character of Service. The transportation service provided under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Subject to the limitations set forth below, Transporter under this Rate Schedule shall receive scheduled quantities from or on behalf of Shipper and shall deliver thermally equivalent scheduled quantities, less Retainage, to or for Shipper. Such service shall be provided on a firm basis and shall apply to all gas transported by Transporter for Shipper under this Rate Schedule, up to the Transportation Demand set forth in the Shipper's FTS-2 Service Agreement.

(c) Receipt and Delivery Obligations. Transporter shall not be obligated on any Day to accept gas in excess of the lesser of: (i) Shipper's Scheduled Daily Receipt Quantity; or (ii) Shipper's Transportation Demand plus Retainage. Transporter shall also not be obligated on any Day to deliver more gas to Shipper than the lesser of: (i) Shipper's Transportation Demand; (ii) the quantity of gas Transporter receives for Shipper, less Retainage; or (iii) Shipper's Daily Scheduled Delivery Quantity. For the purpose of balancing any imbalances in Shipper's account Shipper may deliver or take quantities in excess of the above limitations in accordance with the provisions of Section 6 and Section 7 of the General Terms and Conditions.

(d) Segmentation.

(1) General. Under normal operating conditions, a Shipper under this Rate Schedule may segment its transportation capacity between both primary and secondary physical receipt and delivery points. For purposes of this section, the phrase "normal operating conditions" means those situations in which Transporter is not required to: (i) construct or install new facilities in order to accommodate a capacity segmentation request from a Shipper under this Rate Schedule; or (ii) operate or modify Transporter's

existing facilities in a manner inconsistent with the current design and operation of such facilities in order to accommodate a capacity segmentation request from a Shipper under this Rate Schedule.

(2) Eligible Points. For purposes of this section, virtual scheduling points that represent physical receipt or delivery points are eligible receipt or delivery points for segmentation purposes.

(3) Limitations. A Shipper may not use its segmented primary or secondary physical points in such a way that its total nomination within any segment, or at any primary or secondary points exceeds its original Transportation Demand in that segment, or at such point(s). Notwithstanding the foregoing, Shipper may segment its capacity to consist of south to north and north to south flows up to the original Transportation Demand to the same point at the same time, subject to the scheduling and allocation provisions of Section 7 of the General Terms and Conditions. Segmented nominations in the opposite direction of the original capacity to the same point will be provided on a secondary basis. Shipper shall not be permitted to segment its transportation capacity under this Rate Schedule if such segmentation would limit Transporter's ability to provide firm service to other Shippers or in situations where transportation capacity is not available in particular segments or at primary or secondary points.

(4) Request for Segmentation. Requests for segmentation of transportation capacity under this Rate Schedule must be submitted by Shipper and Transporter shall evaluate such requests to determine if capacity segmentation can be permitted as requested by Shipper. Transporter reserves the right to evaluate and disallow segmentation on a case-by-case basis for those situations that are not operationally feasible and not already described in this section. Transporter shall review all properly submitted requests for segmentation within ten (10) days but will use reasonable efforts to accommodate a Shipper if a request for segmentation is made less than ten (10) days before the desired effective date. Disallowance of segmentation requests will be made on a non-discriminatory basis. Within ten business days, Transporter will post on its EBB the reasons for denial of any request for capacity segmentation that is due to Transporter's determination that the request is not operationally feasible.

(e) Capacity Release. Service rights under an FTS-2 Service Agreement may be released and assigned in accordance with Section 14 (Release and Assignment of Service Rights) of the General Terms and Conditions. Service to an assignee under any such release and assignment shall be subject to the terms and conditions set forth in this Rate Schedule and in the General Terms and Conditions. Under normal operating conditions, a Shipper that releases its service rights under an FTS-2 Service Agreement may release transportation capacity on any segment between primary physical receipt and delivery points, and secondary physical receipt and delivery points at which it does not have primary receipt and delivery rights under its FTS-2 Service Agreement. A Releasor may not re-release a released segment until the Releasor either recalls the released segment or the released segment reverts to the Releasor at the end of the

release term. Replacement Shippers that desire to re-release a released segment may release transportation capacity within their acquired capacity segment and to any points within the zone for which the Shipper pays. The sum of capacity released in any segment cannot exceed the Releasor's original Transportation Demand.

(f) Termination Dates for Specified Volumes. Transporter and Shipper may mutually agree on a not unduly discriminatory basis to: (i) different termination dates for specified volumes of Transportation Demand within the same Service Agreement and/or (ii) combine Service Agreements under this Rate Schedule into a single Service Agreement under this Rate Schedule with different termination dates for specified volumes of Transportation Demand. Transporter and Shipper may mutually agree to combine Service Agreements only to the extent that the individual Service Agreement's rates, terms, and conditions can be distinctly maintained and will not be altered by the combination. For Service Agreement(s) executed in accordance with this section, each of the varying termination dates and associated volumes of Transportation Demand will be set forth on a separate Appendix A to the Service Agreement applicable to service pursuant to this Rate Schedule. Each component with a different termination date for a specified volume of Transportation Demand within the same Service Agreement and reflected in a separate Appendix A will be regarded as a single Service Agreement for purposes of Shipper's exercise of any right of first refusal under the provisions of Section 4 of the General Terms and Conditions of Transporter's Tariff. In the event of a constraint or other occurrence that precludes combined nominations or allocations, Transporter may advise Shippers under such combined Service Agreements that capacity must be nominated separately and is subject to separate allocation pursuant to the terms of each separate Appendix A of the Service Agreement. Each Appendix A of the combined Service Agreements will be identified by its original contract number or such other identification convention determined to be applicable by Transporter.

(g) If the Transportation Demand is to be provided under one Service Agreement (Multi-Party Service Agreement) for multiple Shippers ("Principals") that have designated a party to act as administrator on their behalf ("Administrator"), Principals and Administrator shall provide notice of such to Transporter in the form of an executed Administrator Agreement, posted on Transporter's Electronic Bulletin Board, between Principals and Administrator. Principals and Administrator also shall provide sufficient information to verify:

(1) that Principals collectively meet the "Shipper must have title" requirement as set forth in Section 23 (Warranty of Title to Gas) of the General Terms and Conditions;

(2) that once the Administrator executes the Multi-Party Service Agreement, each Principal agrees that it is jointly and severally liable for all of the obligations of Shipper under the Multi-Party Service Agreement;

(3) that Principals agree that they shall be treated collectively as one Shipper for nomination, allocation and billing purposes; and

(4) that Principals collectively satisfy the requirements to request service, including the credit requirements under the provisions outlined in Section 3 (Requests for Service) and Section 9.5 (Creditworthiness of Shipper) of the General Terms and Conditions. Administrator will provide Transporter information on Principals to determine that Principals collectively satisfy the requirements to request service.

Administrator shall be permitted to unilaterally amend the Multi-Party Service Agreement to remove a Principal or to add a Principal that satisfies the requirements of Section 3 (Request for Service) and Section 9.5 (Creditworthiness of Shipper) of the General Terms and Conditions and of this Section 2(g). No such amendment shall be binding on Transporter prior to the date that notice thereof has been given to Transporter. In order for Principals to replace the Administrator of the Multi-Party Service Agreement, Principals must provide Transporter with notice in the form of a new, executed Administrator Agreement between Principals and the new Administrator. Transporter will require the new Administrator to enter a new Multi-Party Service Agreement on behalf of the Principals.

3. RATE

(a) The charges to be paid by Shipper shall be no higher than the applicable total effective maximum charges and no lower than the applicable total effective minimum charges set forth in this Tariff, unless otherwise mutually agreed to by Transporter and Shipper. For all service rendered under this Rate Schedule, Shipper each month shall pay Transporter the charges set forth below, unless otherwise mutually agreed to by Transporter and Shipper:

(1) Reservation Charge: The maximum Reservation Charge for each Month, assessed on each Dth of Transportation Demand specified in Shipper's FTS-2 Service Agreement.

(2) Commodity Charge: The maximum Commodity Charge per Dth of gas actually delivered each Day during the Month to or for the account of Shipper.

(3) Overrun Charge: The applicable Overrun Charge per Dth of gas nominated by Shipper, scheduled by Transporter and actually delivered on any Day during the Month in excess of Shipper's Transportation Demand.

(4) Surcharges: The surcharges applicable to this Rate Schedule.

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

(c) The Reservation Charge shall apply as of the date firm transportation service is deemed to commence by the terms of Shipper's FTS-2 Service Agreement.

(d) Transporter will not retain gas from Shippers receiving service in Transporter's Offsystem Onshore Zone. Shippers will provide the retainage applicable to the respective Offsystem Onshore Facilities they are utilizing.

(e) If Shipper tender gas to Transporter which contains liquids which Shipper or Shipper's producer/supplier requests Transporter to transport, separate and handle, Transporter will charge Shipper the applicable charge for performing this service unless Shipper requests Transporter to contract directly with the producer/supplier.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof.

RATE SCHEDULE ITS-1
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

(a) Service under this Rate Schedule is available from Columbia Gulf Transmission, LLC (Transporter) to any Shipper, provided that: (i) Transporter has sufficient facilities and transportation capacity available to receive gas from or on behalf of Shipper and deliver gas to or for Shipper; (ii) Shipper has submitted a valid request for service under Section 3 of the General Terms and Conditions, (iii) Shipper has executed an ITS-1 Service Agreement with Transporter; and (iv) Shipper complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) Zone of Service. Service under this Rate Schedule is available to any Shipper who delivers gas to and receives gas from Transporter on Transporter's Market Zone.

(b) Character of Service. The service provided under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Subject to the limitations set forth below, Transporter shall receive scheduled quantities from or on behalf of Shipper and shall deliver thermally equivalent scheduled quantities, less Retainage, to or for Shipper. Such service shall be provided on an interruptible basis and shall apply to all gas transported by Transporter for Shipper under this Rate Schedule, up to the Transportation Quantity set forth in Shipper's ITS-1 Service Agreement.

(c) Receipt and Delivery Obligations. Transporter shall not be obligated on any Day to accept gas in excess of the lesser of: (i) Shipper's Scheduled Daily Receipt Quantity; or (ii) Shipper's Transportation Quantity plus Retainage. Transporter also shall not be obligated on any Day to deliver more gas to Shipper than the lesser of: (i) Shipper's Transportation Quantity; (ii) the quantity of gas Transporter receives for Shipper, less Retainage; or (iii) Shipper's Scheduled Daily Delivery Quantity. For the purpose of balancing any imbalances in Shipper's account Shipper may take or deliver quantities in excess of the above limitations in accordance with the provisions of Section 6 and Section 7 of the General Terms and Conditions.

(d) Available Points. The interconnections at which service is available under this Rate Schedule shall be maintained on a Master List of Interconnections (MLI) that Transporter shall post on its Electronic Bulletin Board (EBB). The interconnection points on the MLI shall be available to Shippers and shall be incorporated by reference in Shipper's ITS-1 Service Agreements.

(e) Increases in Flowing Quantities. During any Month, Shipper shall not be permitted to increase its existing flowing quantities under this Rate Schedule, regardless of the

Transportation Quantity set forth in Shipper's ITS-1 Service Agreement, if such increase would cause a reduction of existing quantities flowing on Transporter's system under a Service Agreement between Transporter and Shipper of equal or higher priority. A scheduled temporary reduction in the quantities being transported, if requested by Shipper and approved by Transporter, shall not reduce the level of Shipper's existing quantities flowing on Transporter's system for purposes of this paragraph.

(f) Capacity Release. Service rights under an ITS-1 Service Agreement may not be released or assigned.

3. RATE

(a) The charges to be paid by Shipper shall be no higher than the applicable total effective maximum rate charges and no lower than the applicable total effective minimum rate charges set forth in this Tariff, unless otherwise mutually agreed to by Transporter and Shipper. For all service rendered under this Rate Schedule, Shipper each month shall pay Transporter the charges set forth below:

(1) Commodity Charge: A Commodity Charge per Dth of gas actually delivered each Day during the Month to or for the account of Shipper.

(2) Surcharges: The surcharges applicable to this Rate Schedule.

(b) The charges and surcharges are subject to adjustment in accordance with the procedures set forth in the General Terms and Conditions.

(c) In addition to collecting the applicable charges and surcharges, Transporter shall retain from the gas tendered for transportation the effective Retainage percentage set forth in this Tariff. That Retainage percentage shall be subject to adjustment in accordance with Section 32 (Transportation Retainage Adjustment) of the General Terms and Conditions.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof, with the exception of Sections 4, 12, 14, and 33.

RATE SCHEDULE ITS-2
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

(a) Service under this Rate Schedule is available from Columbia Gulf Transmission, LLC (Transporter) to any Shipper, provided that: (i) Transporter has sufficient facilities and transportation capacity available to receive gas from or on behalf of Shipper and deliver gas to or for Shipper; (ii) Shipper has submitted a valid request for service under Section 3 of the General Terms and Conditions; (iii) Shipper has executed an ITS-2 Service Agreement with Transporter; and (iv) Shipper complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) Zone of Service. Service under this Rate Schedule is available to any Shipper who delivers gas to Transporter on Transporter's Offsystem-Onshore Zone.

(b) Character of Service. The service provided under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Subject to the limitations set forth below, Transporter shall receive scheduled quantities from or on behalf of Shipper and shall deliver thermally equivalent scheduled quantities, less Retainage, to or for Shipper. Such service shall be provided on an interruptible basis and shall apply to all gas transported by Transporter for Shipper under this Rate Schedule, up to the Transportation Quantity set forth in Shipper's ITS-2 Service Agreement.

(c) Receipt and Delivery Obligations. Transporter shall not be obligated on any Day to accept gas in excess of the lesser of: (i) Shipper's Scheduled Daily Receipt Quantity; or (ii) Shipper's Transportation Quantity plus Retainage. Transporter also shall not be obligated on any Day to deliver more gas to Shipper than the lesser of: (i) Shipper's Transportation Quantity; (ii) the quantity of gas Transporter receives for Shipper, less Retainage; or (iii) Shipper's Scheduled Daily Delivery Quantity. For the purpose of balancing any imbalances in Shipper's account Shipper may take or deliver quantities in excess of the above limitations in accordance with the provisions of Section 6 and Section 7 of the General Terms and Conditions.

(d) Available Points. The interconnections at which service is available under this Rate Schedule shall be maintained on a Master List of Interconnections (MLI) that Transporter shall post on its Electronic Bulletin Board (EBB). The interconnection points on the MLI shall be available to Shipper and shall be incorporated by reference in Shipper's ITS-2 Service Agreements.

(e) Increases in Flowing Quantities. During any Month, Shipper shall not be permitted to increase its existing flowing quantities under this Rate Schedule, regardless of the Transportation Quantity set forth in Shipper's ITS-2 Service Agreement, if such increase would

cause a reduction of existing quantities flowing on Transporter's system under a Service Agreement between Transporter and Shipper of equal or higher priority. A scheduled temporary reduction in the quantities being transported, if requested by Shipper and approved by Transporter, shall not reduce the level of Shipper's existing quantities flowing on Transporter's system for purposes of this paragraph.

(f) Capacity Release. Service rights under an ITS-2 Service Agreement may not be released or assigned.

3. RATE

(a) The charges to be paid by Shipper shall be no higher than the applicable total effective maximum rate charges and no lower than the applicable total effective minimum rate charges set forth this Tariff, unless otherwise mutually agreed to by Transporter and Shipper. For all service rendered under this Rate Schedule, Shipper each month shall pay Transporter the charges set forth below:

(1) Commodity Charge: A Commodity Charge per Dth of gas actually delivered each Day during the Month to or for the account of Shipper.

(2) Surcharges: The surcharges applicable to this Rate Schedule.

(b) The charges and surcharges are subject to adjustment in accordance with the procedures set forth in the General Terms and Conditions.

(c) Transporter will not retain gas from Shippers receiving service in Transporter’s Offsystem-Onshore Zone. Shippers will provide the retainage applicable to the respective Offsystem-Onshore Facilities they are utilizing.

(d) If Shipper tenders gas to Transporter which contains liquids which Shipper or Shipper's producer/supplier requests Transporter to transport, separate and handle, Transporter will charge Shipper the applicable charge for performing this service unless Shipper requests Transporter to contract directly with the producer/supplier. Transporter will continue to charge Shipper for this service until Transporter and the producer/supplier execute such contract.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof, with the exception of Sections 4, 12, 14, and 33.

RATE SCHEDULE AS-GULF
AGGREGATION SERVICE

1. AVAILABILITY

Service under this Rate Schedule is available from Columbia Gulf Transmission, LLC (Transporter) to any Shipper, provided that: (i) Transporter has sufficient facilities and transportation capacity available to receive gas from or on behalf of Shipper and deliver gas to or for Shipper; (ii) Shipper has submitted a valid request for service under Section 3 of the General Terms and Conditions; (iii) Shipper has executed an AS-Gulf Service Agreement with Transporter; and (iv) Shipper complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. CHARACTER OF SERVICE

(a) Character of Service. Service provided under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Subject to the limitations set forth below, Transporter shall receive quantities at Receipt Points for Production and deliver thermally equivalent quantities at the corresponding Aggregation Points. Such service shall be provided on an Interruptible basis and shall apply to all gas transported by Transporter for Shipper under this Rate Schedule, up to the Transportation Quantity set forth in Shipper's AS-Gulf Service Agreement.

(b) Aggregation of Supplies. In accordance with the provisions of this Rate Schedule, Shipper may aggregate gas supplies from multiple Receipt Point for Production within the Aggregation Areas described below, for transfer at the delivery point (Aggregation Point) specified for each such Aggregation Area. Aggregation Points may be primary or secondary receipt points in Shipper's or other parties' Service Agreements under Transporter's firm and interruptible transportation Rate Schedules.

(c) Capacity Release. Service rights under an AS-Gulf Service Agreement may not be released or assigned.

3. AGGREGATION AREAS AND AGGREGATION POINTS

(a) The Aggregation Points associated with Aggregation Areas are as follows:

(1) South Lake Arthur, Vermilion Parish, LA

(2) Erath, LA

(b) Transporter may from time to time change or add the Aggregation Areas and Aggregation Points to adjust for changes in operations or to respond to market requirements by posting such change on Transporter's EBB.

4. OPERATING CONDITIONS

(a) For all Receipt Points for Production, Shipper shall nominate quantities as follows:

(1) Shipper shall nominate quantities to be transported from Receipt Points for Production to the Aggregation Point in accordance with the provisions of Section 6 of the General Terms and Conditions as modified by the procedure set forth below.

(2) Shipper shall provide to Transporter through nominations the following information: (a) for transactions to be received from Shippers' Aggregation / Pooling Location (pool market), the party receiving gas, the quantity of gas, and the ranking of each pool market nomination; (b) for transactions supplying gas to Shipper's Aggregation/Pooling Location (pool supply), the party supplying gas, the supply location, the quantity of gas, and the ranking of each pool supply nomination. Transporter shall allow Shipper to use Package IDs in creating nominations. Rankings should be within 1 and 999 with the number 1 indicating the highest priority, i.e., the last transaction to have its quantities affected and 999 indicating the lowest priority, i.e., the first transaction to have its quantities affected. Shipper's pool nominations that do not include a rank will be defaulted to a ranking of 999.

(3) At any receipt point or delivery point where gas is flowing to or from multiple parties, Shipper shall provide to Transporter a Predetermined Allocation Methodology agreement in accordance with the procedures set forth in Section 8 of the General Terms and Conditions.

(b) Pool-to-pool transfers by Shippers may be permitted by Transporter at an Aggregation Point. Transfers among Aggregation Points in the same rate zone or to Service Agreements under Transporter's IPP-Gulf Rate Schedule in the same rate zone may also be permitted on an interruptible basis. Requests for such transfers shall be made in accordance with the nomination procedures set forth in Section 6 of the General Terms and Conditions. Transporter shall not unreasonably withhold approval of pool-to-pool transfers.

(c) If pool supply and market quantities do not equal, Transporter may use rankings on Shipper's pool nominations to bring supply and market quantities into balance.

(d) Any differences between confirmed nominations and actual receipt quantities shall be held as an operational imbalance under Shipper's AS-Gulf Service Agreement.

(e) All operational imbalances must be eliminated by the end of the calendar month in which they are reported to Shipper.

(f) A Shipper's operational imbalance account will not be credited with any imbalance volumes unless: (i) the gas is designated as imbalance gas by the Shipper prior to Transporter's receipt of any imbalance gas by Transporter or delivery of any imbalance gas by Transporter; and (ii) the Shipper has properly nominated and scheduled the gas for transportation in accordance with this Tariff, has been awarded capacity, has its nomination confirmed and been actually allocated quantities of gas for shipment.

(g) Operational imbalances must be eliminated by transactions in the Market Zone.

(h) Any operational imbalance which is not eliminated by the end of the calendar month in which it is reported to the Shipper is subject to the penalties provided for under this Tariff.

5. RATE

No rate will be charged for service under this Rate Schedule. Transporter shall continue to charge for those pool quantities any applicable transportation service charge under the FTS-1 Rate Schedule or ITS-1 Rate Schedule from sources to which the transportation service applies. Transporter reserves the right to file pursuant to Section 4 of the Natural Gas Act to implement charges to recover any and all costs of providing service under this Rate Schedule. Before Transporter implements such a charge, Shipper shall have the right to cancel its AS-Gulf Service Agreement(s) that are subject to that charge.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof, with the exception of Sections 4, 14 and Sections 31 through 35.

RATE SCHEDULE IPP-GULF
INTERRUPTIBLE PAPER POOLS

1. AVAILABILITY

Service under this Rate Schedule is available from Columbia Gulf Transmission,LLC (Transporter) to any Shipper, provided that: (i) Shipper has submitted a valid request for service in accordance with Section 3 of the General Terms and Conditions; (ii) Shipper has executed an IPP-Gulf Service Agreement with Transporter; and (iii) Shipper complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) Subject to the limitations set forth below, Transporter shall provide an accounting service for gas supplies pooled by Shipper pursuant to this Rate Schedule.

(b) In accordance with the provisions of this Rate Schedule, Shipper may aggregate or "pool" gas supplies for purposes of transportation from (i) any source delivered into Transporter's Market Zone; (ii) at the Pooling Points specified in Section 3 of this Rate Schedule; or (iii) at any Aggregation Point(s) within the same rate zone. Pooling under this Rate Schedule is interruptible, in accordance with the priorities described in Section 16 of the General Terms and Conditions.

(c) Service rights under an IPP-Gulf Service Agreement may not be released and assigned.

3. POOLING POINTS

(a) Pooling Points under this Rate Schedule are as follows:

(1) Mainline Pool, which shall be located near the southern side of Transporter's Inverness Compressor Station;

(2) Onshore Pool, which shall be located near the southern side of Transporter's Rayne Compressor Station.

(b) Transporter may from time to time change or add Pooling Points or areas to respond to market requirements by posting such change(s) on Transporter's Electronic Bulletin Board (EBB).

(c) No Shipper may be permitted more than one currently effective IPP-Gulf Service Agreement per rate zone.

4. OPERATING CONDITIONS

(a) For all receipt points or Pooling Points on Transporter's system, Shipper shall nominate quantities as follows:

(1) Shipper shall nominate quantities to be received at Pooling Points or at receipt points to the pool in accordance with the provisions of Section 6 of the General Terms and Conditions, as modified by the procedure set forth below.

(2) Shipper shall provide Transporter through nominations the following information: (a) for transactions to be received from Shipper's Aggregation / Pooling Location (pool market), the party receiving gas, the quantity of gas, and the ranking of each pool market nomination; (b) for transactions supplying gas to Shipper's Aggregation / Pooling Location (pool supply), the party supplying gas, the supply location, the quantity of gas, and the ranking of each pool supply nomination. Transporter shall allow Shipper to use Package IDs in creating nominations. Rankings should be within 1 and 999 with the number 1 indicating the highest priority, i.e., the last transaction to have its quantities affected and 999 indicating the lowest priority, i.e., the first transaction to have it quantities affected. Shipper's pool nominations that do not include a rank will be defaulted to a ranking of 999.

(b) Pool-to-pool transfers by Shippers shall be permitted at the Pooling Point or at receipt points in the same rate zone. Nominations for such transfers shall be submitted in accordance with the nomination procedures set forth in Section 6 of the General Terms and Conditions. Transporter shall not unreasonably withhold approval of pool-to-pool transfers.

(c) Pool-to-pool transfers are not permitted between rate zones.

(d) If pool supply and market quantities do not equal, Transporter may use rankings provided on Shipper's pool nominations to bring supply and market quantities into balance.

(e) Any differences between confirmed nominations and actual receipt quantities shall be held as an operational imbalance under Shipper's IPP-Gulf Service Agreement.

(f) All operational imbalances must be eliminated by the end of the calendar month in which they are reported to Shipper.

(g) A Shipper's operational imbalance account will not be credited with any imbalance volumes unless: (i) the gas is designated as imbalance gas by the Shipper prior to Transporter's receipt of any imbalance gas by Transporter or delivery of any imbalance gas by Transporter; and (ii) the Shipper has properly nominated and scheduled the gas for transportation in accordance with this Tariff, has been awarded capacity, has its nomination confirmed and been actually allocated quantities of gas for shipment.

(h) Operational imbalances incurred in one rate zone must be eliminated by transactions in that same rate zone.

(i) Any operational imbalance which is not eliminated by the end of the calendar month in which it is reported to the Shipper is subject to the penalties provided for under this Tariff.

5. RATE

No rate will be charged for service under this Rate Schedule. Transporter shall continue to charge for those pool quantities any applicable transportation service charge under the FTS-1 Rate Schedule or ITS-1 Rate Schedule from sources to which the transportation service applies. Transporter reserves the right to file pursuant to Section 4 of the Natural Gas Act to implement charges to recover any and all costs of providing service under this Rate Schedule. Before Transporter implements such a charge, Shipper shall have the right to cancel its IPP-Gulf Service Agreement(s) that are subject to that charge.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof, with the exception of Sections 4, 14, 31, 32, and 33.

RATE SCHEDULE PAL
PARKING AND LENDING SERVICE

1. AVAILABILITY

(a) Service under this Rate Schedule is available from Columbia Gulf Transmission, LLC (Transporter) to any Shipper provided that: (i) Transporter has sufficient facilities and transportation capacity available to receive gas from or on behalf of Shipper and deliver gas to or for Shipper; (ii) Shipper has submitted a valid request for service under Section 3 of the General Terms and Conditions, (iii) Shipper has executed a Master Parking and Lending (PAL) Agreement with Transporter for parking or lending service; (iv) Shipper has agreed to be bound by the rates, term, quantity and point(s) of transaction for service set forth in each applicable PAL Transaction Confirmation Sheet(s) subject to the Master PAL Agreement submitted to Shipper by Transporter; and (v) Shipper complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) Zone of Service. The service under this Rate Schedule is available to any Shipper who delivers gas to and receives gas from Transporter on Transporter's Market Zone.

(b) Character of Service. The service provided under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Subject to the limitations set forth below, service under this Rate Schedule shall consist of parking or lending gas on any Day. Such service shall be provided on an interruptible basis only to the extent that capacity is available from time to time, subject to quantity limitations set forth in Shipper's Transaction Confirmation Sheet, and shall consist of:

(1) Parking Service. Parking Service is an interruptible service which provides for: (1) the receipt by Transporter of gas quantities delivered by Shipper to the point(s) of service agreed to by Transporter and Shipper on Transporter's system for receipt of parked quantities; (2) Transporter holding the parked quantities on Transporter's system; and (3) the return of parked quantities to Shipper at the agreed upon time and at the same point(s), or other mutually agreed upon point(s) on Transporter's system; provided, however, that Transporter is not obligated to return parked quantities on the same Day and at the same point(s) that the gas is parked.

(2) Lending Service. Lending Service is an interruptible service which provides for: (1) the receipt by Shipper of gas quantities from Transporter at the point(s) of service agreed to by Transporter and Shipper on Transporter's system for delivery of loaned quantities of gas; and (2) the subsequent return of the loaned quantities of gas to Transporter at the agreed upon time and at the same point(s), or other mutually agreed upon point(s) on Transporter's system; provided, however, that Transporter is not

obligated to accept the return of the loaned gas on the same Day and at the same point(s) that the gas is loaned.

(c) Transportation to and from Points of Service. Shipper shall make any necessary arrangements with Transporter and/or third parties to receive or deliver gas quantities at the designated point(s) of service for parking or lending service hereunder. Transportation service is not provided under this Rate Schedule. If Transporter and Shipper agree that Shipper may receive parked quantities or return loaned quantities at point(s) other than the point(s) of the park or loan, then Shipper shall accomplish such transactions pursuant to nominations under separate transportation agreement(s) with Transporter to effectuate the receipt or delivery of gas to or from other point(s).

(d) Parking and Lending Transactions. Service under this Rate Schedule shall be provided for a minimum term of one (1) Day and a maximum term as established by the mutual agreement of Transporter and Shipper. For PAL service, each parking service or lending transaction shall be provided pursuant to separate Transaction Confirmation Sheet(s). For Auto PAL service, both parking and lending service will be specified in the Master Auto PAL Service Agreement. Any Transaction Confirmation Sheet will be subject to the Master PAL Service Agreement between Transporter and Shipper.

(e) Available Points. The points on Transporter's system at which service may be available under this Rate Schedule shall be maintained on a Master List of Interconnections (MLI) that Transporter shall post on its EBB. The points on the MLI may be incorporated by reference in Shipper's Transaction Confirmation Sheet.

(f) Capacity Release. Service rights under Rate Schedule PAL may not be released or assigned.

3. NOMINATING AND SCHEDULING

Shipper shall nominate and Transporter shall schedule under this Rate Schedule pursuant to the provisions of Section 5 of this Rate Schedule and Section 6 of the General Terms and Conditions. A Shipper who has executed a Master Auto PAL Agreement may elect to have Transporter automatically deem certain quantities to be parked or loaned pursuant to the terms of the Master Auto PAL Agreement.

4. RATE

(a) The charges to be paid by Shipper on any Day, shall be no higher than the applicable total effective maximum rate charge and no lower than the applicable total effective minimum rate charge set forth in this Tariff, unless otherwise mutually agreed to by Transporter and Shipper.

For all service provided under this Rate Schedule, Shipper each Month shall pay Transporter the charges set forth below, unless otherwise mutually agreed to by Transporter and Shipper:

(1) Account Balance Charge. The maximum Account Balance Charge for each Dekatherm (Dth) of gas parked or loaned at each point of service under Shipper's Transaction Confirmation Sheet at the end of each Day during the Month.

(2) Surcharges. The surcharges applicable to this Rate Schedule.

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

(c) Transporter shall not retain any quantities for Retainage from the gas tendered for parking or lending under this Rate Schedule.

5. OPERATIONAL REQUIREMENTS OF TRANSPORTER

(a) Interruption of Service. Shipper may be required, upon notification from Transporter, to cease or reduce deliveries to, or receipts from, Transporter hereunder within the Day consistent with Transporter's operating requirements. Further, Shipper may be required to return loaned quantities or remove parked quantities upon notification by Transporter. Such notification shall be by Transporter's EBB and Internet e-mail. Transporter shall not recall from (or require withdrawal by) any Shipper, on any day, any quantity greater than one-tenth (1/10th) of the Shipper's outstanding park or loan balance; provided, however, that in no event shall Transporter be restricted when recalling (or requiring the withdrawal of) less than 5,000 Dth from any Shipper on any day nor shall any Shipper be permitted to extend the term of its park or loan by reason of this limitation. Transporter's notification shall specify the time frame within which parked quantities shall be removed or loaned quantities shall be returned, consistent with Transporter's operating conditions; provided, however, that in no event shall the specified time be sooner than the next Day after Transporter's notification, subject to the following conditions:

(1) If Shipper makes a timely and valid nomination, which Transporter subsequently confirms, in response to notification by Transporter to remove parked quantities or return loaned quantities, Shipper shall be deemed to have complied with Transporter's notification; and

(2) Unless otherwise agreed by Transporter and Shipper: (1) any parked quantity not removed within the time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims; (2) any loaned quantity not returned within the time frame specified by Transporter's notice shall be sold to Shipper at 150 percent of the Spot Market Price for each Dth.

(b) Removal/Return of Parked or Loaned Volumes.

(1) If parked quantities remain in Transporter's system and/or loaned quantities have not been returned to Transporter's system at the expiration of any Service Agreement executed by Transporter and Shipper, Transporter and Shipper may mutually agree to an extended time frame and/or modified terms, including the rate, of such Service Agreement. If Transporter and Shipper are unable to come to such agreement, Transporter shall notify Shipper, and Shipper shall nominate for removal of the parked quantities or return of the loaned quantities within the time frame specified in Transporter's notice, which in no event shall be less than ten (10) Days. Transporter shall always have the right to recall up to 5,000 Dth from Shipper on any day.

(2) Any parked quantities not removed within the time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims. Within five (5) business days of Shipper's receipt of Transporter's invoice setting forth the quantities forfeited pursuant to this provision, Transporter shall post such forfeited quantities for sale in accordance with Section 39 of the General Terms and Conditions of this Tariff. Upon receipt of payments, Transporter shall credit to the account of the Shipper whose gas was forfeited 80 percent of the proceeds from such sale, and shall retain the remaining 20 percent of such proceeds as a reimbursement fee.

(3) If Shipper does not return loaned quantities within the time frame specified by Transporter's notice, Shipper shall reimburse Transporter for the cost of each Dth of the loaned quantity ("Reimbursement Fee"). The Reimbursement Fee shall be determined by selling the gas to Shipper at 150 percent of the Spot Market Price.

(4) Shipper makes a timely and valid nomination, which Transporter subsequently confirms, in response to notification by Transporter to remove parked quantities or return loaned quantities, Shipper shall be deemed to have complied with Transporter's notification. If Shipper makes a timely and valid nomination, or deemed nomination under Auto PAL service, to clear a remaining parked quantity and Transporter does not have sufficient capacity to allow the required park withdrawal, Shipper shall be allowed an additional day for each such constrained day during the timeframe specified in Transporter's notice to clear the remaining parked quantity. If Shipper makes a timely and valid nomination, or deemed nomination under Auto PAL service, to clear a remaining loan payback, Shipper shall be allowed an additional day for each such constrained day during the timeframe specified in Transporter's notice to clear the remaining loaned quantity.

(c) Crediting of Reimbursement Fee. The Reimbursement Fee shall be considered Penalty Revenue and credited to Shippers in accordance with the provisions of Section 19.5 of the General Terms and Conditions.

(d) Spot Market Price. For purposes of this section, "Spot Market Price" shall be defined, for each Dth on each applicable Day on which the gas was to be repaid, as (a) for the Market Zone, the "Columbia Gulf, Mainline" price index for Louisiana-Onshore South as published in Gas Daily's Weekly Weighted Average Prices Survey, or any successor publication, applicable to the period in which the gas was to be repaid; and (b) for the onshore component for the Market Zone, the "Columbia Gulf, LA" price index for Louisiana-Onshore South, as published in Gas Daily's Weekly Weighted Average Prices Survey, or any successor publication, applicable to the period in which the gas was to be repaid.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof, with the exception of Sections 4, 11, 14 and 31 through 34.

RATE SCHEDULE IMS
IMBALANCE MANAGEMENT SERVICE

1. AVAILABILITY

(a) Service under this Rate Schedule is available from Columbia Gulf Transmission, LLC (Transporter) to any Shipper provided that: (i) Transporter has sufficient facilities and transportation capacity available to receive gas from or on behalf of Shipper and deliver gas to or for Shipper; (ii) Shipper has submitted a valid request for service under Section 3 of the General Terms and Conditions; (iii) Shipper has executed an IMS Service Agreement with Transporter for short-term imbalance management parking or lending service (IMS Parking Service or IMS Lending Service); and (iv) Shipper complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) Zone of Service. The service under this Rate Schedule is available to any Shipper who delivers gas to and receives gas from Transporter on Transporter's Market Zone.

(b) Character of Service. The service provided under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Subject to the limitations set forth below, service under this Rate Schedule shall consist of parking or lending gas on any Day; provided however, each IMS Parking Service or IMS Lending Service under this Rate Schedule shall be provided for a maximum term of one (1) Day. Each IMS Parking Service or IMS Lending Service shall be provided pursuant to a master IMS Service Agreement. Such service shall be provided on an interruptible basis only to the extent that capacity is available from time to time, subject to quantity limitations set forth in Shipper's IMS Service Agreement, and shall consist of:

(1) IMS Parking Service. IMS Parking Service is an interruptible service which provides for: (i) the receipt by Transporter of gas quantities delivered by Shipper to the point(s) of service agreed to by Transporter and Shipper on Transporter's system for receipt of parked quantities; (ii) Transporter holding the parked quantities on Transporter's system; and (iii) the return of parked quantities to Shipper at the same point(s), or other mutually agreed upon point(s) on Transporter's system and within one (1) Day.

(2) IMS Lending Service. IMS Lending Service is an interruptible service which provides for: (i) the receipt by Shipper of gas quantities from Transporter at the point(s) of service agreed to by Transporter and Shipper on Transporter's system for delivery of loaned quantities of gas; and (ii) the subsequent return of the loaned quantities of gas to Transporter at the same point(s), or other mutually agreed upon point(s) on Transporter's system and within one (1) Day.

(c) Transportation to and from Points of Service. Shipper shall make any necessary arrangements with Transporter and/or third parties to receive or deliver gas quantities at the designated point(s) of service for IMS Parking or IMS Lending Service hereunder. Transportation service is not provided under this Rate Schedule. If Transporter and Shipper agree that Shipper may receive parked quantities or return loaned quantities under this Rate Schedule at point(s) other than the point(s) of the park or loan, then Shipper shall accomplish such transactions pursuant to nominations under separate transportation agreement(s) with Transporter to effectuate the receipt or delivery of gas to or from other point(s).

(d) Limitations. Shipper shall not exceed the Maximum Parked Account Balance Quantity or Maximum Loaned Account Balance Quantity set forth in Shipper's IMS Service Agreement.

(e) Available Points. The points on Transporter's system at which service may be available under this Rate Schedule shall be maintained on a Master List of Interconnections (MLI) that Transporter shall post on its EBB. The points on the MLI may be incorporated by reference in Shipper's IMS Service Agreements.

(f) Capacity Release. Service rights under an IMS Service Agreement may not be released or assigned.

3. NOMINATING AND SCHEDULING

(a) Shipper shall nominate and Transporter shall schedule under this Rate Schedule pursuant to the provisions of Section 5 of this Rate Schedule and Section 6 of the General Terms and Conditions. Shipper may request that Transporter submit nominations on Shipper's behalf under this Rate Schedule in situations where Shipper's receipt and delivery quantities are not in balance ("Automatic Nomination Option"). Shipper's election of this Automatic Nomination Option shall be set forth in its IMS Service Agreement. Shipper shall not be obligated to elect the Automatic Nomination Option in order to receive service under this Rate Schedule.

(b) Whenever quantities are parked or a loaned quantity returned under this Rate Schedule, such quantities shall be added to the Shipper's net IMS Account Balance. Whenever quantities are loaned or a parked quantity removed under this Rate Schedule, such quantities shall be subtracted from the Shipper's IMS Account Balance. Whenever Shipper's IMS Account Balance equals a positive quantity, Shipper will be deemed to have an IMS Parked Account Balance Quantity. Whenever Shipper's IMS Account Balance equals a negative quantity, Shipper will be deemed to have an IMS Loaned Account Balance Quantity.

4. RATE

(a) The charges to be paid by Shipper on any Day, shall be no higher than the applicable total effective maximum rate charge and no lower than the applicable total effective minimum rate charge set forth in this Tariff, unless otherwise mutually agreed to by Transporter and Shipper. Transporter shall post on its EBB a separate daily effective rate for IMS Parked Account Balance and IMS Loaned Account Balance.

For all service provided under this Rate Schedule, Shipper each Month shall pay Transporter the charges set forth below, unless otherwise mutually agreed to by Transporter and Shipper:

(1) IMS Account Balance Charge. The IMS Account Balance Charge shall be applied for each Dekatherm (Dth) of the IMS Parked Account Balance Quantity per zone or IMS Loaned Account Balance Quantity per zone at the end of each Day during the Month.

(2) Surcharges. The surcharges applicable to this Rate Schedule.

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

(c) Transporter shall not retain any quantities for Retainage from the gas tendered for parking or lending under this Rate Schedule.

5. OPERATIONAL REQUIREMENTS OF TRANSPORTER

(a) Treatment of Balances. Shipper must clear an IMS Parked Amount Balance or an IMS Loaned Account Balance by the end of the subsequent Day in which service under this Rate Schedule is provided. If Shipper fails to clear such IMS Parked Account Balance or IMS Loaned Account Balance by the end of the subsequent Day, Shipper shall be assessed the IMS Account Balance Charge, set forth in Section 4 above, for each Day until Shipper's IMS Account Balance Quantity equals zero. A Shipper that fails to achieve an IMS Account Balance Quantity of zero may elect to enter into a parking or loaning transaction with Transporter pursuant to Rate Schedule PAL and transfer Shipper's IMS Account Balance Quantity to an Account Balance under a PAL Service Agreement.

(b) Interruptions of Service. Shipper may be required, upon notification from Transporter to cease or reduce deliveries to, or receipts from, Transporter hereunder within the Day, consistent with Transporter's operating requirements. Further, Shipper may be required to remove parked quantities or return loaned quantities by the end of the subsequent Day upon notification by Transporter. Such notification shall be by Transporter's EBB and Internet e-mail. Transporter's notification shall specify the time frame within which IMS parked quantities shall

be removed or IMS loaned quantities shall be returned, consistent with Transporter's operating conditions, and subject to the following conditions:

(1) If Shipper makes a valid nomination, which Transporter subsequently confirms, in response to notification by Transporter to remove IMS parked quantities or return IMS loaned quantities, Shipper shall be deemed to have complied with Transporter's notification; and

(2) Unless otherwise agreed by Transporter and Shipper: (1) any IMS parked quantity not removed within the time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims; and (2) any IMS loaned quantity not returned within the time frame specified by Transporter's notice shall be sold to Shipper at 150 percent of the Spot Market Price for each Dth.

(c) Removal/Return of Parked and Loaned Volumes.

(1) If IMS parked quantities remain in Transporter's system and/or IMS loaned quantities have not been returned to Transporter's system at the expiration of any Service Agreement executed by Transporter and Shipper, Transporter and Shipper may mutually agree to an extended time frame and/or modified terms, including the rate, of such Service Agreement. If Transporter and Shipper are unable to come to such agreement, Transporter shall notify Shipper, and Shipper shall nominate for removal of the IMS parked quantities or return of the IMS loaned quantities within the time frame specified in Transporter's notice.

(2) Any IMS parked quantities not removed within the time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims. Within five (5) business days of Shipper’s receipt of Transporter’s invoice setting forth the quantities forfeited pursuant to this provision, Transporter shall post such forfeited quantities for sale in accordance with Section 39 of the General Terms and Conditions of this Tariff. Upon receipt of payments, Transporter shall credit to the account of the Shipper whose gas was forfeited 80 percent of the proceeds from such sale, and shall retain the remaining 20 percent of such proceeds as a reimbursement fee.

(3) If Shipper does not return loaned quantities within the time frame specified by Transporter's notice, Shipper shall reimburse Transporter for the cost of each Dth of the loaned quantity ("Reimbursement Fee"). The Reimbursement Fee shall be determined by selling the gas to Shipper at 150 percent of the Spot Market Price.

(4) If Shipper makes a timely and valid nomination which Transporter subsequently confirms in response to notification by Transporter to remove IMS parked quantities, Shipper shall be deemed to have complied with Transporter's notification. If

Shipper makes a timely and valid nomination to clear a remaining parked quantity and Transporter does not have sufficient capacity to allow the required park withdrawal, Shipper shall be allowed an additional day for each such constrained day during the timeframe specified in Transporter's notice to clear the remaining parked quantity. If Shipper makes a timely and valid nomination to clear a remaining loan quantity and Transporter does not have sufficient capacity to allow the required loan payback, Shipper shall be allowed an additional day for each such constrained day during the timeframe specified in Transporter's notice to clear the remaining loan quantity.

(d) Crediting of Reimbursement Fees. The Reimbursement Fee shall be considered Penalty Revenue and credited to Shippers in accordance with Section 19 of the General Terms and Conditions.

(e) Spot Market Price. For purposes of this section, "Spot Market Price" shall be defined as, for each Dth on each applicable Day on which the gas was to be repaid as follows: (a) for the Market Zone, the "Columbia Gulf, Mainline" price index for Louisiana-Onshore South as published in Gas Daily's Daily Price Survey, or any successor publication; and (b) for the onshore component of Market Zone, the "Columbia Gulf, LA" price index for Louisiana-Onshore South, as published in Gas Daily's Daily Price Survey, or any successor publication.

(f) Termination by Transporter. Transporter may terminate an IMS Service Agreement upon five (5) Days written notice if Shipper fails to comply with the operational requirements set out in this section.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof, with the exception of Sections 4, 11, 14 and 31 through 33.