



June 16, 2022

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Columbia Gulf Transmission, LLC**

700 Louisiana Street, Suite 1300  
Houston, TX 77002-2700

Sorana Linder  
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Re: Columbia Gulf Transmission, LLC  
Change in FERC Gas Tariff  
Docket No. RP22-\_\_\_\_-000

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations,<sup>1</sup> Columbia Gulf Transmission, LLC (“Columbia Gulf”) respectfully submits for filing and acceptance new Part VII.10.11 – General Terms & Conditions, Billing and Payment, Prepayment of Reservation Charges (“Section VII.10.11”) to be part of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”).<sup>2</sup> Section VII.10.11 is being submitted to establish provisions allowing for the prepayment of reservation charges, as more fully described below. Columbia Gulf respectfully requests that the Commission accept tariff Section VII.10.11, included in the instant filing as Appendix A, to become effective August 1, 2022.

**Correspondence**

The names, titles and mailing address of the persons to whom correspondence and communications concerning this filing should be directed are as follows:

Sorana Linder  
Director, Rates, Tariffs & Modernization  
\* Jonathan Scullion  
Manager, Tariffs  
Columbia Gulf Transmission, LLC  
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<sup>1</sup> 18 C.F.R. Part 154 (2022).

<sup>2</sup> Section VII.10.11 is proposed to be made a subsection of Part VII.10 – General Terms & Conditions, Billing and Payment (“Section VII.10”), of the Columbia Gulf Tariff.

\* Persons designated for official service pursuant to Rule 2010.

### **Statement of Nature, Reasons and Basis for Filing**

Section VII.10 of Columbia Gulf's Tariff contains provisions concerning Columbia Gulf's administration of billing and payment for the services provided pursuant to Columbia Gulf's Tariff. Columbia Gulf is proposing in the instant filing to add new subsection 11 to Section VII.10, which would allow Columbia Gulf to agree to accept, in a not unduly discriminatory manner, a shipper's prepayment of its unpaid reservation charges obligation under an existing or new service agreement for firm service. The prepayment provisions included in the instant filing are optional, but provide existing or potential shippers the ability to request an alternate payment option when considering individual financial and budgetary situations or access to capital markets. The Commission has recently accepted virtually identical prepayment language for several other pipelines.<sup>3</sup>

At such time as Columbia Gulf agrees to accept such a prepayment, the amount to be prepaid by the shipper will be equivalent to its unpaid reservation charges obligation for the remainder of the term of an existing firm service agreement or the entire term of a new firm service agreement.<sup>4</sup> The amount prepaid would be credited to the shipper's firm service agreement in monthly increments under the ordinary course of Columbia Gulf's billing process.<sup>5</sup> The option for a shipper to prepay its unpaid reservation charges will not change the rate(s) in that shipper's underlying service agreement; consequently, for capacity release and posting requirements, the rate to be charged will be the rate(s) specified in the shipper's firm service agreement. Throughout the prepaid service agreement's term, Columbia Gulf will invoice, and the shipper who prepaid its reservation charges will be responsible for paying, all

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<sup>3</sup> See, *ANR Pipeline Company*, 169 FERC ¶ 61,244 (2019) and *ANR Pipeline Company*, Docket No. RP20-270-001 (February 27, 2020) (unpublished Director's Letter Order); *Great Lakes Gas Transmission Limited Partnership*, 170 FERC ¶ 61,013 (2020) and *Great Lakes Gas Transmission Limited Partnership*, Docket No. RP20-331-001 (February 27, 2020) (unpublished Director's Letter Order); and, *Columbia Gas Transmission, LLC*, Docket No. RP20-812-000 (May 14, 2020) (unpublished Director's Letter Order).

<sup>4</sup> A shipper's option to prepay reservation charges for a new firm service agreement as proposed in new subsection 11 of Section VII.10 will not be considered in the determination of the net present value of a bid for available unsubscribed capacity and the proposed option will only apply after capacity has been awarded. Accordingly, new Section VII.10.11 reflects that any prepayment made or offered will not be used in the evaluation process to award capacity.

<sup>5</sup> Existing subsections 1 and 2 of Section VII.10 stipulate that Columbia Gulf shall render a statement of the amount due each month, and the shipper shall pay the amount due each month, respectively. The prepayment proposal contained herein alters the payment schedule to amount to an upfront, lump sum, prepayment by the shipper.

other applicable charges and surcharges each month.<sup>6</sup> A shipper that has prepaid its reservation charges will not be allowed to have any of its prepayment returned after having made such prepayment. Additionally, prepayments received by Columbia Gulf pursuant to the modifications proposed in the instant filing will not qualify as cash security deposits for purposes of establishing creditworthiness under Columbia Gulf's Tariff; nor will cash security deposits received by Columbia Gulf for purposes of establishing creditworthiness be considered as a prepayment of a reservation charge obligation.

Any prepaid reservation charges will be subject to adjustment if Columbia Gulf's recourse rates are changed pursuant to NGA section 4 or 5 during the period for which a shipper has prepaid for service. Any such changes to Columbia Gulf's recourse rates will require that the underlying reservation charge(s) of a service agreement for which a shipper has prepaid will be adjusted in the same manner as if the shipper had not made its prepayment.<sup>7</sup> If Columbia Gulf's applicable recourse rate for a service agreement which has been prepaid by a shipper increases due to a section 4 or 5 proceeding during that agreement's term, Columbia Gulf will be entitled to require a recourse shipper to pay a monthly charge equal to the difference between the new maximum recourse rate and the recourse rate at the time the prepayment was made. If, on the other hand, Columbia Gulf's applicable recourse rate decreases, Columbia Gulf will provide a maximum recourse rate shipper a monthly credit equal to the difference between the new maximum recourse rate and the recourse rate in effect at the time of the prepayment.

Furthermore, if Columbia Gulf's effective maximum rate is subject to refund at any time during the prepayment period and refunds are required, a maximum rate shipper will be entitled to the same refunds as if it had not made its prepayment. Similar adjustments will be made in the rates paid by a discounted rate shipper as necessary to ensure that such shipper's rates remain within the range established by Columbia Gulf's maximum and minimum recourse rates.<sup>8</sup>

The prepayment provisions proposed in the instant filing allow a shipper and Columbia Gulf to mutually agree that a shipper may provide a lump sum payment of its aggregate reservation charges under an existing or new firm service agreement. Columbia Gulf requests that the Commission accept the

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<sup>6</sup> Those charges shall include, but not be limited to: reservation charges for secondary points; commodity and overrun charges; processing charges; gathering charges; penalty charges; retainage charges; and other applicable fees, charges and surcharges.

<sup>7</sup> This prepayment provision is consistent with a condition imposed by the Commission in accepting a similar prepayment proposal filed by Southern Natural Gas Company. *Southern Natural Gas Company*, 128 FERC ¶ 61,211 (2009) at P 58 ("Southern Order").

<sup>8</sup> *Id.* at P 59. Refunds and discount adjustments reflect additional discussion points included in the Southern Order.

prepayment provisions included as new Section VII.10.11, submitted herein as Appendix A, to become effective August 1, 2022.

### **Effective Date**

Columbia Gulf respectfully requests that the Commission accept the tariff section included as Appendix A to become effective August 1, 2022.

### **Other Filings Which May Affect This Proceeding**

There are no other filings before the Commission that may significantly affect the changes proposed herein.

### **Contents of Filing**

In accordance with Section 154.7 of the Commission's regulations, Columbia Gulf is submitting the following via its electronic tariff filing:

1. This transmittal letter;
2. A clean tariff section (Appendix A); and
3. A marked tariff section (Appendix B).

### **Certificate of Service**

As required by Sections 154.7(b)<sup>9</sup> and 154.208<sup>10</sup> of the Commission's regulations, a copy of this filing is being served upon all of Columbia Gulf's existing customers and interested state regulatory agencies. A copy of this letter, together with any attachments, is available during regular business hours for public inspection at Columbia Gulf's principal place of business.

Pursuant to Section 385.2005<sup>11</sup> of the Commission's regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of her knowledge and belief. Additionally, the undersigned possesses full power and authority to sign such filing.

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<sup>9</sup> 18 C.F.R. Part 154.7(b)(2022).

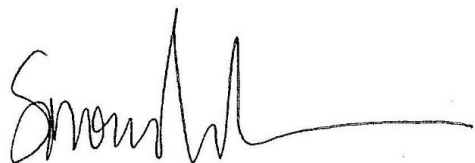
<sup>10</sup> 18 C.F.R. Part 154.208(2022).

<sup>11</sup> 18 C.F.R. Section 385.2005 (2022).

Any questions regarding this filing may be directed to Jonathan Scullion at (832) 320-5520.

Respectfully submitted,

COLUMBIA GULF TRANSMISSION, LLC

A handwritten signature in black ink, appearing to read 'Sorana Linder', is positioned above a solid horizontal line.

Sorana Linder  
Director, Rates, Tariffs, & Modernization

Enclosures

# **Appendix A**

## ***Columbia Gulf Transmission, LLC Third Revised Volume No. 1***

### **Clean Tariff**

<b><u>Tariff Section</u></b>	<b><u>Version</u></b>
VII.10. – General Terms & Conditions, Billing and Payment	v.4.0.0

## 10. BILLING AND PAYMENT

10.1 Transporter shall render or cause to be rendered to Shipper on or before the ninth (9<sup>th</sup>) Business Day of each month an imbalance statement and an invoice (collectively "Billing Statements") setting forth the volume of gas and the Btu of the gas tendered at the Point(s) of Receipt and Point(s) of Delivery during the preceding month, the net billing rate and the amount due, together with information sufficient to explain and support any adjustments made by Transporter with respect to the quantity of gas delivered hereunder. Billing Statements shall be deemed to be rendered by Transporter when Transporter electronically posts the statements to Shipper on Transporter's EBB. If Transporter is unable to render Billing Statements through Transporter's EBB, the Billing Statements shall be deemed to be rendered when Transporter deposits the Billing Statements with the U.S. Mail for first-class delivery, as evidenced by the postmark date, or Transporter deposits the Billing Statements with an overnight courier service for delivery to Shipper. All Billing Statements shall be based on actuals (if available) or on best available data. Quantities at points where OBAs exist shall be invoiced on scheduled quantities.

10.2 When information necessary for invoice purposes for the proceeding month is in the control of Shipper, Shipper shall furnish such information to Transporter on or before the fifth (5<sup>th</sup>) day.

10.3 All accounting statements, or adjustments thereto, relating to the volumes transported hereunder shall be stated in terms of adjusted metered quantities with an assumed thermal content of one thousand (1,000) Btu per cubic foot; provided, however, notwithstanding anything else contained herein to the contrary, estimated metered or allocated volumes shall be utilized as appropriate to determine the volumes on which transportation charges will be computed.

10.4 Either party shall have the right to examine at reasonable times agreed to by both parties, books, records, and charts of the other party to the extent necessary to verify the accuracy of any statement, chart, or computation made under or pursuant to provisions hereunder. The examining party shall have one year after the close of a year in which to make an audit of the other party's records for such year.

### 10.5 Payment.

(a) Shipper shall pay Transporter the amount due for the preceding Month on or before the tenth (10<sup>th</sup>) Day after the date of the invoice, except when the tenth (10<sup>th</sup>) Day after the date of the invoice is a Saturday, Sunday or federal banking holiday, in which case payment is due on the following Business Day. Payments by Shipper to Transporter shall be made in the form of wire or other electronic fund transfer of Federal Funds directed to a bank account designated by Transporter for amounts equal to or greater than \$50,000 such that funds are available on the date payment is due. Payments of amounts less than \$50,000 by Shipper to Transporter shall be made at Shipper's election in the form of wire or other electronic fund transfer of Federal Funds directed to a bank account designated by Transporter, or by check which shall be sent by U.S. Mail, First Class delivery and postmarked on or before the Invoice

due date. Shipper should submit any required supporting documentation; Transporter will apply payment per the supporting documentation. All payments shall be identified by invoice number and, if a payment differs from the invoice amount, remittance detail shall be provided with the payment except when payment is made by electronic funds transfer (EFT) in which case, the remittance detail is due within two (2) Business Days of the payment due date. Payment will be applied in accordance with the remittance detail.

(b) If Transporter's rendering of a bill is delayed after the ninth (9<sup>th</sup>) Business Day, as set forth above in Section VII.10.4, then the time of payment shall be extended by the same number of days unless Shipper is responsible for the delay.

(c) If Shipper fails to pay all of the amount of any bill as herein provided, interest on the unpaid portion of the bill shall be computed at the rate set forth in Section 154.501 of the Commission's Regulations, prorated for the number of days from the due date of payment until the actual date of payment.

(d) If Shipper in good faith disputes the amount of any bill or part thereof, Transporter shall not be entitled to suspend further delivery of gas if:

(1) Shipper pays to Transporter the amounts it concedes to be correct and provides written documentation as to the basis for the dispute;

(2) within 30 days of a demand made by Transporter, Shipper furnishes good and sufficient surety bond in an amount and with surety satisfactory to Transporter;

(3) the surety bond guarantees payment to Transporter of the amount ultimately found due upon the bill, plus accrued interest, upon a final determination by agreement or by judgment of the courts; and

(4) Shipper does not default on the conditions of the bond.

If Shipper (i) has complied with all of the requirements in the immediately preceding sentence; (ii) prevails on the merits of the dispute concerning the bill by reason of a final determination by agreement or by judgment of the courts; and (iii) makes payment to Transporter in accordance with that final determination, then Transporter shall reimburse Shipper for the reasonable premium cost incurred by Shipper in obtaining the surety bond upon Transporter's receipt from Shipper of the documentation of the premium cost.

**10.6 Adjustment of Billing Errors.** If it is determined that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under this Section 10 and Shipper has actually paid the bills containing the overcharge or undercharge, then Transporter shall refund the amount of any overcharge or Shipper shall pay the amount of any undercharge within 30 days after final determination of the appropriate amounts. If an error is discovered in the amount billed in any statement rendered by Transporter, that error shall be adjusted within 30 days of



Transporter's determination thereof, provided that claim therefore shall have been made within 30 days from the date of discovery of the error but in any event within 6 months from the date of the statement with a 3 month rebuttal period. These time limitations shall not apply in cases of FERC required rate changes, to deliberate omissions, to misrepresentations or mutual mistake of fact. Neither Shipper's nor Transporter's other statutory or contractual rights shall be diminished by this provision.

**10.7 Suspension or Termination for Nonpayment.** If Shipper under any Rate Schedule becomes delinquent by 10 days in the payment of any invoice, then Shipper shall provide adequate assurance of payment to Transporter within 10 days of the date of Transporter's written notice of delinquency. If Shipper does not, within that 10 day period, pay the invoice together with accrued interest, or does not provide adequate assurance of payment in accordance with the provisions of Section 3 (Requests for Service) of the General Terms and Conditions, Transporter, in addition to any other remedies it may have, may commence suspension of service procedures by: (a) sending a first written notice to Shipper and the Commission informing Shipper that its service will be suspended and its Service Agreement with Transporter will be terminated in 30 days ("suspension date") if payment is not received; and (b) sending a second written notice to Shipper and the Commission 10 days before the suspension date informing Shipper that its service will be suspended and its Service Agreement with Transporter will be terminated on the suspension date if payment is not received before that date. Shipper's service will be suspended and its Service Agreement terminated if full payment is not received by Transporter before the suspension date. Termination of the Service Agreement shall not excuse payments of the amounts then due or any other existing obligation of Shipper. Transporter shall not be entitled to suspend service or terminate Shipper's Service Agreement pending resolution of an invoice disputed in good faith by Shipper if Shipper complies with the provisions of paragraph 10.5(d) above.

**10.8 Billing Disputes.** If Shipper in good faith disputes an invoice from Transporter and complies with the provisions of Section 10.5(d) above, further resolution of the dispute shall be in accordance with the provisions of Section 29 (Complaint Resolution Procedure) of the General Terms and Conditions.

**10.9 Refunds.** Transporter shall pay any refunds owed in excess of \$50,000 to any Shipper by wire or other electronic fund transfer of Federal Funds immediately available to Shipper at such bank account as Shipper shall designate.

**10.10 Right to Set Off Unpaid Amounts.** If the Shipper does not pay the full amount due Transporter in accordance with Section 10.5 hereof, then Transporter, without prejudice to any other rights or remedies it may have, shall have the right to withhold and set off payment of any amounts of monies due or owing by Transporter to Shipper, against any and all amounts or monies due or owing by Shipper to Transporter for services performed by Transporter for Shipper. In addition, if Shipper has an overtender(s) of gas on any Service Agreement(s), Transporter will have the right to net that overtender of gas against any existing undertender(s) of gas on any of Shipper's Service Agreement(s).

**10.11 Prepayment of Reservation Charges.** Transporter may, from time to time in a manner not unduly discriminatory, agree to accept a Shipper's prepayment of its reservation charges obligation under an existing or new firm Service Agreement. The amount of the prepayment shall be equivalent to Shipper's unpaid reservation charges obligation for the remainder of the term of an existing firm Service Agreement or the entire term of a new firm Service Agreement, as applicable. A prepayment received by Transporter or an offer of a prepayment to be made under this section will not be used in the determination of the net present value of a bid during Transporter's evaluation process to award capacity.

The prepayment shall be credited to Shipper's Service Agreement under the ordinary course of Transporter's billing process. Shipper shall not be allowed to withdraw all or part of its prepayment.

Neither this provision nor any solicitation or negotiation by Transporter under this provision shall obligate Transporter to accept any request for prepayment.

A Shipper's reservation charges will be subject to adjustments when Transporter's Recourse Rate(s) are changed pursuant to NGA section 4 or 5 during the period for which Shipper has prepaid for service and Shipper shall agree that any prepayment does not absolve it of such future adjustments to the Recourse Rate(s). For capacity release and posting requirements, the rate to be charged will be the rate specified in the applicable firm Service Agreement.

Prepayment of a reservation charges obligation received by Transporter under this section shall not qualify as a cash security deposit under Section VII.9.5. of these General Terms and Conditions for purposes of creditworthiness, nor shall a cash security deposit under Section VII.9.5 of these General Terms and Conditions for purposes of creditworthiness be considered as a prepayment of a reservation charges obligation under this section.

# **Appendix B**

***Columbia Gulf Transmission, LLC  
Third Revised Volume No. 1***

## **Marked Tariff**

<b><u>Tariff Section</u></b>	<b><u>Version</u></b>
VII.10. – General Terms & Conditions, Billing and Payment	v.4.0.0

## 10. BILLING AND PAYMENT

10.1 Transporter shall render or cause to be rendered to Shipper on or before the ninth (9<sup>th</sup>) Business Day of each month an imbalance statement and an invoice (collectively "Billing Statements") setting forth the volume of gas and the Btu of the gas tendered at the Point(s) of Receipt and Point(s) of Delivery during the preceding month, the net billing rate and the amount due, together with information sufficient to explain and support any adjustments made by Transporter with respect to the quantity of gas delivered hereunder. Billing Statements shall be deemed to be rendered by Transporter when Transporter electronically posts the statements to Shipper on Transporter's EBB. If Transporter is unable to render Billing Statements through Transporter's EBB, the Billing Statements shall be deemed to be rendered when Transporter deposits the Billing Statements with the U.S. Mail for first-class delivery, as evidenced by the postmark date, or Transporter deposits the Billing Statements with an overnight courier service for delivery to Shipper. All Billing Statements shall be based on actuals (if available) or on best available data. Quantities at points where OBAs exist shall be invoiced on scheduled quantities.

10.2 When information necessary for invoice purposes for the proceeding month is in the control of Shipper, Shipper shall furnish such information to Transporter on or before the fifth (5<sup>th</sup>) day.

10.3 All accounting statements, or adjustments thereto, relating to the volumes transported hereunder shall be stated in terms of adjusted metered quantities with an assumed thermal content of one thousand (1,000) Btu per cubic foot; provided, however, notwithstanding anything else contained herein to the contrary, estimated metered or allocated volumes shall be utilized as appropriate to determine the volumes on which transportation charges will be computed.

10.4 Either party shall have the right to examine at reasonable times agreed to by both parties, books, records, and charts of the other party to the extent necessary to verify the accuracy of any statement, chart, or computation made under or pursuant to provisions hereunder. The examining party shall have one year after the close of a year in which to make an audit of the other party's records for such year.

### 10.5 Payment.

(a) Shipper shall pay Transporter the amount due for the preceding Month on or before the tenth (10<sup>th</sup>) Day after the date of the invoice, except when the tenth (10<sup>th</sup>) Day after the date of the invoice is a Saturday, Sunday or federal banking holiday, in which case payment is due on the following Business Day. Payments by Shipper to Transporter shall be made in the form of wire or other electronic fund transfer of Federal Funds directed to a bank account designated by Transporter for amounts equal to or greater than \$50,000 such that funds are available on the date payment is due. Payments of amounts less than \$50,000 by Shipper to Transporter shall be made at Shipper's election in the form of wire or other electronic fund transfer of Federal Funds directed to a bank account designated by Transporter, or by check which shall be sent by U.S. Mail, First Class delivery and postmarked on or before the Invoice

due date. Shipper should submit any required supporting documentation; Transporter will apply payment per the supporting documentation. All payments shall be identified by invoice number and, if a payment differs from the invoice amount, remittance detail shall be provided with the payment except when payment is made by electronic funds transfer (EFT) in which case, the remittance detail is due within two (2) Business Days of the payment due date. Payment will be applied in accordance with the remittance detail.

(b) If Transporter's rendering of a bill is delayed after the ninth (9<sup>th</sup>) Business Day, as set forth above in Section VII.10.4, then the time of payment shall be extended by the same number of days unless Shipper is responsible for the delay.

(c) If Shipper fails to pay all of the amount of any bill as herein provided, interest on the unpaid portion of the bill shall be computed at the rate set forth in Section 154.501 of the Commission's Regulations, prorated for the number of days from the due date of payment until the actual date of payment.

(d) If Shipper in good faith disputes the amount of any bill or part thereof, Transporter shall not be entitled to suspend further delivery of gas if:

(1) Shipper pays to Transporter the amounts it concedes to be correct and provides written documentation as to the basis for the dispute;

(2) within 30 days of a demand made by Transporter, Shipper furnishes good and sufficient surety bond in an amount and with surety satisfactory to Transporter;

(3) the surety bond guarantees payment to Transporter of the amount ultimately found due upon the bill, plus accrued interest, upon a final determination by agreement or by judgment of the courts; and

(4) Shipper does not default on the conditions of the bond.

If Shipper (i) has complied with all of the requirements in the immediately preceding sentence; (ii) prevails on the merits of the dispute concerning the bill by reason of a final determination by agreement or by judgment of the courts; and (iii) makes payment to Transporter in accordance with that final determination, then Transporter shall reimburse Shipper for the reasonable premium cost incurred by Shipper in obtaining the surety bond upon Transporter's receipt from Shipper of the documentation of the premium cost.

**10.6 Adjustment of Billing Errors.** If it is determined that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under this Section 10 and Shipper has actually paid the bills containing the overcharge or undercharge, then Transporter shall refund the amount of any overcharge or Shipper shall pay the amount of any undercharge within 30 days after final determination of the appropriate amounts. If an error is discovered in the amount billed in any statement rendered by Transporter, that error shall be adjusted within 30 days of

Transporter's determination thereof, provided that claim therefore shall have been made within 30 days from the date of discovery of the error but in any event within 6 months from the date of the statement with a 3 month rebuttal period. These time limitations shall not apply in cases of FERC required rate changes, to deliberate omissions, to misrepresentations or mutual mistake of fact. Neither Shipper's nor Transporter's other statutory or contractual rights shall be diminished by this provision.

**10.7 Suspension or Termination for Nonpayment.** If Shipper under any Rate Schedule becomes delinquent by 10 days in the payment of any invoice, then Shipper shall provide adequate assurance of payment to Transporter within 10 days of the date of Transporter's written notice of delinquency. If Shipper does not, within that 10 day period, pay the invoice together with accrued interest, or does not provide adequate assurance of payment in accordance with the provisions of Section 3 (Requests for Service) of the General Terms and Conditions, Transporter, in addition to any other remedies it may have, may commence suspension of service procedures by: (a) sending a first written notice to Shipper and the Commission informing Shipper that its service will be suspended and its Service Agreement with Transporter will be terminated in 30 days ("suspension date") if payment is not received; and (b) sending a second written notice to Shipper and the Commission 10 days before the suspension date informing Shipper that its service will be suspended and its Service Agreement with Transporter will be terminated on the suspension date if payment is not received before that date. Shipper's service will be suspended and its Service Agreement terminated if full payment is not received by Transporter before the suspension date. Termination of the Service Agreement shall not excuse payments of the amounts then due or any other existing obligation of Shipper. Transporter shall not be entitled to suspend service or terminate Shipper's Service Agreement pending resolution of an invoice disputed in good faith by Shipper if Shipper complies with the provisions of paragraph 10.5(d) above.

**10.8 Billing Disputes.** If Shipper in good faith disputes an invoice from Transporter and complies with the provisions of Section 10.5(d) above, further resolution of the dispute shall be in accordance with the provisions of Section 29 (Complaint Resolution Procedure) of the General Terms and Conditions.

**10.9 Refunds.** Transporter shall pay any refunds owed in excess of \$50,000 to any Shipper by wire or other electronic fund transfer of Federal Funds immediately available to Shipper at such bank account as Shipper shall designate.

**10.10 Right to Set Off Unpaid Amounts.** If the Shipper does not pay the full amount due Transporter in accordance with Section 10.5 hereof, then Transporter, without prejudice to any other rights or remedies it may have, shall have the right to withhold and set off payment of any amounts of monies due or owing by Transporter to Shipper, against any and all amounts or monies due or owing by Shipper to Transporter for services performed by Transporter for Shipper. In addition, if Shipper has an overtender(s) of gas on any Service Agreement(s), Transporter will have the right to net that overtender of gas against any existing undertender(s) of gas on any of Shipper's Service Agreement(s).

10.11 Prepayment of Reservation Charges. Transporter may, from time to time in a manner not unduly discriminatory, agree to accept a Shipper's prepayment of its reservation charges obligation under an existing or new firm Service Agreement. The amount of the prepayment shall be equivalent to Shipper's unpaid reservation charges obligation for the remainder of the term of an existing firm Service Agreement or the entire term of a new firm Service Agreement, as applicable. A prepayment received by Transporter or an offer of a prepayment to be made under this section will not be used in the determination of the net present value of a bid during Transporter's evaluation process to award capacity.

The prepayment shall be credited to Shipper's Service Agreement under the ordinary course of Transporter's billing process. Shipper shall not be allowed to withdraw all or part of its prepayment.

Neither this provision nor any solicitation or negotiation by Transporter under this provision shall obligate Transporter to accept any request for prepayment.

A Shipper's reservation charges will be subject to adjustments when Transporter's Recourse Rate(s) are changed pursuant to NGA section 4 or 5 during the period for which Shipper has prepaid for service and Shipper shall agree that any prepayment does not absolve it of such future adjustments to the Recourse Rate(s). For capacity release and posting requirements, the rate to be charged will be the rate specified in the applicable firm Service Agreement.

Prepayment of a reservation charges obligation received by Transporter under this section shall not qualify as a cash security deposit under Section VII.9.5. of these General Terms and Conditions for purposes of creditworthiness, nor shall a cash security deposit under Section VII.9.5 of these General Terms and Conditions for purposes of creditworthiness be considered as a prepayment of a reservation charges obligation under this section.