



Columbia Gulf Transmission, LLC
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July 7, 2023

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

VIA ELECTRONIC FILING

Re: Columbia Gulf Transmission, LLC Petition for Approval of Stipulation and Agreement of Settlement, Docket No. RP23-____-000

Dear Ms. Bose:

Pursuant to Rule 207(a)(5) of the Federal Energy Regulatory Commission's (the "Commission") Rules of Practice and Procedure, 18 C.F.R. § 385.207(a)(5) (2023), Columbia Gulf Transmission, LLC ("Columbia Gulf") hereby petitions the Commission for approval without condition or modification of the attached Stipulation and Agreement of Settlement and related materials ("Settlement") in advance of Columbia Gulf's obligation under Article IX of its 2019 Settlement to file a general section 4 rate case no later than January 31, 2027, for rates to become effective on August 1, 2027, and consistent with the expiration of the moratorium on certain filings under Article X of the 2019 Settlement.¹

The Settlement is the product of intensive negotiations between Columbia Gulf and its customers and resolves various rate and tariff related issues that have been discussed by the parties. The Settlement provides benefits to Columbia Gulf's customers and will save the parties substantial costs, time, and resources that would have been expended through litigation as it eliminates the need for a new Columbia Gulf Natural Gas Act section 4 rate filing and related discovery, intervenor and rebuttal testimony, hearing, and subsequent procedures. Any modification or condition placed on the Settlement, or any provision of the Settlement, could jeopardize the negotiated compromise and delicate balance of interests that is reflected in the Settlement and result in litigation and consumption of the Commission's and the parties' resources.

¹ See *Columbia Gulf Transmission, LLC*, 169 FERC ¶ 61,243 (2019) ("2019 Settlement").

The Settlement is broadly supported, or not opposed, by Columbia Gulf and all of its shippers that have actively participated throughout the negotiation and drafting of the Settlement. Columbia Gulf is not aware of any party that opposes the Settlement.

The following appendices to the Settlement are included in this submission:

- Appendix A – Settling Parties
- Appendix B – Settlement Rates
- Appendix C – *Pro Forma* Tariff Records

In light of the support and/or non-opposition by all of the active parties, Columbia Gulf asks that the Commission act expeditiously to approve the Settlement as fair and reasonable and in the public interest. Columbia Gulf requests that the Commission so act on or before September 1, 2023.

Because all of Columbia Gulf's customers were given the opportunity to review and comment on the Settlement, Columbia Gulf requests that the Commission require that initial comments to the Settlement be filed within seven (7) business days of this filing (*i.e.*, on or before July 18, 2023), and reply comments be filed within seven (7) business days thereafter (*i.e.*, on or before July 27, 2023). Columbia Gulf previously circulated the dates of the shortened comment period and participants either supported or did not oppose the proposal.

Columbia Gulf respectfully requests that the Commission approve the Settlement as filed and grant any waivers or authorizations necessary to allow such approval.

Respectfully submitted,

/s/ David R. Hammel

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**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Columbia Gulf Transmission, LLC

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Docket No. RP23-____-000

**PETITION OF COLUMBIA GULF TRANSMISSION, LLC FOR APPROVAL OF
STIPULATION AND AGREEMENT OF SETTLEMENT**

Pursuant to Rule 207(a)(5) of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure, 18 C.F.R. § 385.207(a)(5) (2023), Columbia Gulf Transmission, LLC (“Columbia Gulf”) petitions the Commission for approval of the Stipulation and Agreement of Settlement (“Settlement”), including associated *pro forma* tariff sections, submitted herewith. In support hereof, Columbia Gulf shows as follows:

**I.
CORRESPONDENCE AND COMMUNICATION**

All correspondence and communications regarding this filing should be addressed to the following:

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* Persons designated for official service pursuant to Rule 2010.

II. BACKGROUND

On November 1, 2019, in Docket No. RP20-177-000, Columbia Gulf filed a Petition for Approval of Stipulation and Agreement of Settlement (“2019 Settlement”) pursuant to Rule 207(a)(5) of the Commission’s Rules of Practice and Procedure. The 2019 Settlement was filed in lieu of a rate filing pursuant to section 4 of the Natural Gas Act (“NGA”), 15 U.S.C. § 717d, that otherwise would have been required by the terms of a prior settlement. The Commission approved the 2019 Settlement as an uncontested settlement on December 23, 2019.¹

Article X of the 2019 Settlement established a three-year moratorium period during which Columbia Gulf and the settling parties were prohibited from taking certain actions, including making any filings under sections 4 and 5 of the NGA that would be inconsistent with the 2019 Settlement. Under Article IX of the 2019 Settlement, Columbia Gulf was required to file a general section 4 rate case no later than January 31, 2027, for rates to become effective on August 1, 2027, as well as convene a meeting of all parties and shippers at least six (6) months prior to filing an NGA section 4 rate case to begin discussions to potentially pre-settle the next rate case.

On March 8, 2023, Columbia Gulf sent notification to all shippers, inviting them to participate in settlement discussions intended to achieve a non-litigated resolution in lieu of Columbia Gulf filing an NGA section 4 rate case. Columbia Gulf and interested parties (“Settling Parties”) engaged in settlement negotiations from March through May 2023 to determine if a pre-filing settlement of the impending section 4 rate filing could be reached. Columbia Gulf and the Settling Parties met in person during that period on March 30 and May 16-17, 2023. As a result of those meetings, Columbia Gulf and the Settling Parties reached

¹ *Columbia Gulf Transmission, LLC*, 169 FERC ¶ 61,243 (2019).

agreement on a settlement-in-principle regarding Columbia Gulf's rates and certain tariff revisions. The terms of the settlement-in-principle are reflected in the attached Settlement. At time of filing, the settlement-in-principle is unanimous, and Columbia Gulf is not aware of any party contesting the Settlement.

III. PETITION FOR APPROVAL

The attached Settlement reflects the agreement of Columbia Gulf and the Settling Parties, and results from their significant efforts to resolve the issues prior to Columbia Gulf filing an NGA section 4 rate case. The Commission has encouraged pipelines and their customers to resolve differences over rates before making any filing with the Commission,² because it enables the quick processing of a rate change “without the expense of a hearing and lengthy litigation.”³ The Settlement successfully resolves a wide array of issues in a practical and carefully constructed fashion, eliminating the need for testimony, discovery, hearing and briefing of the matters resolved. The avoidance of litigation and resulting better use of resources is a valuable outcome, benefiting the participants, the Commission and the public interest. The Settlement provides for a rate adjustment effective on March 1, 2024, as set forth in Article III of the Settlement. Therefore, Columbia Gulf submits that the Settlement is in the public interest and should be approved without modification or condition.

² See *Dominion Transmission, Inc.*, 111 FERC ¶ 61,285 at P 30 (2005).

³ *Id.*

IV. CONCLUSION

WHEREFORE, Columbia Gulf respectfully requests that the Commission approve this Petition by approving the Settlement without condition or modification. Columbia Gulf further requests that the Commission grant any other authorizations or waivers that may be necessary to approve the Settlement as proposed herein.

Dated: July 7, 2023

Respectfully submitted,

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**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Columbia Gulf Transmission, LLC

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Docket No. RP23-____-000

STIPULATION AND AGREEMENT OF SETTLEMENT

Upon approval by the Federal Energy Regulatory Commission (“FERC” or the “Commission”) pursuant to Rule 207(a)(5) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.207(a)(5) (2023), this Stipulation and Agreement of Settlement (“Settlement”) shall serve to modify the transportation service rates and tariff provisions set forth in Columbia Gulf Transmission, LLC’s (“Columbia Gulf’s”) FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”), pursuant to the terms below. Columbia Gulf and the Settling Parties (as defined below) stipulate and agree to the following:

**ARTICLE I
PROCEDURAL HISTORY**

1. On November 1, 2019, in Docket No. RP20-177-000, Columbia Gulf filed a Petition for Approval of Stipulation and Agreement of Settlement (“2019 Settlement”) pursuant to Rule 207(a)(5) of the Commission’s Rules of Practice and Procedure. The 2019 Settlement was filed in lieu of a rate filing pursuant to section 4 of the Natural Gas Act (“NGA”), 15 U.S.C. § 717d, that otherwise would have been required by the terms of a prior settlement. The Commission approved the 2019 Settlement as an uncontested settlement on December 23, 2019. *Columbia Gulf Transmission, LLC*, 169 FERC ¶ 61,243 (2019).

2. Article X of the 2019 Settlement established a three-year moratorium period during which Columbia Gulf and the settling parties were prohibited from taking certain actions,

including making any filings under sections 4 and 5 of the NGA that would be inconsistent with the 2019 Settlement. Under Article IX of the 2019 Settlement, Columbia Gulf was required to file a general section 4 rate case no later than January 31, 2027, for rates to become effective on August 1, 2027, as well as convene a meeting of all parties and shippers at least six (6) months prior to filing an NGA section 4 rate case to begin discussions to potentially pre-settle the next rate case.

3. On March 8, 2023, Columbia Gulf sent notification to all shippers, inviting them to participate in settlement discussions intended to achieve a non-litigated resolution in lieu of Columbia Gulf filing an NGA section 4 rate case. Columbia Gulf and interested parties engaged in settlement negotiations from March through May 2023 to determine if a pre-filing settlement of the impending section 4 rate filing could be reached. The parties met in person during that period on March 30 and May 16-17, 2023. During the course of the settlement discussions, the parties exchanged numerous offers of settlement and counteroffers. The Settlement is the result of these negotiations. The Settlement represents a careful balance that allows all parties to either support or not oppose its terms. It eliminates the need for testimony, discovery, hearing and briefing of the matters resolved. The avoidance of litigation is a valuable outcome, benefiting the participants, the Commission, and the public interest.

ARTICLE II

INDIVISIBILITY OF SETTLEMENT TERMS/BLACK BOX SETTLEMENT

1. The Settling Parties have engaged in extensive settlement negotiations in an effort to resolve issues that may have been raised in a Columbia Gulf section 4 rate filing. The Settlement provides for a reasonable and comprehensive resolution of the issues raised in settlement discussions. The Settlement is a carefully crafted and delicate compromise among

many parties with diverse and often conflicting interests. The Settlement is an integrated package and the Settling Parties request that it be approved in its entirety.

2. The Settlement Rates set forth in Article III are “black box” rates in the sense that there is no agreement on any underlying assumptions or methodologies, other than the depreciation and negative salvage rates set forth in Article IV, for deriving the Settlement Rates.

ARTICLE III SETTLEMENT RATES

1. The base transportation rates under the Settlement effective March 1, 2024 (“Settlement Rates”), are set forth in Appendix B and in the *pro forma* tariff records filed herewith as Appendix C-1.

2. Appendix C-1 to this Settlement includes both a clean version of the *pro forma* tariff records and a marked version showing all changes to Columbia Gulf’s currently effective Tariff. The changes reflect the Settlement Rates shown in Appendix B. Columbia Gulf shall file to implement the *pro forma* tariff records in Appendix C-1 in compliance with a Commission order approving the Settlement at least thirty (30) calendar days before March 1, 2024.

ARTICLE IV DEPRECIATION

The Settlement depreciation and negative salvage rates are separately stated for both the Market Zone and the Offsystem-Onshore Zone. These rates, effective March 1, 2024, are set forth below:

| | | Market | Offsystem - Onshore | Gulf XPress |
|--------------------|-----------------------------|--------|------------------------|----------------|
| Negative Salvage | | 0.25% | 0.50% | 0.15% |
| Transmission Plant | | 0.625% | 0.06% | 0.40% |
| General Plant | | | | |
| | Office Furniture | 8.33% | | |
| | Tools & Garage Equipment | 4.35% | | |
| | Laboratory Equipment | 3.85% | | |
| | Power Operated Equipment | 8.33% | | |
| | Computer Equipment | 25.00% | | |
| | Miscellaneous Equipment | 10.00% | | |
| | Vehicles | 10.00% | | |
| | Leasehold Improvements | 4.05% | | |
| | | | | |
| Intangible Plant | Various | 3.75% | | |

ARTICLE V RESERVATION CHARGE CREDITS

1. Within thirty (30) calendar days of a Commission order approving the Settlement, Columbia Gulf shall file to implement the *pro forma* tariff records in Appendix C-2 to revise the reservation charge crediting provisions of Section 40 of the General Terms and Conditions (“GT&C”) of Columbia Gulf’s Tariff.

2. Within four (4) months of the filing of the Settlement, Columbia Gulf shall convene a meeting of all interested shippers where Columbia Gulf and the interested shippers shall in good faith discuss potential tariff changes to Section 15 of the GT&C of Columbia Gulf’s Tariff and have additional meetings if, and as necessary, to the extent good faith discussions continue to progress.

ARTICLE VI ROLL-IN

Upon the effective date of the Settlement Rates, the Louisiana XPress Expansion (Docket No. CP19-488) facilities shall be accorded rolled-in rate treatment as a settled practice; provided, however, that the FTS-1-LAXP commodity rate as set forth in Appendix B shall remain in effect for the term of this Settlement.

ARTICLE VII GULF XPRESS AND CARTER CREEK RATES

The Settlement Rates maintain incremental rates on the Gulf XPress Expansion (Docket No. CP16-361) and maintain the Carter Creek Lateral (Docket No. CP97-581) as a separate rate zone as set forth in Appendix B.

ARTICLE VIII GAS PLANT IN SERVICE

1. Columbia Gulf commits that, during the period from January 1, 2023, through February 29, 2024, it shall place into service at least \$100 million of additions to base system gas plant in service (“Plant Additions”). Columbia Gulf shall provide written notification to all participants within thirty (30) days after Columbia Gulf has placed \$100 million in Plant Additions into service, and the notification shall identify the date as of which Columbia Gulf has placed that amount of Plant Additions into service (the “Gas Plant In-Service Date”).

3. In the event that the Gas Plant In-Service Date occurs after February 29, 2024, the Moratorium established in Article X of this Settlement shall be extended by the number of days after February 29, 2024, that are required to meet the Gas Plant In-Service Date.

**ARTICLE IX
FUTURE RATE CASE**

Columbia Gulf shall file a general rate case under NGA section 4 no later than March 1, 2029.

**ARTICLE X
RATE CASE AND TARIFF FILING MORATORIUM**

1. Neither Columbia Gulf, pursuant to NGA section 4, nor any Settling Party, any successor or assignee (including shippers acquiring capacity by capacity release) or affiliate of any Settling Party, pursuant to NGA section 5, will seek to modify the Settlement Rates unless any such modification of the Settlement Rates would go into effect on or subsequent to March 1, 2027, referred hereinto as the “Moratorium.”

2. Notwithstanding Article X.1 above, during the Moratorium any Settling Party, successor or assignee or affiliate of any Settling Party, other than Columbia Gulf, may file any pleading or request, pursuant to NGA section 5, to modify or change (1) Columbia Gulf’s Transportation Retainage Adjustment mechanism, or (2) Columbia Gulf’s Tariff language and/or practices relating to reservation charge crediting. If such a NGA section 5 proceeding is initiated during the Moratorium, all Settling Parties, including Columbia Gulf, shall have the right to assert any position in such proceeding. During the Moratorium, Columbia Gulf shall not propose, pursuant to NGA section 4, any new surcharges, but Columbia Gulf may make any periodic or other surcharge-related filings that it is required or otherwise obligated to make pursuant to its Tariff or by direction of the Commission. All Settling Parties shall retain full rights to protest or comment on any such filing.

ARTICLE XI
SETTLING PARTIES AND CONTESTING PARTIES

1. A “Settling Party” is (a) any party that is listed in Appendix A hereto or (b) any party that is not a Contesting Party as that term is defined below. Settling Parties are deemed to either support or have no objection to this Settlement being evaluated and approved as fair and reasonable and in the public interest.⁴

2. A Settling Party shall be bound by an order which approves this Settlement without any condition or modification unless all Settling Parties agree to such modification.

3. (a) A Contesting Party or Contesting Parties shall be any one or more parties that contest or seek to modify any provision of the Settlement. If there is any Contesting Party, such party may be severed but this Settlement shall continue to apply to all Settling Parties. This Settlement shall not apply to any severed Contesting Party with respect to its direct interests on Columbia Gulf, and such Contesting Parties shall not be entitled to any of the benefits or be subject to any of the burdens of the Settlement. If the Commission severs a Contesting Party, Columbia Gulf shall not be bound by this Settlement with respect to any Contesting Party and shall retain all rights to file base rate or any other base or tariff changes pursuant to section 4 of the NGA that will be applicable to all Contesting Parties, notwithstanding anything in this Settlement. Any Commission orders during the term of this Settlement related to such NGA section 4 filings that are otherwise precluded by the Settlement shall only become effective as to Contesting Parties. For the purposes of this Settlement, the term direct interest means the rate applicable to any existing or future contracts with Columbia Gulf, including contracts obtained through capacity release, in which the Contesting Party is the shipper. In the event of severance

⁴ 18 C.F.R. § 385.602(g)(3) (2015).

of a Contesting Party under this Section XI.3(a), the provisions of this Settlement shall apply to any other party unless that party becomes a Contesting Party. To the extent there is a Contesting Party, Columbia Gulf shall have the option, but not the obligation, to withdraw the Settlement by providing written notice of withdrawal of the Settlement to the Commission and all Settling Parties. Such notice shall be provided within thirty (30) days after Columbia Gulf becomes aware of a Contesting Party. If Columbia Gulf elects to withdraw the Settlement, the Settlement shall be of no further force and effect.

4. Issues raised by the Contesting Parties shall be resolved by further litigation, settlement or other proceedings, it being recognized that such further proceedings may result in a Contesting Party, as a shipper, paying rates that are different than those provided for under this Settlement or in effect on the Effective Date (as defined below). Resolution of these issues as to a Contesting Party either by litigation or settlement shall have no effect on (i) the rates applicable to Settling Parties, nor (ii) any other provisions of this Settlement applicable to the Settling Parties. Columbia Gulf and other Settling Parties agree to make any necessary filing(s) to achieve that result.

5. In the event that the provisions of Section XI.3 apply, so that Settling Parties and Contesting Parties are subject to different applicable maximum rates, the rate which an existing shipper must match to retain its existing capacity under the Right of First Refusal process, or that any bidder must bid to obtain that capacity shall be based on the maximum rate that is applicable to the existing shipper's contract. Similarly, to the extent a maximum rate applies to a capacity release, the maximum rate applicable to replacement shippers shall be the maximum rate applicable to the releasing shipper's contract.

6. To the extent a Contesting Party desires to become a Settling Party, any change in status shall be effective upon the filing of any necessary pleading with the Commission withdrawing any opposition to the Settlement and stating that the party is now a Settling Party. Such party shall be entitled to the benefits of the Settlement from that day forward only.

ARTICLE XII

EFFECTIVE DATE/EXPIRATION DATE/TERM

1. This Settlement is a carefully crafted and delicate compromise among many parties with diverse and conflicting interests. To achieve this compromise, the Settling Parties have viewed the Settlement as an integrated package, and any condition or modification to the Settlement has potential to upset this compromise. The Settling Parties fully anticipate that the Commission will apply its stated preference in favor of encouraging settlements and have expressly relied on the expectation that the Commission will review this Settlement in its entirety and approve it without any condition or modification. The various provisions of this Settlement are not severable, and none of the provisions shall become operative unless and until the Commission issues an order approving the Settlement without modification or condition. This provision may only be waived by unanimous agreement by Columbia Gulf and the Settling Parties.

2. Neither this Settlement nor any of its provisions shall become effective unless and until the following have occurred:

(a) A Commission order shall have been issued approving, without any material modification or material condition unacceptable to Columbia Gulf and other Settling Parties, all the terms and provisions of this Settlement; and

(b) The Commission order referred to in Article XII.2(a) shall have waived compliance by Columbia Gulf with the requirements of the Commission's Rules and Regulations to the extent necessary to effectuate all of the provisions of this Settlement.

3. This Settlement shall become effective on the first day of the month immediately following the date that a Commission order satisfying Article XII.2 becomes final ("Effective Date"). Such order shall be "final" either by issuance of a Commission order on rehearing approving the Settlement, or if no rehearing request is filed, thirty-one (31) days after issuance of the Commission order approving the Settlement. The Settlement shall expire upon the effective date of rates established in a subsequent general NGA section 4 rate application by Columbia Gulf, or the effective date of rates established by an NGA section 5 rate change order by the Commission, whichever is earlier. The reference to the "term of the Settlement" throughout the Settlement document means the entire time period between the Effective Date of the Settlement and the expiration date of the Settlement.

ARTICLE XIII
SUPERSEDURE OF THE 2019 SETTLEMENT

The Settling Parties agree that as of the Effective Date, the 2019 Settlement is superseded in its entirety by this Settlement and shall be null and void and no provision of the 2019 Settlement will continue to have any force or effect or be binding on any entity, party, or Settling Party, with the exception that (1) Columbia Gulf’s current rates established pursuant to the 2019 Settlement shall remain in effect until the Settlement Rates become effective March 1, 2024, and (2) Article VIII of the 2019 Settlement shall remain in full force and effect. For the avoidance of doubt, this Settlement does not effectuate changes to Columbia Gulf’s existing Tariff other than those set forth herein.

ARTICLE XIV
RESERVATIONS

1. This Settlement is submitted pursuant to Rule 602 of the Commission’s Rules of Practice and Procedure,⁵ and unless and until it becomes effective under Article XII, shall be privileged and of no effect.

2. Unless and until it becomes effective, this Settlement shall not be admissible in evidence or in any way used against any person in any proceeding. Insofar as it concerns Contesting Parties in the case of severance, this Settlement will be a “non-approved offer of settlement” within the meaning of Rule 602(e) of the Commission’s Rules of Practice and Procedure.⁶ As such, this Settlement shall not be admissible in evidence or in any way used against any person by any Contesting Party.

⁵ 18 C.F.R. § 385.602 (2015).

⁶ 18 C.F.R. § 385.602(e) (2015).

3. The standard of review for any changes to the terms of this Settlement during the term of this Settlement shall be the just and reasonable standard and not the public interest standard.

4. It is specifically understood and agreed by and among the Settling Parties that the Settlement represents a negotiated settlement only with respect to the issues resolved by the Settlement. The provisions hereof are limited to the specific matters referred to herein. Every party to this proceeding reserves any claim or right that it may otherwise have with respect to any matters not expressly provided for by the Settlement.

5. It is specifically understood and agreed that no participant herein shall be deemed to have approved, accepted, agreed or consented to any principle of any method of regulation or ratemaking underlying or supposed to underlie any of the provisions hereof, or be prejudiced or bound thereby in any way, except as specifically provided by this Settlement, in any other proceeding. Without limitation of its terms, the foregoing sentence shall apply to principles or methods relating to (i) the allocation or recoverability of costs, (ii) the level of such costs, (iii) the level or design of any rate or charge, and (iv) the method of developing or assessing any rate or charge. Aside from Article VI, nothing in this Settlement shall be deemed to create a settled practice within the meaning of the decision of the U.S. Court of Appeals for the District of Columbia Circuit in *Public Service Commission of New York v. FERC*, 642 F.2d 1335 (1980), or to affect or shift the burden of proof on any issue in any proceeding. The provisions of this Settlement are for purposes of settlement only and shall have no precedential effect.

6. Capitalized terms not otherwise defined in this Settlement are defined by and shall have the meaning specified in Columbia Gulf's Tariff.

7. No party shall be deemed the drafter of this Settlement or any part of it, and this Settlement shall not be construed against any party as the drafter. In the event of conflict between terms contained in this Settlement and those of the attached Explanatory Statement, the terms of this Settlement control.

8. In the event of a conflict between the terms contained in this Settlement and those contained in any prior Columbia Gulf settlement filed with the FERC, the terms of this Settlement control.

9. The provisions of this Settlement are not severable and may become effective only in accordance with the terms of the Settlement.

10. This Settlement shall be interpreted in accordance with and governed by the laws of the State of Texas, without regard to its conflicts of laws principles.

CONCLUSION

WHEREFORE, Columbia Gulf, respectfully requests that the Commission approve this Settlement in its entirety, without modification.

Respectfully submitted,

Sorana Linder
Director, Rates, Tariffs & Modernization

David R. Hammel
Director, Regulatory and Operations Law

Rick Kincheloe
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Counsel to
Columbia Gulf Transmission, LLC

July 7, 2023

APPENDIX A

Settling Parties

SETTLING PARTIES

The entities listed below either support or do not oppose the foregoing Stipulation and Agreement of Settlement

| |
|---------------------------------------|
| Antero Resources Corporation |
| Atmos Energy Corporation |
| Chevron U.S.A. Inc. |
| Columbia Gas of Kentucky, Inc. |
| Constellation Energy Generation, LLC |
| Direct Energy Business Marketing, LLC |
| Duke Energy Kentucky, Inc. |
| Duke Energy Ohio, Inc. |
| EQT Energy, LLC |
| Huntsville Utilities |
| JP Morgan Ventures Energy Corp. |
| Macquarie Energy, LLC |
| MU Marketing LLC |
| Piedmont Natural Gas Company, Inc. |
| Range Resources – Appalachia, LLC |
| Sabine Pass Liquefaction, LLC |
| Shell Energy North America (US), L.P. |
| Symmetry Energy Solutions, LLC |
| Tenaska Marketing Ventures |
| Tennessee Valley Authority |
| Virginia Natural Gas |

APPENDIX B

Settlement Rates

Columbia Gulf Transmission, LLC
Appendix B – Black Box Rates

| Line No. | Description | Pre-Filed Rates | Adjustments | Settlement Rates |
|---|----------------------------|-----------------|-------------|------------------|
| Rate Schedule FTS-1 (Market Zone) | | | | |
| 1 | Monthly Reservation Charge | \$ 5.0490 | \$ 1.0349 | \$ 6.0839 |
| 2 | Daily Reservation Charge | \$ 0.1660 | \$ 0.0340 | \$ 0.2000 |
| 3 | Commodity | \$ 0.0109 | \$ 0.0009 | \$ 0.0118 |
| 4 | 100% LF Daily Rate | \$ 0.1769 | \$ 0.0349 | \$ 0.2118 |
| Rate Schedule FTS-1 (GXP) | | | | |
| 5 | Monthly Reservation Charge | \$ 9.3370 | \$ (0.4224) | \$ 8.9146 |
| 6 | Daily Reservation Charge | \$ 0.3070 | \$ (0.0139) | \$ 0.2931 |
| 7 | Commodity | \$ 0.0550 | \$ (0.0503) | \$ 0.0047 |
| 8 | 100% LF Daily Rate | \$ 0.3620 | \$ (0.0642) | \$ 0.2978 |
| Rate Schedule FTS-1 (LAXP) | | | | |
| 9 | Monthly Reservation Charge | \$ 6.9840 | \$ (0.9001) | \$ 6.0839 |
| 10 | Daily Reservation Charge | \$ 0.2296 | \$ (0.0296) | \$ 0.2000 |
| 11 | Commodity | \$ 0.0071 | \$ (0.0008) | \$ 0.0063 |
| 12 | 100% LF Daily Rate | \$ 0.2367 | \$ (0.0304) | \$ 0.2063 |
| Rate Schedule FTS-2 (Offsystem-Onshore Zone) | | | | |
| 13 | Monthly Reservation Charge | \$ 0.8496 | \$ 0.5701 | \$ 1.4197 |
| 14 | Daily Reservation Charge | \$ 0.0279 | \$ 0.0188 | \$ 0.0467 |
| 15 | Commodity | \$ 0.0010 | \$ - | \$ 0.0010 |
| 16 | 100% LF Daily Rate | \$ 0.0289 | \$ 0.0188 | \$ 0.0477 |
| Rate Schedule ITS-1 (Market Zone) | | | | |
| 17 | Maximum Commodity | \$ 0.1769 | \$ 0.0349 | \$ 0.2118 |
| 18 | Minimum Commodity | \$ 0.0109 | \$ 0.0009 | \$ 0.0118 |
| Rate Schedule ITS-2 (Offsystem-Onshore Zone) | | | | |
| 19 | Maximum Commodity | \$ 0.0289 | \$ 0.0188 | \$ 0.0477 |
| 20 | Minimum Commodity | \$ 0.0010 | \$ - | \$ 0.0010 |
| Parking & Lending Service (PAL) | | | | |
| 21 | Maximum Commodity | \$ 0.1769 | \$ 0.0349 | \$ 0.2118 |
| 22 | Minimum Commodity | \$ - | \$ - | \$ - |
| Imbalance Management Service (IMS) | | | | |
| 23 | Maximum Commodity | \$ 0.1769 | \$ 0.0349 | \$ 0.2118 |
| 24 | Minimum Commodity | \$ - | \$ - | \$ - |

APPENDIX C

***Pro Forma* Tariff Records**

APPENDIX C-1

Settlement Rate *Pro Forma* Tariff Records

Appendix C-1

Clean Pro-Forma Tariff Records

Columbia Gulf Transmission, LLC FERC Gas Tariff, Third Revised Volume No. 1

Tariff Record

| | | |
|------|--|--------|
| V.1 | <i>Pro-Forma</i> Currently Effective Rates, FTS-1 Rates | 15.0.0 |
| V.2 | <i>Pro-Forma</i> Currently Effective Rates, FTS-2 Rates | 14.0.0 |
| V.3 | <i>Pro-Forma</i> Currently Effective Rates, ITS-1 Rates | 13.0.0 |
| V.4 | <i>Pro-Forma</i> Currently Effective Rates, ITS-2 Rates | 13.0.0 |
| V.5 | <i>Pro-Forma</i> Currently Effective Rates, PAL Rates | 10.0.0 |
| V.6 | <i>Pro-Forma</i> Currently Effective Rates, IMS Rates | 10.0.0 |
| V.9 | <i>Pro-Forma</i> Currently Effective Rates, FTS-1 GXP Rates | 1.0.0 |
| V.10 | <i>Pro-Forma</i> Currently Effective Rates, FTS-1 LAXP Rates | 6.0.0 |

Currently Effective Rates
 Applicable to Rate Schedule FTS-1
 Rates in Dollars per Dth

| Rate Schedule FTS-1 | <u>Base Rate</u> | <u>Total Effective Rate</u> | <u>Daily Rate</u> |
|---------------------------|------------------|-----------------------------|-------------------|
| | (1) | (2) | (3) |
| | 1/ | 1/ | 1/ |
| <u>Market Zone</u> | | | |
| Reservation Charge | | | |
| Maximum | 6.0839 | 6.0839 | 0.2000 |
| Minimum | 0.000 | 0.000 | 0.000 |
| Commodity | | | |
| Maximum | 0.0118 | 0.0118 | 0.0118 |
| Minimum | 0.0118 | 0.0118 | 0.0118 |
| Overrun | | | |
| Maximum | 0.2118 | 0.2118 | 0.2118 |
| Minimum | 0.0118 | 0.0118 | 0.0118 |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

Currently Effective Rates
 Applicable to Rate Schedule FTS-2
 Rates in Dollars per Dth

| Rate Schedule FTS-2 | <u>Base Rate</u> (1) | <u>Total Effective Rate</u> (2) 1/ | <u>Daily Rate</u> (3) 1/ |
|--------------------------------------|-------------------------|--|--------------------------------|
| <u>Offsystem-Onshore Zone</u> | | | |
| Reservation Charge | | | |
| Maximum | 1.4197 | 1.4197 | 0.0467 |
| Minimum | 0.0000 | 0.0000 | 0.0000 |
| Commodity | | | |
| Maximum | 0.0010 | 0.0010 | 0.0010 |
| Minimum | 0.0010 | 0.0010 | 0.0010 |
| Overrun | | | |
| Maximum | 0.0477 | 0.0477 | 0.0477 |
| Minimum | 0.0010 | 0.0010 | 0.0010 |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated by reference..

Currently Effective Rates
 Applicable to Rate Schedule FTS-2¹
 Rates in Dollars per Dth

| Rate Schedule FTS-2 | <u>Base Rate</u> (1) | <u>Total Effective</u> | |
|---------------------|-------------------------|--------------------------|--------------------------------|
| | | <u>Rate</u> (2) 2/ | <u>Daily Rate</u> (3) 2/ |
| Reservation Charge | | | |
| Maximum | 1.6883 | 1.6883 | 0.0555 |
| Minimum | 0.0000 | 0.0000 | 0.0000 |
| Commodity | | | |
| Maximum | 0.0109 | 0.0109 | 0.0109 |
| Minimum | 0.0109 | 0.0109 | 0.0109 |
| Overrun | | | |
| Maximum | 0.0664 | 0.0664 | 0.0664 |
| Minimum | 0.0109 | 0.0109 | 0.0109 |

¹ The rates set forth above will only be applicable to Shippers paying the maximum recourse rates under Transporter's Rate Schedule FTS-2 as of July 31, 2011, and will be subject to the provisions of Article V of the Stipulation and Agreement filed with the Commission on September 9, 2011, in Docket No. RP11-1435-000.

² Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated by reference.

Currently Effective Rates
 Applicable to Rate Schedule ITS-1
 Rates in Dollars per Dth

| Rate Schedule ITS-1 | <u>Base Rate</u> | <u>Total Effective Rate</u> | <u>Daily Rate</u> |
|---------------------------|------------------|-----------------------------|-------------------|
| | (1) | (2) | (3) |
| | 1/ | 1/ | 1/ |
| <u>Market Zone</u> | | | |
| Commodity | | | |
| Maximum | 0.2118 | 0.2118 | 0.2118 |
| Minimum | 0.0118 | 0.0118 | 0.0118 |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

Currently Effective Rates
 Applicable to Rate Schedule ITS-2
 Rates in Dollars per Dth

| Rate Schedule ITS-2 | <u>Base Rate</u> | <u>Total Effective</u> | <u>Daily Rate</u> |
|--------------------------------------|------------------|------------------------|-------------------|
| | (1) | (2) | (3) |
| <u>Offsystem-Onshore Zone</u> | | 1/ | 1/ |
| Commodity | | | |
| Maximum | 0.0477 | 0.0477 | 0.0477 |
| Minimum | 0.0010 | 0.0010 | 0.0010 |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated by reference

Issued On:

Effective On:

Currently Effective Rates
Applicable to Rate Schedule PAL
Rate in Dollars per Dth

Account Balance Charge

Total Effective Daily Rate

Market Zone

Maximum

0.2118

Minimum

0.0000

Issued On:

Effective On:

Currently Effective Rates
Applicable to Rate Schedule IMS
Rate in Dollars per Dth

Rate Schedule IMS
Account Balance Charge

Total Effective Daily Rate

Market Zone

Maximum

0.2118

Minimum

0.0000

Issued On:

Effective On:

Currently Effective Rates
 Applicable to Rate Schedule FTS-1-GXP
 Rates in Dollars per Dth

| Rate Schedule | <u>Base Rate</u> | <u>Total Effective</u> <u>Rate</u> | <u>Daily Rate</u> |
|---------------------------|------------------|---------------------------------------|-------------------|
| FTS-1-GXP | (1) | (2) | (3) |
| | 1/ | 1/ | 1/ |
| <u>Market Zone</u> | | | |
| Reservation Charge | | | |
| Maximum | 8.9146 | 8.9146 | 0.2931 |
| Minimum | 0.000 | 0.000 | 0.000 |
| Commodity | | | |
| Maximum | 0.0047 | 0.0047 | 0.0047 |
| Minimum | 0.0047 | 0.0047 | 0.0047 |
| Overrun | | | |
| Maximum | 0.2978 | 0.2978 | 0.2978 |
| Minimum | 0.0047 | 0.0047 | 0.0047 |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

Currently Effective Rates
 Applicable to Rate Schedule FTS-1-LAXP
 Rates in Dollars per Dth

| Rate Schedule | <u>Base Rate</u> | <u>Total Effective</u> <u>Rate</u> | <u>Daily Rate</u> |
|---------------------------|------------------|---------------------------------------|-------------------|
| FTS-1-LAXP | (1) | (2) | (3) |
| | 1/ | 1/ | 1/ |
| <u>Market Zone</u> | | | |
| Reservation Charge | | | |
| Maximum | 6.0839 | 6.0839 | 0.2000 |
| Minimum | 0.000 | 0.000 | 0.000 |
| Commodity | | | |
| Maximum | 0.0063 | 0.0063 | 0.0063 |
| Minimum | 0.0063 | 0.0063 | 0.0063 |
| Overrun | | | |
| Maximum | 0.2063 | 0.2063 | 0.2063 |
| Minimum | 0.0063 | 0.0063 | 0.0063 |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

Appendix C-1

Marked Pro-Forma Tariff Records

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

Tariff Record

| | | |
|------|--|--------|
| V.1 | <i>Pro-Forma</i> Currently Effective Rates, FTS-1 Rates | 15.0.0 |
| V.2 | <i>Pro-Forma</i> Currently Effective Rates, FTS-2 Rates | 14.0.0 |
| V.3 | <i>Pro-Forma</i> Currently Effective Rates, ITS-1 Rates | 13.0.0 |
| V.4 | <i>Pro-Forma</i> Currently Effective Rates, ITS-2 Rates | 13.0.0 |
| V.5 | <i>Pro-Forma</i> Currently Effective Rates, PAL Rates | 10.0.0 |
| V.6 | <i>Pro-Forma</i> Currently Effective Rates, IMS Rates | 10.0.0 |
| V.9 | <i>Pro-Forma</i> Currently Effective Rates, FTS-1 GXP Rates | 1.0.0 |
| V.10 | <i>Pro-Forma</i> Currently Effective Rates, FTS-1 LAXP Rates | 6.0.0 |

Currently Effective Rates
Applicable to Rate Schedule FTS-1
Rates in Dollars per Dth

| Rate Schedule FTS-1 | <u>Base Rate</u> (1) 1/ | <u>Total Effective Rate</u> (2) 1/ | <u>Daily Rate</u> (3) 1/ |
|---------------------------|---------------------------------|--|---------------------------------|
| <u>Market Zone</u> | | | |
| Reservation Charge | | | |
| Maximum | 5.049 <u>6.0839</u> | 5.049 <u>6.0839</u> | 0.1660 <u>0.2000</u> |
| Minimum | 0.000 | 0.000 | 0.000 |
| Commodity | | | |
| Maximum | 0.0109 <u>0.0118</u> | 0.0109 <u>0.0118</u> | 0.0109 <u>0.0118</u> |
| Minimum | 0.0109 <u>0.0118</u> | 0.0109 <u>0.0118</u> | 0.0109 <u>0.0118</u> |
| Overrun | | | |
| Maximum | 0.1769 <u>0.2118</u> | 0.1769 <u>0.2118</u> | 0.1769 <u>0.2118</u> |
| Minimum | 0.0109 <u>0.0118</u> | 0.0109 <u>0.0118</u> | 0.0109 <u>0.0118</u> |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

Issued On:

Effective On:

Currently Effective Rates
Applicable to Rate Schedule FTS-2
Rates in Dollars per Dth

| Rate Schedule FTS-2 | <u>Base Rate</u> (1) | <u>Total Effective</u> <u>Rate</u> (2) 1/ | <u>Daily Rate</u> (3) 1/ |
|--------------------------------------|---------------------------------|--|---------------------------------|
| <u>Offsystem-Onshore Zone</u> | | | |
| Reservation Charge | | | |
| Maximum | 0.8496 <u>1.4197</u> | 0.8496 <u>1.4197</u> | 0.0279 <u>0.0467</u> |
| Minimum | 0.0000 | 0.0000 | 0.0000 |
| Commodity | | | |
| Maximum | 0.0010 | 0.0010 | 0.0010 |
| Minimum | 0.0010 | 0.0010 | 0.0010 |
| Overrun | | | |
| Maximum | 0.0289 <u>0.0477</u> | 0.0289 <u>0.0477</u> | 0.0289 <u>0.0477</u> |
| Minimum | 0.0010 | 0.0010 | 0.0010 |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated by reference..

Currently Effective Rates
Applicable to Rate Schedule FTS-2¹
Rates in Dollars per Dth

| Rate Schedule FTS-2 | <u>Base Rate</u> (1) | <u>Total Effective</u> | |
|---------------------|-------------------------|--------------------------|--------------------------------|
| | | <u>Rate</u> (2) 2/ | <u>Daily Rate</u> (3) 2/ |
| Reservation Charge | | | |
| Maximum | 1.6883 | 1.6883 | 0.0555 |
| Minimum | 0.0000 | 0.0000 | 0.0000 |
| Commodity | | | |
| Maximum | 0.0109 | 0.0109 | 0.0109 |
| Minimum | 0.0109 | 0.0109 | 0.0109 |
| Overrun | | | |
| Maximum | 0.0664 | 0.0664 | 0.0664 |
| Minimum | 0.0109 | 0.0109 | 0.0109 |

¹ The rates set forth above will only be applicable to Shippers paying the maximum recourse rates under Transporter's Rate Schedule FTS-2 as of July 31, 2011, and will be subject to the provisions of Article V of the Stipulation and Agreement filed with the Commission on September 9, 2011, in Docket No. RP11-1435-000.

² Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated by reference.

Currently Effective Rates
 Applicable to Rate Schedule ITS-1
 Rates in Dollars per Dth

| Rate Schedule ITS-1 | <u>Base Rate</u> | <u>Total Effective Rate</u> | <u>Daily Rate</u> |
|---------------------------|---------------------------------|---------------------------------|---------------------------------|
| | (1) | (2) | (3) |
| | 1/ | 1/ | 1/ |
| <u>Market Zone</u> | | | |
| Commodity | | | |
| Maximum | 0.1769 <u>0.2118</u> | 0.1769 <u>0.2118</u> | 0.1769 <u>0.2118</u> |
| Minimum | 0.0109 <u>0.0118</u> | 0.0109 <u>0.0118</u> | 0.0109 <u>0.0118</u> |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

Issued On:

Effective On:

Currently Effective Rates
 Applicable to Rate Schedule ITS-2
 Rates in Dollars per Dth

| Rate Schedule ITS-2 | <u>Base Rate</u> | <u>Total Effective</u> | <u>Daily Rate</u> |
|-------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | (1) | (2) | (3) |
| <u>Offsystem-Onshore Zone</u> | | 1/ | 1/ |
| Commodity | | | |
| Maximum | 0.0289 <u>0.0477</u> | 0.0289 <u>0.0477</u> | 0.0289 <u>0.0477</u> |
| Minimum | 0.0010 | 0.0010 | 0.0010 |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated by reference

Issued On:

Effective On:

Currently Effective Rates
Applicable to Rate Schedule PAL
Rate in Dollars per Dth

Account Balance Charge

Total Effective Daily Rate

Market Zone

Maximum

Minimum

~~0.1769~~0.2118

0.0000

Issued On:

Effective On:

Currently Effective Rates
Applicable to Rate Schedule IMS
Rate in Dollars per Dth

Rate Schedule IMS
Account Balance Charge

Total Effective Daily Rate

Market Zone

Maximum
Minimum

~~0.1769~~0.2118
0.0000

Currently Effective Rates
Applicable to Rate Schedule FTS-1-GXP
Rates in Dollars per Dth

| Rate Schedule | Base Rate | Total Effective Rate | Daily Rate |
|---------------------------|---------------------------------|---------------------------------|---------------------------------|
| FTS-1-GXP | (1) | (2) | (3) |
| | 1/ | 1/ | 1/ |
| <u>Market Zone</u> | | | |
| Reservation Charge | | | |
| Maximum | 9.3378 <u>8.9146</u> | 9.3378 <u>8.9146</u> | 0.3070 <u>0.2931</u> |
| Minimum | 0.000 | 0.000 | 0.000 |
| Commodity | | | |
| Maximum | 0.0550 <u>0.0047</u> | 0.0550 <u>0.0047</u> | 0.0550 <u>0.0047</u> |
| Minimum | 0.0550 <u>0.0047</u> | 0.0550 <u>0.0047</u> | 0.0550 <u>0.0047</u> |
| Overrun | | | |
| Maximum | 0.3620 <u>0.2978</u> | 0.3620 <u>0.2978</u> | 0.3620 <u>0.2978</u> |
| Minimum | 0.0550 <u>0.0047</u> | 0.0550 <u>0.0047</u> | 0.0550 <u>0.0047</u> |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

Currently Effective Rates
 Applicable to Rate Schedule FTS-1-LAXP
 Rates in Dollars per Dth

| Rate Schedule | Base Rate | Total Effective Rate | Daily Rate |
|---------------------------|---------------------------------|---------------------------------|---------------------------------|
| FTS-1-LAXP | (1) | (2) | (3) |
| | 1/ | 1/ | 1/ |
| <u>Market Zone</u> | | | |
| Reservation Charge | | | |
| Maximum | 6.984 <u>6.0839</u> | 6.984 <u>6.0839</u> | 0.2296 <u>0.2000</u> |
| Minimum | 0.000 | 0.000 | 0.000 |
| Commodity | | | |
| Maximum | 0.0071 <u>0.0063</u> | 0.0071 <u>0.0063</u> | 0.0071 <u>0.0063</u> |
| Minimum | 0.0071 <u>0.0063</u> | 0.0071 <u>0.0063</u> | 0.0071 <u>0.0063</u> |
| Overrun | | | |
| Maximum | 0.2367 <u>0.2063</u> | 0.2367 <u>0.2063</u> | 0.2367 <u>0.2063</u> |
| Minimum | 0.0071 <u>0.0063</u> | 0.0071 <u>0.0063</u> | 0.0071 <u>0.0063</u> |

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

APPENDIX C-2

GT&C Section 40

***Pro Forma* Revised Tariff Records**

Appendix C-2

Clean Pro-Forma Tariff Records

Columbia Gulf Transmission, LLC
FERC Gas Tariff, Third Revised Volume No. 1

Tariff Record

| | | |
|--------|--|-------|
| VII.40 | <i>Pro-Forma</i> Gen. Terms and Conditions, Reservation Charge Credits | 6.0.0 |
|--------|--|-------|

40. RESERVATION CHARGE CREDITS

Transporter will provide reservation charge credits to a Shipper under Rate Schedules FTS-1 and FTS-2 when it is unable to schedule or deliver up to the Shipper's applicable Transportation Demand, taking into account capacity release activity, under the applicable service agreement on a firm daily basis, subject to the following conditions:

40.1 Reservation charge credits shall not be applicable:

- (a) To the extent that:
 - (1) Transporter's inability to schedule quantities on behalf of Shipper is due to that Shipper's failure to perform in accordance with the terms of the applicable Rate Schedule or Service Agreement; provided that the issuance of an Operational Flow Order in accordance with Section 17 of the General Terms and Conditions will not relieve Transporter of its obligation to provide reservation charge credits;
 - (2) a Shipper delivers gas that fails to conform to the gas quality specifications detailed in Section 25 of the General Terms and Conditions; or
- (b) To quantities in excess of Shipper's applicable Transportation Demand under each of its firm service agreements; or
- (c) To quantities that Transporter is unable to schedule at a receipt or delivery point due to the allocation of capacity to a Shipper that was properly scheduled in an earlier nomination cycle that is not eligible to be reduced (bumped) in the current cycle; or
- (d) To quantities nominated by and subsequently delivered to Shipper at another primary point or a secondary point during the Gas Day; provided, however, that Shipper will not be obligated to submit nominations to another primary or secondary delivery point; or
- (e) When at Shipper's election, Shipper's actual deliveries are less than its scheduled deliveries, or
- (f) With respect to quantities that Shipper elects not to receive at a primary delivery point when such gas quantities meet Transporter's obligations under this Tariff with respect to delivery of Shipper's gas.

40.2 Calculation and Volume Determination:

Subject to the provisions of Section 40.1, reservation charge credits will be determined as follows. Reservation charge credits under Transporter's firm transportation services will apply when Transporter is unable to schedule or deliver a Shipper's nominated primary receipt point to primary delivery point volume due to a force majeure event, as defined in Section 15.1 of the General

Terms and Conditions, or for reasons other than a force majeure event (i.e., a non-force majeure event as that term is used in Section 40.2(b)(2) below). To the extent Transporter is unable to deliver the Force Majeure Average Usage Quantity (as defined below), or Non-Force Majeure Average Usage Quantity (as defined below), as applicable, to a firm transportation service Shipper on any Gas Day due to capacity shortfall pursuant to Sections 7 and 16 of the General Terms and Conditions, reservation charge credits will be calculated subject to the following conditions.

(a) Force Majeure Event

- (1) When Transporter is unable to schedule or deliver up to the Shipper's Force Majeure Average Usage Quantity (as defined below) for a period greater than ten (10) consecutive days as a result of a force majeure event, as defined in Section 15.1 of the General Terms and Conditions, then for each day beyond ten (10) days that Transporter so fails to provide service, Transporter will pay a reservation charge credit to such Shipper equal to the product of the daily Force Majeure Average Usage Quantity determined in Section 40.2(a)(2), less any applicable quantity that Shipper nominated and Transporter was able to schedule and deliver on that Gas Day, multiplied by the contract reservation rate, stated on a daily basis. For quantities released to Replacement Shippers, as defined in Section 14.2 of the General Terms and Conditions, reservation charge credits will be the product of the daily Force Majeure Average Usage Quantity determined in Section 40.2(a)(2), less any applicable quantity scheduled and delivered by Transporter, multiplied by the Releasor's currently effective reservation rate; provided however, that the maximum rate for purposes of calculating the credit shall not exceed the applicable maximum recourse rate. Notwithstanding the foregoing, credits applicable to volumes released to an asset manager, as defined in 18 C.F.R. § 284.8(h)(3), shall be calculated based on the Releasor's currently effective reservation charge and shall be payable to the Releasor, unless otherwise agreed to in writing by the Replacement Shipper and the Releasor and credits applicable to volumes released to a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. § 284.8(h)(4) shall be calculated based on the Releasor's currently effective reservation charge and shall be payable to the Replacement Shipper, unless (a) the state agency with jurisdiction over the retail access program provides otherwise and/or (b) the agreement between the Replacement Shipper and the Releasor provides otherwise. Provided, however, that the reservation charges described in this Section 40.2(a)(1) shall not be credited to the extent that the Shipper utilizes secondary service.
- (2) Provided Transporter posts notice of the force majeure event prior to the Timely Nomination Cycle deadline for the first Gas Day of the force majeure event, then Shipper's "Force Majeure Average Usage Quantity" for any Gas Day will be determined by calculating the Shipper's average usage (measured as the quantity of gas actually delivered each Gas Day), up to its applicable Transportation Demand, for services from the Shipper's primary receipt point(s) to the Shipper's

primary delivery point(s), as set forth in Shipper's Service Agreement, during the seven (7) Gas Days during which Transporter did not experience a force majeure event or non-force majeure event prior to the date of the first posting of notice of the force majeure event on Transporter's EBB. If Transporter fails or is unable to post notice of the force majeure event prior to the Timely Nomination Cycle deadline for the first Gas Day of the force majeure event, then: (i) a Shipper's "Force Majeure Average Usage Quantity" for the first Gas Day of the force majeure event and for any subsequent Gas Days during a force majeure event on which Transporter has not notified Shipper that the force majeure event shall continue prior to the Timely Nomination Cycle deadline on such Gas Day will be the quantity of firm service from the Shipper's primary receipt point(s) to Shipper's primary delivery point(s), as reflected in Shipper's Service Agreement, up to Shipper's applicable Transportation Demand, that Shipper nominated for scheduling; provided that no reservation charge credits shall apply to any increased volumes Shipper may nominate under its firm Service Agreement after Transporter posted notice of the force majeure event; and (ii) provided that Transporter has notified Shipper that the force majeure event shall continue on subsequent Gas Days, the "Force Majeure Average Usage Quantity" for each subsequent Gas Day of the force majeure event will be Shipper's average usage (measured as the quantity of gas actually delivered each Gas Day), up to its applicable Transportation Demand, for services from the Shipper's primary receipt point(s) to the Shipper's primary delivery point(s), as reflected in Shipper's Service Agreement, during the seven (7) Gas Days during which Transporter did not experience a force majeure event or non-force majeure event prior to the first Gas Day of the force majeure event. Only service provided from the Shipper's primary receipt point(s) to the Shipper's primary delivery point(s) affected by the force majeure event shall be included in the "Force Majeure Average Usage Quantity."

- (3) If Transporter has given advanced notice that no firm transportation service from the Shipper's Primary Receipt Point(s) to the Shipper's Primary Delivery Point, as set forth in Shipper's Service Agreement, will be available during the force majeure event, then Shipper shall not be required to provide nominations to Transporter on any Primary Receipt Point to Primary Delivery Point quantities to receive reservation charge credits, and shall continue to be permitted to nominate for capacity on a secondary basis.

(b) Non-Force Majeure Event

- (1) When Transporter is unable to schedule or deliver up to the Shipper's Non-Force Majeure Average Usage Quantity (as defined below) on any Gas Day for reasons other than a force majeure event (i.e., a non-force majeure event as that term is used in Section 40.2(b)(2) below) pursuant to Sections 7 and 16 of the General Terms and Conditions, Transporter will pay a reservation charge credit to such Shipper equal to the product of the daily Non-Force Majeure Average

Usage Quantity determined in Section 40.2(b)(2), less any applicable quantity that Shipper nominated and Transporter was able to schedule and deliver on that Gas Day, multiplied by the contract reservation rate, stated on a daily basis. For quantities released to Replacement Shippers, as defined in Section 14.2 of the General Terms and Conditions, reservation charge credits will be the product of the daily Non-Force Majeure Average Usage Quantity determined in Section 40.2(b)(2), less any applicable quantity scheduled and delivered by Transporter, multiplied by the Releasor's currently effective reservation rate; provided however, that the maximum rate for purposes of calculating the credit shall not exceed the applicable maximum recourse rate. Notwithstanding the foregoing, credits applicable to volumes released to an asset manager, as defined in 18 C.F.R. § 284.8(h)(3), shall be calculated based on the Releasor's currently effective reservation charge and shall be payable to the Releasor, unless otherwise agreed to in writing by the Replacement Shipper and the Releasor and credits applicable to volumes released to a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. § 284.8(h)(4) shall be calculated based on the Releasor's currently effective reservation charge and shall be payable to the Replacement Shipper, unless (a) the state agency with jurisdiction over the retail access program provides otherwise and/or (b) the agreement between the Replacement Shipper and the Releasor provides otherwise. Provided, however, that the reservation charges described in this Section 40.2(b)(1) shall not be credited to the extent that the Shipper utilizes secondary service.

- (2) Provided Transporter posts notice of the non-force majeure event prior to the Timely Nomination Cycle deadline for the first Gas Day of the non-force majeure event, then a Shipper's "Non-Force Majeure Average Usage Quantity" for any Gas Day during the non-force majeure event will be determined by calculating the Shipper's average usage (measured as the quantity of gas actually delivered each Gas Day), up to its applicable Transportation Demand, for services from the Shipper's primary receipt point(s) to the Shipper's primary delivery point(s), as reflected in Shipper's Service Agreement, during the seven (7) Gas Days during which Transporter did not experience a force majeure event or non-force majeure event prior to the date of the first posting of notice of the non-force majeure event on Transporter's EBB. If Transporter fails or is unable to post notice of the non-force majeure event prior to the Timely Nomination Cycle deadline for the first Gas Day of the non-force majeure event, then: (i) a Shipper's "Non-Force Majeure Average Usage Quantity" for the first Gas Day of the non-force majeure event and for any subsequent Gas Days during a non-force majeure event on which Transporter has not notified Shipper that the non-force majeure event shall continue prior to the Timely Nomination Cycle deadline on such Gas Day will be the quantity of firm service from the Shipper's primary receipt point(s) to Shipper's primary delivery point(s), as reflected in Shipper's Service Agreement, up to Shipper's

applicable Transportation Demand, that Shipper nominated for scheduling; provided that no reservation charge credits shall apply to any increased volumes Shipper may nominate under its firm Service Agreement after Transporter posted notice of the non-force majeure event; and (ii) provided that Transporter has notified Shipper that the non-force majeure event shall continue on subsequent Gas Days, the “Non-Force Majeure Average Usage Quantity” for each subsequent Gas Day of the non-force majeure event will be Shipper’s average usage (measured as the quantity of gas actually delivered each Gas Day), up to its applicable Transportation Demand, for services from the Shipper’s primary receipt point(s) to the Shipper’s primary delivery point(s), as reflected in Shipper’s Service Agreement, during the seven (7) Gas Days during which Transporter did not experience a force majeure event or non-force majeure event prior to the first Gas Day of the non-force majeure event. Only service provided from the Shipper’s primary receipt point(s) to the Shipper’s primary delivery point(s) affected by the non-force majeure event shall be included in the “Non-Force Majeure Average Usage Quantity.”

- (3) If Transporter has given advanced notice that no firm transportation service from the Shipper’s Primary Receipt Point(s) to the Shipper’s Primary Delivery Point, as set forth in Shipper’s Service Agreement, will be available during the non-force majeure event, then Shipper shall not be required to provide nominations to Transporter on any Primary Receipt Point to Primary Delivery Point quantities to receive reservation charge credits, and shall continue to be permitted to nominate for capacity on a secondary basis.

40.3 Any reservation charge credit payable will be reflected on the Shipper's monthly invoice and will be applied first to offset any outstanding past due balances owed by Shipper.

40.4 Reservation charge credits applicable to service agreements that are not in effect due to termination will be paid by Transporter to Shipper in dollars no later than the 15th Day of the second Month following the Month the credit was generated, net of any amount(s) owed to Transporter.

40.5 Shippers shall have the right to dispute the availability and calculation of any reservation charge credit in accordance with Section 29 of the General Terms and Conditions.

Appendix C-2

Marked Pro-Forma Tariff Records

Columbia Gulf Transmission, LLC
FERC Gas Tariff, Third Revised Volume No. 1

Tariff Record

| | | |
|--------|--|-------|
| VII.40 | <i>Pro-Forma</i> Gen. Terms and Conditions, Reservation Charge Credits | 6.0.0 |
|--------|--|-------|

40. RESERVATION CHARGE CREDITS

Transporter will provide reservation charge credits to a Shipper under Rate Schedules FTS-1 and FTS-2 when it is unable to schedule or deliver up to the Shipper's applicable Transportation Demand, taking into account capacity release activity, under the applicable service agreement on a firm daily basis, subject to the following conditions:

40.1 Reservation charge credits shall not be applicable:

(a) ~~When~~To the extent that:

(1) Transporter's inability to schedule quantities on behalf of Shipper is due to that Shipper's failure to perform in accordance with the terms of the applicable Rate Schedule or Service Agreement; provided that the issuance of an Operational Flow Order in accordance with Section 17 of the General Terms and Conditions will not relieve Transporter of its obligation to provide reservation charge credits;

(2) a Shipper ~~fails to deliver~~ gas that fails to conform~~s~~ to the gas quality specifications detailed in Section 25 of the General Terms and Conditions; or

(b) To quantities in excess of Shipper's applicable Transportation Demand under each of its firm service agreements; or

(c) To quantities that Transporter is unable to schedule at a receipt or delivery point due to the allocation of capacity to a Shipper that was properly scheduled in an earlier nomination cycle that is not eligible to be reduced (bumped) in the current cycle; or

(d) To quantities nominated by and subsequently delivered to Shipper at another primary point or a secondary point during the Gas Day; provided, however, that Shipper will not be obligated to submit nominations to another primary or secondary delivery point; or

(e) When at Shipper's election, Shipper's actual deliveries are less than its scheduled deliveries, or

(f) With respect to quantities that Shipper elects not to receive at a primary delivery point when such gas quantities meet Transporter's obligations under this Tariff with respect to delivery of Shipper's gas.

40.2 Calculation and Volume Determination:

Subject to the provisions of Section 40.1, reservation charge credits will be determined as follows. Reservation charge credits under Transporter's ~~nominated~~ firm transportation services will apply when Transporter is unable to schedule or deliver a Shipper's nominated primary receipt point to primary delivery point volume due to a force majeure event, as defined in Section 15.1 of the

General Terms and Conditions, or for reasons other than a force majeure event (i.e., a non-force majeure event as that term is used in Section 40.2(b)(2) below). To the extent Transporter ~~is unable fails~~ to deliver the Force Majeure Average Usage Quantity (as defined below), or Non-Force Majeure Average Usage Quantity (as defined below), as applicable, to a firm transportation service Shipper on any Gas Day due to capacity shortfall pursuant to Sections 7 and 16 of the General Terms and Conditions, reservation charge credits will be calculated subject to the following conditions.

(a) Force Majeure Event

(1) When Transporter is unable to schedule or deliver up to the Shipper's Force Majeure Average Usage Quantity (as defined below) for a period greater than ten (10) consecutive days as a result of a force majeure event, as defined in Section 15.1 of the General Terms and Conditions, then for each day beyond ten (10) days that Transporter so fails to provide service, Transporter will pay a reservation charge credit to such Shipper equal to the product of the daily Force Majeure Average Usage Quantity determined in Section 40.2(a)(2), less any applicable quantity that Shipper nominated and Transporter was able to schedule and deliver on that Gas Day, multiplied by the contract reservation rate, stated on a daily basis. For quantities released to Replacement Shippers, as defined in Section 14.2 of the General Terms and Conditions, reservation charge credits will be the product of the daily Force Majeure Average Usage Quantity determined in Section 40.2(a)(2), less any applicable quantity scheduled and delivered by Transporter, multiplied by the Releasor's currently effective reservation rate; provided however, that the maximum rate for purposes of calculating the credit shall not exceed the applicable maximum recourse rate. Notwithstanding the foregoing, credits applicable to volumes released to an asset manager, as defined in 18 C.F.R. § 284.8(h)(3), shall be calculated based on the Releasor's currently effective reservation charge and shall be payable to the Releasor, unless otherwise agreed to in writing by the Replacement Shipper and the Releasor and credits applicable to volumes released to a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. § 284.8(h)(4) shall be calculated based on the Releasor's currently effective reservation charge and shall be payable to the Replacement Shipper, unless (a) the state agency with jurisdiction over the retail access program provides otherwise and/or (b) the agreement between the Replacement Shipper and the Releasor provides otherwise. Provided, however, that the reservation charges described in this Section 40.2(a)(1) shall not be credited to the extent that the Shipper utilizes secondary service.

(2) Provided Transporter posts notice of the force majeure event prior to the Timely Nomination Cycle deadline for the first Gas Day of the force majeure event, then Shipper's "Force Majeure Average Usage Quantity" for any Gas Day will be determined by calculating the Shipper's average usage (measured as the quantity of gas actually delivered each Gas Day), up to its applicable Transportation

Demand, for services from the Shipper's primary receipt point(s) to the Shipper's primary delivery point(s), as set forth in Shipper's Service Agreement, during the seven (7) Gas Days during which Transporter did not experience a force majeure event or non-force majeure event prior to the date of the first ~~Gas Day~~ posting of notice of the force majeure event on Transporter's EBB. If Transporter fails or is unable to post notice of the force majeure event prior to the Timely Nomination Cycle deadline for the first Gas Day of the force majeure event, then: (i) a Shipper's "Force Majeure Average Usage Quantity" for the first Gas Day of the force majeure event and for any subsequent Gas Days during a force majeure event on which Transporter has not notified Shipper that the force majeure event shall continue prior to the Timely Nomination Cycle deadline on such Gas Day will be the quantity of firm service from the Shipper's primary receipt point(s) to Shipper's primary delivery point(s), as reflected in Shipper's Service Agreement, up to Shipper's applicable Transportation Demand, that Shipper nominated for scheduling; provided that no reservation charge credits shall apply to any increased volumes Shipper may nominate under its firm Service Agreement after Transporter posted notice of the force majeure event; and (ii) provided that Transporter has notified Shipper that the force majeure event shall continue on subsequent Gas Days, the "Force Majeure Average Usage Quantity" for each subsequent Gas Day of the force majeure event will be Shipper's average usage (measured as the quantity of gas actually delivered each Gas Day), up to its applicable Transportation Demand, for services from the Shipper's primary receipt point(s) to the Shipper's primary delivery point(s), as reflected in Shipper's Service Agreement, during the seven (7) Gas Days during which Transporter did not experience a force majeure event or non-force majeure event prior to the first Gas Day of the force majeure event. Only service provided from the Shipper's primary receipt point(s) to the Shipper's primary delivery point(s) affected by the force majeure event shall be included in the "Force Majeure Average Usage Quantity."

~~(2)~~(3) If Transporter has given advanced notice that no firm transportation service from the Shipper's Primary Receipt Point(s) to the Shipper's Primary Delivery Point, as set forth in Shipper's Service Agreement, will be available during the force majeure event, then Shipper shall not be required to provide nominations to Transporter on any Primary Receipt Point to Primary Delivery Point quantities to receive reservation charge credits, and shall continue to be permitted to nominate for capacity on a secondary basis.

(b) Non-Force Majeure Event

- (1) When Transporter is unable to schedule or deliver up to the Shipper's Non-Force Majeure Average Usage Quantity (as defined below) on any Gas Day for reasons other than a force majeure event (i.e., a non-force majeure event as that term is used in Section 40.2(b)(2) below) pursuant to Sections 7 and 16 of the General Terms and Conditions, Transporter will pay a reservation charge credit

to such Shipper equal to the product of the daily Non-Force Majeure Average Usage Quantity determined in Section 40.2(b)(2), less any applicable quantity that Shipper nominated and Transporter was able to schedule and deliver on that Gas Day, multiplied by the contract reservation rate, stated on a daily basis. For quantities released to Replacement Shippers, as defined in Section 14.2 of the General Terms and Conditions, reservation charge credits will be the product of the daily Non-Force Majeure Average Usage Quantity determined in Section 40.2(b)(2), less any applicable quantity scheduled and delivered by Transporter, multiplied by the Releasor's currently effective reservation rate; provided however, that the maximum rate for purposes of calculating the credit shall not exceed the applicable maximum recourse rate. Notwithstanding the foregoing, credits applicable to volumes released to an asset manager, as defined in 18 C.F.R. § 284.8(h)(3), shall be calculated based on the Releasor's currently effective reservation charge and shall be payable to the Releasor, unless otherwise agreed to in writing by the Replacement Shipper and the Releasor and credits applicable to volumes released to a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. § 284.8(h)(4) shall be calculated based on the Releasor's currently effective reservation charge and shall be payable to the Replacement Shipper, unless (a) the state agency with jurisdiction over the retail access program provides otherwise and/or (b) the agreement between the Replacement Shipper and the Releasor provides otherwise. Provided, however, that the reservation charges described in this Section 40.2(b)(1) shall not be credited to the extent that the Shipper utilizes secondary service.

- (2) Provided Transporter posts notice of the non-force majeure event prior to the Timely Nomination Cycle deadline for the first Gas Day of the non-force majeure event, then a Shipper's "Non-Force Majeure Average Usage Quantity" for any Gas Day during the non-force majeure event will be determined by calculating the Shipper's average usage (measured as the quantity of gas actually delivered each Gas Day), up to its applicable Transportation Demand, for services from the Shipper's primary receipt point(s) to the Shipper's primary delivery point(s), as reflected in Shipper's Service Agreement, during the seven (7) Gas Days during which Transporter did not experience a force majeure event or non-force majeure event prior to the date of the ~~final~~first posting of notice of the non-force majeure event on Transporter's EBB. If Transporter fails or is unable to post notice of the non-force majeure event prior to the Timely Nomination Cycle deadline for the first Gas Day of the non-force majeure event, then: (i) a Shipper's "Non-Force Majeure Average Usage Quantity" for the first Gas Day of the non-force majeure event and for any subsequent Gas Days during a non-force majeure event on which Transporter has not notified Shipper that the non-force majeure event shall continue prior to the Timely Nomination Cycle deadline on such Gas Day will be the quantity of firm service from the Shipper's primary receipt point(s) to Shipper's primary delivery

point(s), as reflected in Shipper's Service Agreement, up to Shipper's applicable Transportation Demand, that Shipper nominated for scheduling; provided that no reservation charge credits shall apply to any increased volumes Shipper may nominate under its firm Service Agreement after Transporter posted notice of the non-force majeure event; and (ii) provided that Transporter has notified Shipper that the non-force majeure event shall continue on subsequent Gas Days, the "Non-Force Majeure Average Usage Quantity" for each subsequent Gas Day of the non-force majeure event will be Shipper's average usage (measured as the quantity of gas actually delivered each Gas Day), up to its applicable Transportation Demand, for services from the Shipper's primary receipt point(s) to the Shipper's primary delivery point(s), as reflected in Shipper's Service Agreement, during the seven (7) Gas Days during which Transporter did not experience a force majeure event or non-force majeure event prior to the first Gas Day of the non-force majeure event. Only service provided from the Shipper's primary receipt point(s) to the Shipper's primary delivery point(s) affected by the non-force majeure event shall be included in the "Non-Force Majeure Average Usage Quantity."

(3) If Transporter has given advanced notice that no firm transportation service from the Shipper's Primary Receipt Point(s) to the Shipper's Primary Delivery Point, as set forth in Shipper's Service Agreement, will be available during the non-force majeure event, then Shipper shall not be required to provide nominations to Transporter on any Primary Receipt Point to Primary Delivery Point quantities to receive reservation charge credits, and shall continue to be permitted to nominate for capacity on a secondary basis.

40.3 Any reservation charge credit payable will be reflected on the Shipper's monthly invoice and will be applied first to offset any outstanding past due balances owed by Shipper.

40.4 Reservation charge credits applicable to service agreements that are not in effect due to termination will be paid by Transporter to Shipper in dollars no later than the 15th Day of the second Month following the Month the credit was generated, net of any amount(s) owed to Transporter.

40.5 Shippers shall have the right to dispute the availability and calculation of any reservation charge credit in accordance with Section 29 of the General Terms and Conditions.