

RATE SCHEDULES

RATE SCHEDULE HSS
HARDY STORAGE SERVICE

1. AVAILABILITY

Service under this Rate Schedule is available from Seller to any Customer, provided that (i) Seller has sufficient facilities and storage capacity available to inject, store, and withdraw gas for Customer, (ii) Seller has awarded capacity to Customer under the provisions of Section 4 (Auctions of Available Firm Service) of the General Terms and Conditions, through construction of facilities, or pursuant to Seller's initial Open Season for capacity, (iii) Customer has executed an HSS Service Agreement with Seller, and (iv) Customer complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) Service provided under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Subject to the limitations set forth below, Seller shall inject and store quantities and withdraw thermally equivalent quantities, less Retainage, for Customer. Such service shall be provided on a firm basis and shall apply to all gas delivered to Seller for Customer and stored under this Rate Schedule, up to the Hardy Storage Contract Quantity (HSCQ) set forth in Customer's HSS Service Agreement. Customer's Hardy Maximum Daily Storage Quantity (HMDSQ) under this HSS Rate Schedule shall be that specified in Customer's HSS Service Agreement.

(b) Service provided under this Rate Schedule (i) shall have the priority specified in Section 7 (Capacity Allocation) of the General Terms and Conditions, (ii) shall be subject to interruption to the extent provided in this Rate Schedule or in Section 15 (Interruptions of Service) of the General Terms and Conditions, and (iii) shall be subject to operational flow orders issued by Seller to protect the integrity, including the performance capability, of its storage facilities, or otherwise to the extent provided in this Rate Schedule or in Section 16 (Operational Flow Orders) of the General Terms and Conditions.

(c) Subject to the limitations and requirements set forth in this Rate Schedule or in Customer's HSS Service Agreement, Seller shall (i) inject quantities received by Seller from or on behalf of Customer and designated by Customer for delivery to "HSS Storage", up to the HSCQ set forth in Customer's HSS Service Agreement plus sufficient quantities for Retainage, and (ii) deliver to Customer thermally equivalent quantities of gas, less Retainage, up to the HSCQ set forth in Customer's HSS Service Agreement. Seller shall not be obligated under this Rate Schedule on any Day to deliver to Customer gas in excess of the quantities then held in storage for Customer.

(d) Service rights under an HSS Service Agreement may be released and assigned in accordance with Section 13 (Release and Assignment of Service Rights) of the General Terms and Conditions. Service to a Replacement Customer under any such release and assignment

shall be subject to the provisions set forth in this Rate Schedule and in the General Terms and Conditions. If a Customer releases only a portion of its service rights under an HSS Service Agreement, such release shall not change the existing ratio of the HSCQ and the HMDSQ for Customer's remaining unreleased service.

(e) Seller and Customer may mutually agree on a not unduly discriminatory basis to (i) different termination dates for specified volumes of Storage Contract Quantity and Maximum Daily Storage Quantity within the same Service Agreement and/or (ii) combine Service Agreements under this Rate Schedule into a single Service Agreement under this Rate Schedule with different termination dates for specified volumes of Storage Contract Quantity and Maximum Daily Storage Quantity. Seller and Customer may mutually agree to combine Service Agreements only to the extent that the individual Service Agreement's rates, terms, and conditions can be distinctly maintained and will not be altered by the combination. For each Service Agreement(s) executed in accordance with this Section 2(e), each of the varying termination dates and associated volumes of Storage Contract Quantity and Maximum Daily Storage Quantity will be set forth on a separate Appendix A to the Service Agreement applicable to service pursuant to this Rate Schedule. Each component with a different termination date for a specified volume of Storage Contract Quantity and Maximum Daily Storage Quantity within the same Service Agreement and reflected in a separate Appendix A will be regarded as a single Service Agreement for purposes of Customer's exercise of any right of first refusal under the provisions of Section 4 of the General Terms and Conditions of Seller's Tariff. In the event of a constraint or other occurrence that precludes combined nominations or allocations, Seller may advise Customers under such combined Service Agreements that capacity must be nominated separately, and is subject to separate allocation, pursuant to the terms of each separate Appendix A of the Service Agreement. Each Appendix A of the combined Service Agreements will be identified by its original contract number or such other identification convention determined to be applicable by Seller.

3. INJECTIONS INTO STORAGE

(a) Seller shall not be obligated on any Day to inject gas into storage for Customer in excess of Customer's Hardy Maximum Daily Injection Quantities (HMDIQ), as described in this Section. If non-firm capacity for injection is available, such non-firm capacity will be posted on the Seller's EBB via the daily capacity notice. Customers may nominate and obtain such capacity consistent with Section 6 of the General Terms and Conditions. Non-firm capacity will be allocated in accordance with Section 7 of the General Terms and Conditions.

(b) Injections under this Rate Schedule shall have the priority described in Section 7 (Capacity Allocation) of the General Terms and Conditions and shall be subject to interruption to the extent provided in this Rate Schedule or in Section 15 (Interruptions of Service) of the General Terms and Conditions. Except for reasons of force majeure, Customer shall notify Seller electronically through Seller's EBB consistent with Section 6 of the General Terms and Conditions. If a force majeure event causes a material change in the quantities of gas that will be

delivered to Seller for storage on Customer's behalf under this Rate Schedule, Customer shall notify or cause Seller to be notified as soon as possible after that force majeure event.

(c) Quantities to be stored hereunder may be delivered to Seller throughout the year. Customer's HMDIQ shall be half (1/2) of Customer's Maximum Daily Storage Quantity (HMDSQ). The Maximum Monthly Injection Quantity (HMMIQ) shall be calculated as the HMDIQ times the number of days in the month. A request by Customer for permission to make injections in excess of its HMMIQ shall be submitted to Seller electronically through Seller's EBB at least 24 hours in advance. Seller shall grant any such request to the extent that: (i) additional injection flexibility exists during the time period of the request in accordance with Section 7 (Capacity Allocation) of the General Terms and Conditions; and (ii) Seller, in its reasonable discretion, can operationally accommodate the request(s).

4. WITHDRAWALS FROM STORAGE

(a) Customers shall nominate in accordance with Section 6 of the General Terms and Conditions. Seller shall not be obligated on any Day to withdraw and deliver gas to Customer in excess of Customer's Maximum Daily Withdrawal Quantity (HMDWQ), as described in this Section. The availability of non-firm capacity for withdrawal will be posted on Seller's EBB. Non-firm capacity will be allocated in accordance with Section 7 of the General Terms and Conditions.

(b) Seller shall deliver Customer's HSCQ throughout the year, subject to the limitations set forth herein. Customer's HMDWQ shall be based upon and limited by Customer's HSCQ inventory remaining in storage each Day as determined in accordance with Seller's best estimates as follows:

<u>% of HSCQ in Inventory</u>	<u>HMDWQ as a % of HMDSQ</u>
100% to 40%	100%
less than 40% to 30%	80%
less than 30% to 20%	65%
less than 20% to 10%	50%
less than 10% to 0%	35%

(c) Seller will waive the limitations set forth in Section 4(b) above, on a non-discriminatory case-by-case basis to the extent operationally feasible.

(d) Customer's maximum monthly net withdrawal quantities for the months of November through March shall be as follows:

<u>Month</u>	<u>Maximum % of HSCQ</u>
November	33
December	33
January	33
February	25
March	20

Seller, in its reasonable discretion, may waive this provision. If Customer exceeds the maximum monthly net withdrawal limit during any of the Months November through March, Customer's maximum monthly net withdrawal quantity for the succeeding Month shall be reduced by an amount equal to the excess quantities withdrawn during the excess withdrawal Month.

(e) Customer's maximum storage inventory on April 1 shall not exceed 50% of its HSCQ.

(f) Customer may withdraw from storage on an interruptible basis quantities in excess of Customer's HMDWQ. Such interruptible withdrawals shall have the priority set forth in Section 7 (Capacity Allocation) of the General Terms and Conditions and shall be subject to interruption as set forth in Section 15 (Interruptions of Service) of the General Terms and Conditions.

5. RECEIPT AND DELIVERY POINTS

The point of receipt for all gas tendered to Seller for storage under this Rate Schedule shall be designated in Service Agreement(s) with Seller as "Columbia Gas Transmission Corporation's (Columbia) Lost River Compressor Station", which is the interconnection point between Seller's facilities and Columbia's facilities. The point of delivery for all gas delivered by Seller to Customer hereunder shall be designated in Customer's Service Agreement(s) as "Columbia's Lost River Compressor Station".

6. RATE

(a) The charges to be paid by Customer, as set forth in paragraph (b) below, shall be no higher than any applicable maximum charges and no lower than any applicable minimum charges set forth in the currently effective Sheet No. 10 of this Tariff, unless otherwise mutually agreed to by Seller and Customer with respect to the charges identified in Section 6(b) below.

(b) For all service rendered under this Rate Schedule, Customer each month shall pay Seller the charges set forth below, unless otherwise mutually agreed to by Seller and Customer with respect to the charges identified in Section 6(b) below and specified in Customer's HSS Service Agreement.

- (1) Reservation Charge. The maximum Reservation Charge for each Month, assessed on each Dth of the HMDSQ specified in Customer's HSS Service Agreement.
 - (2) Capacity Charge. The maximum Capacity Charge for each Month, assessed on each Dth of the HSCQ specified in Customer's HSS Service Agreement.
 - (3) Injection Charge. The Injection Charge per Dth of daily net injections of gas into storage by Seller during the Month for the account of Customer under this Rate Schedule.
 - (4) Withdrawal Charge. The Withdrawal Charge per Dth of daily net withdrawals of gas from storage for delivery by Seller during the Month for the account of Customer.
 - (5) Overrun Charge. The applicable maximum Overrun Charge per Dth of gas delivered on any Day during the Month in excess of Customer's HMDSQ.
 - (6) Surcharges. The surcharges applicable to this Rate Schedule.
- (c) The charges and surcharges described in this Rate Schedule are subject to adjustment in accordance with the procedures set forth in the General Terms and Conditions.
- (d) From the quantities delivered into storage for Customer, Seller shall retain the Retainage specified in the currently effective Sheet No. 13, unless otherwise negotiated by Seller and Customer, and specified in Customer's HSS Service Agreement. That Retainage shall be subject to adjustment in accordance with Section 30 (Retainage Adjustment Mechanism) of the General Terms and Conditions.
- (e) Customer shall remain responsible for all property or other taxes associated with the quantities held for Customer in storage under this Rate Schedule. If necessary, Seller shall report to Customer the quantities in storage to enable Customer to calculate and pay all taxes associated with those storage quantities.
- (f) The Reservation Charge shall apply as of the date service is deemed to commence by the terms of Customer's HSS Service Agreement.
- (g) Seller shall be responsible for any loss, cost, or expense arising from any loss of Customer's gas in Seller's storage that results from Seller's negligence or failure to exercise due diligence. Notwithstanding the provisions in Section 21 (Possession of Gas) of the General Terms and Conditions, Customer shall be responsible for obtaining its own insurance for any gas in storage, and shall hold Seller harmless from any loss, cost, or expense arising from any loss of storage gas that results from a force majeure event or that is not the result of Seller's negligence or failure to exercise due diligence.

7. PENALTIES

(a) If Customer fails to comply with an operational flow order issued by Seller pursuant to Section 16 (Operational Flow Orders) of the General Terms and Conditions, a penalty of \$5.00 per Dth, per day shall be assessed to Customer for all quantities in violation of that operational flow order.

(b) On any Critical Day on which Customer's injections into storage exceed 110 percent of its applicable HMDIQ as described in Section 3(c) of this Rate Schedule, Customer shall pay Seller a penalty of \$5.00 per Dth for all quantities injected in excess of 110 percent of its HMDIQ.

(c) In any Month in which Seller has declared a Critical Day and Customer's total monthly injection quantities exceed 105 percent of the applicable HMMIQ as described in Section 3 of this Rate Schedule, Customer shall pay Seller a penalty of \$5.00 per Dth for all quantities injected in excess of 105 percent of the applicable HMMIQ for each day during the month on which a Critical Day was declared.

(d) On any Critical Day in which Customer's withdrawals from storage exceed 103 percent of its applicable HMDWQ, as described in Section 4(b) of this Rate Schedule, Customer shall pay Seller a penalty of \$10.00 per Dth of all quantities withdrawn in excess of 103 percent of its HMDWQ.

(e) In any Month in which Seller has declared a Critical Day and Customer's net withdrawals from storage exceed the applicable limits set forth in Section 4 of this Rate Schedule, Customer shall pay Seller a penalty of \$5.00 per Dth for all quantities withdrawn in excess of such limits for each day during the month on which a Critical Day was declared.

(f) If Customer's injections into storage on any Day exceed its HSCQ, Customer shall pay Seller a penalty of \$5.00 per Dth for all quantities injected in excess of its HSCQ. If Customer's withdrawals from storage on any Day result in its HSS account having a negative HSCQ balance, Customer shall pay Seller a penalty of \$5.00 per Dth.

(g) If Customer carries over quantities beyond April 1 in excess of the 50% of a Customer's HSCQ limitation set forth in Section 4(e) of this Rate Schedule, any such quantities automatically shall be forfeited by Customer to Seller, free and clear of all liens and encumbrances. Seller shall post such forfeited quantities on its EBB as gas available for sale to the highest bidder within a 24-hour notice period. Such posting will provide as a condition of sale that such gas be withdrawn from storage within a period of time to be specified in the notice. Automatic forfeiture will only take place where operational concerns require the physical withdrawal of excess supplies of gas. Upon receipt of payment, Seller shall treat the forfeited gas proceeds as Penalty Revenues as defined in Section 18.3 of the General Terms and Conditions.

(h) All penalties and charges assessed under this Section shall be assessed and paid in addition to all applicable storage rates and charges under this Rate Schedule, including any overrun charges.

(i) In the event Customer seeks to avoid any penalty provided for in this Section on the ground that such charge was incurred because of a force majeure event as defined in Section 14 (Force Majeure) of the General Terms and Conditions, Customer shall document such force majeure event to Seller. Seller shall waive penalties to the extent that it determines that the penalty was caused by a bona fide force majeure event as defined in said Section 14.

(j) Seller may waive its right to collect all or any portion of penalties assessed against Customer or its right to retain all or any portion of Shipper's gas, provided that any such waiver is granted in a nondiscriminatory manner.

8. GENERAL TERMS AND CONDITIONS

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

RATE SCHEDULE IHSS
INTERRUPTIBLE HARDY STORAGE SERVICE

1. AVAILABILITY

Service under this Rate Schedule is available from Seller to any Customer, provided that (i) Seller has sufficient facilities and storage capacity available to inject, store, and withdraw gas for Customer, (ii) Seller has awarded capacity to Customer under the provisions of this Rate Schedule, (iii) Customer has executed an IHSS Service Agreement with Seller, and (iv) Customer complies with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

(a) Service provided under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Subject to the limitations set forth below, Seller shall inject and store quantities and withdraw thermally equivalent quantities, less Retainage, for Customer. Such service shall be provided on an interruptible basis and shall apply to all gas designated for storage under this Rate Schedule and delivered to Seller to or for Customer, up to the Interruptible Storage Quantity (HISQ) set forth in Customer's IHSS Service Agreement.

(b) Service under this Rate Schedule, including all injections into and withdrawals from storage (i) shall have the priority specified in Section 7 (Capacity Allocation) of the General Terms and Conditions, (ii) shall be subject to interruption to the extent provided in this Rate Schedule or in Section 15 (Interruptions of Service) of the General Terms and Conditions, and (iii) shall be subject to operational flow orders issued by Seller to protect the integrity, including the performance capability, of its storage facilities or otherwise to the extent provided in this Rate Schedule or in Section 16 (Operational Flow Orders) of the General Terms and Conditions.

(c) Subject to the limitations and requirements set forth in this Rate Schedule and in Customer's IHSS Service Agreement, Customer shall be permitted to request Seller to inject, on an interruptible basis, quantities received by Seller from or on behalf of Customer and designated for delivery to "IHSS Storage." All such nominations of injection quantities and all resulting actual injections under this Rate Schedule shall be completed within the first Month of Customer's IHSS Service Agreement governing those quantities (the Injection Month).

(d) Customer's aggregate injection quantities shall not exceed Customer's HISQ, and Customer's injection quantities on any Day in the Injection Month shall not exceed Customer's Maximum Daily Injection Quantity (HMDIQ). Customer's HMDIQ shall be determined by (i) multiplying Customer's HISQ and the applicable Retainage by 110 percent and (ii) dividing the resulting figure by the number of Days in the Injection Month.

(e) Seller shall make available to Customer for withdrawal, on an interruptible basis, quantities of gas thermally equivalent to the quantities actually injected for Customer less

Retainage. Customer may make withdrawals at any time during the term of Customer's IHSS Service Agreement unless otherwise extended pursuant to Section 5 of this Rate Schedule (the Final Withdrawal Date).

(f) Customer shall not be permitted to increase its existing flowing quantities under this Rate Schedule, regardless of the HISQ set forth in Customer's IHSS Service Agreement, if such increase would cause a reduction of existing quantities flowing on Seller's system under a Service Agreement between Customer and Seller of equal or higher priority.

(g) Customer shall remain responsible for all property or other taxes associated with the quantities held for Customer in storage under this Rate Schedule. If necessary, Seller shall report to Customer the quantities in storage to enable Customer to calculate and pay all taxes associated with those storage quantities.

(h) Service rights under an IHSS Service Agreement may not be released and assigned.

3. BIDDING PROCEDURE

(a) If Seller, in its reasonable discretion, determines that storage capacity is available under this Rate Schedule, Seller shall post a notice to that effect on its EBB on or before the tenth day of the Month preceding the Month during which such storage capacity will be available.

(b) Seller's notice shall include:

(1) the quantity of interruptible storage capacity available;

(2) the Minimum Bid Rate Seller is willing to accept and the Maximum Bid Rate that may be bid (which shall not be lower or higher than the Minimum and Maximum IHSS Commodity Charge Rates set forth at Sheet No. 10 of the Tariff) in cents per Dth (¢/Dth); and

(3) any applicable restrictions on injections or withdrawals of that capacity.

(c) Prospective Customers shall submit their bids to Seller electronically through the EBB. Multiple bids may be submitted throughout the bidding period. Final bids must be received by Seller at or before 4:00 p.m. Eastern Time on the fifth business day following posting of Seller's EBB notice. Seller shall post all bids and quantities on the EBB as they are received during the bidding period. Bids may be withdrawn at any time prior to the end of the bidding period. Seller shall reject any bids (i) submitted subsequent to the deadline, (ii) for an amount per Dth lower than the Minimum Bid Rate, (iii) for an amount per Dth higher than the Maximum Bid Rate or (iv) that are not in conformance with paragraph (d) below. All bids

submitted shall be binding. Seller reserves the right to reject any bid pursuant to this paragraph (c). Seller shall notify bidders of rejected bids electronically through Seller's EBB.

(d) Bids shall include, or with regard to item (4) below shall be accompanied by, the following information:

(1) The Commodity Charge, inclusive of surcharges, bid for the capacity expressed in terms of cents per Dth (¢/Dth) to the nearest one hundredth of one cent (00.00 ¢);

(2) The HISQ bid;

(3) A name, street address (for overnight mail delivery), telephone number and facsimile number of the representative designated by bidder for receipt of notification by Seller of the results of the bidding pursuant to this Section; and

(4) A request for service, submitted together or contemporaneously with bidder's bid, that fully complies with the provisions of Section 3 (Requests for Service) of the General Terms and Conditions, or evidence that bidder has complied with the requirements of said Section 3.

(e) Seller shall review all timely submitted bids that have not been rejected and shall award service to the bidders submitting the highest valid Commodity Charge bid; provided that the winning bidders have satisfied the requirements of Section 3 (Requests for Service) of the General Terms and Conditions. All accepted bids between the Minimum Bid Rate and Maximum IHSS Rate shall be deemed to be selective discounts and shall be reported under any Commission regulations applicable to such selective discounts.

(f) On or before the 22nd day of the Month preceding the Month in which storage capacity under this Rate Schedule will be available, Seller shall notify electronically through Seller's EBB all bidders submitting timely bids of the status of their bid. The term of the IHSS Service Agreement shall commence with the first Day of the first Month reflected in the notice and end with the last Day of the following March. The latter date shall be Customer's Final Withdrawal Date. Seller also shall post on the EBB the name of the winning bidders and the rates and quantities of the winning bids.

(g) If bids of the same value are submitted by two or more bidders and the available storage capacity is insufficient to satisfy the HISQ quantities requested, the available capacity shall be awarded and allocated pro rata among those bidders, based upon HISQ quantities bid. Bidders awarded a pro rata allocation may reject such pro rata allocation, by notice to Seller within 24 hours after Seller notifies Bidder of such award. Otherwise, all capacity awarded to a Customer hereunder must be accepted by Customer.

(h) If any date in this Section falls on a weekend or Seller Holiday, such date shall be deemed for purposes of this Section to be the next succeeding Business Day.

4. INTERRUPTIBLE INJECTIONS INTO STORAGE

(a) Seller shall not be obligated (i) on any Day to inject gas into storage for Customer's account in excess of Customer's HMDIQ, or (ii) in the aggregate to store more than Customer's HISQ.

5. INTERRUPTIBLE WITHDRAWALS FROM STORAGE

(a) Seller shall not be obligated to withdraw and deliver gas to or for the account of Customer in excess of the total amount in inventory for Customer's account.

(b) All gas injected into storage for Customer's account under this Rate Schedule must be withdrawn by Customer's Final Withdrawal Date, provided that such Final Withdrawal Date shall be extended one Day for each Day, during the 30 Days preceding Customer's Final Withdrawal Date, that Customer's IHSS withdrawals are interrupted by Seller. Customer may withdraw gas from the first Day following Customer's Injection Month through Customer's Final Withdrawal Date.

6. RATE

(a) The charges to be paid by Customer, as set forth in paragraph (b) below, shall be no higher than the applicable total effective maximum charges and no lower than the applicable total effective minimum charges set forth in the currently effective Sheet No. 10 of this Tariff, unless otherwise mutually agreed to by Seller and Customer with respect to the charges identified in Section 5(b) below.

(b) For all storage service rendered under this Rate Schedule, Customer shall pay Seller each Month during which Customer was awarded capacity the charges set forth below.

(1) Commodity Charge. A commodity charge, inclusive of any applicable surcharges, per Dth of Customer's actual Average Monthly Balance at Customer's Commodity Charge bid rate.

(2) Injection Charge. The maximum Injection Charge per Dth of gas injected into storage during the Month.

(3) Withdrawal Charge. The maximum Withdrawal Charge per Dth of gas withdrawn from storage during the Month.

(c) From the quantities delivered into storage for Customer, Seller shall retain the Retainage specified in the currently effective Sheet No. 13 of this Tariff, unless otherwise

negotiated by Seller and Customer, and specified in Customer's IHSS Service Agreement. That Retainage shall be subject to adjustment in accordance with Section 30 (Retainage Adjustment Mechanism) of the General Terms and Conditions.

(d) The charges and surcharges described in this Rate Schedule are subject to adjustment in accordance with the procedures set forth in the General Terms and Conditions.

(e) Seller shall be responsible for any loss, cost, or expense arising from any loss of Customer's gas in Seller's storage that results from Seller's negligence or failure to exercise due diligence. Notwithstanding the provisions in Section 21 (Possession of Gas) of the General Terms and Conditions, Customer shall be responsible for obtaining its own insurance for any gas in storage, and shall hold Seller harmless from any loss, cost, or expense arising from any loss of storage gas that results from a force majeure event or that is not the result of Seller's negligence or failure to exercise due diligence.

(f) Within 60 days of the end of a contract year (April 1 to March 31), Seller shall allocate to Rate Schedule HSS Customers 100 percent of all monies collected pursuant to Section 6(b)(1) above. Such monies shall be allocated to Customers based on their respective HSCQ levels in effect for that contract year.

7. PENALTIES

(a) If Customer fails to comply with an operational flow order issued by Seller pursuant to Section 16 (Operational Flow Orders) of the General Terms and Conditions, a penalty of \$5.00 per Dth per day shall be assessed to Customer for all quantities in violation of that operational flow order.

(b) If Customer fails to withdraw all of Customer's HISQ by Customer's Final Withdrawal Date, any such quantities not withdrawn shall be forfeited automatically by Customer to Seller free and clear of all liens and encumbrances. Seller shall post such forfeited quantities on its EBB as gas available for sale to the highest bidder within a 24-hour notice period. Such posting may provide as a condition of sale that such gas be withdrawn from storage within a period of time to be specified in the notice. Upon receipt of payment, Seller shall treat the forfeited gas proceeds as Penalty Revenues as defined in Section 18.3 of the General Terms and Conditions.

(c) All penalties and charges assessed under this Section shall be assessed and paid in addition to all applicable rates and charges under this Rate Schedule, including any overrun charges.

(d) If Customer seeks to avoid any penalty provided for in this Section on the ground that such charge was incurred because of a force majeure event as defined in Section 14 (Force Majeure) of the General Terms and Conditions, Customer shall document such force majeure

event to Seller. Seller shall waive penalties to the extent the penalty was caused by a bona fide force majeure event as defined in said Section 14.

(e) Seller may waive its right to collect all or any portion of any penalties assessed against Customer or its right to retain all or any portion of gas, provided that any such waiver is granted in a nondiscriminatory manner.

8. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof, with the exception of Sections 4, 12, and 13.