

FERC GAS TARIFF

THIRD REVISED VOLUME NO. 1

SUPERSEDING SECOND REVISED VOLUME NO. 1

OF

MIGC LLC

filed with the

FEDERAL ENERGY REGULATORY COMMISSION

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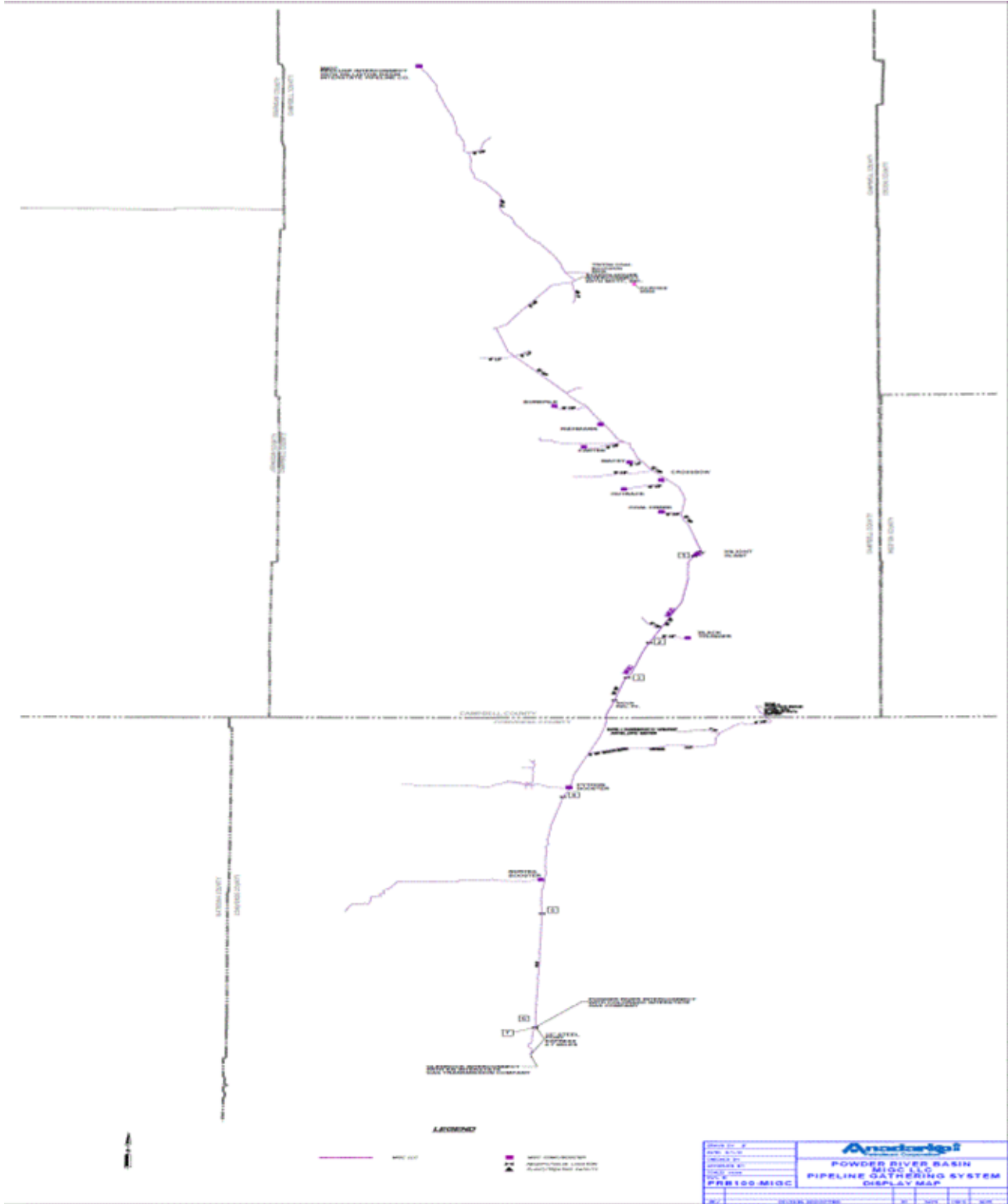
## PART 2

### PRELIMINARY STATEMENT

This Tariff Third Revised Volume No. 1 (Tariff) applies to the transportation of natural gas performed by MIGC LLC (MIGC). MIGC is a limited liability company organized under the laws of the State of Delaware. MIGC is authorized to do, and is doing, business in the state of Wyoming. This Tariff contains the Rates and Charges, Rate Schedules, Forms of Service Agreement and the General Terms and Conditions applicable to transportation of natural gas in interstate commerce and other associated services performed by MIGC for which authorization is granted by and subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act.

MIGC's pipeline system, located in the Powder River Basin of Wyoming, is connected to Colorado Interstate Gas Company's, Wyoming Interstate Company, Ltd's, and Kinder Morgan Interstate Gas Transmission, LLC's main line pipeline systems in the southeastern portion of the State of Wyoming, to Williston Basin Interstate Pipeline's system in the far northeastern portion of the State of Wyoming, and to MGTC, Inc.'s intrastate pipeline system in the north central portion of the State of Wyoming. MIGC's system is basically divided into a north half, which operates within a pressure range of 600 to 700 psig and a south half, which operates within a pressure range of 900 to 1000 psig.

PART 3  
MAP



PART 4

STATEMENT OF RATES

Effective Rates Applicable to Rate Schedules Contained in  
this FERC Gas Tariff, Third Revised Volume No. 1

| Rate<br>Schedule | Type of Service              | Unit  | Base<br>Tariff<br>Rate 1/2/ |
|------------------|------------------------------|-------|-----------------------------|
| FTS-1            | Firm Transportation          |       |                             |
|                  | Maximum Rates                |       |                             |
|                  | Demand                       | MMBtu | \$13.3567                   |
|                  | Commodity Rates              | MMBtu | \$ 0.0043                   |
|                  | Minimum Rates                |       |                             |
|                  | Demand                       | MMBtu | \$ 0.0000                   |
|                  | Commodity Rates              | MMBtu | \$ 0.0043                   |
| ITS-1            | Interruptible Transportation |       |                             |
|                  | Maximum Rates                |       |                             |
|                  | Commodity Rates              | MMBtu | \$ 0.4437                   |
|                  | Minimum Rates                |       |                             |
|                  | Commodity Rates              | MMBtu | \$ 0.0043                   |

1/ The Base Tariff Rate is the currently effective rate on file with the Commission, excluding any adjustments approved by the Commission.

2/ The Base Tariff Rate excludes the Annual Charge Adjustment (ACA) unit charge. The ACA unit charge will be assessed pursuant to Part 5 of this Tariff.

Note: Transportation by Backhaul will be charged at the forward haul rate.

PART 5  
ANNUAL CHARGE ADJUSTMENT PROVISION

1. Purpose - This Section establishes an Annual Charge Adjustment Provision ("ACA") which will permit MIGC to recover from its Customers and Shippers the annual charges assessed to MIGC by the Commission under Part 382 of the Commission's Regulations. Because MIGC is able to recover its annual charges pursuant to this ACA provision, and in accordance with Section 154.402(b)(4) of the Commission's Regulations, it is MIGC's intent not to recover any annual charges in a general rate case under Section 4 of the Natural Gas Act.

2. Applicability - The ACA is applicable to each rate schedule contained in this Tariff for which system wide rates and charges are charged and reflected in Part 4 of this Tariff hereof, or for which rates and charges are assessed in accordance with the rate provisions of individually certificated rate schedules as reflected in Part 4 of this Tariff hereof. For those rate schedules with a two-part rate, the ACA unit charge shall only apply to the commodity component of such rate.

3. Annual Charge Rate Adjustment - The ACA unit charge, hereby incorporated by reference, shall be the unit amount, adjusted as necessary for heating value and pressure base, which the Commission orders to be effective each fiscal year, as specified in the annual notice posted by the Commission on its website at <http://www.ferc.gov>, entitled "FY [Year] Gas Annual Charges Correction for Annual Charges Unit Charge". MIGC shall apply the ACA unit charge to its rates, provided it has paid the applicable annual charge in compliance with Section 382.103 of the Commission's Regulations.

PART 6  
FUEL RETENTION AND LOSS PERCENTAGE FACTORS

The rates set forth in Part 4 of this Third Revised Volume No. 1 Tariff are exclusive of fuel use requirements. Pursuant to Section 9.25 of the General Terms and Conditions contained herein, Shipper shall reimburse MIGC for its applicable fuel use requirements. Such reimbursement shall be furnished in-kind.

Transportation provided solely by Backhaul shall not incur a fuel charge, but is required to provide in-kind reimbursement for losses of 1.25%.

The fuel use reimbursement furnished by shippers for gas entering the MIGC system shall be as follows:

| <u>Current Base<br/>FL&amp;U Factor</u> | <u>Surcharge</u> | <u>Total<br/>FL&amp;U Factor</u> |
|---|------------------|----------------------------------|
| 1.25%                                   | 0.00%            | 1.25%                            |

The fuel use factors set forth above shall be calculated and adjusted as explained in Section 9.25 of the General Terms and Conditions.

PART 7  
RATE SCHEDULE ITS-1  
Interruptible Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any party (hereinafter referred to as "Shipper") for the transportation of natural gas on an interruptible basis by MIGC LLC (hereinafter referred to as "MIGC") when Shipper and MIGC have executed a Transportation Service Agreement, in the form contained in this Tariff, for service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all natural gas transported by MIGC for Shipper pursuant to an executed Transportation Service Agreement.

Transportation service hereunder shall be interruptible, subject to the provisions of the executed Transportation Service Agreement and to the Transportation General Terms and Conditions incorporated herein by reference. Transportation service hereunder shall consist of the acceptance by MIGC of natural gas tendered by Shipper or for Shipper's account for transportation at the Receipt Point(s) specified in the executed Transportation Service Agreement, the transportation of that natural gas through MIGC's pipeline system, and the delivery of thermally equivalent volumes of natural gas by MIGC, less fuel and unaccounted for loss reimbursement volumes as set forth in Section 5 hereof, to Shipper or for Shipper's account at the Delivery Point(s) specified in the executed Transportation Service Agreement.

Interruptible transportation service under this FERC Gas Tariff ITS-1 shall be provided when, and to the extent that, MIGC determines that capacity is available in MIGC's existing facilities, that is, when capacity is not subject to a prior claim by another customer or another class of service under a pre-existing contract, service agreement or certificate with superior priority service rights. Available interruptible capacity shall be allocated by MIGC, as determined by MIGC pursuant to Section 4 of the Transportation General Terms and Conditions contained in this Tariff, and interruptible transportation service

hereunder shall be provided in accordance with such allocation.

### 3. RATE

Shipper shall pay to MIGC each month the sum of the charges set forth in Paragraphs 3.1 and 3.2 below as such charges are designated to be applicable to the transportation service rendered by MIGC for Shipper under the executed Transportation Service Agreement.

3.1. Transportation Charge - As compensation for use of MIGC's transmission facilities in the transportation of natural gas under the executed Transportation Service Agreement, Shipper shall pay MIGC for each MMBtu of gas delivered to MIGC by Shipper or for Shipper's account the rate(s) in effect and reflected from time to time as the "Interruptible Transportation Maximum Rate" set forth in Part 4 of this Tariff, or superseding tariff, which section is incorporated herein by reference.

3.2 Fuel Reimbursement Charge - As specified in Section 5 of this Rate Schedule.

3.3. Adjustments to Rates - Pursuant to the provisions of Section 26 of the General Terms and Conditions and subject to any limitations imposed by additional Transportation Service Agreement provisions agreed to by Shipper and MIGC, MIGC may selectively adjust any or all of the rates specified in Paragraph 3.1 herein applicable to any individual Shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s) nor shall they be less than the Minimum Rate(s) set forth in Part 4 of this Tariff, or superseding tariff. MIGC shall have the right to charge the Maximum Rate at any time as a condition for new service or for continuation of service under an existing Transportation Service Agreement. If MIGC so adjusts any rates to any Shipper, MIGC shall file with the Federal Energy Regulatory Commission any and all required reports respecting such adjusted rates. Whenever MIGC adjusts the rate to be charged a Shipper pursuant to this Paragraph 3.3, notice thereof shall be given to Shipper not less than seventy-two (72) hours prior to the effective date of such adjustment.

4. MINIMUM MONTHLY BILL

None.

5. FUEL AND UNACCOUNTED FOR LOSS REIMBURSEMENT (F&U)

Shipper shall reimburse MIGC for F&U usage monthly on an in-kind basis. For purposes of computing the redelivery volumes, MIGC shall deduct the applicable fuel retention and loss percentage factor times the volumes delivered to MIGC, at the receipt point, for F&U. The applicable fuel retention and loss percentage factors are set forth in Part 6 of this Tariff or superseding tariff, as incorporated herein by reference.

The percentage rates for computing F&U are subject to change by MIGC from time to time. Such changes will be filed with and subject to review by the Federal Energy Regulatory Commission.

6. AUTHORIZED OVERRUN SERVICE

Upon request of Shipper, MIGC, at its reasonable discretion, not to be exercised in an unduly discriminatory manner or otherwise in a manner inconsistent with the regulations of the FERC, may receive, transport and deliver natural gas in excess of Shipper's Maximum Daily Quantity specified in the executed Transportation Service Agreement, provided such scheduling does not affect those shippers with superior priority of service rights. Authorized Overrun Service provided under Rate Schedule ITS-1 shall have equivalent priority to other Rate Schedule ITS-1 service. Payments and F&U reimbursement for any such excess quantity transported shall be in accordance with Sections 3.2 and 5 of this Rate Schedule.

7. TRANSPORTATION GENERAL TERMS AND CONDITIONS

The Transportation General Terms and Conditions contained in this Tariff, except as modified in the Transportation Service Agreement, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. Any future modifications, additions or deletions to said Transportation General Terms and Conditions shall (from and after their effective date) apply to service provided pursuant to this Rate Schedule. MIGC and Shipper may agree

in the Transportation Service Agreement to terms differing from those set forth in this Rate Schedule; provided, however, that MIGC shall not require Shipper nor be required to execute a Transportation Service Agreement inconsistent with this Rate Schedule; provided further, that MIGC shall not execute a Transportation Service Agreement that alters the capacity allocation, information-requirement, rate, penalty, scheduling or priority provisions applicable to this Rate Schedule or is otherwise unduly discriminatory or inconsistent with the regulations of the FERC.

PART 8  
RATE SCHEDULE FTS-1  
Firm Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any party (hereinafter referred to as "Shipper") for the transportation of natural gas on a firm basis by MIGC LLC (hereinafter referred to as "MIGC") under the following conditions:

(a) MIGC determines it has available capacity to render the firm transportation service; and

(b) Shipper and MIGC have executed a Transportation Service Agreement, in the form contained in this Tariff, for such firm transportation service.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1. This Rate Schedule shall apply to all natural gas transported by MIGC for Shipper pursuant to an executed Transportation Service Agreement.

Transportation service hereunder shall be firm, subject to the provisions of the executed Transportation Service Agreement and to the Transportation General Terms and Conditions incorporated herein by reference. Transportation service hereunder shall consist of the acceptance by MIGC of natural gas tendered by Shipper or for Shipper's account for transportation at the Receipt Point(s) specified in the executed Transportation Service Agreement, the transportation of that natural gas through MIGC's pipeline system, and the delivery of thermally equivalent volumes of gas, less fuel and unaccounted for loss reimbursement volumes as set forth in Section 7 hereof, to Shipper or for Shipper's account at the Delivery Point(s) specified in the executed Transportation Service Agreement.

2.2. Shipper may nominate segmented transactions under this Rate Schedule or Shipper may release all or a part of a segment of its full Transportation Contract Demand under the capacity release terms of Section 17 of MIGC's Transportation General Terms and Conditions. In no event shall Shipper be entitled to more Transportation Service

than is provided for the total Transportation Contract Demand set forth in the Transportation Service Agreement. Segmented nominations at Secondary Points of Receipt and/or Delivery do not have any impact on Shipper's entitlement at the existing Primary Points of Receipt and/or Delivery. Shipper may change its Primary Points as set forth in Section 4.8 and 6.2 of MIGC's Transportation General Terms and Conditions. Segmented nominations utilizing Secondary Capacity at points and/or along transportation paths are considered to be secondary nominations. Segmentation is permitted in any direction of flow; however, all segmented nominations are subject to the availability of capacity, MIGC's existing contractual obligations, and the maintenance of a safe, reliable and efficient operating system as determined by MIGC.

A firm Shipper may segment its capacity by transporting in a forward haul up to its full Transportation Contract Demand and a backward haul up to its full Transportation Contract Demand to the same point at the same time.

2.3. MIGC shall not be obligated to allocate firm capacity in the specific manner requested by Shipper unless adequate firm capacity is available without the construction of additional facilities by MIGC. MIGC shall promptly advise a new customer requesting firm transportation service under this Rate Schedule if adequate firm capacity does not exist on any portion of MIGC's system for the service requested and Shipper and MIGC shall cooperate in devising a transportation service which utilizes the available firm capacity which does exist on MIGC's system.

### 3. RATE

The charge for natural gas transportation service rendered during each monthly billing period shall be the sum of the applicable amounts specified in Sections 3.1, 3.2, and 3.3 below:

3.1. Reservation Charge - An amount determined on a monthly basis as the product of:

(a) Shipper's Transportation Contract Demand specified on Exhibit A to the executed Transportation Service Agreement; and

(b) maximum Reservation Charge rate per MMBtu set forth from time to time in the currently effective Part 4 of this Tariff, or superseding tariff, as incorporated herein by reference.

In the event MIGC is on any day rendered incapable of performing service requested by Shipper under this Rate Schedule FTS-1, Shipper will not be obligated to pay the allocable portion of the monthly Reservation Charge for the amount of service (up to Shipper's Transportation Contract Demand) requested but not received.

3.2. Commodity Charge - An amount determined as the product of:

(a) the quantity of natural gas in MMBtu delivered to MIGC by Shipper or for Shipper's account during the month; and

(b) the maximum Commodity Rate per MMBtu applicable to transportation under MIGC's Rate Schedule FTS-1 set forth from time to time in the currently effective Part 4 of this Tariff, or superseding tariff, as incorporated herein by reference.

3.3. Fuel Reimbursement Charge - As specified in Section 7 of this Rate Schedule.

3.4. Adjustments to Rates -

(a) Pursuant to the provisions of Section 26 of the General Terms and Conditions, and subject to any limitations imposed by additional Transportation Service Agreement provisions agreed to by Shipper and MIGC, MIGC may selectively adjust any or all of the rates specified Section(s) 3.1 and/or 3.2 herein applicable to any individual Shipper; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s) nor shall they be less than the Minimum Rate(s) set forth in Part 4 of this Tariff, or superseding tariff. If MIGC so adjusts any rates to any Shipper, MIGC shall file with the Federal Energy Regulatory Commission any and all required reports respecting such adjusted rates.

(b) If Shipper nominates at receipt or delivery points or along transportation segments for which an

adjustment to rates set forth in Section 3.4(a) above was not specifically provided for by MIGC, Shipper shall pay the maximum Reservation Charge and Commodity Charge, unless otherwise agreed to by MIGC, subject to the provisions of Section 6.3(e)(1) and (2) of the Transportation General Terms and Conditions.

4. MINIMUM MONTHLY BILL

The applicable Reservation Charge.

5. TRANSPORTATION CONTRACT DEMAND

A Shipper's Transportation Contract Demand shall be the maximum quantity of gas which MIGC shall be obligated to receive from Shipper (or for Shipper's account) at the Primary Receipt Point(s) for transportation and delivery to Shipper under this Rate Schedule. The Transportation Contract Demand shall be specified on Exhibit A of the executed Transportation Service Agreement. The Total Maximum Daily Quantity for all Primary Receipt Points shall not exceed the Transportation Contract Demand for the transportation path. The Total Maximum Delivery Quantity for all Primary Delivery Points shall not exceed the Transportation Contract Demand for the transportation path less fuel and unaccounted for loss reimbursement volumes.

6. AUTHORIZED OVERRUN SERVICE

Upon request of Shipper, MIGC, at its reasonable discretion, not to be exercised in an unduly discriminatory manner or otherwise in a manner inconsistent with the regulations of the FERC, may receive, transport and deliver natural gas in excess of Shipper's Transportation Contract Demand specified in the executed Transportation Service Agreement provided such scheduling does not affect those shippers with superior priority of service rights. Authorized Overrun Service under Rate Schedule FTS-1 shall have equivalent priority to Interruptible Transportation Service.

Transportation and delivery of natural gas shall exceed Shipper's Transportation Contract Demand when the sum of the nominations through or within a specific Segment, including all forward and backward haul segmentation nominations and including Releasing and

Replacement Shipper nominations, exceed the Transportation Contract Demand.

Volumes transported in excess of the Maximum Daily Quantity at a specific point are considered to be secondary nominations but are not considered to be overrun volumes unless such nominations result in the transportation of a volume over a specific transportation segment in excess of the Transportation Contract Demand.

If MIGC elects to transport said excess gas, Shipper shall pay MIGC for each MMBtu of gas in excess of Shipper's Transportation Contract Demand delivered to MIGC by Shipper or for Shipper's account during the month the charges set forth below:

(a) unit amount in dollars per MMBtu equivalent to the "Maximum Rate" applicable for service under MIGC's Rate Schedule ITS-1, as such rate is in effect and reflected from time to time in Part 4 of this Tariff, or superseding tariff; and

(b) The fuel reimbursement charge provided for in Section 7 of this Rate Schedule.

#### 7. FUEL AND UNACCOUNTED FOR LOSS REIMBURSEMENT (F&U)

Shipper shall reimburse MIGC for F&U usage monthly on an in-kind basis. For purpose of computing the redelivery volumes, MIGC shall deduct the applicable fuel retention and loss percentage factor times the volumes delivered to MIGC, at the receipt point, for F&U. The applicable fuel retention and loss percentage factors are set forth in Part 6 of this Tariff or superseding tariff which is incorporated herein by reference.

#### 8. TERM OF AGREEMENT

The FTS-1 Agreement must be executed by Shipper prior to commencement of service. Shipper is permitted to combine multiple FTS-1 Agreements into a single FTS-1 Agreement, subject to MIGC's approval which shall not be unreasonably withheld or granted in an unduly discriminatory manner. MIGC and Shipper may agree to different termination dates for specified volumes within the same FTS-1 Agreement on a not unduly discriminatory basis.

## A. FTS-1 AGREEMENTS AND ROLLOVER OF FTS-1 AGREEMENTS

1. FTS-1 Agreements with a term of five (5) years or more shall have unilateral rollover rights pursuant to which all or a portion of its capacity under the FTS-1 Agreement may be rolled over for a term which equals the initial FTS-1 Agreement term at maximum rates. However, should the FTS-1 Shipper request to roll the FTS-1 Agreement over for a term which equals the initial FTS-1 Agreement term but at less than maximum rates, pregranted abandonment can be avoided only by a match under the Right of First Refusal process as provided in paragraph B. herein. Further, should the FTS-1 Shipper request to roll the FTS-1 Agreement over for less than the original term, either at maximum rates or less than maximum rates, pregranted abandonment can be avoided only by a match under the Right of First Refusal process as provided in paragraph B. herein. In any event, if the FTS-1 Shipper requests a continuation of service for less than one (1) year, the FTS-1 Agreement will not have unilateral rollover right at the end of said term.

2. FTS-1 Agreements with a term of at least one (1) year, up to but not including five (5) years shall have a Right of First Refusal as provided in paragraph B. herein. A one (1) year FTS-1 Agreement (365 days) will be eligible for the Right of First Refusal process.

3. FTS-1 Agreements with a term up to, but not including, one (1) year shall have no rollover rights and no ability to utilize the Right of First Refusal process. The service will be automatically abandoned upon expiration of the term.

## B. RIGHT OF FIRST REFUSAL

In order to avoid pregranted abandonment at the end of the contract term, certain FTS-1 Shippers may exercise the Right of First Refusal process. The contract term includes the primary term, plus any currently existing unilateral rollover rights.

### 8.1. Notice

A firm Shipper holding a FTS-1 Agreement with a contract term of five (5) years or more will be notified by

MIGC no less than four (4) nor more than six (6) months before the expiration of its FTS-1 Agreement, by MIGC's posting same on MIGC's Electronic Bulletin Board. No less than three (3) nor more than six (6) months before the expiration of its FTS-1 Agreement, Shipper shall notify MIGC of its intention to execute a new FTS-1 Agreement for the maximum rate and for the minimum term commensurate with the initial term. If such notice is received by MIGC, the bidding process does not apply.

A firm Shipper with a FTS-1 Agreement term of at least one (1) year, up to but not including five (5) years or a firm Shipper with a FTS-1 Agreement term of five years or more but which wishes to roll the FTS-1 Agreement over at less than maximum rates or for a term less than the initial term will be notified by MIGC no less than four (4) nor more than six (6) months before the expiration of its FTS-1 Agreement by MIGC's posting same on MIGC's Electronic Bulletin Board. No less than three (3) nor more than six (6) months before the expiration of its FTS-1 Agreement, Shipper shall notify MIGC that it wishes MIGC to post its capacity for the purpose of initiating the bidding process.

In any event, a firm Shipper may elect to retain a portion of its capacity, subject to the bidding process, and have the pipeline's pregranted abandonment authority apply to the remainder of the capacity.

Failure of Shipper to give the notice described in this section for either a FTS-1 Agreement with a term of five or more years or a FTS-1 Agreement with a one to five year term will allow MIGC to resell such capacity and will result in the automatic abandonment of the entitlement at the end of the contract term. In such circumstances, MIGC shall post the availability of such capacity on the EBB no less than 60 days prior to termination of the contract.

## 8.2. Bidding Process

MIGC will post capacity on its Electronic Bulletin Board (EBB) within 10 days of the date MIGC receives notice from the shipper to initiate the bidding process and solicit bids for the capacity. Open bids must be tendered to MIGC via the EBB within 20 work days of the posting. MIGC will have ten days to choose the highest bid. In case of equal high bids, the equal bidder with the earliest posting date will be declared the winner. If the original

firm Shipper declines to match the terms of the winning bid, under Section 2.c. below, then the capacity shall be awarded to the winning bidder. The winning bidder shall then have 30 days from receipt of notification, in which to execute a new FTS-1 Service Agreement. MIGC shall have the right, on a non-discriminatory basis, to reject any bid not at the maximum rate.

a. Contents of Bid

A bid must contain the price, term, amount of capacity desired, primary receipt and delivery points, plus a request fee of the lesser of \$10,000 or one month's reservation fee at maximum rate. If the bid is accepted, the request fee will be credited to the Shipper's reservation fees. If the bid is not accepted, MIGC will return the request fee within 30 days of the date MIGC makes the winning bid determination.

b. Best Offer

MIGC will determine which bid constitutes the best offer by determining which bid constitutes the highest economic value to MIGC. A net present value calculation based on rate, term and quantity will be used to determine the highest economic value, utilizing the latest published FERC interest rate(s), as determined pursuant to 18 CFR Section 154.67. MIGC shall notify the original capacity holder of the terms of the winning bid by telephone or facsimile transmission within 24 hours of determining the winning bid.

c. Match

The original firm Shipper shall have the option, to be exercised within 30 days of receipt of notice from MIGC of the best offer, to execute a FTS-1 service agreement with MIGC which matches the rate and term of the bid constituting the highest economic value to MIGC.

d. No Bids

Where there are no competing bids for the capacity and the original firm Shipper agrees to pay the maximum rate, the original firm shipper may renew the FTS-1 Agreement for any term of its choosing. However, whether there are bids or not, if the original FTS-1 agreement had

a term of five years or more and the original firm Shipper chooses to continue the service for less than five years, the Shipper will not have a unilateral rollover right at the end of the renewed term. MIGC is not obligated to provide service at less than the maximum rate, even if there are no other offers.

#### 9. TRANSPORTATION GENERAL TERMS AND CONDITIONS

The Transportation General Terms and Conditions contained in this Tariff, except as modified in the Transportation Service Agreement, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof. Any future modifications, additions or deletions to said Transportation General Terms and Conditions shall (from and after their effective date) apply to service provided pursuant to this Rate Schedule. MIGC and Shipper may agree in the Transportation Service Agreement to terms differing from those set forth in this Rate Schedule; provided, however, that MIGC shall not require Shipper nor be required to execute a Transportation Service Agreement inconsistent with this Rate Schedule; provided further, that MIGC shall not execute a Transportation Service Agreement that alters the capacity allocation, information-requirement, rate, penalty, scheduling or priority provisions of this Rate Schedule or is otherwise unduly discriminatory or otherwise inconsistent with the regulations the FERC.

PART 9

TRANSPORTATION GENERAL TERMS AND CONDITIONS

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## TRANSPORTATION GENERAL TERMS AND CONDITIONS

### 9.1. DEFINITIONS

1. Agent - Any party Shipper may contract with, subject to approval by MIGC of such contract which may not be unreasonably withheld, for purposes of administering Shipper's Service Agreement with MIGC. An Agent has only those rights designated in writing by such Shipper to MIGC.

2. Backhaul - shall mean movement of gas from a Point of Receipt to a Point of Delivery such that the contractual direction of movement on MIGC's system is at all times and at all points along the path in a direction opposite to the actual physical flow of gas in the pipeline.

3. "Bumping" or "Bump" shall mean the reduction of a previously scheduled and Confirmed Transportation Quantity to permit MIGC to schedule and confirm a firm Transportation Nomination which has a higher priority and which was submitted as an Intra-day Nomination. Bumping that affects transactions on multiple Transportation Service Providers' systems should occur at grid-wide synchronization times (9:00 a.m. and 5:00 p.m. only, per Standards Board Standards 1.3.39). MIGC shall provide direct notice of bumping, and of any applicable penalties which will apply to the interruptible shipper, via its Internet Web Site or EDI in advance of such bumping.

4. British Thermal Unit ("Btu") - The reporting basis for Btu is standardized as 14.73 dry psia and 60 degrees Fahrenheit (101.325 kPa and 15 degrees C. and dry). Standardize the reporting basis for gigacalorie as 1.035646 Kg/(cm squared) and 15.6 degrees C. and dry. One (1) Btu shall mean one British Thermal Unit and is defined as the amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees Fahrenheit (59 degrees F) to sixty degrees Fahrenheit (60 degrees F) at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia). Total Btu's shall be determined by multiplying the total volume of natural gas delivered times the gas heating value expressed in Btu's per cubic foot of gas adjusted on a dry basis.

5. Business Day - Monday through Friday from 9:00 a.m. to 6:00 p.m., Central Clock Time ("CCT") (8 a.m. to 5 p.m. Mountain Clock Time ("MT")), excluding Federal Banking Holidays.

6. Confirmation - shall mean the verification of the Confirmed Quantity by the Confirming Parties. The Explicit Confirmation process requires that the Confirming Party respond to a request for confirmation or initiate an unsolicited confirmation response. Absent mutual agreement to the contrary, Explicit Confirmation is the default methodology (Standards Board Standard 1.3.40).

7. Critical Notices - Pertain to information on transportation service provider conditions that affect scheduling or adversely affect scheduled gas flow.

8. Data Dictionaries - shall mean those documents created by the Standards Board which implement the Standards Board Standards, and which specifically define the business names for the various elements of the Standards Board Standard data sets. The Data Dictionaries also define the appropriate usage of the data element (for example, Mandatory, Conditional, Sender's Option, Business Conditional, and Mutually Agreeable). Transporter has, as part of its implementation of the Standards Board Standards, incorporated by reference, the following Standards Board Data Dictionaries: 0.4.1, 1.3.2(vi), 1.4.1 through 1.4.7, 2.4.1 through 2.4.18, 3.4.1 through 3.4.4, 5.4.14 through 5.4.17, and 5.4.20 through 5.4.27.

9. Day - A period of twenty-four (24) consecutive hours (except for those days adjusted for Daylight Savings Time) commencing at nine (9:00) a.m. Central Clock Time ("CCT") (eight (8:00) a.m., Mountain Clock Time ("MT")). (Standards Board Standard 1.3.1)

10. Dekatherm ("Dth") - One dekatherm is the quantity of heat energy equivalent to one million British thermal units (MMBtu). Dth is the standard quantity for Nomination, Confirmations and Scheduling per gas day in the United States, gigajoules per gas day in Canada and gigacalories per gas day in Mexico. (For reference, one (1) dekatherm = 1,000,000 Btu's; 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The standard Btu is the International Btu which is also called the Btu (IT); the standard joule is the joule specified in the SI system of units. (The International Btu is specified for use in the gas measurement standards of the American Gas Association, the American Petroleum Institute, the Gas Processors Association and the American Society for Testing Materials. For non-commercial purposes these associations note that the exact

conversion factor is 1.05505585262 Gigajoules per Dekatherm.) For purposes of this tariff and associated Service Agreements, MMBtu and Dth are considered synonymous.

11. Elapsed Prorata Capacity - that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.

12. Electronic Data Interchange ("EDI") - The term "EDI" shall mean Electronic Data Interchange.

13. Electronic Delivery Mechanism or EDM - shall mean the electronic communication methodology used to transmit and receive data related to gas transactions. Transporter shall designate an electronic "site" at which Shippers and Transporter may exchange data electronically. All data provided at such site shall be considered as being delivered to the appropriate party. Transporter's use and implementation of EDM shall conform to all appropriate Standards Board Standards. Specifically, Transporter's implementation of EDM shall incorporate by reference Standards Board Standards 4.3.1 through 4.3.3, and 4.3.16 through 4.3.18, 4.3.20, 4.3.22 through 4.3.35 and Standards Board Definitions 4.2.1 through 4.2.8.

14. FERC or Commission - The Federal Energy Regulatory Commission or any successor agency of the Federal government having jurisdiction over the rates and operations of MIGC.

15. Heating Value - The quantity of heat, measured in Btu, produced by combustion in air of one (1) cubic foot of anhydrous gas at a temperature of sixty degrees Fahrenheit (60 degrees F) and a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia), the air being at the same temperature and pressure as the gas, after the products of combustion are cooled to the initial temperature of the gas and air, and after condensation of the water formed by combustion. For reporting purposes, Btu conversion factors will be reported to not less than three (3) decimal places and pressure base conversion factors will be reported to not less than six (6) decimal places. For calculation purposes, not less than six (6) decimal places will be used for both conversion factors.

16. Internet Web Site - MIGC's interactive electronic web site maintained by MIGC in accordance with Standards Board Standards, for posting information and conducting interactive transactions between MIGC and Shipper.

17. Intra-Day Nomination - Is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day. MIGC has incorporated by reference the following Standards Board standards for Intra-day definitions: 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18 and 1.2.19.

18. Maximum Daily Quantity - The maximum quantity of gas that MIGC will be required on a given day to receive at the applicable receipt point listed in Exhibit A of the Shipper's Transportation Service Agreement.

19. Maximum Delivery Quantity - shall mean the maximum quantity of gas that MIGC will be required on a given day to deliver at the applicable Primary Delivery Point listed in Exhibit B of the Shipper's Transportation Service Agreement.

20. MIGC system - The MIGC system is displayed on the map set forth in Part 3 of this Tariff.

21. Month - A period commencing on the first day of the corresponding calendar month and ending on the first day of the next following calendar month.

22. Natural Gas - Any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane.

23. One Thousand Cubic Feet ("Mcf") - The quantity of natural gas occupying a volume of one thousand (1,000) cubic feet at a temperature of sixty degrees Fahrenheit (60 degrees F) at a pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia). The reporting basis for gas volumes is standardized as cubic foot at standard conditions of 14.73 psia, 60 degrees Fahrenheit and dry.

24. Operational Balancing Agreement ("OBA") - A contract between two parties which specifies the procedures to manage operating variances at an interconnect. MIGC shall offer Operational Balancing Agreements on a non-discriminatory basis.

25. Operational Flow Order - An order issued by Transporter to alleviate conditions, inter alia, which threaten or could threaten the safe operation or system integrity, of MIGC's system or to maintain operations required to provide efficient and reliable firm

service. Whenever MIGC experiences these conditions, any pertinent order should be referred to as an Operational Flow Order.

26. Package ID - Differentiates between discrete business transactions.

27. Pooling - 1) The aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the disaggregation of gas from a single physical or logical point to multiple physical and/or logical points.

28. Predetermined Allocation Agreement ("PDA") - An agreement under which the operator of the facilities at a receipt or delivery point specifies how gas received or delivered by MIGC shall be allocated in accordance with confirmed nominations at such point, including how any underage or overage of actual receipts or deliveries from confirmed nominations shall be allocated. MIGC shall offer predetermined allocation agreements on a non-discriminatory basis. An OBA is a type of PDA.

29. Primary Capacity - shall mean the point and transmission system capacity reserved for a Shipper under a firm Transportation Service Agreement as identified by the Primary Receipt and Delivery Points' Maximum Daily Quantity set forth in the Transportation Service Agreement and the Transportation Contract Demand associated with the transportation segment between those points.

30. Rate Default - the term used for index-based capacity release transactions to describe the non-biddable rate specified in the capacity release offer to be used for invoicing purposes when the result of the index-based formula is unavailable or cannot be computed. If a Rate Default is not otherwise specified, the Rate Floor should serve as the Rate Default.

31. Rate Floor - the term used for index-based capacity release transactions to describe the lowest rate specified in the capacity release offer in dollars and cents that is acceptable to the releasing shipper. The Rate Floor may not be less than MIGC's minimum reservation rate or zero cents when there is no stated minimum reservation rate.

32. Secondary Capacity - shall mean point and transmission system capacity other than Primary Capacity. Backhaul nominations which are contrary in direction from the Primary Receipt Point to Primary Delivery Point direction are considered a secondary transmission system path.

33. Segment - shall mean a portion of the transmission system between a defined Receipt Point and Delivery Point. For purposes of this Tariff, such points are locations which are available for nomination by Shippers.

34. Segmentation - shall mean the ability of a Shipper holding a contract for firm transportation capacity to subdivide such capacity into segments and to use those segments for different capacity transactions. A Shipper may effect segmentation by nominating a number of discrete transportation primary and/or secondary point combinations using primary and/or secondary transportation paths. The paths may be within or outside of the primary contracted path. The Shipper's right to nominate on any segment of a transportation path shall be limited to the Transportation Contract Demand as defined by Shipper's underlying firm Transportation Service Agreement.

35. Standards Board - The North American Energy Standards Board or any successor agency as designated by FERC.

36. Standards Board Standards - Standardized procedures for critical business practices which were issued by the Standards Board and adopted by the Commission. Unless otherwise stated in this Tariff, all Standards Board Standards referred to in this tariff are Version 1.9.

37. Total Maximum Daily Quantity - The total of Maximum Daily Quantities set forth in Exhibit A of the Shipper's Transportation Service Agreement, which is the maximum volume of gas that MIGC shall be obligated to receive from transportation service on Shipper's behalf on any given day.

38. Total Maximum Delivery Quantity - shall mean the total of Maximum Delivery Quantities set forth in Exhibit B of the Shipper's Transportation Service Agreement, which is the maximum volume of gas that MIGC shall be obligated to deliver for transportation service on Shipper's behalf on any given day under such Agreement. The Total Maximum Delivery Quantity shall not exceed the Transportation Contract Demand less fuel and unaccounted for loss reimbursement volumes.

39. Transportation Contract Demand - The total of Maximum Daily Quantities set forth in Exhibit A of the Transportation Service Agreement under Rate Schedule FTS-1, which is the maximum volume of gas that MIGC shall be obligated to receive for transportation service on Shipper's behalf on any given day.

40. Year - A period of three hundred sixty-five (365) consecutive days commencing on the date to be specified in the executed Transportation Service Agreement; provided, however, that any such year which contains the date of February 29 shall consist of three hundred sixty-six (366) consecutive days.

## 9.2. METHOD OF MEASUREMENT

9.2.1. Unit of Measurement - The unit of measurement for the purpose of calculating receipt and delivery of natural gas shall be one (1) dekatherm. The number of dekatherms delivered shall be determined by multiplying the number of Mcf of gas delivered by the total heating value of such gas in Btu's per cubic foot, and multiplying the product by 0.001. The unit of volume for the purpose of measurement shall be one (1) Mcf at a pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia) and at a temperature of sixty degrees Fahrenheit (60 F). All readings and registrations of the metering equipment shall be computed into such unit of volume.

9.2.2. Basis - All orifice meter volumes shall be computed in accordance with Gas Measurement Committee Report No. 3 of the American Gas Association, including the Appendix thereto, published September, 1969, as revised from time to time. Where measurement is by other than orifice meters, all necessary factors for proper volume determination shall be applied. All orifice meter volumes shall be corrected for deviations from the ideal gas laws (supercompressibility) in accordance with the referenced Committee Report No. 3. Where displacement meters are used, the square of the orifice meter supercompressibility factor shall be applied. For the purpose of measurement, the atmospheric pressure shall be the average atmospheric pressure specified in the executed Transportation Service Agreement.

9.2.3. Determination of Heating Value - The heating value of gas shall be determined from time to time by analysis of samples obtained from continuous sampling devices. The samples shall be run on a recording calorimeter, employing the Thomas principle of calorimetry, located at the measuring station or at any other point on the pipeline where there will be no commingling thereafter of gas, or by means of some other recognized method. The arithmetic average heating value of the gas during the chart period shall be used in computing any deficiency in Btu content of gas delivered during such period.

9.2.4. Determination of Flowing Temperature - The temperature of the gas flowing through a meter station shall be obtained by the use of a recording thermometer. The arithmetic average temperature of the gas during the chart period shall be used in computing the delivery of gas during such period. Where the quantities of gas metered will not be materially affected by so doing, the temperature at delivery shall be assumed to be sixty degrees Fahrenheit (60 degrees F) when not regularly measured.

9.2.5. Determination of Specific Gravity - The specific gravity of the gas flowing through orifice meter stations, when used, shall be determined by taking samples of such gas by means of a recording gravitometer located at the measuring station or at any other point on the pipeline where there will be no commingling thereafter of gas, or by any other recognized method which may be practical in the circumstances. The arithmetic average specific gravity of the gas at such points during the chart period shall be used in computing the delivery of gas during such period at such points.

9.2.6. Chromatographic Analysis - If the heating value and/or the specific gravity is determined by chromatographic analysis of the gas sample, the values of the physical constants for the gas compounds and the procedure for determining the gross heating value and/or the specific gravity of the gas from them shall be as set forth in the referenced Committee Report No. 3.

9.2.7. New Measurement Techniques - If, at any time during the effective term of the Rate Schedules to which these Transportation General Terms and Conditions apply, a new method or technique is developed with respect to gas measurement, such new method or technique may be substituted by MIGC in the exercise of its reasonable judgment. MIGC shall promptly inform Shipper of any new technique adopted.

### 9.3. MEASUREMENT EQUIPMENT

9.3.1. Installation and Operation of Measuring Facilities - All measuring facilities shall be installed, if necessary, owned, maintained and operated, at or near the Receipt Point(s) and Delivery Point(s), by MIGC unless otherwise agreed. Where used, orifice meters shall employ flange taps and shall be installed and operated in accordance with the referenced Committee Report No. 3.

9.3.2. Installation and Operation by Shipper - Shipper may install, maintain and operate at its own expense, at or near the Receipt Point(s) and the Delivery Point(s) check meters and other necessary equipment by which the quantity of gas delivered to or by MIGC may be measured. Where used, orifice meters shall employ flange taps and shall be installed and operated in accordance with the referenced Committee Report No. 3.

9.3.3. Non-interference - Measuring equipment applying to or affecting deliveries shall be installed in such manner as to permit an accurate determination of the quantity of gas delivered and ready verification of the accuracy of measurement. The parties shall exercise care in the installation, maintenance and operation of check measuring or pressure regulating equipment on gas compressors so as to prevent any inaccuracy in the determination of the quantity of gas being measured.

9.3.4. Calibration and Test of Measurement Equipment - Each party shall have the right to have representatives present at the time of any installing, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other parties measuring equipment, including calorimeters, used in the measurement of deliveries of gas. The accuracy of the measuring equipment, including calorimeters, shall be verified at reasonable intervals but not more often than is found necessary in practice.

9.3.5. Electronic Flow Computers - It is recognized that electronic or other types of flow computers have been developed that permit the direct computation of gas flows without the use of charts. Where the substitution of these devices is deemed acceptable by MIGC in the exercise of its reasonable judgment, their use for the measurement required herein will be permitted.

#### 9.4. NOMINATIONS, SCHEDULING AND PRIORITY OF SERVICE

9.4.1. General - Whenever Shipper desires service, Shipper shall furnish to MIGC a separate written nomination for each nominated Receipt and Delivery Point under each Service Agreement with a begin date and end date, for flow which can be several days, months or years, provided the nomination begin and end dates are within the term of the Shipper's contract. All nominations excluding intra-day nominations shall have roll-over options. All volumes shall be expressed in dekatherms per day and shall be stated for each Receipt and Delivery Point. If an upstream or downstream party requires additional information, if the volumes transported are subject to a discounted rate, or if additional information is otherwise required by MIGC, then, upon notification by MIGC, Shipper must include in each nomination such additional information as is specified by MIGC. Nominations must be submitted to MIGC through its Internet Web Site, or through EDI where Shipper and MIGC have executed an agreement regarding such use. Where nominations are submitted via EDI, such nominations shall conform to Standards Board Standards 1.2.1 and 1.2.2 incorporated herein by reference. The sending party should adhere to the nomination, confirmation and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline. All nominations are considered original nominations and should be replaced to be changed. MIGC will accommodate Title Transfer Tracking as defined by the Standards Board and set forth in standards 1.3.64 and 1.3.65.

When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside of the range of the subsequent nomination are unaffected. Nominations have a prospective effect only. At the end of each gas day, MIGC should provide the final scheduled quantities for the just completed gas day. With respect to the implementation of the process via the 1.4.x scheduled quantity related standards, MIGC should send an end of gas day Scheduled Quantity document, provided that Receivers of the end of gas day Scheduled Quantity documents can waive this requirement.

MIGC will provide emergency and after hours telephone numbers on MIGC's Internet Web Site at [www.migc.com](http://www.migc.com), and MIGC supports a seven (7) days a week, twenty-four (24) hours a day nomination process. Shipper must provide MIGC with designated contact person(s) and emergency and after-hours telephone numbers, updating

such information as changes occur. MIGC will not be liable to Shipper if Shipper's information is outdated and MIGC is unsuccessful in its attempts to communicate with Shipper.

9.4.2. A Shipper's nomination of gas to be transported each day shall conform to Standards Board Standard 1.3.2 (I) - (V). MIGC will support the following standard nomination cycles:

(a) Day prior to Gas Flow (Central Clock Times):

(1) The Timely Nomination Cycle

On the day prior to gas flow:

- 1:00 p.m. Nominations leave control of the Service Requester (SR);
- 1:15 p.m. Nominations are received by the TSP (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. TSP sends the Quick Response to the SR;
- 4:30 p.m. TSP receives completed confirmations from Confirming Parties;
- 5:00 p.m. SR and Point Operator receive scheduled quantities from the TSP.

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day.

(2) The Evening Nomination Cycle

On the day prior to gas flow:

- 6:00 p.m. Nominations leave control of the SR;
- 6:15 p.m. Nominations are received by the TSP (including from TTTSPs);
- 6:30 p.m. TSP sends the Quick Response to the SR;
- 8:30 p.m. TSP receives completed confirmations from Confirming Parties;
- 9:00 p.m. TSP provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day.

(b) Day of Gas Flow (Central Clock Times):

(1) The Intraday 1 Nomination Cycle

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the SR;
- 10:15 a.m. Nominations are received by the TSP (including from TTTSPs);

- 10:30 a.m. TSP sends the Quick Response to the SR;
- 12:30 p.m. TSP receives completed confirmations from Confirming Parties;
- 1:00 p.m. TSP provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on the current Gas Day.

(2) The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the SR;
- 2:45 p.m. Nominations are received by the TSP (including from TTTSPs);
- 3:00 p.m. TSP sends the Quick Response to the SR;
- 5:00 p.m. TSP receives completed confirmations from Confirming Parties;
- 5:30 p.m. TSP provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on the current Gas Day.

(3) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the SR;
- 7:15 p.m. Nominations are received by the TSP (including from TTTSPs);
- 7:30 p.m. TSP sends the Quick Response to the SR;
- 9:30 p.m. TSP receives completed confirmations from Confirming Parties;
- 10:00 p.m. TSP provides scheduled quantities to the affected SR and Point Operator.

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

For purposes of Sections 9.4.2(a)(2) and 9.4.2(b)(1) - (3) above, "provide" shall mean, for transmittals pursuant to standards 1.4.1 through 1.4.7, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean via MIGC's Internet Web Site or by EDI if so requested.

(c) Determination of Nomination Scheduling cycle and reservation of capacity.

(1) MIGC shall determine the applicable Nomination process cycle based upon the receipt time and the beginning effective Day of the Nomination. MIGC supports beginning effective times at the grid-wide synchronization times only (Standards Board Standard 1.3.43).

(2) MIGC will allocate capacity based on Shippers' Nominations only during the standard Nomination cycles (Standards Board Standard 1.3.42).

(3) When a previously confirmed and scheduled quantity is altered, notification of such alteration should be provided to all of the parties below that are affected: 1) Confirmation Requester in a Confirmation Response (or unsolicited Confirmation Response as applicable) document by the Confirming Party; 2) Confirming Party in a Request for Confirmation document by the Confirmation Requester; 3) Service Requester(s) in a Scheduled Quantity document by the applicable Confirming Party or Confirmation Requester on whose system the Service Requester(s) nomination(s) were made.

Applicable notification(s) of such alterations should be provided to the affected parties reasonably proximate in time to the time during which the event causing the alteration was acted upon by the Confirmation Requester or Confirming Party, respectively. With respect to the implementation of this process via the 1.4.x standards, Confirming Parties should send the applicable document(s) to the applicable party(ies) no later than the next time they are slated to communicate confirmations or scheduled quantities (as applicable) (Standards Board Standard 1.3.44).

9.4.3. Required Nomination changes - If estimated daily flows under a particular Service agreement differ from the confirmed nominations, or if an imbalance has occurred due to some other reason, then prospective nomination change(s) (either receipt or delivery adjustments) may be required to bring the receipt and delivery volumes into balance. When a Shipper receives notification of a required change in the nomination, the Shipper shall be responsible for informing upstream and downstream parties of the prospective change and providing MIGC with a nomination as required in accordance with Section 9.4.2 hereof.

9.4.4. Confirmation by MIGC - Nominations made in accordance with Sections 9.4.2, 9.4.3, 9.4.5, and 9.4.6 hereof shall not become effective until MIGC has confirmed the nominated receipts and deliveries with upstream and downstream parties. Receiver of nomination initiates confirmation process. The Confirming Party that would receive a Request for Confirmation or an unsolicited Confirmation Response may waive obligation of sender to send (Standards Board Standard 1.3.20). For request to confirm and confirmation response processes, all parties will seek to confirm by means of communicating at the applicable detail/summary level all transactions with respect to a location (Standards Board Standard 1.3.35). Shipper shall designate the appropriate person(s) who has the authority to resolve allocation issues if required by MIGC and, if required by MIGC, the appropriate person(s) to confirm nominations.

In the confirmation process, where a party requesting a confirmation (a Confirmation Requester) is not itself a Transportation Service Provider, the location code to be used when sending a Request for Confirmation should be the location code associated with the location where gas will be scheduled by the Transportation Service Provider; and, where a Confirmation Requester is also a Transportation Service Provider; then, as between these confirming parties (the Confirmation Requester and the Confirming Parties), and absent their mutual agreement to the contrary, the location code to be used when sending a Request for Confirmation should be the location code used by the Transportation Service Provider sending the Request for Confirmation (Standards Board Standard 1.3.36).

(a) Unconfirmed Nominations - Unconfirmed nomination procedures shall conform to Standards Board Standard 1.3.22 (i) - (iv) as follows:

(i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity should be the new confirmed quantity.

(ii) With respect to the processing of requests for increases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request For Confirmation or an

unsolicited Confirmation Response, the previously scheduled quantity should be the new confirmed quantity.

(iii) With respect to the processing of requests for decreases during the intra-day nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.

(iv) With respect to 9.4.4(a)(i)-(iii) above, if there is no response to a Request for Confirmation or an unsolicited Confirmation Response, MIGC shall provide the shipper with the following information to explain why the nomination failed, as applicable:

- (1) MIGC did not conduct the confirmation;
- (2) Shipper is told by MIGC that the upstream confirming party did not conduct the confirmation;
- (3) Shipper is told by MIGC that the upstream shipper did not have the gas or submit the nomination;
- (4) Shipper is told by MIGC that the downstream confirming party did not conduct the confirmation;
- (5) Shipper is told by MIGC that the downstream shipper did not have the market or submit the nomination.

(b) Ranking will be included in the list of data elements. Rankings provided in a Shipper's Nominations shall be used to prioritize reductions to requested quantities when making reductions during the scheduling process when such prioritization is not in conflict with other provisions of this tariff.

(c) When used, Package ID will be supported for nominating, scheduling, confirming, allocating, and invoicing (sales and purchase), and not required for transportation invoicing.

(d) Use of the Package ID is at the discretion of the Shipper, and if sent, will be accepted and processed by MIGC.

(e) The declaration to the affected parties of operational flow orders, critical periods, and/or critical notices will describe the conditions and the specific responses required from the affected parties.

(f) The key will be composed of: shipper contract (Service Agreement), transaction type, upstream party, upstream contract (when applicable), receipt location (as applicable), downstream party, (as applicable) downstream contract (when applicable), delivery location (as applicable), package ID, upstream package ID (where mutually agreed), downstream package ID (where mutually agreed), capacity type indicator (where mutually agreed). Upon receipt by MIGC from a shipper of a transaction whose key elements match those previously received by MIGC from the shipper, MIGC will then process the begin date/time and end date/time consistent with the intentions of the standard 1.3.7 and then process the rest of the transaction's data elements consistent with the applicable standards to determine the business results. When data is not supplied (e.g., is not applicable, is not supported or is not mutually agreed upon) the pertinent portion of the key would be determined to be null.

(g) For current in-kind fuel reimbursement procedures, fuel rates will be made effective only at the beginning of the month.

(h) For in-kind fuel reimbursement methods, MIGC will not reject a nomination for reasons of rounding differences due to fuel calculation of less than 5 Dth.

(i) For in-kind fuel reimbursement methods, MIGC will provide, if applicable, a fuel matrix for receipt and delivery point combinations. The Service Requesters should not be responsible for calculating and totaling fuel based on each zone or facility traversed.

(j) The transportation priority for fuel will be the same as the level of service as the transaction to which it applies.

(k) Intra-day nominations may be used to nominate new supply or market.

(l) Notice procedures of operational flow order conditions will be clearly defined in tariffs.

#### 9.4.5. Intra-Day Nominations

(a) Nomination changes may be submitted during the day in which the Shipper desires the nomination to be effective or after the deadline for timely nominations as described in Section 9.4.2 hereof ("Intra-day Nominations") for service under Rate Schedules FTS-1 and ITS-1 subject to the conditions in subsection (b) below.

(1) With the exception of otherwise stated Standards Board nomination deadlines, when MIGC receives a Nomination document via EDI from a Shipper by the conclusion of a given quarter hour period, MIGC will send to the Shipper's designated site via EDI, a corresponding Quick Response document by the conclusion of the subsequent quarter hour period. The quarter hour periods will be defined to begin on the hour and at 15, 30 and 45 minutes past the hour. A given quarter hour will contain all transactions whose receipt time is less than the beginning of the subsequent quarter hour (Standards Board Standard 1.3.37).

(2) MIGC's nightly processing and routine maintenance occurring outside of normal business hours are apt to interrupt the normal schedule for Nominations/quick response turnaround stated in Standards Board Standard 1.3.37. Such delays should be kept to a minimum. The normal schedule should be resumed at the earliest opportunity and no later than the start of normal working hours the following day, seven days per week (Standards Board Standard 1.3.38).

(3) When a Confirmation Requester receives a Confirmation Response document from a Confirming party by the conclusion of a given quarter hour period, the Confirmation Requester will send to the Confirming Party's designated site a corresponding Confirmation Quick Response document by the conclusion of the subsequent quarter hour period. The quarter hour periods will be defined to begin on the hour and at 15, 30 and 45 minutes past the hour. A given quarter hour will contain all transactions whose receipt time is less than the beginning of the subsequent quarter hour (Standards Board Standard 1.3.45).

(4) Confirming Party's nightly processing and routine maintenance occurring outside of normal business hours are apt to interrupt the normal schedule for confirmations/quick response turnaround stated in Standards Board Standard 1.3.45. Such delays should be kept to a minimum. The normal schedule should be resumed at the earliest opportunity and no later than the start of normal working hours the following day, seven days per week (Standards Board Standard 1.3.46).

(b) Intra-day Nominations are subject to the following conditions:

(1) Intra-day Nominations may only be submitted for points at which MIGC has sufficient measurement, telemetry and control to allow MIGC to verify flow and at which a change in

volume delivered to Shipper can be implemented immediately by a corresponding Receipt Point volume change. Subject to the foregoing, Intra-day Nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points scheduled gas.

(2) Valid Intra-day Nominations shall be processed in the order received. Such nominations shall reflect the revised total volumes that Shipper desires to be received and delivered during that Day. All nominations, including Intra-day Nominations shall be based on a daily quantity, thus an intra-day nominator need not submit an hourly nomination. Intra-day nominations shall include an effective date and time. The interconnected parties shall agree on the hourly flows of the intra-day nominations, if not otherwise addressed in MIGC's Service Agreement or tariff. Such nomination shall not automatically rollover to the next Day, but shall be effective only for the Day submitted.

(3) For services that provide for Intra-day Nominations and scheduling, there is no limitation as to the number of Intra-day Nominations (line items as per Standards Board Standard 1.2.1) which a Shipper may submit at any one standard Nomination cycle or in total across all standard Nomination cycles (Standards Board Standard 1.3.32).

(4) Intra-day Nominations will be processed on a first come, first served basis and are subject to the same confirmation procedures set forth in Section 9.4.2 prior to becoming effective.

(5) Intra-day nominations will be scheduled ahead of previously scheduled interruptible nominations in the evening and intra-day 1 cycles. Application of this scheduling provision may result in interruptible nominations being bumped.

(6) Unless MIGC agrees to the contrary, a revised nomination under an Intra-day Nomination may not exceed MDQ, prorated equally over the day.

(7) An Intra-day Nomination is only effective for a single day. An Intra-day Nomination does not replace the remainder of a standing nomination. There is no need to re-nominate if an Intra-day Nomination modifies an existing nomination.

9.4.6. Overrun Quantities - Shippers may submit nominations for transportation of overrun volumes (volumes in excess of the applicable point or Service Agreement MDQ). Overrun quantities must be requested on a separate transaction. Receiver of

nomination initiates confirmation with the caveat that the receiver of the confirmation may relieve obligation of sender to send.

9.4.7. Nomination Priorities - As part of the nomination process, if there is more than one supply source nominated to be delivered to a single Delivery Point, the nomination should identify how and which supply sources should be cut in the event all nominated deliveries are not or cannot be made. Similarly, the nomination should identify which delivery should be cut in the event gas is not or cannot be received as nominated.

9.4.8. Flexible Receipt and Delivery Points - Any Shipper that has a firm transportation Service Agreement pursuant to the firm transportation rate schedules has the right to change primary receipt and delivery points and add secondary receipt and delivery points to such Service Agreement, subject to the following conditions:

(a) Shipper shall be able to change primary receipt and delivery points only if service at the changed receipt or delivery point(s) does not reduce service to any other firm Shipper with an existing right to capacity at those same receipt or delivery point(s).

(b) Service at the secondary receipt and delivery points shall not reduce service to any other firm Shipper receiving service at those points as primary receipt and delivery points, or reduce service to any firm Shipper receiving service at its primary delivery point(s) downstream from the secondary delivery point(s);

(c) Shipper has submitted a request to MIGC to change a primary or add a secondary receipt or delivery point(s) in accordance with the procedures set forth in this FERC Gas Tariff Section 9.6.2(b) or (c); and

(d) Shipper's utilization of secondary receipt and delivery points shall not serve to increase Shipper's Maximum Daily Quantity as specified in the Service Agreement.

9.4.9. Scheduling and Priority - To the extent capacity does not exist to provide for all volumes nominated by Shippers on a firm basis within Shipper's Maximum Daily Quantity and Transportation Contract Demand at primary points and paths and at secondary points and paths, MIGC shall schedule all primary, secondary and segmented volumes nominated and tendered in sequence as follows:

(a) First, service will be scheduled on a pro rata basis for the following firm services in order of highest priority;

(i) first priority for volumes (up to the Maximum Daily Quantity or the Transportation Contract Demand, whichever is applicable, provided in the applicable Service Agreement) nominated by MIGC's firm transportation Shippers utilizing primary capacity where the constraint point exists. This may apply at a receipt or delivery point or along a transportation segment.

(ii) second priority for volumes nominated by MIGC's firm transportation Shippers utilizing secondary capacity where the constraint point exists. This may apply at a receipt or delivery point or along a transportation segment. Nominations for a transportation segment are limited to the Transportation Contract Demand of the underlying applicable Service Agreement. For purposes of determining if segment nominations are in excess of the Transportation Contract Demand, nominations by Releasing Shipper and nominations by Replacement Shippers shall be totaled together. Secondary nominations at a point may exceed the Maximum Daily Quantity without being considered overrun volumes unless the resulting total volumes nominated for a transportation segment exceed the Transportation Contract Demand for that segment. All nominations utilizing secondary capacity are subject to the availability of capacity, Transporter's existing contractual obligations, and the maintenance of a safe, reliable and efficient operating system as determined by Transporter. A firm Shipper may segment its capacity by transporting in a forward haul up to its full Transportation Contract Demand and a backward haul up to its full Transportation Contract Demand to the same point at the same time.

(b) Then, service will be scheduled for Shippers paying MIGC's maximum interruptible rates as shown in Part 4 of this Tariff for Rate Schedule ITS-1 (up to the Maximum Daily Quantity provided in the applicable Service Agreement) on a first come/first served basis among Shippers receiving interruptible transportation service under Rate Schedule ITS-1 or Authorized Overrun Service. First in time priority shall be determined:

(1) As to any Shipper who has furnished MIGC with a completed request complying with the requirements of Section 9.6.3 herein, when accepted by MIGC in an executed Transportation Service Agreement, such Shipper will be entitled to priority over any Shipper furnishing MIGC with a completed request or initiating or increasing service under Paragraph (1) above on a later date and such Shipper's service shall be unaffected by and shall have

priority over subsequent requests for service under Rate Schedule ITS-1;

(2) As to any Shipper requesting transportation service under any interruptible rate schedules, MIGC will not schedule nominations that increase the amount of natural gas moved (or nominated to be moved in the event of force majeure) at any receipt or delivery point above that amount of natural gas moved at said point the prior scheduling period if such increase would cause the reduction of any other Shipper's gas which was moved and was scheduled to be moved the prior scheduling period;

(3) As to any Shipper requesting Authorized Overrun Service, such service shall be scheduled on a first-come, first-served basis. Unless otherwise specified in the applicable capacity release Agreement, access to authorized overrun volumes between a Releasing Shipper and Replacement Shippers shall also be scheduled on a first-come, first-served basis.

(c) Then, service will be scheduled for Shippers paying less than the maximum interruptible rates as shown in Part 4 of this Tariff for Rate Schedule ITS-1 (up to the Maximum Daily Quantity provided in the applicable service agreement) on an economical basis among Shippers receiving interruptible transportation service under Rate Schedule ITS-1. First in priority shall be those Shippers paying a higher rate followed by those Shippers paying a lower rate. For Shippers paying the same discounted rate then priority shall be scheduled in accordance with Section 9.4.9(b).

9.4.10. Capacity Related Curtailments - When circumstances arise after scheduling has occurred which restrict MIGC's ability to provide transportation for all gas tendered under executed Transportation Service Agreements with Shippers on MIGC's system and require service to be curtailed, service shall be curtailed in reverse order of scheduling.

(a) Firm Services - Where available capacity is less than the aggregate capacity required to satisfy all requests for firm transportation service, whether from primary or secondary receipt points or to primary or secondary delivery points, the following principles shall apply:

(i) The basis for allocating firm transportation capacity on a pro rata basis through MIGC's system or any segment of MIGC's system shall be the aggregate of volumes nominated for delivery to MIGC ("Receipt Volumes") (less volumes to be

redelivered by MIGC ("Delivery Volumes")) upstream of the point where capacity is constrained, which are included under a firm transportation agreement of a Shipper and which are nominated for shipment on any segment of the MIGC system.

The individual allocations of capacity shall be determined by dividing the net of Receipt Volumes and Delivery Volumes, as described above, for a firm transportation customer which is upstream of the location where capacity is constricted, by the maximum daily quantities of all firm transportation customers requesting service through the point where capacity is constrained. The resulting factor shall be multiplied by the available capacity to determine the amount of capacity available to a particular firm transportation customer.

(b) Interruptible Services - Notwithstanding anything to the contrary in this Section 4.10, with respect to interruptible transportation service:

(i) Shipper cannot increase the amount of natural gas moved (or nominated to be moved in the event of force majeure) at any receipt or delivery point above that amount of natural gas moved at said point the prior day if such increase would cause the reduction of another Shipper's gas which was moved and was scheduled to be moved the prior day;

(ii) a Shipper paying less than the applicable maximum rate that has agreed to a lesser priority of service in the Transportation Service Agreement will be curtailed prior to those Shippers that have not agreed to such lesser priority. MIGC will note on its transportation request log those Shippers that have agreed to a lesser priority of service in return for a rate adjustment.

In the event that capacity is restricted on a part, but not all, of the MIGC system, curtailments will be restricted to those parties utilizing the part of the system on which the restriction has occurred.

9.4.11. Compliance With Applicable Rate Schedules - With respect to any Shipper that:

(a) fails to comply with the terms of the applicable rate schedule and the terms of Shipper's Transportation Service Agreement with MIGC; or

(b) is or has become insolvent or who, at MIGC's request, fails prior to the commencement of transportation or within seven days of a request from MIGC to demonstrate credit-worthiness in the manner set forth in Section 9.6.3(g) hereof and does not choose to avail itself of the procedures established in Section 9.6.3(g) hereof;

MIGC shall have in addition to any other rights hereunder or in law the right, upon giving Shipper written notice of noncompliance with the terms of the applicable rate schedule or the terms of Shipper's Transportation Service Agreement with MIGC, to take appropriate legal steps to suspend, terminate, or abandon service if Shipper fails to remedy said noncompliance within the period specified by MIGC, and Shipper shall be deemed by its failure to remedy noncompliance to have consented to such abandonment and termination of service.

For purposes of this FERC Gas Tariff, the insolvency of a Shipper shall be evidenced by the filing by such Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

## 9.5. DETERMINATION OF RECEIPTS AND DELIVERIES AND BALANCING OF TRANSPORTATION QUANTITIES

9.5.1. Receipts - Unless otherwise agreed upon by MIGC and the delivering party under a PDA or an OBA, the actual quantity received shall be allocated pro-rata among all Shippers based on each Shipper's approved and accepted nominations.

9.5.2. Deliveries - Unless otherwise agreed upon by MIGC and the receiving party under a PDA or an OBA, the actual quantity delivered shall be allocated as follows: first, nominated quantities under Rate Schedule FTS-1 up to MDQ; and second, ITS-1 and authorized overrun quantities, pro-rata.

9.5.3. Applicability of OBAS and PDAS - MIGC will enter into an OBA or PDA with any party who operates the facilities at a receipt or delivery point on MIGC's transmission system if such party meets MIGC's creditworthiness standards.

PDAs and OBAs will remain in effect during periods of daily balancing. Only one PDA allocation methodology can be applied per allocation period. MIGC will post on its Internet Web Site the OBA or PDA methodology in effect at each receipt and delivery point.

(a) PDAs shall be established using the allocation methodologies and criteria set forth in the Standards Board Standards. Specifically, Transporter has incorporated by reference the following Standards Board Standards: 2.3.1, 2.3.2, 2.3.4, 2.3.5, 2.3.6, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.23, 2.3.25, and 2.3.27.

(b) The timing for reporting daily operational allocations after the gas has flowed is within one Business Day after end of Gas Day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity should be used for the daily operational allocation. MIGC shall comply with Standards Board Standard 2.3.21 as applicable.

(c) The responsibility for calculation and reporting of allocated quantities should rest with the party responsible for accepting Standards Board allocation types. The party receiving nominations should provide allocation statements. (Standards Board Standard 2.3.22)

(d) MIGC may enter into Operational Balancing Agreements (OBA) at Points of Receipt and Delivery with the Interconnecting party. Such OBAs provide for the allocation of Confirmed

Nominations to the Shipper's accounts with any operational variances allocated to the OBA. Locations covered by an effective OBA do not require an additional PDA. Therefore, there is no need for shipper to submit a PDA if MIGC has an OBA in effect a receipt or delivery point. Any new or proposed change to the methodology should be sent to MIGC on or before the gas day on which the methodology is to be effective. MIGC shall confirm receipt of the methodology within 15 minutes if it is sent during business hours via MIGC's Internet Web Site or EDI.

9.5.4. Daily Receipt Variances - If, on a daily basis, receipts at MIGC receipt points under a Transportation Service Agreement differ from Shipper's daily nominations under such agreement by more than ten percent (10%) of such daily nomination, Shipper shall pay MIGC, in addition to charges pursuant to the rate provisions of the applicable MIGC Rate Schedule and any other applicable charges under these Transportation General Terms and Conditions an amount equal to the maximum ITS-1 rate times the total volume of any such difference, and MIGC may suspend receipts or deliveries (as appropriate) under such agreement pursuant to Section 9.15.3 or Section 9.4.11 until such time as Shipper is in balance. Provided, however that if a daily receipt variance under an ITS-1 Transportation Service Agreement arises during a non-critical period as a result of "bumping" (as defined herein), any penalty which would be otherwise applicable to such variance will be waived.

(a) The penalty value determined in Section 9.5.4 above will be credited to account 242, Miscellaneous Current and Accrued Liabilities, and maintained for each Shipper. At the close of each twelve (12) month period from the effective date of this tariff section, MIGC will credit the amounts, if any, recorded in any Shipper's account, net of any costs incurred, to the other shippers not incurring a penalty described in Section 9.5.4 above during the same twelve (12) month period.

9.5.5. Balancing - An imbalance results when a Shipper makes delivery (or causes the delivery) to MIGC at the receipt point(s) under a Transportation Service Agreement of a quantity of gas which, after appropriate reduction for fuel and loss, is less than or greater than the quantity of gas taken from MIGC at the delivery point(s) under such agreement. Shipper shall maintain thermal balancing of receipts and deliveries under each agreement on a daily basis. Except with respect to periods during which actions by MIGC or force majeure with respect to MIGC have caused imbalances or rendered Shipper incapable of curing imbalances during applicable periods, the procedures contained in this Section 5

hereof shall apply. However, no imbalance penalty shall be imposed when a prior adjustment applied to the current period causes or increases a current month penalty.

9.5.6. Monthly Imbalances - Monthly imbalances result when actual deliveries by Shipper to MIGC at the aggregate of MIGC's receipt points under a Transportation Service Agreement, less applicable fuel and unaccounted for loss reimbursement volumes, vary in any billing month from the aggregate of deliveries at MIGC's delivery points under such agreement that month.

(a) MIGC shall determine the monthly imbalance quantity attributable to each Transportation Service Agreement for each Shipper through the last day of the billing month, with the cutoff for the closing of measurement being five (5) business days after the business month. Measurement data, which is missing or late, shall be estimated by the measuring party, with subsequently obtained actual data to be treated as a prior period adjustment. Prior period measurement adjustments shall be reported as a restated line item reflecting the new total quantity by Day and by Month (Standards Board Standard 2.3.12). MIGC shall then net imbalance quantities arising under each Transportation Service Agreement with each Shipper for such month against imbalance quantities arising under all other Transportation Service Agreements with such Shipper for such month, to determine one monthly imbalance quantity for each Shipper.

(b) The cumulative imbalance quantity shall be calculated as the cumulative total of all previous and current monthly imbalance quantities which have not been cashed out, swapped or cured in any other manner as allowed in this tariff. If the cumulative imbalance quantity for a Shipper exceeds five (5) percent of the total monthly quantities received or delivered, as applicable, under all of Shipper's Transportation Service Agreements, MIGC shall notify Shipper via e-mail to Shipper's designated e-mail address on or before the ninth (9) business day after the end of the month in which the excess occurred, that an imbalance statement indicating the level of the Shipper's cumulative imbalance for the preceding billing month is available on MIGC's Internet Web Site. Shipper shall have thirty (30) days from the date of the imbalance statement notification to cure the cumulative imbalance either through additional deliveries to or receipts of gas from MIGC, or by the use of Imbalance Swaps.

(i) "Imbalance Swaps" shall mean the reallocation of cumulative imbalance quantities from one Shipper to another Shipper

in order to reduce the cumulative imbalance quantities of both Shippers.

(ii) Shippers shall negotiate the terms of any Imbalance Swaps among themselves. The results of any successfully negotiated Imbalance Swaps must be reported to MIGC, in writing (Imbalance Trade Confirmation), by all Shippers involved within the thirty (30) day period provided for curing cumulative imbalances, in order for such transactions to be considered by MIGC in its determination of Cash Out calculation, as set forth below. After receipt of an Imbalance Trade Confirmation, MIGC shall send an Imbalance Trade Notification to the initiating trader and the confirming trader no later than noon (central clock time) the next business day.

(c) The term "Cash Out" shall refer to the resolution of the cumulative imbalance quantity by the procedures set forth in this Section 5.6(c) pursuant to which a market index rate is multiplied by the cumulative imbalance quantity to determine an amount payable either to MIGC or Shipper to eliminate the cumulative imbalance. If a Shipper's cumulative imbalance quantity remains at or above five (5) percent by the end of the thirty (30) day period for curing imbalances, Shipper shall be subject to the following Cash Out provisions as to the entire remaining cumulative imbalance quantity, provided, however, that cumulative imbalance volumes which have occurred at an interconnection between MIGC's system and another interstate pipeline will not be subject to these Cash Out provisions when it is determined by MIGC that Shipper is not at fault for the imbalance.

(i) The cash out Index Price shall be the average of each Daily Mid Point Price for Colorado Interstate Gas Company (North System) as published by Gas Daily (Pasha Publications) for the month in which the imbalance occurred.

(ii) Where the cumulative imbalance represents volumes owed to MIGC, Shipper shall pay MIGC an amount equal to 110% of the Cash Out Index Price times the cumulative imbalance quantity.

(iii) Where the cumulative imbalance represents volumes owed Shipper by MIGC, MIGC shall pay Shipper any amount equal to 90% of the Cash Out Index Price times the cumulative imbalance quantity.

(iv) Notwithstanding the above, should MIGC, at its discretion, deliver or cause to be delivered volumes which would otherwise cause Shipper to incur a Cash Out fee for non-conforming

redeliveries, MIGC shall notify Shipper, and such Cash Out fees will be reduced to the extent applicable. Any resulting imbalances shall be made up on a mutually agreeable basis as soon as possible.

(v) Payment of Cash Out amounts as determined above shall resolve all cumulative imbalance quantities considered in such Cash Out calculations.

(vi) The value of the difference between 100% of the price determined in (i) and the cash out value determined in either (ii) or (iii) above, will be credited to account 242, Miscellaneous Current and Accrued Liabilities, and maintained by Shipper. At the close of each twelve (12) month period from the effective date of this tariff section, MIGC will refund the amounts, if any, recorded in any Shipper's account to the other shippers on MIGC's system during the same twelve (12) month period, such amount to be allocated among the shippers based on receipts into the pipeline stated in MMBtus.

9.5.7. Resolution of Final Imbalances - Imbalances existing at the termination of any FTS-1 and ITS-1 Agreement shall (unless that agreement is renewed or rolled over) be made up within sixty (60) days after termination of the FTS-1 and ITS-1 Agreements. Any imbalances not made up within that period shall be eliminated through the procedures set forth in Section 9.5.6.

## 9.6. TRANSPORTATION REQUEST LOG; INFORMATION REQUIREMENTS

9.6.1. Initial Requests - MIGC will keep a log of all requests for interruptible transportation received at its offices, by the time and date MIGC receives a complete request for service under this FERC Gas Tariff, which conforms to Section 9.6.3. MIGC shall consider for transportation service under the appropriate interruptible Rate Schedule all complete requests in the order received.

(a) With respect to all requests for transportation service by a Shipper who had not contracted for service prior to June 30, 1986, and for those Shippers who had contracted for service prior to June 30, 1986 but who desire to amend their transportation agreement, the provisions of Sections 9.6.1 through 9.6.3 shall govern.

(b) MIGC will inform potential Shippers in writing of any defects in the Shipper's request within seven (7) days of receipt, after which Shipper will have seven (7) days to cure listed defects in order to maintain its place on the log. Requests not cured within said period will be deemed null and void.

(c) Valid and cured requests will be acknowledged in writing by MIGC within seven (7) days of receipt (of initial request or information curing defective request, as the case may be) by MIGC, after which MIGC will forward to Shipper within seven (7) additional days a Transportation Service Agreement signifying acceptance of the Shipper's request for transportation. If Shipper does not execute and return said Transportation Service Agreement and other information required by Section 6.3 within seven (7) days, Shipper's request will be deemed null and void and Shipper's request will be removed from the request log.

(d) Requests for transportation under this FERC Gas Tariff will be invalid and will not be considered if service is requested to commence later than sixty (60) days after the information specified in Section 9.6.3 of this FERC Gas Tariff is provided to MIGC.

9.6.2. Changes to Initial Requests or Transportation Service Agreements - Interruptible Shippers, including those with accepted requests for transportation, shall be allowed, to the extent authorized by the FERC, to change receipt and delivery points, provided that sufficient capacity exists in MIGC's existing facilities. Firm Shippers shall be allowed to change receipt and delivery points in accordance with Section 9.4.8.

(a) Changes in Receipt and Delivery Points - If an interruptible Shipper with an accepted request for transportation or executed Transportation Service Agreement desires to change Receipt or Delivery Points and/or the portion of a Maximum Daily Quantity applicable to each, such interruptible Shipper shall advise MIGC of the request for transportation sought to be amended and the particulars in which such requests is amended, in accordance with the requirements of Section 9.6.3 hereof.

(b) Changes in Primary Receipt and Delivery Points - If a firm Shipper with an executed Firm Transportation Service Agreement desires to change primary receipt or delivery point(s), such firm Shipper shall be able to do so without losing priority of service provided that:

(1) Sufficient capacity exists at the changed receipt or delivery point(s), and

(2) Shipper has advised MIGC of the changes sought and the particulars in which Shipper desires that MIGC amend the transportation agreement, in accordance with the requirements of Section 6.3(a), (b) and/or (c) hereof.

(c) Addition of Secondary Receipt and Delivery Points - If a firm Shipper with an executed Firm Transportation Service Agreement desires to add secondary receipt or delivery points, such firm Shipper shall be able to do so without losing priority of service provided that:

(1) Sufficient capacity exists at the secondary receipt or delivery points, and

(2) Shipper has advised MIGC of the additional receipt and delivery points sought and the particulars in which Shipper desires that MIGC amend the transportation agreement to add the secondary receipt or delivery point(s) in accordance with the applicable requirements of Section 9.6.3(a), (b) and/or (c).

9.6.3. Information Requirements - Shippers shall provide MIGC with all Standards Board required data. Requests for transportation hereunder, including requests for changes in accepted requests or existing Transportation Service Agreements, shall be made by providing the following information in an e-mail to the address provided on MIGC's internet site which is provided in Section 9.22, to the attention of MIGC Services. A signed copy

of the request shall be faxed within 48 hours of the e-mail request:

(a) Gas Quantities - The Maximum Daily Quantity applicable to each receipt and delivery point, and estimated total quantities to be received and transported over the delivery period should be stated individually in both Mcfs and dekatherms for each point of receipt and each point of delivery. Requests for transportation of less than 50 dekatherms per day will not be accepted by MIGC.

(b) Receipt Point(s) -

(1) The point(s) of entry into MIGC's system; and

(2) The name of the pipeline, gatherer or other entity delivering the gas to MIGC's system.

(c) Delivery Point(s) -

(1) Point(s) of delivery by MIGC;

(2) The name of the pipeline, local distribution company or other entity receiving the gas downstream of MIGC.

(d) Term of Service -

(1) Date service requested to commence; and

(2) Date service requested to terminate.

(e) Transportation Rate Requested - Shipper shall specify whether the service requested is firm (FTS-1) or interruptible (ITS-1) and that it is willing to pay the maximum Rate provided for the applicable Rate Schedule or, if such is not the case, will specify the rate at which it is willing to execute a Transportation Service Agreement. MIGC shall be under no obligation to accept requests for transportation at less than the applicable maximum Rate.

(f) Performance - A letter from Shipper certifying that Shipper has title to the gas to be delivered to MIGC for transportation, or has a current contractual right to acquire title to the gas prior to its delivery to MIGC, and has entered into or will enter into those arrangements necessary to assure all upstream and downstream transportation will be in place prior to the commencement of transportation service.

(g) Creditworthiness - MIGC may initiate a creditworthiness re-evaluation for any Shipper. A Shipper which has not demonstrated adequate creditworthiness through past transactions with MIGC or for who MIGC has initiated a re-evaluation shall, prior to the commencement of transportation or within seven days of a request from MIGC to demonstrate creditworthiness, provide information sufficient to demonstrate its creditworthiness to MIGC. MIGC will comply with Standard Board Standards 0.3.3 through 0.3.10.

(1) Evidence of creditworthiness may include the following, as applicable to Shipper:

(i) a copy of Shipper's most recent audited financial statement;

(ii) a copy of Shipper's most recent annual report and 10-K form;

(iii) a list of affiliated companies, including Shipper's parent company, subsidiary companies, and other affiliated companies, if any;

(iv) bank or other credit references;

(v) additional credit information specifically requested by MIGC or submitted by Shipper to establish minimal credit worthiness of Shipper.

MIGC will take all reasonable and necessary steps to protect the confidentiality of financial information submitted by Shipper.

(2) If Shipper chooses not to supply the information in (1) hereof or after submitting such information is determined by MIGC not to be creditworthy, Shipper may receive or continue to receive interruptible service under this FERC Gas Tariff if Shipper supplies within seven (7) days of a request by MIGC and keeps in place a letter of credit or similar good and sufficient security against which MIGC may draw if Shipper fails to remit when due amounts owed for transportation service actually rendered. Such letter of credit or other similar assurance shall be sufficient to reimburse MIGC for three (3) months of transportation service to the Shipper at the Shipper's total Maximum Daily Quantity times the effective ITS-1 rate. Failure on Shipper's part to provide the security set forth herein will be deemed to be consent on the part

of Shipper for MIGC to delete Shipper's request from its transportation request log or to take appropriate legal steps to cease rendering service as the circumstances warrant or require.

(h) Affiliate Information

(1) The specific affiliation of the requester with MIGC, and the extent of MIGC's affiliation, if any, with the person to be provided transportation service.

(2) The identity of the Shipper making the request for transportation service including designating whether the Shipper is a Local Distribution Company, an Interstate pipeline, an intrastate pipeline, and End User, a Producer, or a Marketer.

(i) Subsequent Information

Shipper will provide to MIGC at the time of execution of the Transportation Service Agreement the names of all upstream and downstream entities transporting gas for Shipper and the name of any intrastate pipeline or LDC using the gas to be transported for system supply and the end-user of gas, as applicable.

## 9.7. QUALITY

9.7.1. Specifications - Except as otherwise provided below, all natural gas delivered to MIGC at mainline Receipt Point(s) and all natural gas delivered by MIGC at the Delivery Point(s) shall conform to the following specifications:

(a) Oxygen - The oxygen content shall not exceed 10 parts per million (10 ppm) by volume and every reasonable effort shall be made to keep the gas delivered free of oxygen.

(b) Liquids - The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered. The gas shall in no event contain water vapor in excess of five (5) pounds per million cubic feet.

(c) Hydrogen Sulphide - The gas shall not contain more than 0.25 grain of hydrogen Sulfide per one hundred (100 ) cubic feet.

(d) Total Sulphur - The gas shall not contain more than five (5) grains of total sulphur per one hundred (100) cubic feet.

(e) Carbon Dioxide - The gas shall not have a carbon dioxide content in excess of two percent (2%) by volume.

(f) Dust, Gums, and Solid Matter - The gas shall be commercially free of dust, gums, and other solid matter.

(g) Heating Value - The gas shall contain an average heating content of not less than nine hundred sixty-eight (968) Btu's per cubic foot nor more than twelve hundred (1,200) Btu's per cubic foot.

(h) Temperature - The gas shall be delivered at temperatures not in excess of one hundred twenty degrees Fahrenheit (120 F).

MIGC agrees to accept natural gas which differs from the quality specifications set forth above only until such time as MIGC, in its reasonable discretion and judgment, determines that natural gas received for transportation must conform to the quality specifications set forth above to maintain desired standards in and/or prudent operation of part or all of MIGC's system. Upon such a determination, MIGC will notify Shipper that, within a specified period of time, all prospective deliveries must comply with the quality specifications set forth above or the provisions

of Section 9.7.2 below shall be applicable to all natural gas tendered for transportation which does not so comply.

9.7.2. If, at any time, gas tendered by Shipper for transportation by MIGC shall fail to substantially conform to any of the applicable quality specifications, MIGC shall notify the Shipper of such quality deficiency; and in the event that within the specified period of time set forth in the notification the Shipper fails to remedy any such quality deficiency to the extent necessary, MIGC may, at its option, refuse to accept delivery pending further correction of the deficiency by the Shipper to the extent necessary, or cause the processing of such gas at the Hilight Plant to bring such gas into conformity with the applicable quality standards. Failure by either MIGC or Shipper to tender deliveries that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the rights and obligations existing under any other provisions of the executed Transportation Service Agreement. MIGC will not exercise the option provided herein in a manner that is unduly discriminatory or otherwise inconsistent with the regulations of the FERC.

## 9.8. BILLING AND PAYMENT

9.8.1. Billing - MIGC shall prepare the transportation invoice on or before the ninth (9th) business day of the month for services provided during the preceding calendar month. MIGC shall render an imbalance statement to Shipper prior to or with the invoice. Render is defined as postmarked, time-stamped, and delivered to the designated site. MIGC shall comply with the Standards Board invoicing standards. Missing or late measurement data will be estimated, with the measuring party to provide the estimate and MIGC will invoice based on estimated volumes. When actual data is received it will be treated as a prior period adjustment.

It is Transporter's intent to comply with the standards published by the Standards Board. The Standards Board Standards related to this billing and Payment section are: 3.1.1, 3.1.2, 3.2.1, 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.20, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25 and 3.3.26.

9.8.2. Payment by Wire Transfer - Payment to MIGC for services rendered during the preceding month shall be due on the twenty-six (26) day of the calendar month next succeeding that month for which such service was rendered and shall be paid by Shipper on or before such due date. Subject to the provisions of Section 8.3 below, Shipper shall make such payment to MIGC by wire transfer in immediately available funds to a depository designated by MIGC. When the due date falls on a day that the designated depository is not open in the normal course of business to receive Shipper's payment, Shipper shall cause such payment to be actually received by MIGC on or before the first business day on which the designated depository is open after such due date. Shipper shall identify the invoice number on the payment.

9.8.3. Payment Other Than by Wire Transfer - In the event that Shipper is unable to make payment by wire transfer, then payment to MIGC for services rendered during the preceding month shall be due on the twenty-fifth (25th) day of the calendar month next succeeding that month for which such service was rendered. Shipper shall cause payment for such bill to be actually received by MIGC at either MIGC's office in Denver, Colorado, directed to the attention of General Accounting or at a lock box designated by MIGC, on or before such due date. When the due date falls on a day that MIGC's offices located in Denver, Colorado, are not open in the normal course of business to receive Shipper's payment, Shipper shall cause such payment to be actually received by MIGC on or

before the last business day on which MIGC's offices located in Denver, Colorado, are open prior to such due date. Shipper shall identify the invoice number on the payment.

#### 9.8.4. Failure to Pay Bills -

(a) Should Shipper fail to pay all of the amount of any bill when the same becomes due, Shipper shall pay MIGC a late charge on the unpaid balance that shall accrue on each calendar day from the due date at a rate equal to the then effective FERC interest rate per annum announced pursuant to 18 C.F.R. Section 154.67(c) (or any analogous successor regulation), provided that for any period that such late charge exceeds any applicable maximum Rate permitted by law, the late charge shall equal said applicable maximum Rate. The late charge provided for by this Paragraph shall be compounded quarterly. If either principal or late charges are due, any payments thereafter received shall first be applied to the late charges due, then to the previously outstanding principal due and, lastly, to the most current principal due.

(b) If any bill remains unpaid for thirty (30) days after the due date thereof:

(1) MIGC shall have in addition to any other rights hereunder or in law the right, upon giving Shipper written notice, to take appropriate legal steps to suspend or terminate service and Shipper, by its non-payment of amounts due within five (5) days of notice, shall be deemed to have consented to such suspension or termination of service;

(2) provided, however, that if Shipper in good faith disputes the amount of any bill or part thereof then Shipper shall provide documentation identifying the basis for the dispute. Shipper shall pay to MIGC such amount, if any, that Shipper concedes to be correct and, if within five (5) days of the written notice provided hereunder Shipper furnishes MIGC with sufficient surety bond in an amount and with surety satisfactory to MIGC or other acceptable assurance to MIGC, guaranteeing payment to MIGC of the amount ultimately found due upon such bill after a final determination which may be reached either by agreement or by judgment of the courts, as the case may be, then MIGC shall not be entitled to take actions necessary to suspend or terminate further deliveries unless and until default be made in the conditions of such bond or assurance.

9.8.5. Delayed Bill - If MIGC fails to render to Shipper any invoice by the ninth (9th) business day of the month then the time

for payment shall be extended by one (1) day from each day that the rendering of said bill is delayed unless Shipper is responsible for such delay.

9.8.6. Adjustment of Errors - All claims of either MIGC or Shipper that measurement is in error, for any reasons, as to the gas received and/or delivered must be submitted in writing by such party to the other party within six (6) months from the date of the invoice in which the error is claimed to have occurred, followed by a three (3) month rebuttal period, or else such claim shall be deemed to have been waived by the aggrieved party. This time limitation will not apply in the case of deliberate omission or mutual mistake of fact. Also, the parties' other statutory or contractual rights shall not otherwise be diminished by this provision. A meter adjustment or correction becomes a prior period adjustment after the fifth (5th) Business Day following the production month. Any measurement prior period adjustments are taken back to the production month.

9.8.7. Fees - Shipper shall reimburse MIGC within ten (10) days of invoice thereof for all filing and other fees which are due pursuant to the FERC's Regulations and which are attributable to an executed Transportation Service Agreement.

## 9.9 FORCE MAJEURE

9.9.1. Effect of Force Majeure - In the event of either MIGC or Shipper being rendered unable by force majeure to wholly or in part carry out its obligations under the provisions of the executed Transportation Service Agreement, it is agreed that the obligations of the party affected by such force majeure, other than to make payments due, shall be suspended without liability for breach of contract during the continuance of any inability so caused and such cause shall, so far as possible, be remedied with all reasonable dispatch. A force majeure event affecting the performance by either party shall not relieve it of liability in the event of its concurring negligence, where such negligence was a cause of the force majeure event, or in the event of its failure to use reasonable diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies relieve either party of liability unless such party shall give notice and full particulars of the same in writing to the other party as soon as possible after the occurrence relied on.

9.9.2. Definition of Force Majeure - The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, failure of any third parties necessary to the performance by either MIGC or Shipper under the executed Transportation Service Agreement, inability to obtain pipe or other material or equipment or labor, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraint of rulers and people, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome. Nothing contained herein, however, shall be construed to require either party to settle a strike against its will.

## 9.10. CONTROL AND POSSESSION OF NATURAL GAS

9.10.1. As between MIGC and Shipper, MIGC shall be deemed to be in control and possession of the natural gas from the time it is delivered to MIGC at the Receipt Point(s) until it is redelivered to Shipper at the Delivery Point(s), and Shipper shall be deemed to be in control and possession of the natural gas at all other times.

9.10.2. MIGC shall have no responsibility prior to its acceptance of natural gas at the receipt point(s) and after delivery at the delivery point(s), and Shipper shall have sole responsibility for all arrangements necessary for delivery of natural gas to MIGC at the receipt point(s) for transportation, and for all arrangements necessary for receipt of natural gas for the account of Shipper at the delivery point(s), which arrangements otherwise meet the provisions set forth in these Transportation General Terms and Conditions.

## 9.11. ADVERSE CLAIMS TO NATURAL GAS

9.11.1 Notwithstanding anything to the contrary in the executed Transportation Service Agreement Shipper agrees to indemnify and hold harmless MIGC, its officers, agents, employees and contractors against any liability, loss or damage whatsoever, including costs and attorneys' fees, suffered by MIGC, its officers, agents, employees or contractors, where such liability, loss or damage arises directly or indirectly out of any demand, claim, action, cause of action or suit brought by any person, association or entity, public or private, asserting ownership of or an interest in the natural gas tendered for transportation.

## 9.12. INDEMNIFICATION

9.12.1. Shipper agrees to indemnify and hold harmless MIGC, its officers, agents, employees and contractors against any liability, loss or damage whatsoever occurring in connection with or relating in any way to the executed Transportation Service Agreement, including costs and attorneys' fees, whether or not such liability, loss or damage results from any demand, claim, action, cause of action, or suit brought by Shipper or by any person, association or entity, public or private, that is not a party to the executed Transportation Service Agreement, where such liability, loss or damage is suffered by, its officers, agents, employees or contractors as a direct or indirect result of any breach of the executed Transportation Service Agreement or sole or concurrent negligence or gross negligence or other tortuous act(s) or omission(s) by Shipper, its officers, agents, employees or contractors.

### 9.13. ODORIZATION

9.13.1. As between MIGC and Shipper, MIGC shall have no obligation whatsoever to odorize the natural gas delivered, nor to maintain any odorant levels in such natural gas. Notwithstanding anything to the contrary in the executed Transportation Service Agreement, Shipper agrees to indemnify and hold harmless MIGC, its officers, agents, employees and contractors against any liability, loss or damage, including costs and attorneys' fees, whether or not such liability, loss or damage arises out of any demand, claim, action, cause of action, and/or suit brought by Shipper or by any person, association or entity, public or private, that is not a party to the executed Transportation Service Agreement, where such liability, loss or damage is suffered by MIGC, its officers, agents, employees and/or contractors as a direct or indirect result of any actual or alleged failure by Shipper, MIGC and /or any other person, association, or entity, public or private, to odorize the natural gas or product delivered or to maintain any odorant levels in such natural gas or product.

#### 9.14. WAIVERS AND NON-WAIVER OR FUTURE DEFAULT

9.14.1. MIGC shall have the right to waive any one or more specific defaults by any Shipper of any provision of the applicable rate schedule or Transportation Service Agreement; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character. In no event will waivers be granted or denied in an unduly discriminatory manner.

9.14.2. MIGC may, in exercise of its reasonable discretion, and on a not unduly discriminatory basis, waive any of its rights under this Tariff or any obligations of Shippers under this Tariff. MIGC shall not be obligated to file notice with, or seek approval from, the Commission for any such waiver that is uniformly applicable to all MIGC's affected customers. No waiver shall operate or be construed as a waiver of future rights or obligations, whether of a like or different character.

## 9.15. SERVICE CONDITIONS

9.15.1. Properties and Facilities - Unless otherwise agreed to in writing, MIGC shall only be responsible for the maintenance and operation of its own properties and facilities and shall not be responsible for the maintenance or operation of any other properties or facilities connected in any way with the transportation of natural gas.

9.15.2. Alterations and Repairs - MIGC shall have the right to interrupt the transportation of natural gas when necessary to test, alter, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, the MIGC System, or otherwise related to the operation thereof. MIGC shall endeavor to cause a minimum of inconvenience to Shipper and, except in cases of emergency, shall give Shipper advance notice of its intention to so interrupt the transportation of gas and of the expected magnitude of such interruptions.

(a) Operational Flow Orders (OFO) will be issued when required for the maintenance or expansion of the system. Notice of an OFO that is not for emergency repair purposes, will be issued no less than three (3) days prior to the scheduled start date of the OFO.

(b) Operational Flow Orders (OFO) that are issued on an emergency basis will be communicated as quickly as MIGC is aware of the emergency.

(c) Notice of an OFO will include the reason for the OFO, the scheduled start date and time, and the anticipated completion date and time. If the OFO extends longer than twenty four (24) hours, MIGC will issue updates on the status of the OFO and the expected return to service every twenty four (24) hours. Notice will be given by facsimile transmission and by posting a notice on the web site.

9.15.3. Preservation of System Integrity - MIGC shall have the right to interrupt service without prior notice to Shipper in the event actions by the Shipper threaten the integrity of MIGC's system or in the event that immediate or irreparable harm will be caused by Shipper's failure to comply with the terms of the applicable Rate Schedule or Transportation Service Agreement.

## 9.16. STATUTORY REGULATION

9.16.1. The respective obligations of MIGC and Shipper under the executed Transportation Service Agreement are subject to the laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

## 9.17. CAPACITY RELEASE

This section sets forth a firm capacity release procedure pursuant to which existing shippers under any firm, open-access, Part 284 service agreement or any replacement Shipper can voluntarily release or re-release (in the case of a replacement Shipper) and assign all or part of their firm capacity rights to a Replacement Shipper or Prearranged Shipper that wants to obtain that capacity on the same terms and basis as the primary release.

The capacity release timeline is applicable to all parties involved in the capacity release process provided that: 1) all information provided by the parties to the transaction is valid and the acquiring Shipper has been determined to be credit-worthy before the capacity release bid is tendered, 2) for index-based capacity release transactions, the releasing shipper has provided MIGC with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and 3) there are no special terms or conditions of the release. Further, MIGC may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by MIGC).

9.17.1. Release Option. Any Shipper who receives service under a firm open-access Part 284 Service Agreement may release firm capacity by posting on MIGC's Internet Web Site under one of the following options:

(a) Biddable Release (one (1) year or less). For proposed capacity releases of one (1) year or less for which the Releasing Shipper's offer to release capacity is tendered by 9:00 a.m. CCT on a Business Day, the open season shall end no later than 10:00 a.m. CCT on the same or a subsequent Business Day. A bid evaluation period will begin at 10:00 a.m. CCT, during which time contingencies will be eliminated, ties will be broken and determination of the best bid will be made. The bid evaluation period ends at 11:00 a.m. CCT. MIGC shall communicate the match or award (and post award if no match is required) by 11:00 a.m. CCT the day the open season ends. If a Prearranged Shipper's bid is not the "best bid," the Prearranged Shipper shall be given a one-half hour period from 11:00 a.m. until 11:30 a.m. CCT on the day the open season ends to determine whether to match the "best bid" and to notify MIGC of its decision. MIGC shall post the bid award for a match bid by 12:00 Noon CCT on the day the open season ends. MIGC shall issue a contract within one hour of award posting (with a new contract number, when applicable) and nomination shall be possible beginning at the next available nomination cycle for the

effective date of the contract. If the Releasing Shipper specifies a bid evaluation methodology other than highest rate, net revenue or present value, the above-stated timeline for evaluating bids and awarding capacity shall not apply. Further, MIGC may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by MIGC).

(b) Biddable Release (more than 1 year). For proposed capacity release of a duration of more than one (1) year for which the Releasing Shipper's offer to release capacity is tendered by 9:00 a.m. CCT four (4) Business Days before a bid is awarded, the open season shall consist of no less than three (3) 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days and shall end no later than 10:00 a.m. CCT on the day before timely nominations are due. A bid evaluation period will begin at 10:00 a.m. CCT during which time contingencies will be eliminated, ties will be broken and determination of the best bid will be made. The bid evaluation period ends at 11:00 a.m. CCT. MIGC shall communicate the match or award (and post award if no match is required) by 11:00 a.m. CCT the day the open season ends. If a Prearranged Shipper's bid is not the "best bid," the Prearranged Shipper shall be given a one-half hour period, from 11:00 a.m. until 11:30 a.m. CCT on the day the open season ends to match the best bid and to notify MIGC of its decision. MIGC shall post the bid award for a match bid by 12:00 Noon CCT on the day the open season ends. MIGC shall issue a contract within one hour of award posting (with a new contract number, when applicable) and nomination shall be possible beginning at the next available nomination cycle for the effective date of the contract. If the Releasing Shipper specifies a bid evaluation methodology other than highest rate, net revenue or present value, the above-stated timeline for evaluating bids and awarding capacity shall not apply. Further, MIGC may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by MIGC).

(c) Releases Not Subject to Bidding. A Releasing Shipper may arrange for the assignment of its Service Agreement to a designated Replacement Shipper. Such prearranged capacity release will not be subject to the notification and bidding requirements if the release meets one of the following conditions:

(1) the capacity release is for a period of thirty-one (31) days or less;

(2) the capacity release is for a period of more than one year and the replacement Shipper has agreed to pay the applicable maximum tariff rate for the service;

(3) the capacity release is to an asset manager, as defined in Section 284.8(h)(3) of the Commission's regulations; or

(4) the capacity release is to a marketer participating in a state-regulated retail access program, as defined in Section 284.8(h)(4) of the Commission's Regulations.

For capacity releases for a period of thirty-one (31) days or less, no rollover, extension or other continuance to the same Replacement Shipper will be allowed under the bidding exemption in Section 9.17.1(c)(1) until 28 days after the first release period has ended.

**Timely Cycle:** For prearranged deals not subject to bid and posted by 12:00 Noon CCT, MIGC shall tender a contract (with a new contract number, when applicable) to such Prearranged Shipper within one (1) hour of the award posting on the day on which MIGC receives notification of the Prearranged Release.

**Evening Cycle:** For prearranged deals not subject to bid and posted by 5:00 P.M. CCT, MIGC shall tender a contract (with a new contract number, when applicable) to such Prearranged Shipper within one (1) hour of the award posting on the day on which MIGC receives notification of the Prearranged Release.

**Intraday 1 Cycle:** For prearranged deals not subject to bid and posted by 9:00 A.M. CCT, MIGC shall tender a contract (with a new contract number, when applicable) to such Prearranged Shipper within one (1) hour of the award posting on the day on which MIGC receives notification of the Prearranged Release.

**Intraday 2 Cycle:** For prearranged deals not subject to bid and posted by 1:30 P.M. CCT, MIGC shall tender a contract (with a new contract number, when applicable) to such Prearranged Shipper within one (1) hour of the award posting on the day on which MIGC receives notification of the Prearranged Release.

**Intraday 3 Cycle:** For prearranged deals not subject to bid and posted by 6:00 P.M. CCT, MIGC shall tender a contract (with a new contract number, when applicable) to such Prearranged Shipper within one (1) hour of the award posting on the day on which MIGC receives notification of the Prearranged Release.

For all of the cycles above under this section (c), the Prearranged Shipper will initiate confirmation of the prearranged deals via MIGC's Internet Web Site. For all non-biddable release cycles above, the Prearranged Shipper may make nominations at the next available nomination cycle for the effective date of the contract.

#### 9.17.2. Notice Required by Releasing Shipper and Pipeline

(a) Releasing Shipper's Notice - A firm Shipper that wants to release any or all of its capacity must post a Capacity Release Offer on MIGC's Internet Web Site. The Capacity Release Offer must be posted on MIGC's Internet Web Site by the respective posting deadline as determined pursuant to Section 9.17.1. Such Releasing Shipper's Capacity Release Offer shall provide the terms and conditions of the release as follows:

(1) The releasing agreement number, the period of time or term of the release; whether the release is on a permanent or temporary basis.

(2) Reput methods and rights should be specified at the time of the deal. Reput methods and rights are individually negotiated between the releasing Shipper and the replacement Shipper.

(3) Any special terms or conditions of the release including the Business Day the bid period will end if other than the pipeline's standard timeline as set forth in 9.17.1. A releasing Shipper will not be able to specify an extension of the original bid period or of the prearranged deal match period without posting a new release.

(4) The specific description of the capacity rights to be released with the released capacity expressed as a numeric quantity at specific receipt and delivery points. The basis for released quantity should be per day for transportation and total release period quantity. The description should specify the priority between Releasing and Replacement Shipper to be utilized for scheduling authorized overrun nominations along transportation path segments.

(5) Any additional terms and conditions which must contain objective and non-discriminatory standards.

(6) The specific method acceptable for bidding on a given capacity release offer, chosen from the following:

- Non-Index-based release - dollars and cents,

- Non-index-based release - percentage of maximum rate, or
- Index-based formula as detailed in the capacity release offer. For index-based capacity release transactions, the releasing shipper should specify a Rate Floor and/or Rate Default, if applicable, and which one of the following methods is acceptable for bidding on a given index-based capacity release offer:
  - a percentage of the formula,
  - a dollars and cents differential from the formula,
  - a dollars and cents differential from the Rate Floor, or
  - an approved methodology in MIGC's Tariff, if any.

(7) Any Prearranged Shipper proposed to obtain release capacity under the rates, terms and conditions contained in the Capacity Release Offer.

(8) For purposes of bidding and awarding, maximum/minimum rates specified by the releasing shipper should include the tariff reservation rate and all demand surcharges, as a total number or as stated separately, the minimum reservation charge if any or if the Releasing Shipper so chooses, the minimum reservation charge stated on a percentage basis of the maximum rate, or for a release on a volumetric basis the volumetric commitments. For bidding purposes the number of decimal places for offers, bids and awards should be equal to the number of decimal places in the stated rates per MIGC's applicable rate schedule.

Converting a daily rate to monthly rate is accomplished by multiplying the daily rate times the number of days in the rate period, dividing the result by the number of months in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to MIGC's specified decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate times the number of months in the rate period, dividing the result by the number of days in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to MIGC's specified decimal place. Furthermore, all tariff rates shall be adjusted to reflect a standard calculation of daily and monthly rates.

Unless otherwise specified in the MIGC Tariff, for index-based capacity release transactions where the result of the award

is to be applied on a monthly basis, and the formula detailed in the capacity release award requires calculations on a daily basis, the results of such daily calculations may exceed the applicable maximum daily reservation rate or be less than the applicable minimum daily reservation rate. However, any resulting monthly reservation rate may not exceed MIGC's maximum monthly reservation rate, as applicable, or be less than the Rate Floor specified in the capacity release award. If the resulting monthly reservation rate exceeds MIGC's maximum reservation rate, as applicable, MIGC's maximum reservation rate should be used for invoicing. If the resulting monthly reservation rate is less than the Rate Floor, the Rate Floor should be used for invoicing.

For invoicing of volumetric index-based capacity release transactions, where the result of the formula detailed in the capacity release award is to be applied on a daily basis, if the calculated daily rate exceeds MIGC's applicable maximum reservation rate or is less than the Rate Floor specified in the capacity release award, MIGC's maximum reservation rate or the Rate Floor, respectively, should apply.

(9) Releasing shipper may choose a "best bid" evaluation method stated in Section 9.17.5. If customer states an alternative bid evaluation method, MIGC will not be held to the bid period timeline in Section 9.17.1.

(10) Whether contingent bids will be accepted, and if not eliminated, all details concerning the evaluation of such.

(11) Whether the release is to an asset manager as defined in Section 284.8(h)(3) of the Commission's regulations, and the asset manager's obligation to deliver gas to, or purchase gas from, the releasing shipper.

(12) Whether the release is to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations.

(13) Any additional terms or conditions of release that are objective, and non-discriminatory.

(b) Posting - All completed bids for released capacity must be posted by the approved bidder on MIGC's Internet Web Site. Completed bids must be posted no later than the respective deadline as specified in Section 9.17.1. Any Releasing Shipper's Capacity Release Offer posted on MIGC's Internet Web Site, except as

otherwise provided in 9.17.2(a)(9), will be posted until the expiration of the Bid Period, except for those releases not subject to bidding reflected in 9.17.1(c), which shall not be subject to bidding but only to posting on MIGC's Internet Web Site as soon as possible, but not later than the first nomination, after the release transaction commences.

9.17.3. Obligations of Replacement or Prearranged Shippers - Replacement and Prearranged Shippers must be on MIGC's approved bidder list before bids may be posted, must have a user access agreement and an executed Master Capacity Release Agreement and must qualify under the General Terms and Conditions of MIGC's Tariff at the time of any bid. To be on the approved bidder list, the Replacement or Prearranged Shipper must satisfy MIGC's credit requirements as outlined in Section 9.6.3(g) of MIGC's General Terms and Conditions applicable to all services that the Shipper receives from MIGC including the service represented by the capacity release, and provide the information required by Section 9.6.3(g) of the General Terms and Conditions. Such credit appraisal shall be reevaluated and updated every 12 months. The Replacement or Prearranged Shipper shall remain on the approved bidders list until such Replacement or Prearranged Shipper notifies MIGC to the contrary, no longer meets the credit qualifications established in Section 9.6.3(g) of the General Terms and Conditions, or is suspended from the approved bidders list in the event, and for such time as, such Replacement or Prearranged Shipper fails to pay part or all of the amount of any bill in accordance with Sections 9.8.2 and 9.8.3 of the General Terms and Conditions. The Replacement or Prearranged Shipper must satisfy all other provisions of MIGC's Tariff governing customer eligibility before it may contract with MIGC for the released capacity. Once the Replacement or Prearranged Shipper becomes an existing customer just like any other customer it will be subject to all applicable provisions of MIGC's FERC Gas Tariff, including but not limited to MIGC's billing, payment and operational provisions.

9.17.4. Withdrawal of Offers to Release and Withdrawal of Bids. Offers to Release Capacity and Bids for Released Capacity will be binding until notice of withdrawal is received by MIGC via its Internet Web Site. Bids can be withdrawn any time prior to the end of the open season; provided, however that a Replacement Shipper shall not be able to withdraw a bid in order to submit a lower bid. The Releasing Shipper has the right to withdraw its offer during the open season where unanticipated circumstances justify and no minimum bid has been made.

9.17.5. Best Bid - The "best bid" shall be determined in accordance with the bid evaluation method specified by the Releasing Shipper pursuant to Section 9.17.2(a)(8). The "best bid" must be chosen from the following methodologies and once chosen will be used in determining the awards from the bid(s) submitted: (1) the highest rate, (2) the net revenue, or (3) the present value.

(a) For index-based capacity release transactions:

(1) the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology. The bids for the given capacity release offer should adhere to the method specified by the Releasing Shipper. The bidder may bid the maximum reservation rate in MIGC's Tariff, as an alternative to the method specified by the Releasing Shipper, except when the release is index-based for a term of one year or less or utilizes market-based rates. When bidding is based upon a dollars and cents differential from the Rate Floor, the invoiced rate for the award should be calculated as the greater of (i) the result of the formula or (ii) the Rate Floor plus the high bid's differential, both not to exceed MIGC's maximum reservation rate, if applicable.

(2) upon mutual agreement between the Releasing Shipper and MIGC, the Releasing Shipper will provide MIGC and the Replacement Shipper with the detailed calculation of the reservation rate(s). Except as provided below, this rate(s) will be stated on the invoice provided by MIGC to the Replacement Shipper pursuant to the capacity release award. The results of the Releasing Shipper's calculations should conform to the capacity release award and/or to MIGC's minimum and maximum reservation rates, as applicable.

- For reservation and monthly volumetric index-based capacity release transactions, the detailed calculation should be provided in a mutually agreed upon format no later than the second Business Day of the month following the transportation under the release.
- For volumetric index-based capacity release transactions requiring a daily rate calculation, the detailed calculation should be provided in a report pursuant to NAESB WGQ Standard No. 5.3.69.

If the report is not provided by the applicable deadline above or is deficient, MIGC will notify the Releasing Shipper to provide MIGC with a correct report within one Business Day. Thereafter, in the absence of a conforming report, MIGC will

invoice the Replacement Shipper the greater of the Rate Default specified in the capacity release offer or the Rate Floor plus any differential specified in the capacity release award.

Upon notification to MIGC by both the Releasing Shipper and the Replacement Shipper that prior period adjustments to the calculated reservation rates used in the invoice are appropriate, invoiced amounts can be revised subsequently, upward or downward, to conform to the capacity release award, subject to the standards governing prior period adjustments within the NAESB WGQ Invoicing Related Standards.

(3) the rate to be used in the invoice should be the greater of the results of the calculation of the formula from the capacity release award (if the formula cannot be calculated, the Rate Default specified in the capacity release offer), or the Rate Floor plus any differential as specified in the capacity release award. The rate used in the invoice should not be greater than MIGC's maximum reservation rate, as applicable.

(b) In the event the Releasing Shipper elects not to submit a bid evaluation method, the "best bid" shall be the bid which generates the maximum net revenue. If pursuant to Section 9.17.2(a)(7) Releasing Shipper states the minimum Reservation Charge on a percentage basis of the maximum rate, bids shall be received on a percentage basis of the maximum rate. In the event both a contingent bid and a non-contingent bid meet the minimum conditions stated in 9.17.2(a)(7) and generate the "best bid," the contingent bid shall be rejected.

9.17.6. Allocation of Released Capacity - MIGC will select the "best bid" as defined in Section 9.17.5 from among the bids received. If more than one bidder submits the "best bid," the first bidder in time, including the Prearranged Shipper, will be selected as the best bid, unless the Releasing Shipper specifies another tie-breaking methodology in its Shipper's Notice. If multiple bids meeting minimum conditions have been submitted, bids shall be awarded, best bid first, until all offered capacity is awarded. Any bid submitted may state that its acceptance is contingent provided the Shipper's Notice allows the submission of contingent bids. MIGC will allow any Prearranged Shipper to match, in accordance with Section 9.17.1, the "best bid" after the close of the open season.

9.17.7. Recalling Released Capacity - Releasing shippers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at any of the

daily Nomination cycles, subject to the specifications in this Section 9.17.7. The Releasing Shipper should provide capacity recall notification to MIGC via its Internet Web Site. The recall notification should specify the recall notification period for the specified effective gas day, as well as any other information needed to uniquely identify the capacity being recalled. The service flexibility available to either the Releasing Shipper or the Replacement Shipper(s) for the subject capacity shall not be less as a result of the recall. MIGC supports the ability for the Releasing Shipper to specify, as a condition of a release capacity offer, which recall notification period(s), as provided in this Section 9.17.7, will be available for use by the parties, and whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day. Notice of the allocation of capacity between the Releasing Shipper and the Replacement Shipper hereunder is intended to be provided in a manner that will permit affected parties sufficient time, as provided for in Standards Board Standard 5.3.44, to place nominations or take other corrective actions to avoid penalties. Recalls of released capacity shall be consistent with the following:

(a) Timely Recall Notification:

(i) A Releasing Shipper recalling capacity must provide notice of such recall to MIGC and the first Replacement Shipper no later than 8:00 a.m. Central Clock Time (CCT) (7:00 a.m. Mountain Clock Time (MCT)) on the day that Timely Nominations are due;

(ii) MIGC shall provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. CCT (8:00 a.m. MCT) on the day that Timely Nominations are due;

(b) Early Evening Recall Notification:

(i) A Releasing Shipper recalling capacity must provide notice of such recall to MIGC and the first Replacement Shipper no later than 3:00 p.m. CCT (2:00 p.m. MCT) on the day that Evening Nominations are due;

(ii) MIGC shall provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. CCT (3:00 p.m. MCT) on the day that Evening nominations are due;

(c) Evening Recall Notification:

(i) A Releasing Shipper recalling capacity must provide notice of such recall to MIGC and the first Replacement Shipper no later than 5:00 p.m. CCT (4:00 p.m. MCT) on the day that Evening Nominations are due;

(ii) MIGC shall provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. CCT (5:00 p.m. MCT) on the day that Evening nominations are due;

(d) Intraday 1 Recall Notification:

(i) A Releasing Shipper recalling capacity must provide notice of such recall to MIGC and the first Replacement Shipper no later than 7:00 a.m. CCT (6:00 a.m. MCT) on the day that Intraday 1 Nominations are due;

(ii) MIGC shall provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. CCT (7:00 a.m. MCT) on the day that Intraday 1 nominations are due; and

(e) Intraday 2 Recall Notification:

(i) A Releasing Shipper recalling capacity must provide notice of such recall to MIGC and the first Replacement Shipper no later than 2:30 p.m. CCT (1:30 p.m. MCT) on the day that Intraday 2 Nominations are due;

(ii) MIGC shall provide notification of such recall to all affected Replacement Shippers no later than 3:30 p.m. CCT (2:30 p.m. MCT) on the day that Intraday 2 nominations are due.

(f) Other Recall Notification

For recall notification provided to MIGC prior to the recall notification deadline specified in (a) through (e) of this Section 17.7 and received between 7:00 a.m. and 5:00 p.m. CCT (6:00 a.m. and 4:00 p.m. MCT), MIGC shall provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notification provided to MIGC after 5:00 p.m. and prior to 7:00 a.m. CCT (4:00 p.m. and 6:00 a.m. MCT), MIGC shall provide notification to all affected Replacement Shippers no later than 8:00 a.m. CCT (7:00 a.m. MCT) after receipt of such recall notification.

(g) Methods of Notification

(i) The Replacement Shipper shall provide MIGC with no more than two (2) Internet E-mail addresses to be used for recall notification under this Section 9.17.7. The obligation of MIGC to provide notification shall be waived until at least one (1) of the addresses has been provided. When MIGC sends Internet E-mail notification for recalling of capacity to each affected Replacement Shipper, the subject line of the E-mail should include the following information separated by commas in the following order: (1) "Recall", (2) the recall notification period, (3) the Effective Date in YYYYMMDD format, (4) MIGC's name or abbreviation (excluding commas), (5) MIGC's D-U-N-S Number. The body of such E-mail notification should contain at least the affected Replacement Shipper's Contract Number, the quantity of capacity being recalled, and the Offer Number or Award Number, if necessary to uniquely identify the capacity being recalled. If MIGC allows capacity recall notification mechanisms in addition to Internet E-mail, the notification shall include at least the same level of information. Affected Replacement Shippers shall manage internal distribution of notifications of recall received from MIGC.

(ii) The Releasing Shipper shall provide capacity recall notification to its affected Replacement Shipper(s) at the same time it provides notification to MIGC. The recall notification shall specify the recall notification period for the specified effective gas day, as well as any other information needed to uniquely identify the capacity being recalled. The mode of notification shall be mutually agreed upon between the Releasing and Replacement Shippers.

(iii) All recalled capacity notices shall indicate whether penalties will apply for the gas day for which quantities are reduced due to a capacity recall.

#### (h) Allocation of Quantities

In the event of an intra-day capacity recall, MIGC shall determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). Variations to the use of EPC may be necessary to reflect the nature of the MIGC Tariff, services, and/or operational characteristics. For any recall notification provided to MIGC, the quantity shall be expressed in terms of the adjusted total released capacity entitlements based upon the EPC. EPC means that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity. The amount of capacity allocated to the Replacement Shipper(s) shall equal the

original released capacity less the recalled capacity that is adjusted based upon the EPC. MIGC shall not be obligated to deliver in excess of the total daily contract quantity of the release as a result of any recall.

(j) Disputes

In the event of a dispute between the Releasing Shipper and any other person as to the validity of any recall, or the status of the holder of capacity rights, MIGC shall be entitled to conclusively rely on any notice provided by the Releasing Shipper. The original Shipper and/or any Replacement Shipper(s) involved in any such dispute shall indemnify and hold MIGC harmless from any costs, damages or expenses relating to MIGC's reliance on such notice.

9.17.8. Reputs of Recalled Capacity

MIGC shall support the function of the reputting of capacity by a Releasing Shipper. The deadline for notifying MIGC of a reput is 8:00 a.m. CCT (7:00 a.m. MCT) to allow for timely nominations to flow on the next gas day. When capacity is recalled, it may not be reput for the same Gas Day.

9.17.9. Liability of Releasing Shipper - For any capacity release, the Releasing Shipper may remain liable for the difference between the demand or reservation charges which the Releasing Shipper was paying in accordance with the Releasing Shipper's FTS-1 Agreement, and the demand or reservation charges the Replacement Shipper is willing to pay. Any other outstanding payments, penalties, imbalances or other liabilities accrued by the Replacement Shipper will be the responsibility of the Replacement Shipper. The Releasing Shipper need not execute an amendment for the released capacity; however, where capacity has been released for the entire remaining term of the Releasing Shipper's Service Agreement at the rate specified in the Releasing Shipper's Service Agreement, the Releasing Shipper may request Transporter to amend its Service Agreement to reflect the permanent release and the Replacement Shipper shall receive any system-wide discounts that may be in effect from time to time that apply to service provided under Replacement Shipper's Service Agreement. MIGC shall provide the original Releasing Shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by MIGC to the Releasing Shipper's Replacement Shipper(s), of the following:

(1) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to MIGC's Tariff;

(2) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;

(3) Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and

(4) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to MIGC's Tariff.

9.17.10. Rates Charged for Capacity Release - The rate charged the Replacement Shipper for a release of capacity may not exceed the applicable maximum rate, except that no rate limitation applies to the release of capacity for a period of one year or less if the release is to take effect on or before one year from the date on which MIGC is notified of the release. Payments or other consideration exchanged between the Releasing and Replacement Shippers in a release to an asset manager as defined in Section 284.8(h)(3) of the Commission's regulations are not subject to the maximum rate.

9.17.11 Requests to Purchase Capacity - MIGC will post, as a Notice on its Internet Web Site, instructions describing how interested parties may submit a request to purchase releasable capacity from current Shippers. The instructions will include the information that is required for such a request and the email address to which the request should be sent. Upon receipt of a correctly completed request to purchase capacity, MIGC will post the request as a Notice on its Internet Web Site. Such request will remain posted for a minimum of 90 days.

## 9.18. DESCRIPTIVE HEADINGS

9.18.1. The descriptive headings of the provisions of the executed Transportation Service Agreement and of these Transportation General Terms and Conditions are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any such provision.

## 9.19. TAXES

9.19.1. Shipper shall pay or cause to be paid all taxes and assessments imposed on Shipper with respect to natural gas transported prior to and including its delivery to MIGC, and MIGC shall pay or cause to be paid all taxes and assessments imposed on MIGC with respect to natural gas transported after its receipt by MIGC and prior to redelivery to Shipper; provided however, that Shipper shall pay to MIGC all taxes, levies or charges which MIGC may by law be required to collect from Shipper by reason of all services performed for Shipper and for which MIGC has not already provided for collection through its rates.

9.19.2. Neither party shall be responsible or liable for any taxes or other statutory charges levied or assessed against any of the facilities of the other party used for the purpose of carrying out the provisions of the executed Transportation Service Agreement.

## 9.20. STANDARDS OF CONDUCT

9.20.1 All terms and conditions contained herein shall be applied in a uniform and nondiscriminatory manner consistent with 18 CFR Section 358 of the Commission's Regulations. MIGC will comply with the Standards of Conduct contained in Section 358 of the Commission's Regulations in a manner described in MIGC's Internet website. MIGC shall treat all shippers, affiliated and non-affiliated, on a non-discriminatory basis and shall not operate its transmission system to preferentially benefit an Energy Affiliate.

## 9.21. COMPLAINT PROCEDURES

9.21.1. Shippers are first encouraged to work with MIGC to resolve problems on an informal basis prior to filing a formal complaint.

9.21.2. In the event of an unresolved problem, Shipper should submit a complaint in writing to MIGC at the following address:

MIGC LLC  
MIGC Services (insert current address as set  
forth on MIGC's Internet Web Site at  
www.migc.com)

9.21.3. Pursuant to Section 250.16(b) of the Commission's Regulations, MIGC shall respond to all complaints initially within 48 hours and in writing within thirty (30) days of the date the complaint was logged.

9.21.4. If the complaint is not resolved to the Shipper's satisfaction, the Shipper may request a formal review by the Chief Compliance Officer as identified on MIGC's Internet Web Site at www.migc.com.

9.21.5. If Shipper has exhausted all options in Section 9.21.1-4 further discussion may be pursued with the Vice President.

9.22. ELECTRONIC COMMUNICATION

9.22.1 MIGC shall maintain an Internet Web Site at [www.migc.com](http://www.migc.com). MIGC will utilize this Internet Web Site to post applicable information in compliance with the Commission's regulations as well as to accommodate customer activities. Shipper shall execute a user access agreement with MIGC in order to conduct interactive transactions, including but not limited to capacity release, contract related activities, nominations and invoicing.

9.22.2 MIGC's Internet Web Site will accommodate EDI transfers. Shipper shall execute the Standards Board Model EDI Trading Partner Agreement with MIGC in order to utilize EDI. Replacement or Prearranged Shippers shall execute a separate Master Capacity Release Agreement and a user access agreement with MIGC in order to utilize the Internet Web Site to participate in Capacity Release. Transactional data will be retained for at least 36 months for audit purposes.

## 9.23. COMPLIANCE WITH 18 CFR, SECTION 284.12

MIGC has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 CFR Section 284.12 (a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

### **Standards Not Incorporated By Reference and Location in Tariff:**

Pursuant to NAESB's Copyright Policy, Transporter may publish in its tariff, compliance filings, in communications with customers or stakeholders in conducting day to day business or in communications with regulatory agencies some or all of the language contained in NAESB standards protected by copyright, provided that Pipeline includes appropriate citations in the submission.

Transporter has elected to reproduce only the following Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, that are protected by NAESB's copyright. With respect to each reproduced standard, Transporter incorporates the following: © 1996 - 2020 NAESB, all rights reserved.

| <u>NAESB Standard</u> | <u>Tariff Record</u>                        |
|-----------------------|---|
| 1.3.1                 | §9.1-Definitions, v3.0.0                    |
| 1.3.2 (i)-(vi)        | §9.4 Nominations, v3.0.0                    |
| 1.3.7                 | §9.4-Nominations, v3.0.0                    |
| 1.3.15-1.3.18         | §9.23-Compliance with...§284.12, v3.0.0     |
| 1.3.20                | §9.4 Nominations, v3.0.0                    |
| 1.3.22 (i)-(iv)       | §9.4 Nominations, v3.0.0                    |
| 1.3.24-1.3.38         | §9.4 Nominations, v3.0.0                    |
| 1.3.39-1.3.40         | §9.1-Definitions, v3.0.0                    |
| 1.3.45-1.3.46         | §9.4-Nominations, v3.0.0                    |
| 2.3.4-2.3.6           | §9.5-Determination of Rec. & Del..., v1.0.0 |
| 2.3.8                 | §9.23-Compliance with...§284.12, v3.0.0     |
| 2.3.12                | §9.5-Determination of Rec. & Del..., v1.0.0 |
| 2.3.21-2.3.22         | §9.5-Determination of Rec. & Del..., v1.0.0 |
| 3.3.14                | §9.8-Billing and Payment, v0.0.0            |
| 5.2.3-5.2.5           | §9.1-Definitions, v3.0.0                    |
| 5.3.1-5.3.2           | §9.17-Capacity Release, v5.0.0              |
| 5.3.13-5.3.14         | §9.17-Capacity Release, v5.0.0              |
| 5.3.20                | §9.23-Compliance with...§284.12, v3.0.0     |
| 5.3.21-5.3.23         | §9.17-Capacity Release, v5.0.0              |

5.3.44-5.3.60 §9.17-Capacity Release, v5.0.0  
5.3.62 §9.17-Capacity Release, v5.0.0  
5.3.63-5.3.64 §9.17-Capacity Release, v5.0.0  
5.3.66-5.3.67 §9.17-Capacity Release, v5.0.0

**Standards Incorporated By Reference:**

**Additional Standards**

General Definitions:

0.2.5

General Standards:

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Creditworthiness Standards (1):

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10.2.37, 10.2.38, 10.2.39

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9,  
10.3.10, 10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17,

10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27, 10.3.28, 10.3.29

**Standards for which Waivers or Extensions of Time have been granted:**

None

9.23.1 Fuel reimbursement calculations shall be accomplished pursuant to Standards Board Standards.

(a) Fuel reimbursement calculations shall be rounded to the nearest Dth for each Nomination transaction (Standards Board Standard 1.3.15).

(b) Balanced Nomination transactions are calculated as follows: Receipt Quantity multiplied by (1 - field %/100) equals Delivery Quantity (Standards Board Standard 1.3.16).

9.23.2. Measurement data available upstream of aggregated points should be sent to the allocating party and used to allocate the aggregated volume back to the upstream points (Standards Board Standard 2.3.8).

9.23.3. Capacity release historical data shall be made available on a consistent basis from MIGC which shall provide for retrieval of open and closed offers during the FERC archival period (Standards Board Standard 5.3.20).

9.23.4. System-Wide notices shall have a separate category for notices that are not critical.

9.23.5. If requested by a Shipper or supplier on MIGC's system, MIGC shall offer at least one pool (Standards Board Standard 1.3.17).

9.23.6. If requested by a Shipper or supplier in Section 23.6 above, deliveries from receipt points shall be able to be delivered directly into at least one pool and delivery points shall be able to receive quantities from at least one pool, excluding non-contiguous facilities (Standards Board Standard 1.3.18).

9.23.7. MIGC shall comply with the Electronic Delivery Mechanism Related Standards including but not limited to Standard 4.3.87 regarding changes in business rules.

- (1) Incorporated by reference in Section 9.6.3 (g)
- (2) Datasets incorporated by reference in Section 9.1.8
- (3) See Footnote 2
- (4) Definitions 1.2.8-1.2.19 incorporated by reference in Section 9.1-Definitions
- (5) Standards 1.3.42-1.3.44 and 1.3.64-1.3.65 incorporated by reference in Section 9.4-Nominations-Scheduling and Priority of Service
- (6) See Footnote 2
- (7) Standards 2.3.1-2.3.2, 2.3.15-2.3.20, 2.3.23, 2.3.25 and 2.3.27 incorporated by reference in Section 9.5-Determination of Receipts and Deliveries and Balancing of Transportation Quantities
- (8) See Footnote 2
- (9) See Footnote 2
- (10) Definitions 4.2.1-4.2.8 and Standards 4.3.1-4.3.3, 4.3.16-4.3.18, 4.3.20 and 4.3.22-4.3.35 incorporated by reference in Section 9.1.13
- (11) See Footnote 10
- (12) See Footnote 2

## 9.24. POLICY FOR CONSTRUCTION OF NEW RECEIPT OR DELIVERY FACILITIES

9.24.1 All requests for new interconnects must be made in writing. Unless Transporter agrees otherwise, the party requesting the new interconnect shall reimburse MIGC or cause MIGC to be reimbursed for any and all reasonable costs and expenses incurred in constructing, establishing or modifying the facilities required to establish a new interconnection on existing facilities for receipt or delivery of Gas hereunder. Any agreement by Transporter to bear all or a portion of new interconnect costs shall be done because such construction is economically or operationally beneficial to Transporter and Shippers, shall be done in a not unduly discriminatory manner and shall be exercised in Transporter's reasonable discretion. In this regard, all new receipt and delivery meters shall require EGM which shall be owned by MIGC and all new delivery meters shall require a Flow Control Device with pressure override features that can be remotely operated by MIGC. MIGC also must be the custody transfer party at the proposed facility.

In addition to the above requirements, MIGC will agree to construct a new interconnect or modify an existing interconnect on the following terms:

(1) The construction of the new interconnect will not create any significant operational problems for MIGC;

(2) The proposed interconnect will not adversely affect the rendition of existing service or adversely alter the operation of the pipeline system;

(3) The new interconnect must be at a mutually agreeable location on the MIGC system; provided, however, that MIGC may not deny a customer's request for specific placement of the interconnect without adequate operational, environmental, or legal justification;

(4) In order to properly and prudently design and size the new interconnect, MIGC must be provided with reasonable and reliable data concerning the interconnecting facilities, including the delivery pressures, and anticipated hourly, daily, monthly and annual volume levels of the service that supports the new interconnect and such other data as is reasonably required to construct the interconnect facility;

(5) The new interconnect must not result in any minimum pressure receipt or delivery requirement by MIGC, unless

MIGC agrees otherwise, such agreement shall not be unreasonably withheld, and MIGC shall not be responsible for any downstream parties' facilities, the operation or maintenance of such facilities, or the delivery of any unauthorized volumes to the facilities; and

(6) The service supporting the interconnect as well as the construction of the new facilities must conform with the provisions of MIGC's Tariff, as well as applicable regulatory requirements.

## 9.25. FUEL AND LOSS REIMBURSEMENT

Shippers shall reimburse MIGC for Fuel and Lost and Unaccounted-For Gas (fuel and loss) in kind. Fuel retention and loss percentage factors (FL&U factors) are set forth in the effective Part 6 of this FERC Gas Tariff.

MIGC shall file revised FL&U each year, based on prior year actuals. Any difference between actual fuel and loss in the prior year and the quantity retained in kind hereunder for the prior year shall be deferred and be included in the calculation of revised FL&U factors for the following year. Such annual filing shall be made no later than July 1st to be effective August 1st.

Prior year actual FL&U factors shall be calculated using the immediately prior actual 12 month period ending May 31 as follows:

(a) Fuel from all compressors plus total system lost and unaccounted for volumes shall be divided by total receipt volumes to determine the system wide FL&U factor.

(b) Actual fuel usage and lost and unaccounted for volumes will be compared to the fuel usage and lost and unaccounted for volumes retained from the customers through the application of the FL&U factors. For the first year, the period August 1, 1997 through May 31, 1998 and the subsequent periods beginning June 1 through May 31, will be used to calculate a surcharge to be recovered from or paid back to customers in the following period. Such over or under recoveries of fuel will be added to or subtracted from the calculations described in paragraph a) above to determine the total FL&U payable for the next succeeding period.

## 9.26. TYPES OF DISCOUNTING

From time to time Shipper and Transporter may agree in writing on a level of discount of the otherwise applicable rates and charges in addition to a basic discount from the stated maximum rates. For example, Transporter may provide a specific discounted rate:

(1) to certain specified quantities under the Service Agreement;

(2) if specified quantity levels are actually achieved or with respect to quantities below a specified level;

(3) to production reserves committed by the Shipper;

(4) during specified time periods;

(5) to specified points of receipt, points of delivery, supply areas, transportation paths or defined geographical areas;

(6) in a specified relationship to the quantities actually transported (i.e. that the rates shall be adjusted in a specified relationship to quantities actually transported); or

(7) to provide that if one rate component which was equal to or within the applicable maximum and minimum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate or is below the applicable minimum rate due to a change in MIGC's maximum rates and/or minimum rates, so that such rate component must be adjusted downward or upward to equal the new applicable maximum or minimum rate, then other rate components may be adjusted upward or downward to achieve the agreed-upon overall rate, so long as none of the resulting rate components exceed the maximum rate or are below the minimum rate applicable to the rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable.

In all circumstances the discounted rate shall be between the maximum rate and the minimum rate applicable to the service provided.

## 9.27. GAS SUPPLY PURCHASES AND SALES

9.27.1 Transporter is not providing a supply service under any Rate Schedule of this tariff but may purchase and sell gas for the purposes of maintaining system balance and operating pressures. Nothing herein shall impose on Transporter any obligation to provide a supply function to any of its transportation Shippers. Transporter will sell or purchase gas at any point on the system on a not unduly discriminatory basis. The availability of gas for sale or interest in purchasing gas will be posted on Transporter's web site to the extent feasible at least twenty-four (24) hours prior to the actual purchase or sale.

## 9.28. EARLY CONTRACT TERMINATION/REDUCTION RIGHTS

9.28.1 Transporter, at its sole discretion, may choose to offer its Shippers early contract termination or reduction rights. Such an offer by Transporter will be made in a non-discriminatory manner to all Shippers and will be posted on Transporter's web site. The terms of the offer shall be specified in detail on the web site in a manner which will provide similar rights to similarly situated Shippers. At the time Transporter posts capacity available for bidding, Transporter will state whether early contract termination or reduction rights apply to that capacity. Transporter is under no obligation to offer early contract termination or reduction rights at any time. Any early contract termination or reduction right granted under the terms of this tariff section shall be considered a negotiated rate.

PART 10  
FORM OF TRANSPORTATION SERVICE AGREEMENT  
APPLICABLE TO INTERRUPTIBLE SERVICE  
UNDER RATE SCHEDULE ITS-1

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between MIGC LLC, a Delaware Limited Liability Company, hereinafter referred to as "MIGC," and \_\_\_\_\_, a \_\_\_\_\_ Corporation, herein referred to as "Shipper."

WHEREAS, MIGC owns and operates a natural gas transmission system; and

WHEREAS,

NOW THEREFORE, in consideration of the representations, covenants, and conditions herein contained, MIGC and Shipper agree as follows:

1. Subject to the terms and provisions of this Agreement and of MIGC's Rate Schedule ITS-1, MIGC agrees to accept such volumes of natural gas as Shipper may cause to be tendered to MIGC at the Receipt Point(s), designated pursuant to Section 2.1 of Article II, on any day during the term of this Agreement; provided, however, that MIGC shall only be obligated to accept on any day for transportation hereunder that volume of natural gas which MIGC

determines it has available capacity to receive, transport, and deliver and provided further that in no event shall MIGC be obligated to accept on any day in excess of the Maximum Daily Quantities for each point of receipt set forth on Exhibit A.

2. MIGC shall allocate the available transportation capacity on the basis set forth in Section 4 of the Transportation General Terms and Conditions incorporated by reference in Rate Schedule ITS-1.

3. In accordance with Section 4 of the Transportation General Terms and Conditions incorporated by reference in Rate Schedule ITS-1, MIGC shall deliver and Shipper shall accept at the Delivery Point(s) referenced in Section 2.2 of Article II a quantity of natural gas equivalent, on a MMBtu basis to the quantity of natural gas received by MIGC at the Receipt Point(s) for transportation hereunder less any applicable fuel and unaccounted for loss reimbursement volumes; provided, however, that in no event shall MIGC be obligated to deliver on any day in excess of the Maximum Daily Quantities for each point of delivery set forth on Exhibit B.

ARTICLE II  
Receipt Point(s), Delivery Point(s)  
and Delivery Pressures

1. The Receipt Point(s) at which Shipper shall cause natural gas to be tendered to MIGC for transportation hereunder are described in Exhibit A to this Agreement. The delivery pressure, actual average atmospheric pressure, and other pertinent factors are also set forth in Exhibit A.

2. The Delivery Point(s) at which MIGC shall deliver quantities of natural gas transported hereunder, after appropriate reductions, are described in Exhibit B to this Agreement. The delivery pressure, actual average atmospheric pressure, and other pertinent factors applicable to the Delivery Point(s) are also set forth in Exhibit B.

ARTICLE III  
Rate Schedule(s) and  
General Terms and Conditions

1. Shipper shall pay MIGC for services rendered hereunder in accordance with MIGC's Rate Schedule ITS-1, or superseding rate schedule(s) on file with and subject to the jurisdiction of the Federal Energy Regulatory Commission and lawfully in effect from time to time. The following are the charges set forth in such Rate

Schedule ITS-1 which apply to service rendered under this Agreement.

(List applicable charges by reference to Section 3 of Rate Schedule ITS-1 and the quantities of natural gas to which such charges apply)

2. The parties hereto agree that MIGC shall have the right from time to time to propose and file with the Federal Energy Regulatory Commission, in accordance with Section 4 of the Natural Gas Act, changes, amendments, revisions and modifications in:

(a) the rate(s) and Rate Schedule incorporated by reference as part of this Agreement pursuant to this Article III; and

(b) the Transportation General Terms and Conditions incorporated by reference in said Rate Schedule, which are applicable hereto;

provided, however, that Shipper shall have the right to protest any such changes before the Federal Energy Regulatory Commission (or successor governmental agency) or other authorities and to exercise any other rights that Shipper may have with respect thereto.

3. This Agreement in all respects is subject to the provisions of Rate Schedule ITS-1, or superseding rate schedule(s), and applicable provisions of the Transportation General Terms and Conditions included by reference to said Rate Schedule filed by MIGC with the Federal Energy Regulatory Commission, all of which are by reference made a part hereof.

#### ARTICLE IV Requirements and Conditions Precedent

1. The transportation arrangements provided for in this Agreement are subject to the provisions of the Federal Energy Regulatory Commission's Regulations, as amended from time to time.

2. Should the Federal Energy Regulatory Commission (or successor governmental agency) impose by rule or order any terms and conditions upon this Agreement which are not mutually satisfactory to MIGC and Shipper, either party, upon issuance of said rule or order and notification to the other party, may terminate this Agreement and take appropriate legal steps to terminate service.



Shipper:

or to such other address as a party shall designate by formal written notice. Routine communications may be mailed by ordinary mail. Operating communications shall be made by e-mail to the operating communication e-mail address as set forth on MIGC's Internet Web Site at [www.migc.com](http://www.migc.com), attention Gas Dispatch or by EDI where Shipper has executed an EDI agreement with MIGC. Payments to MIGC for services rendered hereunder shall be made in accordance with Section 8 of the Transportation General Terms and Conditions incorporated by reference in Rate Schedule ITS-1.

ARTICLE VIII  
Other Operating Provisions

(This Article to be utilized when necessary to specify other operating provisions. It may not be used to alter the terms and conditions of Rate Schedule ITS-1 or in a manner that would result in unduly discriminatory treatment of Shipper)

ARTICLE IX  
Miscellaneous

1. MIGC and Shipper expressly agree that the laws of the State of Wyoming shall govern the validity, construction, interpretation and effect of this Agreement and of the Transportation General Terms and Conditions incorporated by reference in Rate Schedule ITS-1.

2. Exhibits A, B, and C, attached to this Agreement, are hereby incorporated by reference as part of this Agreement. The parties may amend Exhibits A, B, and C by mutual agreement, which amendments shall be reflected in a revised Exhibit A, B, or C, and shall be incorporated by reference as part of this Agreement.

IN WITNESS HEREOF, the parties have caused this Agreement to be executed in two (2) original counterparts, by their duly authorized officers, the day and year first set forth herein.

ATTEST:

MIGC LLC

By: \_\_\_\_\_  
(Title)

By: \_\_\_\_\_  
(Title)

ATTEST:

By: \_\_\_\_\_  
(Title)

By: \_\_\_\_\_  
(Title)

EXHIBIT A  
To The  
Transportation Service Agreement  
Dated: \_\_\_\_\_  
Between MIGC  
and \_\_\_\_\_

Total Maximum Daily Quantity: \_\_\_\_\_

| Receipt Point(s) | Delivery Pressure(s)<br>(psig) | Actual Average Atmospheric Pressure(s)<br>(psia) | Maximum Daily Quantity<br>( ) |
|------------------|--------------------------------|--|-------------------------------|
|------------------|--------------------------------|--|-------------------------------|

\*Necessary pressure to enter the MIGC System; not in excess of:

A. Effective Date of this Exhibit

A: \_\_\_\_\_

B. Supersedes Exhibit A

Effective: \_\_\_\_\_

\_\_\_\_\_

MIGC LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT B  
To The  
Transportation Service Agreement  
Dated: \_\_\_\_\_  
Between MIGC  
and \_\_\_\_\_

Total Maximum Delivery Quantity per day: \_\_\_\_\_

| Delivery Point(s) | Delivery Pressure(s)<br>(psig) | Actual Average Atmospheric Pressure(s)<br>(psia) | Maximum Delivery Quantity Per Day<br>( ) |
|-------------------|--------------------------------|--|--|
|-------------------|--------------------------------|--|--|

A. Effective Date of this Exhibit B: \_\_\_\_\_

B. Supersedes Exhibit B Effective: \_\_\_\_\_

\_\_\_\_\_

MIGC LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT C  
To The  
Transportation Service Agreement  
Dated: \_\_\_\_\_  
Between MIGC  
and \_\_\_\_\_

Section of the Transportation  
General Terms and Conditions

Substitute Provisions

A. Effective Date of this Exhibit C: \_\_\_\_\_

B. Supersedes Exhibit C Effective: \_\_\_\_\_

\_\_\_\_\_

MIGC LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

PART 11  
FORM OF TRANSPORTATION SERVICE AGREEMENT  
APPLICABLE TO FIRM SERVICE  
UNDER RATE SCHEDULE FTS-1

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between MIGC LLC, a Delaware Limited Liability Company, hereinafter referred to as "MIGC," and \_\_\_\_\_, a \_\_\_\_\_ Corporation, herein referred to as "Shipper."

WHEREAS, MIGC owns and operates a natural gas transmission system; and

WHEREAS,

NOW THEREFORE, in consideration of the representations, covenants, and conditions herein contained, MIGC and Shipper agree as follows:

ARTICLE I  
Gas to be Transported

1. Subject to the terms and provisions of this Agreement and of MIGC's Rate Schedule FTS-1, MIGC agrees to accept such volumes

of natural gas as Shipper may cause to be tendered to MIGC at the Receipt Point(s) for transportation on a firm basis up to the Maximum Daily Quantities of natural gas set forth on Exhibit A. The sum of the Maximum Daily Quantities shall constitute Shipper's Transportation Contract demand.

2. MIGC shall allocate the available transportation capacity on the basis set forth in Section 4 of the Transportation General Terms and Conditions incorporated by reference in Rate Schedule FTS-1.

3. In accordance with Paragraph 4.1 of the Transportation General Terms and Conditions incorporated by reference in Rate Schedule FTS-1, MIGC shall deliver and Shipper shall accept at the Delivery Point(s) referenced in Paragraph 2.2 of Article II a quantity of natural gas equivalent, on a MMBtu basis, to the quantity of natural gas received by MIGC at the Receipt Point(s) for transportation hereunder less any applicable fuel and unaccounted for loss reimbursement volumes; provided, however, that in no event shall MIGC be obligated to deliver on any day in excess of the Maximum Daily Quantities for each point of delivery set forth on Exhibit B.

ARTICLE II  
Receipt Point(s), Delivery Point(s)  
and Delivery Pressures

1. The Receipt Point(s) at which Shipper shall cause natural gas to be tendered to MIGC for transportation hereunder are described in Exhibit A to this Agreement. The delivery pressure, actual average atmospheric pressure, and other pertinent factors are also set forth in Exhibit A.

2. The Delivery Point(s) at which MIGC shall deliver quantities of natural gas transported hereunder, after appropriate reductions, are described in Exhibit B to this Agreement. The delivery pressure, actual average atmospheric pressure, and other pertinent factors applicable to the Delivery Point(s) are also set forth in Exhibit B.

ARTICLE III  
Rate Schedule(s) and  
General Terms and Conditions

1. Shipper shall pay MIGC for services rendered hereunder in accordance with MIGC's Rate Schedule FTS-1, or superseding rate schedule(s) on file with and subject to the jurisdiction of the

Federal Energy Regulatory Commission and lawfully in effect from time to time. The following are the charges set forth in such Rate Schedule FTS-1 which apply to service rendered under this Agreement.

(List applicable charges by reference to Section 3 of Rate Schedule FTS-1 and the quantities of natural gas to which such charges apply)

2. The parties hereto agree that MIGC shall have the right from time to time to propose and file with the Federal Energy Regulatory Commission, in accordance with Section 4 of the Natural Gas Act, changes, amendments, revisions and modifications in:

(a) the rate(s) and Rate Schedule incorporated by reference as part of this Agreement pursuant to this Article III; and

(b) the Transportation General Terms and Conditions incorporated by reference in said Rate Schedule, which are applicable hereto; provided, however, that Shipper shall have the right to protest any such changes before the Federal Energy Regulatory Commission (or successor governmental agency) or other authorities and to exercise any other rights that Shipper may have with respect thereto.

3. This Agreement in all respects is subject to the provisions of Rate Schedule FTS-1, or superseding rate schedule(s), and applicable provisions of the Transportation General Terms and Conditions included by reference to said Rate Schedule filed by MIGC with the Federal Energy Regulatory Commission, all of which are by reference made a part hereof.

#### ARTICLE IV

##### Requirements and Conditions Precedent

1. The transportation arrangements provided for in this Agreement are subject to the provisions of the Federal Energy Regulatory Commission's Regulations, as amended from time to time.

2. Should the Federal Energy Regulatory Commission (or successor governmental agency) impose by rule or order any terms and conditions upon this Agreement which are not mutually satisfactory to MIGC and Shipper, either party, upon issuance of said rule or order and notification to the other party, may terminate this Agreement and take appropriate legal steps to terminate service.

3. Transportation of natural gas provided for under the terms and provisions of this Agreement shall not commence until the following conditions have been met:

(a) all necessary transportation agreements upstream and downstream of MIGC have been executed;

(b) all facilities necessary to commence service are in place and operational;

(c) all information required by Section 6.3 of the Transportation General Terms and Conditions have been provided to MIGC;

(d) [other specific terms]; and

(e) all terms of the FTS-1 Rate Schedule have been complied with by Shipper.

ARTICLE V  
Term

1. This Agreement shall become effective \_\_\_\_\_.

2. After this Agreement becomes effective, it shall continue in full force and effect through \_\_\_\_\_.

ARTICLE VI  
Cancellation of Prior Contracts

1. When this Agreement becomes effective, it supersedes and cancels as of the effective date hereof the following contracts between the parties hereto for the transportation of natural gas by MIGC for Shipper.

ARTICLE VII  
Notices

1. Any formal notice, request or demand that either party gives to the other respecting this Agreement shall be in writing and shall be mailed by registered or certified mail or delivered in hand to the following address of the other party:

MIGC:           MIGC LLC (Insert current address as set forth on  
                  MIGC's Internet Web Site at [www.migc.com](http://www.migc.com))

Shipper:

or to such other address as a party shall designate by formal written notice. Routine communications may be mailed by ordinary mail. Operating communications shall be made by e-mail or by EDI where Shipper has executed an EDI agreement with MIGC. E-mail addresses are set forth on MIGC's Internet Web Site at [www.migc.com](http://www.migc.com). Payments to MIGC for services rendered hereunder shall be made in accordance with Section 8 of the Transportation General Terms and Conditions incorporated by reference in Rate Schedule FTS-1.

ARTICLE VIII  
Other Operating Provisions

(This Article to be utilized when necessary to specify other operating provisions. It may not be used to alter the terms and conditions of Rate Schedule FTS-1 or in a manner that would result in unduly discriminatory treatment of Shipper)

ARTICLE IX  
Miscellaneous

1. MIGC and Shipper expressly agree that the laws of the State of Wyoming shall govern the validity, construction, interpretation and effect of this Agreement and of the Transportation General Terms and Conditions incorporated by reference in Rate Schedule FTS-1.

2. Exhibits A, B, and C attached to this Agreement, are hereby incorporated by reference as part of this Agreement. The parties may amend Exhibits A, B, and C by mutual agreement, which amendments shall be reflected in a revised Exhibit A, B, or C, and shall be incorporated by reference as part of this Agreement.

IN WITNESS HEREOF, the parties have caused this Agreement to be executed in two (2) original counterparts, by their duly authorized officers, the day and year first set forth herein.

ATTEST:

MIGC LLC

By: \_\_\_\_\_  
(Title)

By: \_\_\_\_\_  
(Title)

ATTEST:

By: \_\_\_\_\_  
(Title)

By: \_\_\_\_\_  
(Title)

EXHIBIT A  
To The  
Transportation Service Agreement  
Dated: \_\_\_\_\_  
Between MIGC  
and \_\_\_\_\_

Shipper's Transportation Contract Demand (Total Maximum Daily Quantity): \_\_\_\_\_

| Primary Receipt Point(s) | Delivery Pressure (s) (psig) | Actual Average Atmospheric Pressure (s) (psia) | Maximum Daily Quantity ( ) |
|--------------------------|------------------------------|--|----------------------------|
|--------------------------|------------------------------|--|----------------------------|

Secondary Receipt Point(s)

\*Necessary pressure to enter the MIGC System; not in excess of:

A. Effective Date of this Exhibit A: \_\_\_\_\_

B. Supersedes Exhibit A Effective: \_\_\_\_\_

\_\_\_\_\_

MIGC LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT B  
To The  
Transportation Service Agreement  
Dated: \_\_\_\_\_  
Between MIGC  
and \_\_\_\_\_

Shipper's Maximum Delivery Quantity per day : \_\_\_\_\_

|                           | Delivery<br>Pressure(s)<br>(psig) | Actual Average<br>Atmospheric<br>Pressure(s)<br>(psia) | Maximum<br>Delivery<br>Quantity<br>Per Day<br>( ) |
|---------------------------|-----------------------------------|--|---|
| Primary Delivery Point(s) |                                   |  |   |

Secondary Delivery Point(s)

A. Effective Date of this Exhibit B: \_\_\_\_\_

B. Supersedes Exhibit B Effective: \_\_\_\_\_

\_\_\_\_\_

MIGC LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT C  
To The  
Transportation Service Agreement  
Dated: \_\_\_\_\_  
Between MIGC  
and \_\_\_\_\_

Section of the Transportation  
General Terms and Conditions

Substitute Provisions

A. Effective Date of this Exhibit C: \_\_\_\_\_

B. Supersedes Exhibit C Effective: \_\_\_\_\_

\_\_\_\_\_

MIGC LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_