

GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

Except where the context expressly establishes another meaning, the following terms when used in this Tariff and in a Service Agreement or other agreement with Transporter incorporating said Tariff will have the following meanings:

Agent: Any party retained by Service Requester for purposes of administering Service Requester's Service Agreement with Transporter. An Agent has only those rights designated in writing to Transporter by such Service Requester.

Associated Receipt Point: A Receipt Point identified by Transporter from which gas may be nominated to a specific pool without incurring transportation and fuel charges. Associated Receipt Point(s) will be posted on Transporter's Designated Site.

Balancing-Approved Day: A Day in which Transporter has indicated on its website that it is accepting Balancing Nominations.

Balancing Nomination: A separately identified Nomination to resolve or reduce imbalance(s) with Transporter.

Begin Date: The Gas Day specified by Service Requester when a transaction is to begin.

Biogas: Raw gas substantially composed of methane that is produced by the breakdown of organic matter in the absence of oxygen.

Boil-off: Gas vapors generated during the storage and use of liquefied natural gas.

British Thermal Unit ("Btu"): As defined in the American Gas Association Report No. 3, as revised from time to time. "Standardize the reporting basis for Btu as 14.73 psia and 60 degrees F (101.325 kPa and 15 degrees C, and dry). Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm² and 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry." NAESB WGQ Standard 2.3.9.

Business Associate Information: The company identifier information, designated representative information, notification preferences and related data provided by a party to Transporter as specified in the Business Associate Information form contained in the informational posting section on Transporter's Designated Site.

Business Day: "Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico." NAESB WGQ Standard 3.2.1

Commission: The Federal Energy Regulatory Commission or any successor entity thereto.

GENERAL TERMS AND CONDITIONS (Continued)

1. DEFINITIONS (Continued)

Contract Demand: For the purposes of the General Terms and Conditions of this Tariff, the term "Contract Demand" is used generically to represent all or any combination of the following terms, as applicable: "CD," "Transportation Contract Demand," "Storage Demand" and "Storage Capacity."

Cubic Foot: The volume of gas which occupies one cubic foot of space when held at a base temperature of sixty degrees Fahrenheit (60 F) and a base pressure of 14.73 psia.

Dekatherm ("Dth"): "The standard quantity for nominations, confirmation and scheduling is dekatherms per gas day in the United States, gigajoules per gas day in Canada and gigajoules per gas day in Mexico. (For reference 1 dekatherm = 1,000,000 Btu's and 1 gigajoule = 1,000,000,000 joules.) For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules 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." NAESB WGQ Standard 1.3.14. For purposes of this Tariff and associated Service Agreements, MMBtu and Dth are synonymous.

Designated Lateral: A receipt or delivery lateral designated by Transporter and authorized by the Commission to be utilized solely for transportation of Natural Gas under Rate Schedules TFL-1 and TIL-1. Each Designated Lateral will be identified on the Statement of Rates on Sheet No. 5.

Designated Site: An Internet address designated by Transporter or Service Requester for informational postings and the receipt or delivery of electronic data transactions. Transporter's Designated Site may be its Internet web site containing informational postings and access to Northwest Passage and/or its Internet site used for conducting EDI transactions.

Elapsed-Prorated-Scheduled Quantity: "Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected." NAESB WGQ Standard 1.2.12.

Electronic Data Interchange (EDI): The transfer of information between Transporter's and Service Requester's Designated Sites using NAESB approved standard data sets developed and maintained by the American National Standards Institute's (ANSI) Accredited Standards Committee X12 (ASC X12). EDI data exchange is governed by an executed Trading Partner Agreement between Transporter and Service Requester.

Electronic Delivery Mechanism (EDM): The computer technology model which allows all parties sending and receiving data to accept a Transmission Control Protocol/Internet Protocol (TCP/IP) using Point to Point Protocol (PPP) connection. At a minimum, sending and receiving parties should

GENERAL TERMS AND CONDITIONS (Continued)

1. DEFINITIONS (Continued)

designate an Internet address as a Designated Site for the receipt and delivery of NAESB standardized data sets.

End Date: The Gas Day specified by Service Requester when a transaction is to end.

Firm Service: Transportation or Storage service which is defined as firm in the Rate Schedule in Transporter's Tariff applicable to such Shipper's Executed Firm Service Agreement. Firm Service for Transportation can yield Primary Firm Service Rights or Secondary Firm Service Rights.

Gas Day: A period of twenty-four (24) consecutive hours beginning and ending as near as practicable at nine o'clock (9 a.m.) Central Clock Time (8 a.m. Mountain Clock Time). Per NAESB WGQ Standard 1.3.1, "Standard time for the Gas Day should be 9 a.m. to 9 a.m. (Central Clock Time)." Reference to a specific day shall mean the twenty-four hours starting at 9 a.m. Central Clock Time (8 a.m. Mountain Clock Time) of that calendar day.

Gas or Natural Gas: Any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane. Such gas may be either in its natural state produced from wells, including casinghead and residue gas, or after manufacture or other methods of producing synthetic gas.

Gross Heating Value: The total Btu content for a cubic foot of gas on a dry basis as determined by calculation from compositional analysis using physical properties of gases at 14.73 psia and 60 F as prescribed by the American Gas Association.

Interruptible Service: Transportation or Storage service which is defined as interruptible in the Rate Schedule in Transporter's Tariff applicable to such Shipper's Executed Service Agreement.

IntraDay Nomination: "An intraday 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." NAESB WGQ Standard 1.2.4.

LNG: Liquefied natural gas.

Mcf: One thousand cubic feet of gas.

MMBtu: One million Btus. For purposes of this Tariff and associated Service Agreements, MMBtu and Dth are synonymous.

Mainline Transportation System: Transporter's mainline(s) extending generally from the U.S./Canadian border near Sumas, Washington to a point near Blanco, New Mexico, and all receipt and delivery laterals and ancillary facilities owned in whole or in part by Transporter which are utilized to provide jurisdictional transportation of natural gas.

GENERAL TERMS AND CONDITIONS (Continued)

1. DEFINITIONS (Continued)

Maximum Base Tariff Rate: The rate, excluding all applicable surcharges, designated on Sheet Nos. 5, 6, 7 or 8.1 of this Tariff.

Maximum Daily Delivery Obligation ("MDDO"): The maximum quantity of gas Transporter is obligated to deliver to a Shipper at a specific delivery point designated on an executed firm Service Agreement.

Maximum Daily Quantity ("MDQ"): For purposes of Rate Schedules TI-1 and TIL-1, the maximum daily quantity of gas, expressed in dekatherms, to be delivered by Transporter to Shipper after transportation, at the Delivery Point(s), after fuel use reimbursement provided in-kind in accordance with the terms of Section 14 of the General Terms and Conditions. For purposes of Rate Schedules TF-1, TF-2, TFL-1, the maximum daily quantity of gas, expressed in dekatherms, to be received by Transporter at the primary receipt point(s) specified on a Shipper's Service Agreement which will be grossed up by fuel use reimbursement provided in-kind in accordance with the terms of Section 14 of the General Terms and Conditions.

Month: A calendar month; provided, however, that Month shall mean Transporter's normal business month for purposes of metering at the wellhead.

Mountain Clock Time: Mountain Standard Time or Daylight Savings Time in Salt Lake City, Utah, whichever is currently effective.

NAESB Standards: The business practices and electronic communication practices promulgated by the Wholesale Gas Quadrant ("WGQ") of the North American Energy Standards Board ("NAESB"), as codified in Section 284.12(a) of the Commission's regulations.

Negotiated Rate: A rate or formula for computing a rate for Part 284 service which may be greater than, equal to or less than the Recourse Rate, but which may not be less than the minimum base rate as set forth on Sheet No. 5, 6, 7 or 8.1. A Negotiated Rate must be mutually agreed upon by Transporter and Shipper and may be based on a rate design other than straight fixed-variable.

Nomination: A line item pertaining to the transportation or storage of gas under an executed Service Agreement which contains all NAESB issued and FERC approved standard data elements.

Nominating Party: The person or party designated by Shipper to communicate Shipper's nominations to Transporter.

Northwest Passage: Transporter's interactive proprietary software used to conduct electronic data transactions. Northwest Passage is accessible on Transporter's Designated Site pursuant to a completed Business Associate Information form by Service Requester.

GENERAL TERMS AND CONDITIONS (Continued)

1. DEFINITIONS (Continued)

Operational Balancing Agreement ("OBA"): "An OBA is a contract between two parties which specified the procedures to manage operating variances at an interconnect." NAESB WGQ Standard 2.2.1.

Operational Flow Order ("OFO"): "An operational flow order is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the transportation service provider's system or to maintain operations required to provide efficient and reliable firm service. Whenever a Transportation Service Provider experiences these conditions, any pertinent order should be referred to as an Operational Flow Order." NAESB WGQ Standard 1.2.6.

Operational Impact Area: "Operational Impact Area is the term used to describe a Transportation Service Provider's designation of the largest possible area(s) on its system in which imbalances have a similar operational effect." NAESB WGQ Standard 2.2.2. Transporter designates its entire system, except the laterals under Rate Schedules TFL-1 and TIL-1, as one Operational Impact Area for purposes of netting and trading Shipper Imbalances and Receiving Party Imbalances. Each lateral under Rate Schedules TFL-1 and TIL-1 is designated as an Operational Impact Area for purposes of netting and trading Shipper Imbalances and Receiving Party Imbalances.

Point of Unbundling: With respect to sales provided pursuant to Section 32, Point of Unbundling means the Clay Basin and/or Jackson Prairie storage facility receipt point(s) into Transporter's system.

Pooling Party: Any party utilizing the pooling services outlined in Section 14.19 of the General Terms and Conditions of this tariff.

Primary Firm Service Rights: the quantity of Primary Firm Service Rights pursuant to a Firm Transportation Service Agreement at Receipt and Delivery Points is the greater of the quantity designated respectively as "MDQs" and "MDDOs" in such Firm Service Agreement or the Scheduled Quantity at any receipt or delivery point for the Day on such Agreement (excluding Scheduled Overrun). The quantity of Primary Firm Service Rights at any given point on the mainline or on a lateral is the greater of:

GENERAL TERMS AND CONDITIONS (Continued)

1. DEFINITIONS (Continued)

a) The lesser of the sum of the MDQs upstream of any applicable point and the sum of the MDDOs downstream of any point in such Firm Transportation Service Agreement; or b) the Scheduled Quantity (excluding Scheduled Overrun) at any given point for the Day on such Agreement. MDQs, MDDOs and Contract Demand are adjusted for any released capacity pursuant to Section 22.

Psia: Pressure expressed in pounds per square inch absolute.

Receiving Party: The party who controls the facilities into which the gas is delivered for Shipper.

Receiving Party Imbalance: A Receiving Party Imbalance will result when there is a difference between scheduled deliveries and actual measured deliveries for a given delivery point operator.

Recourse Rate: The rate designated as the Maximum Base Tariff Rate on Sheet Nos. 5, 6, 7 or 8.1 of this Tariff. For purposes of this Tariff, Recourse Rate and Maximum Base Tariff Rate are synonymous.

Related Income Taxes:

a) Related Income Taxes, if associated with a contribution in aid of construction, is defined as the current federal and state income taxes resulting from the reimbursement of actual facility costs less the present value of the income tax benefit received by Transporter from the tax depreciation of the new facilities. The cash flow discount factor for the present value calculation will be the weighted average cost of capital as stated in the facilities agreement or, if not stated in a facilities agreement, the last stated litigated or settled general rate case weighted average cost of capital.

b) Related Income Taxes, if associated with a facilities agreement buy-out, is defined as the current federal and state income taxes on the net book value and the present value amount of the unpaid removal obligation charge reimbursed by the Shipper to Transporter less the income tax benefit received by Transporter resulting from the facilities defined in the facilities agreement. The income tax benefit received by Transporter is the sum of: 1) the present value of any future tax benefits received by Transporter from the tax depreciation of the facilities after the effective date of the buyout, discounted at the weighted average cost of capital currently in effect for the facilities agreement, and 2) the balance of accumulated deferred Income tax as of the effective date of the buy-out.

GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

- c) For both a) and b) above, Related Income Taxes include a gross-up calculation to cover the income tax that Transporter must pay on the Related Income Taxes that are collected from the Shipper.

Renewable Natural Gas ("RNG"): Renewable Natural Gas, also known as biomethane, refers to the portion of biogas that has been purified. Sources may include landfill gas, dairies or feedlots, publicly owned treatment works, sewage treatment plants, and wastewater plants. RNG must conform to the gas quality specifications and testing/monitoring requirements in Section 3 of the GT&C and be free from bacteria, pathogens, and any other substances injurious to pipeline facilities or that would cause the gas to be unmarketable.

Scheduled Quantity: The quantity of gas Transporter has scheduled to transport from specific receipt point(s) to specific delivery point(s), Transportation Service Agreements or zones for a defined period pursuant to an executed Service Agreement; the quantity of gas Transporter has scheduled for aggregation/dis-aggregation from a Pool.

Secondary Firm Service Rights: For purposes of Section 12.1, the quantity of Secondary Firm Service Rights pursuant to a Firm Transportation Service Agreement at any Receipt and/or Delivery Point, on the mainline or on a lateral is equal to the Contract Demand on a Firm Service Agreement (as adjusted for any released capacity pursuant to Section 22) less the quantity at such point that is designated as Primary Firm Service Rights, as defined in this Section 1.

- a) Secondary Firm Service Rights include rights designated as subordinate in any Firm Service Agreement with non-conforming provisions that have been approved by the Commission; and beginning April 1, 2024, rights acquired in the LaPlata to Green River corridor that are designated as subordinate on Exhibit A of any TF-1 Firm Service Agreement pursuant to the settlement approved in Docket No. RP22-1155.

- b) Secondary Firm Service Rights include rights delineated in Rate Schedule TF-2, Section 11.

Service Requester: A Shipper or any other party that executes with Transporter a Business Associate Information form and/or a Trading Partner Agreement.

Shipper: A party that executes a Service Agreement with Transporter under one of the Rate Schedules contained in this tariff.

Shipper Imbalance: A Shipper Imbalance will result when there is a difference between a Shipper's scheduled net receipts and deliveries due to an upstream and/or downstream confirmation.

GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

Thermally Equivalent: An equal number of Dths.

Trading Partner Agreement: An agreement entered into by Transporter and requesting party which governs the EDI between Transporter and Service Requester.

Transportation: The receipt of Shipper's gas at input points on Transporter's mainline transportation system (referred to as "Receipt Points") and the delivery of thermally equivalent quantities by Transporter to Shipper or for Shipper's account (after making allowance for any requisite fuel reimbursement furnished in-kind) at other points on Transporter's mainline transportation system (referred to as "Delivery Points") regardless of the direction of flow of gas in Transporter's pipelines between the Receipt and Delivery Points, or of changes in such directions of flow. Transportation also means the receipt of Shipper's gas for injection or liquefaction into Transporter's storage facilities and the storage and subsequent withdrawal or vaporization of thermally equivalent quantities, less fuel use, for Shipper's account. All storage references in this tariff, shall be considered to be a part of the term Transportation.

Transporter: Northwest Pipeline LLC, Northwest or Transportation Service Provider.

GENERAL TERMS AND CONDITIONS
(Continued)

2. RECEIPT AND DELIVERY POINT AND PRESSURES

2.1 Receipt Points. The Receipt Point(s) at which Transporter will receive gas for transportation are to be identified by the executed Service Agreement. Such Agreements shall be amended as necessary to reflect the addition or deletion of Receipt Points mutually agreed to by the parties in writing, subject to the Receipt Point Flexibility and Priority of Service provisions of this Tariff.

These points include all physical receipt points, as well as any physical delivery point or any other point on Transporter's Mainline Transportation System which Shipper and Transporter have contractually agreed to utilize as a receipt point.

2.2 Shipper's Delivery Pressure. Gas shall be delivered to Transporter at the specified Receipt Points at pressures sufficient to allow the gas to enter the facilities of Transporter but shall not be delivered at pressures in excess of the maximum allowable operating pressure of Transporter's facilities at such Receipt Points. Transporter is under no obligation to modify its line pressures to permit the entry of Shipper's gas into its system.

2.3 Delivery Points. Transporter shall deliver gas for Shipper's account at the delivery points identified by the executed Service Agreement. The parties may mutually agree in writing to amend said Service Agreement to add or delete delivery points, subject to the Delivery Point Flexibility and Priority of Service provisions of this tariff.

These points include all physical delivery points, as well as any physical receipt point or any other point on Transporter's Mainline Transportation System which Shipper and Transporter have contractually agreed to utilize as a delivery point.

2.4 Transporter's Delivery Pressure. Transporter shall deliver gas for Shipper's account at the pressures existing from time to time in Transporter's facilities at the points of delivery but no less than the pressures mutually agreed upon by Transporter and Shipper and specified by the executed firm Service Agreement.

GENERAL TERMS AND CONDITIONS
(Continued)

2. RECEIPT AND DELIVERY POINT AND PRESSURES (Continued)

Any delivery pressure commitments that are subject to specified conditions in order to ensure Transporter's quality of service will also be specified by the executed firm Service Agreement.

GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY

3.1 Gas Quality at Receipt Points. All Gas delivered by Shipper to Transporter shall conform to the applicable specifications in either Section 3.1(a) or Section 3.1(b). As used in this section, the La Plata Facilities are defined as those facilities commencing at a measurement facility downstream of the discharge side of Northwest's La Plata B compressor station southward to the Blanco Hub, including the La Plata A compressor station and certain plant interconnects, all located in southern Colorado and northern New Mexico.

(a) All Gas delivered by Shipper to Transporter at Receipt Points not connected to the La Plata Facilities shall conform to the following specifications:

(1) Hydrocarbon Liquids and Liquefiabiles: The hydrocarbon dew point of the gas delivered shall not exceed fifteen degrees Fahrenheit at any pressure between 100 psia and 1,000 psia as calculated from the gas composition and shall be free from hydrocarbons in the liquid state. At all times, any and all liquid or liquefiable hydrocarbons, or any other constituent or by-product, recovered from the gas by Transporter, after delivery of gas to Transporter shall be and remain the exclusive property of Transporter.

(2) Hydrogen Sulfide and Total Sulfur: The gas shall contain not more than one quarter grain of hydrogen sulfide per one hundred cubic feet and not more than five grains total sulfur per one hundred cubic feet.

(3) Carbon Dioxide: The gas shall contain not more than two percent by volume of carbon dioxide, except as otherwise provided in Section 3.5.

(4) Inerts: The gas shall contain not more than a combined total of three percent by volume of inerts including, but not limited to, carbon dioxide, nitrogen and oxygen, except as otherwise provided in Section 3.1(c) and Section 3.5.

GENERAL TERMS AND CONDITIONS
Continued)

3. QUALITY (Continued)

(5) Dust, Gums, etc.: The gas shall be commercially free from objectionable odors (excluding odorant added to natural gas for safety reasons or to comply with federal and/or state regulations), solid matter, dust, gums, and gum forming constituents, or any other substance which interferes with the intended purpose of merchantability of the gas, or causes interference with the proper and safe operation of the lines, meters, regulators, or other appliances through which it may flow.

(6) Heating Value: The total gross heating value of the gas deliverable hereunder shall not be less than 985 Btu, except as otherwise provided in Section 3.1(c).

(7) Oxygen: The gas shall not contain in excess of two-tenths of one percent by volume of oxygen, and the parties agree to exercise every reasonable effort to keep the gas completely free of oxygen.

(8) Temperature: The temperature of the gas at the point of delivery shall not exceed one hundred twenty degrees Fahrenheit.

(9) Water: The gas delivered shall be free from liquid water and shall not contain more than seven pounds of water in vapor phase per million cubic feet.

(10) Mercury: The gas shall be free from any detectable mercury.

(11) Toxic or Hazardous Substance: The gas shall not contain any toxic or hazardous substance in concentrations which, in the normal use of the gas, may be hazardous to health, injurious to pipeline facilities, or be a limit to merchantability or be contrary to applicable government standards.

GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

(12) Bacteria: The gas, including any associated liquids, shall not contain any microbiological organism, active bacteria or bacterial agent capable of causing or contributing to: (i) injury to Transporter's pipelines, meters, regulators, or other facilities and appliances through which such gas flows or (ii) interference with the proper operation of the Transporter's facilities. Microbiological organisms, include, but are not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (ACB). When bacteria or microbiological organisms are considered a possibility, Shipper(s) desiring to Nominate such gas, upon Transporter's request, shall cause such gas to be tested for bacteria or bacterial agents utilizing the American Petroleum Institute test method API-RP38 or other acceptable test method as determined by both parties.

(b) All Gas delivered by Shipper to Transporter at Receipt Points connected to the La Plata Facilities shall conform to the following specifications:

(1) Hydrocarbon Liquids and Liquefiabiles: The hydrocarbon dew point of the gas delivered shall not exceed fifteen degrees Fahrenheit at any pressure between 100 psia and 1,000 psia as calculated from the gas composition and shall be free from hydrocarbons in the liquid state. At all times, any and all liquid or liquefiable hydrocarbons, or any other constituent or by-product, recovered from the gas by Transporter, after delivery of gas to Transporter shall be and remain the exclusive property of Transporter.

(2) Hydrogen Sulfide and Total Sulfur: The gas shall contain not more than one quarter grain of hydrogen sulfide per one hundred cubic feet of gas. The gas shall contain not more than 0.3 grains of mercaptan sulfur per one hundred cubic feet of gas. The gas shall contain not more than 0.75 grains of total sulfur per one hundred cubic feet of gas.

GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

(3) Carbon Dioxide: The gas shall contain not more than two percent by volume of carbon dioxide, except as otherwise provided in Section 3.5.

(4) Inerts: The gas shall contain not more than a combined total of three percent by volume of inerts including, but not limited to, carbon dioxide, nitrogen and oxygen, except as otherwise provided in Section 3.5.

(5) Dust, Gums, etc.: The gas shall be commercially free from objectionable odors (excluding odorant added to natural gas for safety reasons or to comply with federal and/or state regulations), solid matter, dust, gums, and gum forming constituents, or any other substance which interferes with the intended purpose of merchantability of the gas, or causes interference with the proper and safe operation of the lines, meters, regulators, or other appliances through which it may flow.

(6) Heating Value: The total gross heating value of the gas deliverable hereunder shall not be less than 985 Btu and not more than a maximum of 1,110 Btu.

(7) Oxygen: The gas shall not contain in excess of one-tenth of one percent by volume of oxygen, and the parties agree to exercise every reasonable effort to keep the gas completely free of oxygen.

(8) Temperature: The temperature of the gas at the point of delivery shall not be less than forty (40) degrees Fahrenheit, and not exceed one hundred twenty degrees (120) Fahrenheit.

(9) Water: The gas delivered shall be free from liquid water and shall not contain more than seven pounds of water in vapor phase per million cubic feet.

(10) Mercury: The gas shall be free from any detectable mercury.

GENERAL TERMS AND CONDITIONS
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3. QUALITY (Continued)

(11) Toxic or Hazardous Substance: The gas shall not contain any toxic or hazardous substance in concentrations which, in the normal use of the gas, may be hazardous to health, injurious to pipeline facilities, or be a limit to merchantability or be contrary to applicable government standards.

(12) Bacteria: The gas, including any associated liquids, shall not contain any microbiological organism, active bacteria or bacterial agent capable of causing or contributing to: (i) injury to Transporter's pipelines, meters, regulators, or other facilities and appliances through which such gas flows or (ii) interference with the proper operation of the Transporter's facilities. Microbiological organisms, include, but are not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (ACB). When bacteria or microbiological organisms are considered a possibility, Shipper(s) desiring to Nominate such gas, upon Transporter's request, shall cause such gas to be tested for bacteria or bacterial agents utilizing the American Petroleum Institute test method API-RP38 or other acceptable test method as determined by both parties.

(c) RNG delivered by Shipper to Transporter at Receipt Point mentioned in Section 3.1(a) shall conform to the following specifications and testing /monitoring requirements:

(1) RNG gas delivered into Transporter's system shall conform to the gas quality specifications set forth in Section 3.1(a) above except when Transporter, in its reasonable judgement, determines it can accept RNG: (a) containing not more than a combined total of four percent by volume of inerts including, but not limited to, carbon dioxide, nitrogen and oxygen and/or (b) with a total gross heating value of not less than 970 Btu.

(2) Transporter prohibits the delivery of RNG to Transporter's Receipt Points from any landfill permitted under the Resource Conservation and Recovery Act Subtitle C (42 U.S.C. § 6921 - 6932), whether by the United States Environmental Protection Agency or by a state under a program authorized by the United States Environmental Protection Agency ("Hazardous Waste Landfills"). A Hazardous Waste Landfill includes all continuous land and structures, and other appurtenances and improvements, on the land used for the treatment, transfer, storage, resource recovery, disposal or recycling hazardous waste management units, or combinations of these units.

GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

The landfill operator shall certify in writing to Transporter that the RNG is not being produced from landfill gas collected from a Hazardous Waste landfill before delivering the RNG into Transporter's pipeline system.

(3) RNG to be delivered to and transported on Transporter's pipeline system shall be subject to periodic testing and monitoring based on the biogas source. Transporter's RNG operating policy and testing requirements for the acceptance of RNG into Transporter's system will be posted on Transporter's Designated Site.

3.2 Gas Quality at Delivery Point(s). The gas delivered by Transporter to Shipper at the Delivery Point shall be natural gas containing a gross heating value of at least 985 Btus. Such gas shall be commercially free of dust, gums, dirt, impurities and other solid matter and shall not contain more than one-quarter grain hydrogen sulfide per one hundred cubic feet as determined by using commercially available on-line analyses and/or such analytical methods that are generally accepted in industry practice; provided that Transporter may install and utilize a recording hydrogen sulfide analyzer to monitor the gas at points at which it deems such continuous monitoring to be desirable. The gas to be delivered shall not contain more than five grains of total sulfur per one hundred cubic feet, unless Transporter determines that there is a regulatory requirement for gas to be odorized upstream of the Delivery Point, in which case, the gas to be delivered shall not contain more than six grains of total sulfur per one hundred cubic feet.

The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered and in no event shall have a water content in excess of seven pounds in vapor phase per million cubic feet.

GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

3.3 Determination of Gross Heating Value and Component Analysis. The party operating the measurement equipment shall determine the gross heating value of the gas delivered and its component analysis at reasonable intervals. Such determination shall be made using either an on-line chromatograph or by chromatographic analysis of a representative sample of gas taken with a continuous sampler. Transporter may at its option allow the use of spot samples. If at any time and for any reason Shipper or Transporter should question the results of any spot sampling, a redetermination shall be made and the redetermination mutually acceptable to the parties shall be used; provided, however, if neither party questions such results within a period of sixty (60) days following the determination thereof, then such results shall be deemed conclusive and binding upon the parties. Btu measuring equipment shall be installed at a location or locations where the gross heating value of the gas received or delivered hereunder may be reasonably determined.

3.4 Failure to Meet Specifications. Transporter or Shipper shall have the right, exercisable by the giving of written or oral notice to the other party, to require the remedy of any failure to deliver or redeliver gas in accordance with the quality specifications set forth in Sections 3.1 and 3.2. In the event gas delivered by either party fails to conform to such specifications, as evidenced by the latest chromatograph analysis derived from an on-line chromatograph or from a sample taken manually and analyzed by a chromatograph, or from any other verifiable evidence, the receiving party may refuse to accept all or any portion of such gas.

3.5 Accepting Gas Which Fails to Meet Specifications. Transporter will accept gas that does not meet quality specifications on a non-discriminatory basis to all similarly situated Shippers, provided: 1) such acceptance does not jeopardize Transporter's ability to meet its obligations to deliver gas to downstream interconnecting pipelines or markets; and, 2) such acceptance occurs on a short-term basis as a result of an unplanned upstream event such as a plant start-up, plant upset or line freeze-off.

3.6 Gas Analysis Equipment. If Transporter, in its reasonable judgment, determines that any additional or modified Gas analysis or control equipment is needed to accurately monitor the quality of Gas received at an existing Receipt Point and control the receipt of Gas failing to conform to the applicable quality specifications, then the Shipper(s) desiring to nominate at such Receipt Point will cause the interconnecting party at such Receipt Point to install such necessary additional or modified equipment.

GENERAL TERMS AND CONDITIONS
(Continued)

3. QUALITY (Continued)

Unless otherwise mutually agreed, if Transporter installs such additional or modified Gas analysis or control equipment, the interconnecting party will provide a contribution in aid of construction to Transporter for all actual costs incurred by Transporter, and reimburse Transporter for any Related Income Taxes.

3.7 NAESB Standards Related to Gas Quality. NAESB WGQ Quadrant Electronic Delivery Mechanism Related Standards referenced below, will apply and are incorporated by reference:

NAESB WGQ Standards:
4.3.89 through 4.3.93

GENERAL TERMS AND CONDITIONS
(Continued)

4. MEASUREMENT OF GAS

4.1 Unit of Volume. NAESB WGQ Flowing Gas Related Standard 2.3.10 will apply.

The unit of volume for the purpose of measurement shall be one (1) cubic foot of gas at a base temperature of 60 F. and at a base pressure of 14.73 psia. Such measured volumes, converted to Mcf, shall be multiplied by their gross heating value per cubic foot and divided by 1,000 to determine Dth received and delivered hereunder. The unit of volume for the purpose of balancing total receipts and deliveries of gas hereunder shall be one Dth.

4.2 Computation of Volume. The volumes of gas measured hereunder shall be computed in accordance with specifications prescribed by the American Gas Association, applied in a practical and appropriate manner. The absolute atmospheric pressure used for volume calculations shall be the average atmospheric pressure determined by calculations based on the actual elevation above sea level of the meter at the place of measurement.

4.3 Meters or Measurement Equipment. For purposes of this Section, Meters or Measurement Equipment shall mean the primary measurement element (i.e., orifice plate, turbine meter, etc.), and recording instruments. Gas delivered to Transporter at the Receipt Points shall be measured by measurement equipment installed, operated and maintained at or near such Receipt Points. Gas delivered by Transporter at the Delivery Points shall be measured by measurement equipment installed, operated and maintained at or near such Delivery Points. Where orifice meters are used they shall be installed and operated in accordance with the specifications prescribed in ANSI/API 2530 as supplemented and modified from time to time, applied in a practical and appropriate manner. Where positive displacement meters, turbine meters, or other measuring devices are used, they shall be installed and operated in accordance with recommendations of the American Gas Association, where available. The respective meter, meter readings and meter charts shall be accessible at all reasonable times to inspection and examination by the non-operating party. Calibration and adjustment of meters and changing of charts shall be done only by the party owning and operating the measurement facilities, unless otherwise agreed to by the parties.

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS
(Continued)

4. MEASUREMENT OF GAS (Continued)

4.4 Temperature and Specific Gravity. The following measurement factors shall be given due consideration.

(a) The temperature of the natural gas flowing through each meter shall be an assumed temperature arrived at by agreement or the actual measured temperature.

(b) The specific gravity of the gas shall be determined by the party operating the meter by calculation, adjusted for any difference between the specific gravity in the ideal state and in the real state in accordance with published procedures accepted by the American Gas Association.

4.5 Notice of Equipment Tests. Unless otherwise agreed to by the parties, the party operating the measurement facilities shall give notice to the other party of the time and location of all tests of gas delivered hereunder or of any equipment used in measuring or determining the nature or quality of such gas, in order that such other party may conveniently have its representative present. Should the non-operating party reasonably not be satisfied with any such test, it shall so notify the operating party and the operating party shall perform such retests as may be necessary to assure an accurate test.

4.6 Meter Testing. The accuracy of measurement equipment shall be verified at reasonable intervals by the party operating such equipment, and if requested, in the presence of representatives of the other party, unless otherwise agreed to by the parties. If either party notifies the other that it desires a special test of any measurement equipment, the operating party shall cooperate to secure an immediate verification of the accuracy of such measurement equipment and joint observation of any adjustments. The payment for all such tests shall be borne by the party requesting the test, unless otherwise agreed to by the parties.

4.7 Check Meters and Non-Interference. Either party may install and operate check meters at its option and expense to check the other party's primary measurement equipment, but measurement of gas shall be by the measurement equipment of the parties identified in Section 4.3. Such check meters shall be installed so as not to interfere with the operation of the primary measurement equipment of such parties. The parties shall

GENERAL TERMS AND CONDITIONS
(Continued)

4. MEASUREMENT OF GAS (Continued)

exercise care in the installation, maintenance and operation of check measuring, pressure regulating equipment or gas compressors so as to prevent any inaccuracy in the determination of the quantity or quality of gas being measured. If unacceptable square root error or gauge line error shifts occur, the installation of pulsation filters may be required by Northwest. The party responsible for the source of any pulsation shall also be responsible for the installation cost of remedial devices or filtering equipment to reduce or eliminate such pulsation. If disagreements over pulsation arise, a third-party consultant acceptable to both Transporter and Shipper will be consulted to resolve the problem.

4.8 Adjustment of Inaccuracies. NAESB WGQ Flowing Gas Related Standards 2.3.13 and 2.3.14 will apply.

If the percentage of inaccuracy upon any test shall be an amount of two (2) percent or higher, the registration of such meter shall be corrected at the rate of such inaccuracy for any period which is definitely known or agreed upon. In the event the period is not definitely known or agreed upon, such correction shall be for a period extending back one-half (1/2) of the time elapsed since the date of the last calibration. In no event shall inaccuracies of less than 100 Dth over the period be corrected.

Following any test, measurement equipment found inaccurate shall be immediately restored by the operating party as closely as possible to a condition of accuracy. If the measurement equipment is out of service or out of repair for any reason so that the amount of gas delivered cannot be estimated or computed from the reading thereof, the amount of gas delivered through the period such meter is out of service or out of repair shall be estimated and agreed upon by the Transporter and Receiving Party upon the basis of the best data available using the first of the following methods which is feasible:

- (a) by using the registration of the other party's check meter if installed and accurately registering; or
- (b) by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or

GENERAL TERMS AND CONDITIONS
(Continued)

4. MEASUREMENT OF GAS (Continued)

(c) by estimating the quantity of deliveries by comparison with deliveries during preceding periods under similar conditions when the meter was registering accurately.

4.9 Correction of Volume Calculation Error. If, upon inspection and verification, any volume calculation error shall result in a volume inaccuracy of two (2) percent or higher, then the inaccuracy shall be corrected to zero error following verification by Transporter and Shipper, however, in no event shall inaccuracies less than 100 Dth over the period be corrected.

4.10 Prior Period Adjustments. NAESB WGQ Flowing Gas Related Standards 2.3.11 and 2.3.12 will apply.

4.11 Records Preservation. Each party shall preserve all test and measurement data, charts or similar records for a period of at least one (1) year or such other periods as shall be required under Part 225 of the Commission's regulations or the lawful requirements of any other governmental body, Federal or State, prescribing longer retention periods for any category of record.

GENERAL TERMS AND CONDITIONS
(Continued)

5. BILLING AND PAYMENT

5.1 Statement by Shipper. NAESB WGQ Flowing Gas Related Standard 2.3.7 will apply.

Except where Transporter is the party designated as the party operating and maintaining the delivery point, Operator shall report or cause to be reported to Transporter the daily volumes and gross heating value of gas delivered pursuant to the Service Agreement by telephone, fax, Internet E-mail or other electronic means agreed to between the parties to Transporter's Gas Measurement Department by the 5th business day of the calendar month following the month of delivery of such volumes. Shipper shall furnish Transporter's Gas Measurement Department with a written statement that confirms such reported volumes by the 10th business day of the calendar month following the month of delivery.

5.2 Statement by Northwest. NAESB WGQ Invoicing Related Standard 3.3.14; NAESB WGQ Flowing Gas Related Standard 2.3.28, Invoicing Related Standards 3.3.3 through 3.3.13, 3.3.22 through 3.3.26; and Capacity Release Related Standards 5.3.22 and 5.3.23 will apply.

Transporter's invoice and imbalance statements will include information consistent with the standards referenced in this subsection.

5.3 Payment by Shipper. NAESB WGQ Invoicing Related Standards 3.3.17 and 3.3.18 will apply.

On or before the 25th day of each calendar month, Shipper shall make payment to Transporter for all amounts due Transporter as set forth on the statement referred to in Section 5.2. Unless otherwise agreed to by Transporter, such payment shall be made by wire transfer on or before the due date to a depository designated by Transporter on its invoice. If Transporter agrees to accept payment by check, and unless otherwise agreed to by Transporter, such payment must be received on or before the 25th day of each calendar month at the address specified by Transporter on its Designated Site. If the 25th falls on a day that the designated depository is not open in normal course of business to receive Shipper's payment, or the 25th falls on a day that payment by check cannot be received by Transporter in normal course of business, then Shipper's payment by wire transfer shall be made, or payment by check shall be received, on or before the business day prior to the 25th that such depository or delivery is available.

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS
(Continued)

5. BILLING AND PAYMENT (Continued)

5.4 Failure to Pay Bills. Should Shipper fail to pay all of the amount of any bill, when the same becomes due, Transporter shall have the right to charge Shipper a late charge on the unpaid balance which shall accrue on each calendar day from the due date at the rate specified in Section 154.501(d) of the Commission's regulations. If such failure to pay continues for thirty (30) days after payment is due, Transporter, in addition to any other remedy it may have under the Service Agreement, may; (1) discontinue transportation service for self-implementing transactions without Commission approval, or (2) after application to and authorization by the Commission suspend further service until such amount is paid. However, if Shipper in good faith shall dispute the amount of any such bill or part thereof and shall pay to Transporter such amounts as it concedes to be correct, then Transporter shall not be entitled to suspend further service.

5.5 Right to Set Off Unpaid Amounts. In the event that Shipper does not pay the full amount due in accordance with Section 5.3 hereof, without prejudice to any other rights or remedies it may have, Transporter shall have the right to withhold and set off payment of any amounts of monies due by Transporter to Shipper, whether in connection with the Service Agreement in dispute or otherwise, against any and all amounts or monies due or owing by Shipper to Transporter for services performed under the Service Agreement in dispute.

5.6 Disputed Statements and Prior Period Adjustments. NAESB WGQ Flowing Gas Related Standard 2.3.31 and Invoicing Related Standards 3.3.15, 3.3.16, 3.3.19 and 3.3.21 will apply.

5.7 Rate Refunds. In the event that the Commission orders refunds of any rates charged by Transporter, Transporter will make such refunds to all affected, eligible Shippers.

Rate refunds that involve capacity release transactions shall be made as follows:

(a) For temporary capacity releases that are more than one year in duration or take effect more than one year from the date that Transporter receives notification of the release, Transporter will make such rate refunds to the Replacement Shipper.

(b) For temporary releases of one year or less in duration and that take effect within one year of Transporter receiving notification of the release, Transporter will make such refunds to the Releasing Shipper.

GENERAL TERMS AND CONDITIONS
(Continued)

5. BILLING AND PAYMENT (Continued)

(c) For permanent releases, Transporter will make refunds pro rata, between the Releasing Shipper and the Replacement Shipper, based on the effective date of the release, provided that refunds related to temporary capacity releases occurring before or after a permanent release will be made consistent with Sections 5.7(a) and (b).

(d) Additionally, for all capacity release transactions, the Releasing Shipper and the Replacement Shipper may agree in the Special Terms and Conditions of such release, that subsequent to Transporter's disbursement of any rate refunds pursuant to Sections 5.7(a), (b) or (c), the party receiving the refund may disburse it to the other party.

5.8 Record Retention. Transporter and Shipper shall retain all records pertaining to billing and payment for at least three (3) years.

5.9 Access to Records. Each party hereto, or its designated representative, shall have access to the books and records of the other party during normal business hours to the extent such records are applicable to measurement and quantities of gas delivered hereunder.

5.10 Establishment of Credit. NAESB WGQ Creditworthiness Standards 0.3.3 through 0.3.10 will apply.

Transporter shall have the right to require Shipper to provide proof of ability to pay, satisfactory to Transporter, including advance deposits if deemed required by Transporter. Transporter shall pay interest on Shipper's advance deposit in accordance with Section 154.501(d) of the Commission's regulations.

5.11 Discount Policy. Any discounts will be applied to the base tariff charge, excluding any surcharges.

GENERAL TERMS AND CONDITIONS
(Continued)

6. STATUTORY REGULATION

6.1 Regulation. Transporter's rates, charges, classifications and services as set forth in this tariff are subject to regulation by the Commission under the Natural Gas Act, the Natural Gas Policy Act of 1978 and any successor or supplemental act. Transporter shall have the right to file from time to time with the Commission under Section 4 of the Natural Gas Act such new rate schedules and changes in its existing effective tariff as Transporter may find necessary from time to time to: (a) assure Transporter just and reasonable rates and charges, as well as a rate of return sufficient, inter alia, to service the debt, attract capital, permit facilities expansion and (b) efficiently and reliably manage its Transportation System to provide adequate natural gas service to all of Transporter's customers. Without in any way limiting the generality of the foregoing, Transporter shall have the right to file new rate schedules and or new tariff sheets fairly and appropriately reflecting changes in its costs or changes in the conditions of service attributable to such transportation or any other service provided. Shipper shall have the right to protest any such new rate schedules and changes before the Commission. Notwithstanding any other provision hereof, these provisions are subject to all valid legislation and all valid present or future orders, rules and regulations of duly constituted authorities now or hereafter having jurisdiction.

6.2 Filing Fees. Shipper shall reimburse Transporter for any and all filing fees incurred by Transporter in seeking necessary governmental authorizations for service or facilities requested by the Shipper under any Rate Schedule included in this tariff.

6.3 Imported Natural Gas. For imported Natural Gas tendered by Shipper for Transportation by Transporter under Rate Schedules TF-1, TF-2 or TI-1, Shipper agrees that it or the entity selling the imported Natural Gas to Shipper is the "importer of record" and Shipper will comply with all requirements for reporting and submitting payment of duties, fees, and taxes to the United States or agencies thereof to be made on imported Natural Gas and for making the declaration of entry pursuant to 19 CFR Section 141.19. Shipper agrees to indemnify and hold Transporter harmless from any and all claims of damage or violation of any applicable laws, ordinances and statutes which pertain to the importation of the gas transported hereunder and which require reporting and/or filing of fees in connection with said import.

GENERAL TERMS AND CONDITIONS
(Continued)

6. STATUTORY REGULATION (Continued)

6.4 Warranty Of Eligibility For Transportation. Shipper warrants that all Gas delivered to Transporter for Transportation under all Rate Schedules included in this Tariff will be eligible for Transportation in interstate commerce under the rules, regulations or orders of the Commission in existence at the time the Gas is shipped. Shipper will indemnify Transporter and save it harmless from all suits, actions, damages, costs, losses, expenses (including reasonable attorney fees) and regulatory proceedings, arising from breach of this warranty.

7. LIABILITY AND RISK OF LOSS

7.1 Liability for Facilities. Each party assumes full responsibility and liability arising from the operation of the pipeline and facilities owned by it and agrees to hold the other party harmless from any liability of any nature arising from the owning party's installation, ownership, and operation thereof. Transporter shall have no obligation to odorize gas delivered to Shipper under this tariff nor to maintain any odorant level.

7.2 Risk of Loss. Except as otherwise provided in the Service Agreement, risk of loss to the volumes of gas transported shall pass to Transporter upon delivery to Transporter for Shipper's account and to Shipper upon delivery by Transporter for Shipper's account.

7.3 Limitation of Liability. Except as otherwise provided elsewhere in this tariff, in no event shall Transporter or Shipper be liable to the other for special, indirect, consequential (including loss of profits), incidental or punitive damages whether or not such damages arise out of breach of contract, negligence, tort, strict liability; provided, however, unless otherwise agreed to by Transporter and Shipper, the foregoing shall not limit Transporter's liability, if any, to Shipper, nor Shipper's liability, if any, to Transporter, arising out of gross negligence, willful misconduct, or bad faith actions. Nothing herein shall limit Transporter's liability, if any, to Shipper, nor Shipper's liability, if any, to Transporter, for direct damages.

GENERAL TERMS AND CONDITIONS
(Continued)

8. TITLE TO GAS

8.1 Warranty of Title. Transporter accepts Shipper's gas at the Receipt Point(s) subject to the understanding that Shipper warrants that it will at the time of delivery of gas to Transporter for transportation, have good title to all gas so delivered to Transporter, free and clear of all liens, encumbrances and claims whatsoever, and that it will at such time of delivery have the right to deliver such gas. Transporter may also request Shipper's proof of right to purchase or transport such gas.

Subject to the foregoing, Transporter warrants that it will at the time of delivery of the transported gas to Shipper at the Delivery Point have the right to deliver said gas free and clear of all liens, encumbrances and claims whatsoever.

8.2 Buy/Sell. "Buy/sell" arrangements are those in which Shipper takes title to natural gas at or upstream of Transporter's receipt point in a transaction with a third party with the understanding and commitment that after the gas has been transported on Transporter's transmission system and delivered to Shipper at the delivery point, such gas will be returned to the third party and title to the gas reconveyed to the third party. All buy/sell arrangements existing prior to November 1, 1993, the date Transporter's capacity release mechanism went into effect, are grandfathered. Shipper warrants that the gas which it tenders for firm transportation will not be acquired by Shipper under buy/sell arrangements executed on or after such date.

8.3 Indemnity. Each party shall indemnify, save and hold the other party, its subsidiaries and/or affiliates and their directors, officers, employees and agents, free and harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of all persons to the gas delivered by it to such other party.

GENERAL TERMS AND CONDITIONS
(Continued)

8. TITLE TO GAS (Continued)

8.4 Waiver of Shipper Must Have Title Requirement. If Transporter acquires transportation and/or storage capacity on an off-system pipeline, Transporter will use such capacity for operational purposes and/or will render service to Shippers using such capacity pursuant to the terms and conditions of its tariff and at Commission-approved rates. For transactions subject to this Section 8.4, the "Shipper must have title" requirement is waived.

9. FORCE MAJEURE

Neither Transporter nor Shipper shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any blockades, insurrections, riots, epidemics, flood, washouts, landslides, mudslides, earthquakes, extreme cold or freezing weather, lightning, rulers and peoples, civil disturbances, explosions, breakage or imminent breakage or freezing of or accident to machinery or line of pipe, the order of any court or governmental authority having jurisdiction, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered a matter within the control of the party claiming suspension.

Such causes or contingencies affecting the performance under the executed Service Agreement by either Transporter or Shipper, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payments of amounts then due, including reservation charges.

GENERAL TERMS AND CONDITIONS
(Continued)

10. INTERRUPTIONS OF SERVICE

10.1 Tests and Repairs. Transporter shall have the right, without liability to Shipper, to interrupt the transportation of gas for Shipper when necessary to test, alter, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, Transporter's pipeline system, or otherwise related to the operation thereof. Transporter shall endeavor to cause a minimum of inconvenience to Shipper because of such interruptions.

10.2 Operational Control. Transporter shall retain full operational control of its pipeline system and shall at all times be entitled to schedule deliveries and to operate its pipeline system in a manner which, in Transporter's sole opinion, is consistent with the obligations and operating conditions as they may exist from time to time on Transporter's system, or which will allow Transporter to optimize the receipt and/or utilization of gas supplies on its transmission system now and in the future. Nothing in any Service Agreement shall be deemed to impinge on such operating flexibility.

GENERAL TERMS AND CONDITIONS
(Continued)

11. SERVICE AGREEMENT AND SERVICE CONDITIONS

11.1 Form of Agreement. Transporter and Shipper shall electronically execute a Service Agreement covering the service contemplated using Transporter's standard Form of Service Agreement. The executed Service Agreement, together with the General Terms and Conditions and applicable Rate Schedule shall constitute the entire agreement between the parties for service provided therein and shall be modified only by mutual agreement, electronically in Northwest Passage. Except for the granting of temporary discounts pursuant to Section 3.3(b) of Rate Schedule TI-1 and Section 3.5(b) of Rate Schedule TIL-1, all modifications to Service Agreements must be made in accordance with Section 11.4 of the General Terms and Conditions of Transporter's Tariff.

11.2 Electronic Execution. The Service Agreement is executed by Shipper when Shipper submits the required information electronically in Northwest Passage on Transporter's Designated Site. The Service Agreement is executed by Transporter if and when Transporter awards the Service Agreement in Northwest Passage. Electronic execution of a Service Agreement will be binding and enforceable in the same manner and to the same extent as execution of a Service Agreement in writing, and evidence of electronic execution, if introduced on paper, will be admissible to the same extent as other business records originated in written form. Shipper's use of the electronic execution feature of Northwest Passage to execute a Service Agreement, together with Transporter's award thereof, will constitute an executed Service Agreement between the parties in satisfaction of any applicable "statute of frauds."

11.3 Notices. Any notices called for in any Service Agreement or communications concerning such Service Agreement will be in written or electronic form and will be considered as having been duly given when delivered personally, or when mailed, faxed, or sent by other electronic measures to either Shipper or Transporter at the place designated. The place designated for Shipper will be the mailing address and contact information for Shipper as set forth on the Business Associate Information form submitted by Shipper, as revised from time to time. The place designated for Transporter will be set forth on Transporter's Designated Site.

11.4 Modifications to Service Agreements. For Service Agreements that currently are not in the format of the Form of Service Agreement contained in this Tariff, Shipper may voluntarily restate its agreement using the current Form of Service Agreement with preservation of all pre-existing contractual rights.

GENERAL TERMS AND CONDITIONS
(Continued)

11. SERVICE AGREEMENT AND SERVICE CONDITIONS (Continued)

If Transporter and Shipper desire to modify an existing Service Agreement, the following provisions will apply:

(a) For modifications that are to become effective immediately, the Shipper must electronically submit a request in Northwest Passage to restate its existing Service Agreement in the format of the Form of Service Agreement in the Tariff. Such request must incorporate any effective Addendum to Service Agreement and any effective Amendment(s) made pursuant to Sections 11.5 or 22.12 of the General Terms and Conditions of this Tariff. However, any Addendum to Service Agreement and/or Amendment(s) that were executed before such restatement request which are not yet effective will continue.

(b) For modifications that are to become effective at a future date, Shipper must: i) electronically submit a request in Northwest Passage to amend its existing Service Agreement using the Form of Service Agreement Amendment in the Tariff; and ii) have an existing Service Agreement in the format of the Form of Service Agreement in the Tariff. Such request must incorporate any effective Addendum to Service Agreement and any effective Amendment(s) made pursuant to Sections 11.5 or 22.12 of the General Terms and Conditions of this Tariff. However, any Addendum to Service Agreement and/or Amendment(s) that were executed before such amendment request which are not yet effective will continue.

(c) If a Service Agreement states that a date (such as an effective date, a primary term begin date or a primary term end date) is dependent upon the occurrence of a specified event, then once the described event has occurred, Transporter and Shipper will restate the Service Agreement in the format of the current Form of Service Agreement in the Tariff in accordance with Section 11.4(a) above, and will replace the description of the date with the actual date.

GENERAL TERMS AND CONDITIONS
(Continued)

11. SERVICE AGREEMENT AND SERVICE CONDITIONS (Continued)

11.5 Successors and Assigns. An executed Service Agreement will be binding upon and inure to the benefit of the parties and to their respective successors and assigns.

(a) If a Shipper has a corporate name change, including a name change due to a merger or acquisition of substantially all its assets by a third party, the following provisions will apply:

i. Shipper must immediately provide written notice and the necessary supporting documentation of the name change to Transporter;

ii. Shipper must electronically submit a request to Transporter to restate or amend all of its Service Agreement(s) or submit an Addendum to Service Agreement to reflect the name change;

iii. Shipper must satisfy Transporter's credit requirements;

iv. Shipper's electronic submission of the Addendum to Service Agreement will constitute Shipper's execution of an amendment to the Service Agreement. Transporter's acceptance of Shipper's name change and supporting documents and approval of Shipper's creditworthiness shall constitute Transporter's execution of an amendment to the Service Agreement;

v. Name changes must become effective on the first day of a month unless otherwise agreed to by Transporter and Shipper;
and

vi. When a Releasing Shipper's Service Agreement has been revised to reflect a name change, the Service Agreement(s) of the related Replacement Shipper(s) will automatically be deemed amended to reflect the new name of the Releasing Shipper and an Addendum to Service Agreement documenting the name change will be added to such Replacement Shipper's related Service Agreement(s).

GENERAL TERMS AND CONDITIONS
(Continued)

11. SERVICE AGREEMENT AND SERVICE CONDITIONS (Continued)

(b) A Shipper may temporarily or permanently release its firm contract rights to a Replacement Shipper pursuant to Section 22 of the General Terms and Conditions.

(c) A Shipper may assign a Service Agreement, instead of releasing its contract rights, only if the assignee is an affiliate of Shipper.

If a Shipper desires to assign its capacity to an affiliate of the Shipper, instead of releasing its capacity, the following provisions apply:

i. Shipper (Assignor) must immediately provide Transporter with written notice and the necessary supporting documentation of the assignment;

ii. Shipper (Assignor) must electronically submit a request to restate or amend all of its Service Agreement(s) or electronically submit an Addendum to Service Agreement to reflect the assignment;

iii. Shipper (Assignee) must electronically agree to such assignment request;

iv. Shipper (Assignee) must satisfy Transporter's credit requirements;

v. Transporter's consent to such assignment is required and will be demonstrated by its electronic execution of such assignment request. Transporter's consent will not unreasonably be withheld;

GENERAL TERMS AND CONDITIONS
(Continued)

11. SERVICE AGREEMENT AND SERVICE CONDITIONS (Continued)

vi. Shipper's electronic submission of the Addendum to Service Agreement will be deemed Shipper's execution of an amendment to the Service Agreement. Transporter's acceptance of the assignment documentation and approval of Shipper's creditworthiness shall constitute Transporter's execution of an amendment to the Service Agreement;

vii. Assignments must become effective on the first day of the month unless otherwise agreed to by Transporter and Shippers (Assignor and Assignee);

viii. When a Releasing Shipper's Service Agreement has been revised to reflect an assignment, the Service Agreement(s) of the related Replacement Shipper(s) will be deemed amended to replace the Assignor's name with the Assignee's name and an Addendum to Service Agreement will automatically be added to such Replacement Shipper's related Service Agreement(s) to reflect such assignment.

GENERAL TERMS AND CONDITIONS
(Continued)

11. SERVICE AGREEMENT AND SERVICE CONDITIONS (Continued)

11.6 Post-Termination Obligations. Upon termination, a Service Agreement will cease to have any force or effect, save as to any unsatisfied obligations or liabilities of either party arising under the Service Agreement prior to the date of such termination, or arising thereafter as a result of such termination. Provided, however that this provision will not supersede any abandonment authorization which may be required.

11.7 Extension of Firm Service Agreement(s) Prior to Expiration. Prior to the expiration of the term of a firm Service Agreement(s) and prior to Transporter posting the availability of such capacity for competitive bid subject to a Shipper's right of first refusal, if any, Transporter and Shipper may mutually agree to negotiate the terms of Shipper's Service Agreement(s) in exchange for Shipper's extension of all or a part of its existing service(s) under its Service Agreement(s). Extensions of such Service Agreement(s) will be negotiated on a case-by-case basis in a not unduly discriminatory manner. To the extent that Transporter and Shipper have mutually agreed to extend such service, the posting and bidding requirements of Section 25 of the General Terms and Conditions of the Tariff will not apply.

11.8 Shipper Buy-Out of Firm Service Agreement.

- (a) General. When Transporter is negotiating with a Shipper that is willing to subscribe to posted unsubscribed capacity or capacity offered in an open season, Transporter may agree to allow such Shipper the right to buy out of the resulting Service Agreement in its entirety.
- (b) Eligibility. Transporter, on a not unduly discriminatory basis, will only agree to a buy-out if, in Transporter's reasonable judgment, it is financially beneficial to Transporter.

To determine if the buy-out is financially beneficial, Transporter may take into account the term of the agreement, the rates, and the value, demand for, and alternative uses of, the capacity under the firm Service Agreement and any exit fee agreed to by Shipper as part of the negotiations to buy out of a firm Service Agreement.

- (c) Negotiable Terms of Buy-out. Transporter will use its reasonable judgment to establish: 1) the time period in which Shipper must provide written notification to Transporter to implement its right to buy out of a firm Service Agreement; and 2) the payment schedule for Shipper to remit the negotiated exit fees to Transporter. All components of such exit fee will be negotiated between

GENERAL TERMS AND CONDITIONS (Continued)

11. SERVICE AGREEMENT AND SERVICE CONDITIONS (Continued)

11.8 Shipper Buy-Out of Firm Service Agreement. (Continued)

Transporter and Shipper, including any present value discount rate (should that be one of the components of the exit fee).

(d) Requirements to Exercise. To exercise its right to buy out of its firm Service Agreement, Shipper must, as of the effective date of the buy-out, have:

- i. no unpaid invoice amounts;
- ii. a zero imbalance;
- iii. no outstanding releases of capacity pursuant to Section 22 of this Tariff; and
- iv. no outstanding facilities payment obligation pursuant to Exhibit C on the Service Agreement.

(e) Agreement. The buy-out right negotiated between Transporter and Shipper will be stated on Exhibit E of Shipper's firm Service Agreement.

11.9 Conditional Service Agreement Extensions. In negotiating the extension of a firm Service Agreement pursuant to Section 11.7 of the General Terms and Conditions, Transporter and Shipper may mutually agree to give Shipper the option to subsequently reduce the length of such extension under certain conditions provided: (a) the Service Agreement contains a Standard Unilateral Evergreen Provision; (b) the primary term end date of the Service Agreement(s), is extended beyond the primary term end date or evergreen rollover period; (c) the extended Service Agreement(s) containing the option is contemplated to serve anticipated new infrastructure that will utilize Transporter's system; (d) the option to reduce the extension period must be based upon events specified in the Service Agreement related to the anticipated new infrastructure. Shipper's right to reduce the length of any extension pursuant to this provision is forfeited if the Shipper does not notify Transporter on or before the date specified in the Conditional Service Agreement Extension.

11.10 Conversion of Rate Schedule LS-2F Capacity. When a Shipper's Rate Schedule LS-2F Service Agreement has been revised to reflect a conversion of capacity, an Addendum to the Service Agreement will automatically be added to the Shipper's base LS-2F Service Agreement to reflect such conversion.

GENERAL TERMS AND CONDITIONS
(Continued)

12. SCHEDULING PRIORITIES AND CURTAILMENT POLICY

12.1 Scheduling Priorities for Transportation

If Transporter determines that its operationally available Transportation capacity through any point on its system is insufficient to accommodate all otherwise acceptable new Nominations for services under Rate Schedules TF-1, TF-2, TFL-1, TI-1 and TIL-1 in any Nomination cycle through such point, Transporter will schedule its operationally available capacity for Nominations that have not already been scheduled for a given Gas Day in accordance with the following priorities of service:

(a) First, Nominations for Primary Firm Service will be scheduled. If all such Nominations cannot be accommodated, available capacity will be allocated pro rata based on the Primary Firm Service Rights associated with such Nominations through the constraint point.

(b) Second, Nominations for Secondary Firm Service will be scheduled as follows:

i) Nominations made pursuant to Rate Schedule TF-2 from the Plymouth LNG Facility where the Nomination is at or in between the receipt and delivery point(s) listed on Shipper's associated TF-1 Firm Service Agreement;

ii) Nominations under any Commission-approved Firm Service Agreement with non-conforming provisions which provide Shipper with subordinate rights; and beginning April 1, 2024, nominations on any conforming TF-1 Firm Service Agreement with subordinate rights as indicated on Exhibit A; and

GENERAL TERMS AND CONDITIONS
(Continued)

12. SCHEDULING PRIORITIES AND CURTAILMENT POLICY (Continued)

iii) All other Nominations for Secondary Firm Service.

If all such Nominations cannot be accommodated, available capacity will be allocated pro rata based on nominating Shippers' Contract Demand.

(c) Third, Nominations for interruptible services and overrun services will be scheduled. If all such Nominations cannot be accommodated, available capacity will be allocated based on the rates that apply to such services, from the highest to the lowest. For services at the same rates, any necessary allocations of available capacity will be pro rata based on otherwise acceptable and confirmable Nominations. Interruptible and overrun services are subject to bumping, as described in Section 12.7. For services with Negotiated Rates, the rates used for scheduling priorities are delineated in Section 12.6.

(i) Shippers that are not nominating at the Maximum Base Tariff Rates and desire to elevate their scheduling priority by agreeing to pay a higher rate, not to exceed the Maximum Base Tariff Rate, in the event such higher rate is necessary to allow an otherwise acceptable and confirmable Nomination to be scheduled, must indicate their willingness to do so at the time of Nomination.

(d) Fourth, Nominations for Makeup and Payback will be scheduled. If all such Nominations cannot be accommodated, available capacity will be allocated pro rata based on such Nominations.

12.2 Scheduling Priorities for Jackson Prairie Storage

If Transporter determines that its operationally available injection, withdrawal and storage capacities at the Jackson Prairie storage facility are insufficient to accommodate Transporter's balancing needs as well as all otherwise acceptable new Nominations for services under Rate Schedules SGS-2F, SGS-2I, DEX-1, TPAL, and PAL in any Nomination cycle, Transporter will schedule

GENERAL TERMS AND CONDITIONS
(Continued)

12. SCHEDULING PRIORITIES AND CURTAILMENT POLICY (Continued)

its operationally available capacity for Nominations that have not already been scheduled for a given Gas Day in accordance with the following priorities of service:

- (a) First, Nominations for firm service under Rate Schedule SGS-2F and Transporter's firm balancing rights will be scheduled. If all such Nominations cannot be accommodated, available capacity for injections will be allocated pro rata based on Transporter's and Shipper's Storage Capacities and available capacity for withdrawals will be allocated pro rata based on Transporter's and Shipper's Storage Demand, which is subject to the limitations in Rate Schedule SGS-2F, Section 9.2.
- (b) Second, Nominations for deliveries of Deferred Exchange Quantities at Jackson Prairie under Rate Schedule DEX-1, up to the Daily Delivery Quantity, will be scheduled. If all such Nominations cannot be accommodated, capacity will be allocated based on rate, highest to lowest. For services at the same rates, any necessary allocations of available capacity will be pro rata based on otherwise acceptable and confirmable Nominations.
- (c) Third, Nominations for Transporter's best-efforts system balancing requirements will be scheduled.
- (d) Fourth, Nominations (including Shipper's requests for in-ground storage transfers) for interruptible storage capacity under Rate Schedules SGS-2F (as best-efforts), SGS-2I, PAL and/or TPAL will be scheduled. If all such storage capacity Nominations cannot be accommodated, available capacity will be allocated based on rate, highest to lowest. For Rate Schedules SGS-2F (as best-efforts), SGS-2I, PAL and/or TPAL services at the same rates, any necessary allocations of available capacity will be pro rata based on otherwise acceptable and confirmable Nominations. To the extent there is more storage capacity than there is injection and/or withdrawal capacity, Transporter will separately and subsequently allocate capacity for in-ground transfer requests using the methodologies herein.

GENERAL TERMS AND CONDITIONS
(Continued)

12. SCHEDULING PRIORITIES AND CURTAILMENT POLICY (Continued)

After scheduling interruptible storage capacity, Nominations for injections/withdrawals for interruptible service under Rate Schedules SGS-2I, SGS-2F (best-efforts), DEX-1 (Deferred Exchange Quantities that exceed the Daily Delivery Quantity), and PAL will be scheduled. If all such injection and/or withdrawal Nominations cannot be accommodated, available capacity will be allocated pro rata based on otherwise acceptable and confirmable Nominations.

For services with Negotiated Rates, the rates used for scheduling priorities are delineated in Section 12.6.

12.3 Scheduling Priorities for Clay Basin Storage

If Transporter determines that its operationally available injection, withdrawal, and storage capacities at the Clay Basin storage facility are insufficient to accommodate all otherwise acceptable new Nominations related to system balancing and/or, for services under Rate Schedules DEX-1, TPAL, and PAL in any Nomination cycle, Transporter will schedule the operationally available capacity for Nominations that have not already been scheduled for a given Gas Day in accordance with the following priorities of service:

(a) First, Nominations for Transporter's system-balancing requirements will be scheduled.

(b) Second, Nominations for deliveries of Deferred Exchange Quantity under Rate Schedule DEX-1, up to the Daily Delivery Quantity, will be scheduled. If all such Nominations cannot be accommodated, available capacity will be allocated based on rate, highest to lowest. For services at the same rates, any necessary allocations of available capacity will be pro rata based on otherwise acceptable and confirmable Nominations.

(c) Third, Nominations (including Shipper's requests for in-ground storage transfers) for interruptible storage capacity under Rate Schedules PAL and/or TPAL will be scheduled. If all such storage

GENERAL TERMS AND CONDITIONS
(Continued)

12. SCHEDULING PRIORITIES AND CURTAILMENT POLICY (Continued)

capacity Nominations cannot be accommodated, available capacity will be allocated based on rate, highest to lowest. For Rate Schedules PAL and/or TPAL services at the same rates, any necessary allocations of available capacity will be pro rata based on otherwise acceptable and confirmable Nominations. To the extent there is more storage capacity than there is injection and/or withdrawal capacity, Transporter will separately and subsequently allocate capacity for in-ground transfer requests using the methodologies herein.

After scheduling interruptible storage capacity, Nominations for injections/withdrawals for interruptible service under Rate Schedules DEX-1 (Deferred Exchange Quantities that exceed the Daily Delivery Quantity) and PAL will be scheduled. If all such injection and/or withdrawal Nominations cannot be accommodated, available capacity will be allocated pro rata based on otherwise acceptable and confirmable Nominations.

For services with Negotiated Rates, the rates used for scheduling priorities are delineated in Section 12.6.

12.4 Scheduling Priorities for Plymouth LNG Facilities

If Transporter determines that its operationally available liquefaction, vaporization and/or LNG delivery capacities at the Plymouth LNG Facility are insufficient to accommodate all otherwise acceptable new Nominations for services under Rate Schedules LS-2F, LS-3F, LS-2I and LD-4I in any Nomination cycle, Transporter will schedule its operationally available capacity for Nominations that have not already been scheduled for a given Gas Day in accordance with the following priorities of service:

(a) First, Nominations for firm service under Rate Schedules LS-2F and LS-3F will be scheduled. If all such Nominations cannot be accommodated, available liquefaction capacity and available LNG delivery capacity will be allocated pro rata based on Shipper's Storage Capacities and available vaporization capacity will be allocated based on Shipper's Storage Demand.

GENERAL TERMS AND CONDITIONS
(Continued)

12. SCHEDULING PRIORITIES AND CURTAILMENT POLICY (Continued)

(b) Second, Nominations for interruptible service under Rate Schedules LS-2I and LD-4I, and Nominations for overrun service under Rate Schedules LS-2F and LS-3F will be scheduled. If all such Nominations cannot be accommodated, available capacity will be allocated according to the rates applicable to the service, from highest to lowest. For services at the same rates, any necessary allocations will be pro rata based on Nominations. For services with Negotiated Rates, the rates used for scheduling priorities are delineated in Section 12.6.

12.5 Scheduling Priorities for Park and Loan at Non-Storage Points

Nominations (including Shipper's requests for transfers) for interruptible service under Rate Schedules PAL and/or TPAL will be scheduled. If all such Nominations cannot be accommodated, available capacity will be allocated based on rate, highest to lowest. For Rate Schedules PAL and/or TPAL services at the same rates, any necessary allocations of available capacity will be pro rata based on otherwise acceptable and confirmable Nominations.

For services with Negotiated Rates, the rates used for scheduling priorities are delineated in Section 12.6.

12.6 Negotiated Rate Used to Establish Priority

For non-firm services subject to Negotiated Rates, the rate used for scheduling priorities will be:

- (1) the lower of the Negotiated Rate or the corresponding Recourse Rate, if the Negotiated Rate is a stated rate;
- (2) the lower of the minimum Negotiated Rate or the corresponding Recourse Rate, if the Negotiated Rate is a formula rate with a specified minimum; or
- (3) the corresponding minimum base rate set forth on the Statement of Rates, if the Negotiated Rate is a formula rate without a specified minimum.

GENERAL TERMS AND CONDITIONS
(Continued)

12. SCHEDULING PRIORITIES AND CURTAILMENT POLICY (Continued)

12.7 Bumping

Previously Scheduled Quantities for interruptible, overrun or best-efforts, and park and loan services may be bumped in accordance with the following procedures:

- (a) Transporter will give scheduling priority to Firm Nominations submitted during the evening Nomination, Intraday 1 and Intraday 2 Nomination Cycles over previously Scheduled Quantities for interruptible, overrun or best-efforts, and park and loan services. The elapsed-prorated-scheduled quantity process will apply to previously Scheduled Quantities bumped in the Intraday 1 and Intraday 2 Nomination Cycles.
- (b) If previously Scheduled Quantities will be reduced as a result of bumping, Transporter will report such reductions on its Designated Site .

12.8 Previously Scheduled Quantities at the Agreement Level

To the extent that a Shipper, by nomination, revises Scheduled Quantities on a service agreement through a receipt or delivery point, on the mainline or on a lateral in subsequent Nomination cycles, the quantity that remains scheduled on such Agreement through such point after the revision will not be considered a new Nomination through the point.

12.9 Curtailment Policy

If Transporter determines that operationally available capacity through any constraint point on its system has been reduced for any reason whatsoever to a level insufficient to accommodate all previously Scheduled Quantities, in the next scheduling cycle, Transporter will fill the reduced operationally available capacity as follows:

- i) Elapsed-Prorated Scheduled Quantities will be scheduled first;
- ii) Previously Scheduled Quantities will be scheduled second and will be scheduled using the priority levels delineated in Sections 12.1, 12.2, 12.3, 12.4 or 12.5 above, except that Transporter will use the Contract Demand of the Firm Service Agreement as the basis for filling the reduced operationally available capacity (once scheduled in a NAESB cycle, Secondary Firm Nominations are deemed Primary Firm Nominations).

GENERAL TERMS AND CONDITIONS
(Continued)

12. SCHEDULING PRIORITIES AND CURTAILMENT POLICY (Continued)

12.10 Shipper Notice Responsibility

Upon receipt of Transporter's notification of Scheduled Quantities under Section 12, Shipper will have the responsibility to inform its end-users, suppliers and all others involved in the affected transaction, except parties that interconnect with Transporter.

12.11 Operating Limitations

Notwithstanding the other provisions of this Section 12, Transporter will not be required to interrupt service to any Shipper served from those locations on Transporter's system where, due to operational or capacity limitations, Transporter's ability to maintain the priorities provided herein would not be improved. Transporter will not be obligated to modify its system operations or its operating procedures related to firm service in order to ameliorate specific operating and capacity limitations which result in interruptible service curtailment.

12.12 Curtailment / Allocation Liability

If Transporter is required to curtail Scheduled Quantities or allocate available capacity during the term of the Service Agreement and if the curtailment or an allocation is implemented for any reason, Transporter will not be liable for any damages caused by implementation of curtailment and/or allocation procedures as set forth herein except to the extent that such curtailment and/or allocation is shown to be the result of negligence or misfeasance by Transporter.

12.13 Nominations Subsequent to the Intraday 3 Nomination Cycle

To the extent Transporter's existing transportation and storage obligations are not compromised, Shipper may request changes in Scheduled Quantities following the Intraday 3 Nomination Cycle. All Nominations must be confirmed by the upstream/downstream operators and Transporter.

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS
(Continued)

13. GAS TECHNOLOGY INSTITUTE VOLUNTARY CONTRIBUTIONS

13.1 Purpose. The Gas Technology Institute ("GTI"), an Illinois not-for-profit corporation, has been organized for the purpose of sponsoring research, development and demonstration programs in the field of natural and manufactured gas for the purpose of assisting all segments of the gas industry in providing adequate, reliable, safe, economic and environmentally acceptable gas service for the benefit of gas consumers and the general public.

13.2 Voluntary Contributions. Transporter will provide a "check the box" option on invoices for Shippers to voluntarily contribute funds to GTI.

13.3 Remittance to GTI. Transporter shall collect from Shippers and remit to GTI, not later than fifteen (15) days after the receipt thereof, all monies received by virtue of voluntary GTI contributions.

GENERAL TERMS AND CONDITIONS (Continued)

14. OPERATING CONDITIONS

14.1 Nomination Procedure for Gas Receipts and Deliveries.

(a) Nominations. NAESB WGQ Nominations Related Standards 1.2.1, 1.3.3 through 1.3.9, 1.3.11, 1.3.13, 1.3.20, 1.3.21, 1.3.24, 1.3.25, 1.3.27, 1.3.32, 1.3.33, 1.3.35 through 1.3.46, 1.3.48, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 1.3.79, and 1.3.80 will apply.

The following timelines in Central Clock Time (with Mountain Clock Times in parentheses) reflect NAESB WGQ Standard 1.3.2:

Timely Nomination Cycle (time on day prior to flow)

Nomination leaves control of Nominating Party	1:00 P.M. (12:00 Noon)
Receipt of nomination by Transporter	1:15 (12:15) P.M.
Quick response by Transporter for validity of data elements	1:30 (12:30) P.M.
Receipt of completed confirmations by Transporter from upstream and downstream connected parties	4:30 (3:30) P.M.
Scheduled quantities available to Shippers and point operators	5:00 (4:00) P.M.
Scheduled quantities commence flow	9:00 (8:00) A.M. (Gas Day)

Evening Nomination Cycle (time on day prior to flow)

Nomination leaves control of Nominating Party	6:00 (5:00) P.M.
Receipt of nomination by Transporter	6:15 (5:15) P.M.
Quick response by Transporter for validity of data elements	6:30 (5:30) P.M.
Receipt of completed confirmations by Transporter from upstream and downstream connected parties	8:30 (7:30) P.M.

GENERAL TERMS AND CONDITIONS (Continued)

14. OPERATING CONDITIONS (Continued)

Scheduled quantities available to Shippers, point operators and bumped parties	9:00 (8:00) P.M.
Scheduled quantities commence flow Day)	9:00 (8:00) A.M. (Gas
Intraday 1 Nomination Cycle (time on Gas Day)	
Nomination leaves control of Nominating Party	10:00 (9:00) A.M.
Receipt of nomination by Transporter	10:15 (9:15) A.M.
Quick response by Transporter for validity of data elements	10:30 (9:30) A.M.
Receipt of completed confirmations by Transporter from upstream and downstream connected parties	12:30 P.M. (11:30 A.M.)
Scheduled quantities available to Shippers, point operators and bumped parties	1:00 P.M. (12:00 Noon)
Scheduled quantities commence flow	2:00 (1:00) P.M.
Intraday 2 Nomination Cycle (time on Gas Day)	
Nomination leaves control of Nominating Party	2:30 (1:30) P.M.
Receipt of nomination by Transporter	2:45 (1:45) P.M.
Quick response by Transporter for validity of data elements	3:00 (2:00) P.M.
Receipt of completed confirmations by Transporter from upstream and downstream connected parties	5:00 (4:00) P.M.
Scheduled quantities available to Shippers and point operators	5:30 (4:30) P.M.
Scheduled quantities commence flow	6:00 (5:00) P.M.

GENERAL TERMS AND CONDITIONS (Continued)

14. OPERATING CONDITIONS (Continued)

Intraday 3 Nomination Cycle (time on Gas Day)

Nomination leaves control of Nominating Party	7:00 (6:00) P.M.
Receipt of nomination by Transporter	7:15 (6:15) P.M.
Quick response by Transporter for validity of data elements	7:30 (6:30) P.M.
Receipt of completed confirmations by Transporter from upstream and downstream connected parties	9:30 (8:30) P.M.
Scheduled quantities available to Shippers and point operators	10:00 (9:00) P.M.
Scheduled quantities commence flow	10:00 (9:00) P.M.

Bumping is not allowed during the Intraday 3 Nomination Cycle.

For the purposes of this section, the word "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS (Continued)

14. OPERATING CONDITIONS (Continued)

(b) Balancing Nominations. Nominating Party shall similarly nominate to Transporter's Nomination personnel the quantity of natural gas to be used to balance Receiving Party Imbalances and Shipper Imbalances, as defined in Section 15 hereof, and shall schedule such balancing gas in accordance with Transporter's nomination procedures, subject to available capacity. A nomination request may include both daily nominations and balancing nominations but such nominations must be separately identified so that priorities of service can be maintained.

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GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(i) NAESB WGQ Nominations Related Standard 1.3.19 will apply.

(ii) Nominating Party/Shipper is responsible to ensure that the gas supply is available in sufficient quantity at the designated Receipt Points before the nominations are communicated to Transporter. Preceding the confirmation of nominations, Transporter has the right to verify the consistency of each nomination with Transporter's service agreements with Shipper(s), availability of capacity up and downstream of Transporter's system, and the availability of mainline capacity necessary to transport the gas. Transporter may reject nominations if such information cannot be verified. Transporter will notify Receiving Party and/or Nominating Party and/or Shipper of the quantity that Transporter can receive and deliver pursuant to the procedures in Section 14.4 below.

(iii) Nominating Party/Shipper is responsible for the accuracy of all nomination requests. Transporter will only receive nominations through Transporter's Designated Site. All nomination information, except volume data, is considered correct and confirmed by Nominating Party when it is communicated to Transporter.

(iv) Transporter shall not schedule gas for delivery to a Small Customer subject to Rate Schedule TF-1 under any transportation Service Agreement (excluding its Rate Schedule TF-2 Service Agreement at Plymouth held at the time of storage service unbundling in RP93-5) unless such Small Customer has scheduled its full Contract Demand for firm service under its Rate Schedule TF-1 (Small Customer) Service Agreement(s) for that day.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

14.2 Consolidated Nominations. Transporter may approve a Shipper's request to consolidate the nominations under its Service Agreements from the same Rate Schedule having the same receipt and delivery point, provided that the consolidated nominations would not negatively impact other Shippers and Transporter can reasonably administer the request under this Tariff, utilizing Transporter's current nomination system.

14.3 Nomination Changes After the Start of the Gas Day. Nomination changes may be made after the start of the Gas Day pursuant to the Intraday 1, Intraday 2, and Intraday 3 Nomination Cycles. Such transportation nominations will be subject as necessary to confirmation of the nomination changes with any involved third party upstream of the transportation receipt point and downstream of the transportation delivery point.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

14.4 Confirmation and Scheduling of Gas Receipts and Deliveries.
NAESB WGQ Nominations Related Standards 1.3.22 and 1.3.23 will apply.

All nominations are considered scheduled and confirmed for receipt and/or delivery when confirmations are made available to Nominating Party and/or Shipper and/or Receiving Party on Transporter's Designated Site.

14.5 Limitation Upon Transporter's Daily Transportation Obligation. Transporter shall not be obligated to deliver to Receiving Party or an interconnecting pipeline on any day a greater quantity of gas than it has received and scheduled for delivery. Transporter is not obligated to manipulate its pipeline operation in order for the Receiving Party to avoid unauthorized overruns as provided in Section 15 of the General Terms and Conditions, or the Receiving Party to avoid operating expenses of compression or other related facilities on its system.

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GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

14.6 Declared Entitlement Period.

(a) General. A Declared Entitlement Period is a time period, declared by Transporter, during which unauthorized overrun or underrun provisions apply as a result of an interruption or curtailment due to capacity constraints (including constraints that cause Deficiency Periods as defined in Section 10.2 of Rate Schedule TF-1), supply interruptions, or the existence of any undertake or overtake situation which jeopardizes system integrity.

(b) Declared Entitlement Notice, Contents and Procedures.

(i) Declaration of Entitlement Period via Portal Posting

As early as reasonably possible but no later than two hours prior to commencement of the gas day, Transporter will notify Receiving Party(s) when a Declared Entitlement Period is in effect. Transporter may not announce a Declared Entitlement for the coming gas day after close of the confirmation process (Evening Nomination Cycle) on the day prior to such gas day unless (i) Transporter has given a warning based on available data by posting to Transporter's Designated Site the possibility of a Declared Entitlement Period prior to the close of such confirmation period, or (ii) changes to operational circumstances or data occur after the close of such confirmation process which Transporter determines require a Declared Entitlement.

Operating conditions that may trigger post-confirmation, same-day entitlements are extensive supply failure, storage facility failure, pipeline or compression failure, excess linepack drafting, unexpected and extremely cold weather, or firm curtailment. Transporter will provide Shippers with actual notice of such operating conditions in the form of posting an All Shippers Notice to Transporter's Designated Site. Each Shipper shall designate an operational contact, and/or a third party designee, for Transporter to notify on a 24-hour a day, 365 days a year basis. If Transporter is unable to notify any Shipper because that Shipper's contact is unavailable, such Shipper shall be solely responsible for any consequences arising from such failure of communication.

(ii) Declared Entitlement Period Notice

To issue a general system or customer-specific Declared Entitlement Period, Transporter will post an entitlement notification that contains the following:

- (a) Time and Date of issuance;
- (b) Date that the entitlement is considered effective;

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(c) Identify that portion of the system contributing to the operational problem and, in the case of a customer-specific entitlement, provide notification to each Receiving Party that (1) has contributed to the adverse operating conditions for at least two consecutive days; and (2) whose actual measured deliveries have deviated from scheduled deliveries for the previous Gas Day by the greater of 10,000 Dth or 5 percent. Before issuing a customer-specific entitlement, Transporter will attempt to remedy the adverse operating condition through requests for voluntary action; provided, however, exigent circumstances may exist which require immediate issuance of a customer-specific entitlement. Transporter will not issue a customer-specific Receiving Party entitlement for the same time period and portion of the system in which a general system Declared Entitlement Period has been issued. Due to operational constraints on Transporter's system, there may be instances when a general system Declared Entitlement Period will apply to Transporter's entire system;

(d) Specify the entitlement as either an overrun or an underrun entitlement and will specify the percentage, as detailed in Section 15.5(c), by which a Receiving Party's unauthorized overruns or underruns may differ from daily entitlements, as outlined in Section 15.5(b), before Section 15.5 penalties are imposed; and

(e) Any other terms Transporter may reasonably require to ensure the effectiveness of the Declared Entitlement Period.

After an entitlement has been lifted, Transporter will post to its Designated Site information on factors that caused the entitlement to be issued and then lifted.

If deliveries to Receiving Party exceed scheduled and authorized volumes during any day that such a general system or customer-specific Declared Entitlement Period is in effect or deliveries are less than scheduled and authorized volumes in an undertake situation, the unauthorized overrun or underrun charge provisions as described in Section 15 of the General Terms and Conditions will apply.

The provisions of Section 14.3, Nomination Changes After the Start of the Gas Day, are applicable to allow Shippers to adjust receipts and/or deliveries as necessary during such Declared Entitlement Period.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

14.7 Records of Scheduled Quantities. Transporter shall keep accurate records of the quantities of gas nominated and scheduled for transportation, and any imbalances, which records shall be made available to Receiving Party or Shipper upon request. If Receiving Party's gas is commingled with other gas at the point of receipt or at the point of delivery, the scheduling arrangements and Transporter's records shall include procedures for the allocation of the total quantity at such points.

14.8 Arrangements Prior to Receipt and After Delivery. It shall be Shipper's obligation to make arrangements with other parties for delivery of gas into Transporter's system at the Receipt Point(s) and for the receipt of gas after transportation at the Delivery Point(s). Shipper shall be obligated in such arrangements to require dispatching and operating coordination with Transporter and access to appropriate charts and records. Such arrangements shall not be accepted by Transporter unless found to be satisfactory by Transporter. Shipper shall pay for any and all third party services including, but not limited to compression, processing, gathering, transportation or assigned nominating and balancing responsibilities or services.

14.9 Operating Information and Estimates. Upon request of Transporter, Shipper shall from time to time submit its best estimates of the daily, monthly and annual volumes of gas to be transported, including peak day requirements, together with such other operating data as Transporter may require in order to schedule its operations.

14.10 System Operations and Storage. Transporter shall not be required to compress transportation gas into its pipeline, lower its system operating pressure, alter the direction of gas flow, or alter other operation or utilization of its facilities or otherwise change its normal pipeline operations in order to receive, transport or deliver gas hereunder.

Transporter shall utilize its system storage capacity to accommodate transportation imbalances to the extent that existing transportation and storage obligations are not compromised.

14.11 Receipt and Delivery Points. Refer to Section 2 of the General Terms and Conditions for operating procedures and pressures at receipt and delivery points. Once confirmed as outlined in Section 14.4, service to an alternate receipt and/or delivery point shall have the same priority of service rights as a primary receipt and/or delivery point.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

14.12 Fuel Gas Reimbursement. NAESB WGQ Nominations Related Standards 1.3.15, 1.3.16 and 1.3.28 through 1.3.31 will apply.

In addition to the payments for transportation and storage, Shipper will reimburse Transporter for Shipper's pro rata share of gas used for fuel, including lost or gained and unaccounted-for gas, based on a fuel use requirements factor (Factor) as set forth on Sheet No. 14. The Factor for Rate Schedules TF-1, TF-2, TI-1 and DEX-1 (Transportation Rate Schedules) and the Factor(s) for Rate Schedules TFL-1 and TIL-1 (Lateral Rate Schedules) will be determined semi-annually to become effective on April 1 and on October 1 of each year. A separate Factor will be determined for each Designated Lateral under the Lateral Rate Schedules. The Factor for Rate Schedules SGS-2F and SGS-2I, (Underground Storage Rate Schedules) and Rate Schedules LS-2F, LS-3F, LS-2I and LD-4I (LNG Rate Schedules) will be determined annually to become effective on April 1 of each year. Fuel usage and lost or gained and unaccounted-for volumes incurred at the Jackson Prairie Storage Project attributable to system balancing requirements will be included in the Factor for the Transportation Rate Schedules. The Factor for the Transportation Rate Schedules and the Factor(s) for the Lateral Rate Schedules may also include a component for volumetric increases or decreases to Transporter's system occurring during the prior calendar year as described below. The Factors will be calculated as follows:

(a) Projected fuel usage volumes will be determined for services under the Transportation Rate Schedules and for services on each separate Designated Lateral under the Lateral Rate Schedules for the upcoming six months beginning April 1 or October 1. Projected fuel usage will be determined for services under the Underground Storage Rate Schedules and for services under the LNG Rate Schedules for the upcoming twelve months beginning April 1.

(b) Projected lost or gained and unaccounted-for volumes will be determined for services under the Transportation Rate Schedules and for services on each separate Designated Lateral under the Lateral Rate Schedules for the upcoming six months beginning April 1 or October 1. Projected lost or gained and unaccounted-for volumes will be determined for services under the Underground Storage Rate Schedules and for services under the LNG Rate Schedules for the upcoming twelve months beginning April 1.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(c) For the six months ending December 31 (to be included in the applicable April 1 calculations) or for the six months ending June 30 (to be included in the applicable October 1 calculations), Transporter will determine the net increase or decrease in volumes to Transporter's system pursuant to Sections 15.10(b), 15.11 and 22.2(b) of the General Terms and Conditions, Section 2.2 of Rate Schedule SGS-2I, Section 2.4 of Rate Schedule LS-2I, Section 5.2 of Rate Schedule DEX-1, Section 5.3 of Rate Schedule TPAL, and Section 5.3 of Rate Schedule PAL. Those volumes under Sections 15.10(b) and 15.11 associated with service on a Designated Lateral will be incorporated in the Factor calculation for such Designated Lateral.

(d) Projected volumes to be nominated for receipt by Transporter will be determined for services under the Transportation Rate Schedules and for services on each separate Designated Lateral under the Lateral Rate Schedules for the upcoming six months beginning April 1 or October 1. Projected volumes to be nominated for injection by Transporter for services under the Underground Storage Rate Schedules and for liquefaction and vaporization by Transporter for services under the LNG Rate Schedules will be determined for the upcoming twelve months beginning April 1.

(e) The sum of the projected volumes determined pursuant to Sections 14.12(a) and (b) that apply to services under the Transportation Rate Schedules and the volumes determined pursuant to Section 14.12(c), except such volumes associated with service on Designated Laterals, will be divided by the projected receipt volumes determined pursuant to Section 14.12(d) that apply to services under the Transportation Rate Schedules to derive the Factor for the Transportation Rate Schedules. The sum of the projected volumes determined pursuant to Sections 14.12(a) and (b) that apply to Transporter's services on each Designated Lateral and the volumes determined pursuant to Section 14.12(c) associated with service on each Designated Lateral will be divided by the projected receipt volumes determined pursuant to Section 14.12(d) that apply to services on each Designated Lateral to derive the Factor for each Designated Lateral under the Lateral Rate Schedules.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(f) The sum of the projected volumes determined pursuant to Sections 14.12(a) and (b) that apply to services under the Underground Storage Rate Schedules will be divided by the projected injection volumes determined pursuant to Section 14.12(d) to derive the Factor for the Underground Storage Rate Schedules. The sum of the projected volumes determined pursuant to Sections 14.12(a) and (b) that apply to services under the LNG Rate Schedules will be assigned to either the liquefaction or vaporization processes and will be divided by the projected liquefaction and vaporization volumes determined pursuant to Section 14.12(d) to derive the Factors for the LNG Rate Schedules.

(g) All projected data will include true-up adjustments for variances between fuel reimbursements and fuel used, including lost or gained and unaccounted-for volumes. For the Factors applicable to the Transportation Rate Schedules and for each Designated Lateral under the Lateral Rate Schedules, the true-up adjustments will be determined for the prior six months ending December 31 (to be included in the April 1 calculations) or for the prior six months ending June 30 (to be included in the October 1 calculations). For the Factors applicable to the Underground Storage Rate Schedules and the LNG Rate Schedules, the true-up adjustments will be determined for the prior twelve months ending December 31.

(h) In addition to the Rate Schedule TF-1 Factor, a fixed 0.50% Evergreen Expansion Incremental Surcharge will apply to the quantity of gas nominated for receipt at the Sumas, SIPI or Pacific Pool receipt points under Evergreen Expansion service agreements. The projected fuel usage for services under the Transportation Rate Schedules determined pursuant to Section 14.12(a) will be adjusted to exclude fuel usage equivalent to projected fuel usage reimbursements from the Evergreen Expansion Incremental Surcharge.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

14.13 Balancing. Balancing of thermally equivalent volumes of gas received and delivered shall be achieved as nearly as feasible on a daily basis, with any cumulative imbalance accounted for as provided in Section 15. Imbalance makeup shall be nominated and scheduled in accordance with the nomination procedures of this Section or netted or traded as provided in Section 15.

14.14 System Integrity. Nothing herein shall limit Transporter's right to take actions or to require Receiving Parties or Shippers hereunder to take actions of whatever nature may be required to correct any situations which may threaten the operation or integrity of its system, including maintenance of service to other customers. Among the actions Transporter shall be entitled to take is the issuance of Operational Flow Orders in accordance with Section 14.15 below.

GENERAL TERMS AND CONDITIONS (Continued)

14. OPERATING CONDITIONS (Continued)

14.15 Operational Flow Order ("OFO")

(a) General. NAESB WGQ Nominations Related Standards 1.3.26 and 1.3.34 will apply.

This Section 14.15 will apply to any Shipper, including any Replacement Shipper, receiving firm transportation service under any Rate Schedule contained in Transporter's FERC Gas Tariff. Transporter will issue OFOs when in its reasonable judgment Transporter determines OFOs are necessitated by the condition described in Section 14.15(b) hereof, and when all other available operating measures, including storage options and excluding any firm service curtailment, have been exhausted.

This Section 14.15 also will apply to the implementation and administration of contract-specific OFOs issued by Transporter within the contract-specific OFO parameters set forth on Exhibit A or a FERC approved non-conforming provision on Exhibit B of Rate Schedule TF-1 and TF-2 Service Agreements.

(b) OFO Operational Conditions. An OFO may be issued when primary firm nominations through a given constraint point exceed the greater of the physical design capacity or the posted operationally available capacity for a given day. Transporter will not issue an OFO when Transporter's inability to meet firm transportation commitments is due to scheduled or unscheduled maintenance, force majeure, or the Unavailability of Transporter's Facilities.

(c) Reliance on Scheduled Quantities for OFO Calculations. When calculating OFO obligations to alleviate the adverse operating condition, Transporter relies on Scheduled Quantities from the Timely Nomination Cycle that are (i) on the downstream side of the constraint point and scheduled on a Service Agreement subject to a Realignment OFO, or (ii) flowing through the OFO constraint point in the non-constrained direction. Due to this reliance, Shippers may not reduce such Scheduled Quantities in subsequent Nomination cycles during the Gas Day for which Transporter has issued an OFO. If such Scheduled Quantities are reduced in a subsequent Nomination cycle during the Gas Day on which an OFO has been issued and not restored in the next available Nomination cycle, they will be subject to the same OFO penalties as those outlined in Section 14.15(f) herein, unless a Shipper reduces a corresponding quantity flowing through the constraint point, in the constrained direction, or takes other actions acceptable to Transporter.

(d) Order of Operational Remedies. Transporter will take the following actions in order to alleviate adverse operating conditions utilizing the mechanisms below in the following order:

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(i) Entitlement and Scheduling Remedies - to the extent Transporter determines they will alleviate the adverse operating condition, invoke the scheduling and entitlement mechanisms provided for by Transporter's Tariff;

(ii) Contract-Specific OFO - to the extent Transporter determines they will alleviate the adverse operating condition, invoke, pro rata based on applicable contract quantities, specific contractual provisions which require, as a condition of a Capacity Release or a commitment of capacity, certain Shippers to flow gas upon Transporter's request;

If after a good faith effort a Shipper is unable to find a market for OFO compliance gas, Transporter will deem a Shipper's nomination as confirmed, even if a downstream interconnecting pipeline or delivery point where the gas is intended to flow fails to confirm a market or accept the gas. Transporter will treat such nomination for gas that did not actually move through the delivery point as a Shipper Imbalance and handle any imbalance resulting from OFO compliance as provided in Section 15.10.

If a Shipper subject to a Contract-Specific OFO is unable to comply with the terms of an OFO due to failure of gas supply, penalties shall not be assessed to Shipper. Failure of gas supply occurs when a Shipper is unable to make a nomination at a receipt point from the downstream side of an OFO constraint point because such Shipper cannot, after exerting good faith efforts, physically obtain gas supply at any such receipt points by the timeline pursuant to Section 14.15(e). Shipper will provide to Transporter a signed affidavit, the form of which is posted on Transporter's Designated Site, prior to the Intraday 1 Nomination Cycle on the Gas Day for which the OFO has been issued, of its good faith efforts to obtain gas supply before Transporter will honor Shipper's request to be exempt from penalties.

(iii) Realignment OFO - Service Agreements that are subject to a Realignment OFO, requiring Shippers with unutilized MDQs on the downstream side of the constraint point to realign to those points, are those Service Agreements that meet the following criteria: have capacity that contains receipt points on both sides of the constrained point with primary firm corridor rights through such constrained point.

A Shipper's Realignment OFO obligation on any given day for a Service Agreement that is subject to a Realignment OFO is based upon the percentage of primary rights that are scheduled through a given constraint point and its unutilized MDQ on the downstream

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

side of such constraint point. In no event will a Shipper be required to bring on supplies on the downstream side of a constraint point that exceed the scheduled quantity that was scheduled through the constraint point or its unutilized MDQ on the downstream side of the constraint point.

Nominating Shippers may elect to voluntarily decrease their nominations through a constrained area by the volume which is subject to the OFO, in lieu of realigning to supplies on the opposite side of the constraint point. If Shipper is unable to comply with the terms of an OFO due to failure of gas supply, penalties shall not be assessed to Shipper, and reservation charge adjustments will not be paid to such Shipper by Transporter; however, such Shipper's nominations will be decreased by a volume equivalent to that quantity of gas that does not comply with such OFO. In addition, Transporter will decrease Shipper's nomination by a volume equivalent to that quantity of gas that does not comply with such OFO if Northwest has invoked a Supply Shortage OFO pursuant to Section 14.15(v).

Shippers subject to a Realignment OFO will be required to, at a minimum, maintain their scheduled quantities from the Timely Nomination Cycle from receipt points on the downstream side of an OFO constraint point through the end of the Gas Day on which the OFO was declared. Realignment OFO Shippers that reduce such receipts on the downstream side of an OFO constraint point, and who do not restore such reduced receipts in the next available Nomination cycle, or who offset their storage withdrawal with a storage injection nomination after the Timely Nomination Cycle must also reduce their Scheduled Quantities through the OFO constraint point; and

(iv) Must-flow OFO - Service Agreements that are subject to a Must-flow OFO, requiring Shippers to nominate their pro rata share (based on primary firm corridor rights) of the displacement requirement necessary to provide displacement nominations through a given constraint point in order for Transporter to obtain a net Scheduled Quantity that does not exceed the greater of the physical design capacity or the posted operationally available capacity for a given Gas Day are those Service Agreements that have capacity capable of providing displacement gas through a given constraint point utilizing their primary corridor rights.

Transporter will issue a Must-flow OFO to such Shippers for the Gas Day(s) the Must-flow OFO is to be in effect, requiring such Shippers to nominate their pro rata share (based on corridor rights) of the displacement requirement necessary to alleviate the operating condition (but not to exceed Contract Demand), regardless of amounts such Shippers may have nominated.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

A Shipper subject to the Must-flow OFO will only be required to flow up to the same total percentage of their corridor rights as all Shippers, regardless of the percentage flowing before any OFO is issued, not to exceed its corridor rights through the constrained point.

If after a good faith effort a Shipper is unable to find a market for OFO compliance gas, Transporter will deem a Shipper's nomination as confirmed, even if a downstream interconnecting pipeline or delivery point where the gas is intended to flow fails to confirm a market or accept the gas. Transporter will treat such nomination for gas that did not actually move through the delivery point as a Shipper Imbalance and handle any imbalance resulting from OFO compliance as provided in Section 15.10.

If a Shipper subject to a Must-flow OFO is unable to comply with the terms of an OFO due to failure of gas supply, penalties shall not be assessed to Shipper. Failure of gas supply occurs when a Shipper is unable to make a nomination at a receipt point from the downstream side of an OFO constraint point because such Shipper cannot, after exerting good faith efforts, physically obtain gas supply at any such receipt points by the timeline pursuant to Section 14.15(e). Shipper will provide to Transporter a signed affidavit, the form of which is posted on Transporter's Designated Site, prior to the Intraday 1 Nomination Cycle on the Gas Day for which the OFO has been issued, of its good faith efforts to obtain gas supply before Transporter will honor Shipper's request to be exempt from penalties.

(v) Supply Shortage OFO - Service Agreements that are subject to a Supply Shortage OFO, requiring pro-rata reductions to Shipper's nominations (based on primary firm corridor rights) to provide the necessary relief through the OFO constraint point in the constrained direction to obtain a net Scheduled Quantity that does not exceed the greater of the physical design capacity or the posted operationally available capacity for a given Gas Day, are those Service Agreements that have primary firm corridor rights scheduled through the constraint point in the

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

constrained direction and the remedies outlined in (i) through (iv) above have not alleviated the adverse operating condition.

When a Supply Shortage OFO is required due to a supply interruption that would result in operational problems, Transporter will fill the OFO constraint point in the Intraday 1 Nomination Cycle to the greater of the physical design capacity or the posted operationally available capacity by allocating Shipper's primary firm nomination requests pro rata based on the Shipper's primary firm corridor rights through the OFO constraint point. If Transporter reduces Shipper nominations pursuant to a Supply Shortage OFO, reservation charge adjustments will not be paid to such Shipper by Transporter.

In no event will Transporter issue a Realignment or Must-flow OFO associated with any contract whose OFO obligation is 100 Dth or less.

Rate Schedule TF-2 Shippers will not be subject to a Must-Flow OFO obligation once they have fully utilized their Annual Contract Quantity (ACQ) stated on the service agreement.

Transporter will remove OFOs in an order reversed from the order set forth above.

(e) OFO Notice, Contents and Procedures.

Portal Posting Requirements

Transporter will make reasonable efforts to notify Shippers that an operational problem is developing which could potentially necessitate the issuance of an OFO. Transporter will declare an OFO for one or more specific constraint points via an All Shipper Notice, identifying the effective date and duration of the OFO (if none is specified, the OFO will be effective until further notice).

Transporter will post to its designated site, summary level information each Gas Day the OFO is in effect.

Issuance of an OFO

Subsequent to the Portal Posting on the day prior to commencement of the Gas Day, no later than 5:00 p.m. Central Clock Time (4:00 p.m. Mountain Clock Time), during the scheduling and confirmation procedure, Transporter will provide notification of the Contract-specific, Realignment and Must-flow OFO obligations via an Internet E-mail to the affected Shipper(s).

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

Each Shipper shall designate an operational contact, and/or a third-party designee, for Transporter to notify on a 24-hour a day, 365 days a year basis. If Transporter is unable to notify any Shipper because that Shipper's contact is unavailable, such Shipper shall be solely responsible for any consequences arising from such failure of communication. Each OFO notification will contain the following provisions:

- (i) time and date of issuance;
- (ii) time that the OFO is considered to be effective;
- (iii) OFO type of operational remedy as defined in Section 14.15 (d) (ii), (iii), (iv) or (v);
- (iv) the Service Agreement subject to the OFO;
- (v) constrained point location;
- (vi) specific action necessary to remedy the condition;
- (vii) any other terms Transporter may reasonably require to ensure the effectiveness of the OFO; and
- (viii) to the extent that a Shipper has been requested to take action pursuant to Section 14.15(d)(ii), (iii) or (iv) above and such Shipper has temporarily released all or a portion of its capacity subject to the OFO recall provisions of Section 22.2(a)(2), then Transporter will provide, at a contract level, the associated Replacement Shipper's scheduled quantities used to calculate its OFO obligation.

Unless Transporter has invoked a Supply Shortage OFO, or unless otherwise specified in the OFO, compliance must commence at the beginning of the applicable gas day (Evening Nomination Cycle). If Transporter has invoked a Supply Shortage OFO, compliance by Shippers subject to a Contract-Specific or Must-flow OFO must commence no later than the Intraday 1 Nomination Cycle.

Notwithstanding the foregoing, Transporter and Shipper may agree to take any other mutually agreeable action that would assist in alleviating the operating condition which necessitated the issuance of the OFO.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(f) Failure to Comply with OFO. If Shipper (or Shipper's designee or successor) fails to comply with the terms of an OFO for reasons other than force majeure or Transporter's negligence/misconduct, such Shipper, its designee or successor shall be liable for a penalty equal to the greater of ten dollars (\$10.00) or four (4) times the highest absolute price at NW Wyoming Pool, NW south of Green River, NW Stanfield, NW Sumas, or El Paso Bonadad as reflected in the Daily Price Survey published in "Gas Daily" for each of the days during which a Shipper fails to comply with an OFO for each Dth of gas that does not comply. Transporter may in its reasonable judgment waive penalties due to noncompliance with an issued OFO. No penalties shall be assessed on Shipper for noncompliance with an issued OFO when such OFO is due to Transporter's negligence or misconduct or due to force majeure invoked by Transporter.

Upon request from a Releasing Shipper that has been assessed an OFO penalty, Transporter will provide scheduled quantity data for its associated Replacement Shippers that was used to determine such OFO penalty.

Shipper acknowledges that Transporter does not have access to third-party information that may be necessary to detect or prevent certain actions that could be taken by other Shippers for the purpose of avoiding their OFO obligations. Shipper's acknowledgement shall not be interpreted to limit Shipper's obligations under 18 CFR § 1c.1.

(g) Penalty Revenue Crediting. One hundred percent of all penalty revenues received by Transporter pursuant to Section 14.15(f) during any month will be credited to firm transportation Shippers. Such credits will be allocated to all firm transportation Shippers under Rate Schedule TF-1 (Large Customer), excluding discounted firm transportation service and Shippers receiving service under a capacity release Service Agreement, Rate Schedule TF-1 (Small Customer) for the months they paid a reservation charge due to conversion to Rate Schedule TF-1 (Large Customer) service, and Rate Schedule TF-2 (collectively, the specified Shippers), except each penalty revenue credit shall be allocated only to those specified Shippers who were not assessed such penalty on the day(s) for which such penalty revenues are to be credited. The credits will be allocated to the specified Shippers pro rata in proportion to reservation revenue (total revenue, net of credits from capacity

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

releases as described in Section 23 of the General Terms and Conditions, less volumetric charges and all surcharges) received by Transporter from each and all of the specified Shippers for each applicable month. Such revenue credits shall be reflected as a credit billing adjustment to the next month's billings rendered after the applicable month. In the event that such credit billing adjustments would result in a credit total invoice to any Shipper, Transporter will refund the credit billing adjustment to the Shipper in cash within 30 days after determination of the amount of the credit due to the Shipper.

(h) Shipper Not Liable. Shipper will not be liable for any non-OFO penalties which might otherwise be imposed by Transporter with respect to any action taken by such Shipper in conformance with an OFO issued by Transporter.

(i) Transporter Not Liable. Transporter will not be liable for any damages, costs or expenses incurred as a result of an OFO unless such damages result from the negligence or willful misconduct of Transporter.

14.16 Disaster Recovery Procedures. In the event of a disaster such that Transporter's or Receiving Party's communication capability is not available for confirmation and scheduling of gas receipts and deliveries, nominations will remain in effect as confirmed for the most current day, unless alternate emergency communication methods are established. Transporter may declare an entitlement period on the system until normal communications are restored.

14.17 Interconnect Balancing Agreements. NAESB WGQ Flowing Gas Related Standard 2.3.29 will apply.

Transporter may enter into and operate pursuant to interconnect balancing agreements with other pipelines or gas suppliers relating to operating procedures governing nominating, scheduling and balancing for the receipt or delivery of gas at points of interconnection. As part of the provisions of these agreements, Transporter will allow the trading of imbalances between receipt points or between delivery points located in the same geographical area. For receipt points, the same geographical area means receipt points located in the same market hub, or producing basins located within contiguous gathering areas. For delivery points, the same geographical area means the zones used by Northwest for nominations.

14.18 Pre-Determined Allocations ("PDAs"). In the event an OBA is not in effect at a particular interconnecting point on Transporter's system, NAESB WGQ Flowing Gas Related Standards 2.3.1 through 2.3.6, 2.3.8, 2.3.15 through 2.3.23, and 2.3.25 through 2.3.27 will apply.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

14.19 Pooling.

(a) NAESB WGQ Standards. NAESB WGQ Nominations Related Standards 1.3.17, 1.3.18 and 1.3.64 through 1.3.77 will apply.

(b) General.

(i) Pools will be available as an optional service for supply aggregation from any requested receipt point to a pool and for delivery from a pool to any requested delivery point on Transporter's system.

(ii) Associated Receipt Points for each pool are posted on Transporter's Designated Site and will be updated as needed to reflect the connection of new receipt points or the abandonment of existing receipt points. Proposed changes to pool boundaries will be posted on Transporter's Designated Site and will be submitted to the Commission at least 30 days prior to such changes being implemented. Any changes to pool boundaries will be proposed to become effective on the first day of a calendar month.

(iii) Sections 1, 2, 3, 4, 6, 9, 10, 14, 18 and 26 of the General Terms and Conditions of this tariff may apply to a Pooling Party that is not a Shipper. In those instances, the term "Shipper" will be synonymous with "Pooling Party," and the Pooling Party will be subject to the relevant provisions.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(c) Nominations. All Pooling Parties are subject to the applicable operating conditions outlined in this Section 14.

(i) Associated Receipt Point. To aggregate gas from an Associated Receipt Point to a pool, a Pooling Party will nominate from that receipt point to the designated pool. The Pooling Party is not required to be a Shipper nor to have a transportation service agreement. A Pooling Party may have multiple packages of gas from any receipt point within a particular pool, provided the nominations to and from the pool contain unique package identification numbers.

(ii) Non-Associated Receipt Point. To aggregate gas from a non-associated receipt point to a pool, a Pooling Party will nominate from a receipt point to the designated pool, using its own transportation service agreement. A Pooling Party may have multiple packages of gas from any receipt point within a particular pool, provided the nominations to and from the pool contain unique package identification numbers.

(iii) Delivery Point. To arrange for delivery of gas from a pool, a Shipper will nominate a total volume to be delivered under its transportation service agreement from the pool to the delivery point. In order for Transporter to schedule such delivery in accordance with the Shipper's capacity rights and priorities of service, the Pooling Party or Third Party Account Administrator must confirm the total volume to be delivered from the pool by receipt point (including package identification numbers, where applicable).

(d) Storage Facility Nominations. Pooling nominations at receipt or delivery points for storage facilities are subject to the same nomination and confirmation deadlines as nominations for all other receipt and delivery points.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(e) Title Transfer Tracking.

(i) An Account Holder using Transporter as the Title Transfer Tracking Service Provider may transfer title by:

(1) nominating deliveries into a pool pursuant to Sections 14.19(c) (i) or 14.19(c) (ii) for the account of a different Pooling Party in that pool; and/or

(2) disaggregating from its account in a pool to one or more Shippers nominating deliveries from that pool pursuant to Section 14.19(c) (iii).

(ii) If a Third Party Account Administrator provides Title Transfer Tracking service, nominations made by the Third Party Account Administrator will be subject to a contract with Transporter and will be subject to the applicable operating conditions outlined in this Section 14.

To use a Third Party Account Administrator as the Title Transfer Tracking Service Provider, an Account Holder must nominate deliveries into a pool pursuant to Sections 14.19(c) (i) or 14.19(c) (ii) for the account of the Third Party Account Administrator. After providing Title Transfer Tracking service for an Account Holder, the Third Party Account Administrator then must disaggregate the pooled gas to one or more Shippers nominating deliveries from the pool pursuant to Section 14.19(c) (iii).

(f) Balancing. No imbalances in pools are allowed. If volumes nominated by receipt point for aggregation in a designated pool each day do not match volumes nominated and confirmed by receipt point for delivery that day from the designated pool, Transporter will schedule the lower volume.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(g) Capacity Rights/Priority of Service. Pools have no receipt or delivery point rights for purposes of scheduling.

(i) Associated Receipt Point. Capacity rights for receipt by Transporter into a pool from an Associated Receipt Point will be determined by the receipt point MDQs, Contract Demand, and applicable corridor rights pertaining to the transportation service agreement used to deliver gas from the pool to the ultimate delivery point.

(ii) Non-Associated Receipt Point. Capacity rights for receipt by Transporter into a pool from a non-associated receipt point will be determined by the receipt point MDQs, Contract Demand, and applicable corridor rights pertaining to the Pooling Party's transportation service agreement used to nominate gas into the pool.

(iii) Delivery Point. Capacity rights from a pool to the delivery point will be determined by the delivery point MDDOs, Contract Demand and applicable corridor rights pertaining to the transportation service agreement used to deliver gas from the pool to the ultimate delivery point.

(iv) Priorities of service for gas that is pooled are the same as priorities of service for gas that is not pooled.

(h) Charges.

(i) Associated Receipt Point. Nominations to a pool from an Associated Receipt Point will not incur transportation or fuel charges.

(ii) Non-Associated Receipt Point. Nominations to a pool from a non-associated receipt point will incur transportation and fuel charges.

(iii) Delivery Point. Nominations from a pool to any delivery point will incur transportation and fuel charges.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(i) Warranty and Liability.

(i) Pooling Party warrants that it has title to or the right to transfer title to gas under the pooling provisions of this tariff. Pooling Party will indemnify Transporter and save it harmless from all suits, actions, damages, costs, losses, and expenses (including reasonable attorneys' fees) arising from breach of this warranty.

(ii) Transporter will have no liability to Pooling Party for any and all damages and costs arising out of an intended or completed pooling transaction except to the extent such liability is shown to be the result of the negligence or willful misconduct of Transporter.

(iii) Pooling Party agrees to defend, indemnify, and hold harmless Transporter, its officers, agents, employees and contractors ("Indemnitee") against any liability, suit, action, claim, damage, or expenses whatsoever, including costs and attorneys' fees ("Liabilities and Expenses") occurring in connection with or relating in any way to Pooling Party's use or reliance on Transporter's pooling services, whether such Liabilities and Expenses are suffered by Indemnitee as a direct or indirect result of Pooling

Party's use of or reliance on Transporter's pooling services or other omissions or tortious acts by Pooling Party, except to the extent such Liabilities and Expenses are shown to be the result of the negligence or willful misconduct of Transporter.

(iv) Neither Transporter nor Pooling Party shall be liable to the other or to any other party for any consequential, punitive, special, or other damages arising in any way from any error, omission, or inaccuracy of Transporter's pooling services.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

14.20 Liquefaction Charge True-Up Adjustment. A Plymouth LNG Facility Liquefaction Charge true-up adjustment for Rate Schedule LS-3F and LD-4I Shippers will be determined for the prior twelve months ending December 31 and will be billed/refunded on the subsequent March invoice.

(a) The true-up adjustment applicable to each Shipper's Service Agreement will be the difference between the actual Liquefaction Charge rate and the estimated Liquefaction Charge rate that was billed to the Shipper, multiplied by the Dths assessed the estimated Liquefaction Charge rate on Shipper's invoices during the prior calendar year.

(b) The actual Liquefaction Charge rate will be the liquefaction costs for the prior calendar year divided by the total Dths assessed the estimated Liquefaction Charge rate for LS-3F and LD-4I services during the prior calendar year. The liquefaction costs will be the total Plymouth LNG Facility power costs plus other variable liquefaction material costs incurred (e.g., chemicals) less those same costs associated with: (i) the vaporization service, and (ii) liquefaction services (i.e., Boil-off, liquefaction and general purpose) for Plymouth LNG Facility Rate Schedules LS-2F and LS-2I.

For purposes of this calculation, the power costs associated with liquefaction nominations during the Liquefaction Period for Rate Schedules LS-2F and LS-2I will be deemed to have been incurred in the months and order of April, October, May, September, June, July and August until the prior calendar year total liquefaction quantity during the Liquefaction Period for these Rate Schedules is met. Power costs associated with liquefaction nominations during the Vaporization Period for Rate Schedules LS-2F and LS-2I will be deemed to have been incurred in the month(s) the liquefaction nominations are made.

14. OPERATING CONDITIONS (Continued)

(c) The estimated Liquefaction Charge rate will be based on the prior calendar year's actual Liquefaction Charge rate, adjusted for any material changes in forecast costs, and will be updated and filed concurrently with Northwest's annual filing of the fuel reimbursement factor for the LNG Rate Schedules pursuant to Section 14.12 of the Tariff, to become effective on April 1 of each year. Notwithstanding the foregoing, Northwest may file a revised estimated Liquefaction Charge before the annual filing if significant cost changes arise in response to unforeseen changes in Rate Schedule LS-3F and/or LD-4I activity. In the latter case, the revised estimated Liquefaction Charge for Rate Schedules LS-3F and LD-4I will become effective the first of the month after Commission approval.

GENERAL TERMS AND CONDITIONS
(Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES

15.1 RESERVED FOR FUTURE USE.

15.2 Imbalances and Penalties at Delivery Points. Penalties and overrun and underrun charges as described in Sections 15.3 and 15.5 will be levied by Transporter against the Receiving Party who controls the facilities into which gas is delivered unless the Receiving Party has executed an OBA with Transporter and that OBA also covers receipts by Transporter from the Receiving Party. If the Receiving Party has not executed an OBA and incurs either an overage or underage in takes from Transporter, due to a failure to take quantities of gas equivalent to the total of all Nominating Party nominations for deliveries into its facilities, such penalties and overrun or underrun charges will be applied as described in this Section. Such Receiving Party will be responsible for all Receiving Party Imbalances and associated penalties and charges. Unless otherwise agreed upon by the parties, Receiving Party imbalances will reside on one of the Receiving Party's executed Service Agreements.

GENERAL TERMS AND CONDITIONS (Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

Transporter will waive any penalties due to Receiving Party/Shipper Imbalances which result from errors made by Transporter or which result from force majeure invoked by Transporter. Transporter also will waive Receiving Party/Shipper Imbalance penalties for other good cause, including Transporter's reasonable judgment that Receiving Party's/Shipper's actions have not impaired Transporter's ability to provide reliable firm service. Such waivers will be applied uniformly in a not unduly discriminatory manner.

15.3 Receiving Party Imbalances and Penalties. If Receiving Party's cumulative monthly Receiving Party Imbalance exceeds the greater of 5,000 Dth or (a) 5 percent during the period of March through July or (b) 3 percent during the period of August through February above or below total confirmed nominations for that month ("Tolerance Limit"), Transporter shall notify Receiving Party that Receiving Party's Imbalance exceeds the allowed tolerance. Such notice shall be provided by the fifteenth day of the month following the month service is rendered. Transporter will notify Receiving Party when their Receiving Party Imbalance exceeds the Tolerance Limit, and specify whether a penalty situation exists. Receiving Party will have 45 non-entitlement, Balancing-Approved Days from the date of notification by Transporter to bring its Receiving Party Imbalance within tolerance. The 45 non-entitlement, Balancing-Approved Day period will be extended proportionately if, and to the extent that Shipper's failure to bring its imbalance within tolerances is caused by Transporter's inability to accommodate Shipper's make-up or payback nomination(s).

If the Receiving Party fails to get within tolerance at any point during the 45 non-entitlement, Balancing-Approved Day period, Receiving Party shall pay a penalty to Transporter equal to \$10.00/Dth on the imbalance over the Tolerance Limit, as described above. Receiving Party Imbalances shall be cumulative and Receiving Party must specifically adjust nominations as necessary to eliminate such imbalances.

Under a customer-specific Declared Entitlement Period, a Receiving Party will no longer be subject to the customer-specific entitlement once the system's integrity, which was jeopardized by the Receiving Party's actions, has been restored or Transporter has issued a general system Declared Entitlement Period that involves such Receiving Party.

15.4 Receiving Party Imbalance Netting. Upon Shipper's request, Transporter will net Receiving Party Imbalances with Receiving Party Imbalances, and Receiving Party Imbalances with Shipper Imbalances (as defined in Section 15.7 hereof), between a Shipper's Service Agreements within an Operational Impact Area. Netting between a Shipper's Service Agreements, when offsetting a Receiving Party Imbalance with a Shipper Imbalance, will be limited to a maximum quantity equal to the smallest imbalance under the agreements being netted.

GENERAL TERMS AND CONDITIONS
(Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

If a Receiving Party fails to eliminate Receiving Party Imbalances within the allowed period referenced above, in addition to any penalties applied hereunder, Transporter shall have the right to adjust nominations, receipts or deliveries in order to achieve a balance. Receiving Party imbalances may also be eliminated by trading imbalances between Service Agreements with third parties as set forth in Section 15.9.

15.5 Daily Entitlement Overrun and Underrun Provisions.

(a) Unauthorized Overrun and Underrun Volumes. If on any day during a Declared Entitlement Period, the total physical quantity of gas taken by Receiving Party from Transporter exceeds or is less than the total quantity of gas which Receiving Party is entitled to take on such day as defined below, then all gas taken in excess of such entitlement or not taken within said entitlement shall constitute unauthorized overrun or underrun volume. Each general system or customer-specific Declared Entitlement Period shall be specified as either an overrun or an underrun entitlement for Receiving Party such that only one penalty condition may exist at one time.

(b) Receiving Party's Daily Entitlement. The total quantity of gas which Receiving Party is entitled to take from Transporter on any day consists of the sum of the following quantities:

(i) The volume of gas in Dth authorized by a confirmed nomination for delivery to Receiving Party on such day under firm transportation Service Agreements.

(ii) The volume of gas in Dth authorized by a confirmed nomination for delivery to Receiving Party on such day under interruptible transportation Service Agreements.

(c) Daily Unauthorized Overrun and Underrun Charges. The Daily Unauthorized Overrun or Underrun Charges shall be applied, as explained below, during a Declared Entitlement Period, either as a result of capacity constraints, supply interruption, or an overtake or an undertake situation applicable to any Receiving Party, when Transporter has so notified such Receiving Party prior to the start of the Gas Day. These charges are not intended to apply to occasional or minor supply interruptions which would not have a detrimental impact on Transporter's operations or on other Receiving Parties. Under such circumstances, Transporter would not notify Receiving Party that a Declared Entitlement Period is in effect.

GENERAL TERMS AND CONDITIONS
(Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

In the event an undertake situation exists, Transporter will evaluate operational conditions and determine if immediate relief is needed to return the system to a reasonable operational level. If immediate relief is needed, Transporter will notify each Receiving Party of the quantity required to be taken off the system within the next 72 hours as imbalance make-up to eliminate the underrun imbalances so as to return the system to a reasonable operational level and avoid the imbalance penalty as specified in Section 15.5(c)(ii). Such quantities shall be based upon cumulative underrun imbalances which contributed to the underrun imbalance problem as determined by Transporter's operational data up to the date of the Declared Entitlement Period and calculated for each Receiving Party in proportion to such party's undertakes. Daily unauthorized underrun charges as specified in Section 15.5(c)(i) will also apply if Receiving Party causes additional unauthorized underrun imbalances during a Declared Entitlement Period.

Receiving Party shall pay Transporter for all unauthorized overrun or underrun quantities, as defined in Section 15.5(a) above, that exceed the percentage specified by Transporter in its Declared Entitlement. For a general system or customer-specific Declared Entitlement Period, such percentage will be: (i) in Transporter's sole discretion 3 percent, or, in the case of a Declared Entitlement Period announced on the day it is to be in effect, 5 percent for that day (Stage I), 8 percent (Stage II) or 13 percent (Stage III) of Receiving Party's entitlement as set forth in Section 15.5(b) with respect to unauthorized overrun quantities, and (ii) 5 percent (Stage I), 8 percent (Stage II) or 13 percent (Stage III) of Receiving Party's entitlement as set forth in Section 15.5(b) with respect to unauthorized underrun quantities (individually, the "Threshold Percentage").

The following amounts will be payable in addition to the amounts otherwise payable by Receiving Party to Transporter under Transporter's applicable Rate Schedules, subject only to the provisions set forth in (d) below:

- (i) During a general system or customer-specific Declared Entitlement Period, the daily unauthorized overrun or underrun charge will be the product of the daily unauthorized overrun/underrun quantity (i.e., the quantity which exceeds the Threshold Percentage of Receiving Party's entitlement for such day), multiplied by a rate per Dth as set forth in the Statement of Rates of this Tariff.

GENERAL TERMS AND CONDITIONS
(Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

(ii) In addition to (i) above, for that part of the unauthorized underrun imbalances where immediate relief is requested but not provided within a 72 hour period as set forth in Section 15.5(c), the additional 72 hour penalty will be the product of the underrun imbalance quantity not eliminated multiplied by a rate per Dth as set forth in the Statement of Rates of this tariff.

(iii) If an unauthorized overrun or underrun quantity causes Transporter to pay demand or reservation charge credits to any Shipper under the provisions of this Tariff for any day, the Shipper(s) which caused such demand or reservation charge credits to be incurred shall on a pro rata basis reimburse Transporter for such demand or reservation charge credit payments through a special charge included on Transporter's invoices to each affected Shipper.

(iv) If a Receiving Party is initially below the Threshold Percentage based on estimated measured volumes but exceeds the Threshold Percentage once actual measured volumes are available, the Receiving Party will be provided with the opportunity to avoid a penalty situation for that Gas Day if the Receiving Party submits a valid request, within ten (10) days of receiving notification from Transporter that the Threshold Percentage has been exceeded, to increase/remove the Scheduled Quantities that exceed the Threshold Percentage and such request is confirmed by the upstream/downstream operators and Transporter. Transporter will only confirm the change in Scheduled Quantities if Transporter could have authorized the change, based on operationally available capacity, for the Gas Day in which the Threshold Percentage was exceeded.

(d) Exception. The Daily Unauthorized Overrun and Underrun Charges provided in Section 15.5(c) shall not apply on any day when either (i), (ii), or (iii) below is applicable:

(i) When the unauthorized overrun volume on the particular day during either a general system or customer-specific Declared Entitlement Period does not exceed the Threshold Percentage as set forth in Section 15.5(c) of Receiving Party's entitlement for such day as set forth in Section 15.5(b), or 2,000 Dth, whichever is larger.

(ii) When the unauthorized underrun volume on the particular day during either a general system or customer-specific Declared Entitlement Period does not exceed the Threshold Percentage as set forth in Section 15.5(c) of Receiving Party's entitlement for such day as set forth in Section 15.5(b), or 2,000 Dth, whichever is larger.

GENERAL TERMS AND CONDITIONS (Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

(iii) If Transporter has not made notification to Receiving Party of a Declared Entitlement Period in accordance with Section 14.6.

(e) Waiver. Transporter will waive all or a portion of the Daily Unauthorized Overrun and Underrun Charges provided in Section 15.5(c) when Transporter fails to make Scheduled Quantities available to point operators and Shippers, including bumped parties, at the times specified in Section 14.1(a) for any of the Nomination Cycles, provided that:

- (i) Transporter was solely at fault for the failure to make the Scheduled Quantities available; and
- (ii) the affected party demonstrates that the failure to provide Scheduled Quantities on a timely basis materially impacted such party's ability to stay within Declared Entitlement levels.

The waiver will not apply (1) to gas that flowed more than one hour after the start of the Gas Day if Scheduled Quantities are made available prior to the start of the Gas Day or (2) to gas that flowed more than one hour after Scheduled Quantities were made available for nominations submitted during the Intraday 1, Intraday 2 or Intraday 3 Nomination Cycles.

15.6 Penalty Crediting. Except for the penalty payments pursuant to Section 15.5(c) (iii), one hundred percent (100%) of all penalties received by Transporter during any applicable month will be credited to firm and interruptible transportation Shippers. Such credits will be allocated to all Shippers under Rate Schedule TF-1 (excluding discounted firm transportation service and Shippers receiving service under a capacity release Service Agreement), Rate Schedule TF-2 and Rate Schedule TI-1 paying the Maximum Base Tariff Rate, (collectively, the Specified Shippers), that were not assessed an unauthorized overrun or underrun penalty on the day for which such penalties are to be credited.

GENERAL TERMS AND CONDITIONS (Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

The penalty credits will be allocated to the Specified Shippers pro rata in proportion to total revenue excluding surcharges, net of credits from capacity releases as described in Section 23 of the General Terms and Conditions, received by Transporter from each and all of the Specified Shippers for each applicable month. Such penalty credits shall be reflected as a credit billing adjustment to each March billing for credits received during the prior calendar year. In the event that such credit billing adjustments would result in a credit total invoice to any Shipper, Transporter will refund the credit billing adjustment to the Shipper by check within 15 days after determination of the amount of the credit due to the Shipper.

15.7 If a Shipper's cumulative monthly Shipper Imbalance is more than 5,000 Dth or 5 percent, above or below total confirmed nominations for the month, whichever is greater, the Shipper will have exceeded allowed tolerances. If Shipper exceeds allowed tolerances, Transporter will provide an imbalance statement to Shipper on or before Transporter's next invoice date and Shipper will then have 15 non-entitlement Balancing-Approved Days from the date of Transporter's invoice to eliminate such excess imbalance; otherwise, Shipper will be subject to a Shipper Imbalance penalty as described in Section 15.10. The fifteen-day period will be extended proportionately if, and to the extent that, Shipper's failure to eliminate its excess imbalance is caused by Transporter's inability, due to operating or force majeure conditions to accommodate Shipper's make-up nominations, provided such nominations are from Shippers primary receipt point(s). A Shipper may eliminate Shipper Imbalances by scheduling imbalance gas in accordance with the procedures outlined in Section 14 hereof.

15.8 Shipper Imbalance Netting. Upon Shipper's request, Transporter will net Shipper Imbalances with Shipper Imbalances, and Shipper Imbalances with Receiving Party Imbalances, between its Service Agreements. Netting between a Shipper's Service Agreements, when offsetting a Receiving Party Imbalance with a Shipper Imbalance, will be limited to a maximum quantity equal to the smallest imbalance under the agreements being netted. Shipper Imbalances may also be eliminated by trading imbalances with third parties as set forth in Section 15.9.

GENERAL TERMS AND CONDITIONS (Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

15.9 Shipper/Receiving Party Imbalance Trading. A Shipper or Receiving Party may eliminate imbalances by trading imbalances between Service Agreements with third parties within the same Operational Impact Area. Trading between Service Agreements of third parties, when a Receiving Party Imbalance is traded with a Shipper Imbalance or another Receiving Party Imbalance, will be limited to a maximum quantity equal to the smallest imbalance under the agreements being traded.

(a) All imbalance trading shall be conducted through Transporter's Designated Site. Shippers or Receiving Parties may post an open or prearranged trade. Trading can be done at any time and will occur once the confirming trader accepts the posting by the initiating trader. If Shipper or Receiving Party desires to trade imbalances, Shipper or Receiving Party must consent to Transporter's release of necessary information regarding its imbalance.

(b) Shippers or Receiving Parties are responsible for making whatever arrangements among themselves that they deem necessary prior to finalizing the imbalance trade on Transporter's Designated Site.

GENERAL TERMS AND CONDITIONS
(Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

(c) Transporter will not be liable for any losses incurred by a Shipper if a Shipper is unable to complete an imbalance trade once Shipper has notified Transporter of his desire to consummate an imbalance trade.

(d) Any imbalance gas being traded will still be deemed to be imbalance gas and will be subject to: 1) scheduling provisions in Section 14; 2) the priority of service provisions in Section 12; and 3) the penalty provisions in Section 15.

15.10 Assessment of Shipper Imbalance Penalties. Shipper shall have 15 non-entitlement, Balancing-Approved Days from the date of Transporter's invoice to adjust excess Shipper Imbalances as described in Section 15.7 to allowed tolerance levels or be subject to the following:

(a) For excess Shipper Imbalances resulting from confirmed nominations for deliveries by Transporter exceeding confirmed Shipper nominations for receipts from an interconnecting pipeline, Shipper will pay a penalty of \$5.00 per Dth, such penalty to be payable within 10 days after receipt of any assessment from Transporter.

(b) For excess Shipper Imbalances resulting from confirmed nominations for receipt from Shipper exceeding confirmed nominations for deliveries by Transporter to an interconnecting pipeline, any such excess volumes shall become the property of Transporter at no cost to Transporter and shall be free and clear of any adverse claims related thereto.

Transporter shall exempt Shippers from Shipper Imbalance penalties resulting from OFO compliance and provide an additional 30 days to correct OFO-related Shipper Imbalances.

15.11 Assessment of Charges on Imbalances at Termination of Service Agreement. Transporter and Shipper shall eliminate any cumulative imbalances between receipts and deliveries of gas existing at the termination of a Service Agreement within 15 non-entitlement, Balancing-Approved Days after the date of Transporter's invoice. The fifteen-day period will be extended proportionately if, and to the extent that, Shipper's failure to eliminate its remaining cumulative imbalance is caused by Transporter's inability, due to operating or force majeure conditions to accommodate Shipper's make-up nominations provided such nominations are from Shipper's primary receipt point(s).

GENERAL TERMS AND CONDITIONS
(Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

At the end of the 15 day period, any gas which was delivered by Transporter for which equivalent volumes were not received by Transporter from Shipper shall be paid for by Shipper at \$5.00 per Dth. Shipper shall pay such amount within 10 days after receipt of such bill. Any gas received by Transporter in excess of that delivered for Shipper which remains in Transporter's system at the end of the 15 day period shall become the property of Transporter at no cost to Transporter and free and clear of any adverse claims related thereto.

15.12 Imbalances with Other Parties. Transporter shall not be responsible for eliminating any imbalances in volumes transported that accrue between Receiving Party or Shipper and any other party, including without limitation any volume imbalances that accrue between local distribution companies and specific end-users or between producers or pipelines and local distribution companies or end-users. Furthermore, Transporter shall not be obligated to adjust or deviate from its standard operating and accounting procedures in order to alleviate such imbalances.

15.13 Netting and Trading within Operational Impact Area. NAESB WGQ Flowing Gas Related Standard 2.3.30 will apply.

15.14 LNG Boil-off Balance in Excess of Allowed Tolerances. If Shipper's Boil-off balance is more than 10,000 Dths or 10 percent of Shipper's Storage Capacity, whichever is greater, Transporter will notify Shipper that the Boil-off balance exceeds allowed tolerances. Shipper will then have 45 non-entitlement, Balancing-Approved Days to eliminate such excess balance. The 45 non-entitlement, Balancing-Approved Day period will be extended proportionately if, and to the extent that Shipper's failure to bring its balance within tolerances is caused by Transporter's inability, due to operating or force majeure conditions to accommodate Shipper's re-liquefaction/transportation request. Any excess quantities not brought within tolerance within the required timeframe shall become the property of Transporter at no cost to Transporter and will be free and clear of any adverse claims related thereto.

In the event a Service Agreement containing a Boil-off balance terminates, Shipper will have 45 non-entitlement, Balancing-Approved Days from the date of termination to eliminate the entire Boil-off balance. For any quantities owed to Shipper after this period, Transporter will take title to such quantities free and clear of any adverse claims. For any quantities owed to Transporter after this period, Transporter shall invoice Shipper for each Dth owed the greater of five dollars or two times the highest absolute price at NW Wyoming Pool, NW south of Green River, NW Stanfield, NW Sumas, or El Paso Bondad as reflected in the Daily Price Survey published in "Gas Daily" for the first Gas Day after Shipper's Service Agreement termination date. Shipper shall pay such amount within 10 days of receipt of such invoice.

GENERAL TERMS AND CONDITIONS
(Continued)

16. FERC ANNUAL CHARGE ADJUSTMENT

16.1 Purpose. For the purpose of funding Transporter's share of the Commission's gas program costs, this section establishes an ACA provision to be applicable to service under Transporter's Rate Schedules as referenced on the Statement of Rates contained in this tariff. The Commission-authorized ACA rate, which is revised annually, is specified in an annual notice issued by the Commission entitled "FY [Year] Gas Annual Charges Correction for Annual Charges Unit Charge." This document can be found on the Annual Charges page of the Natural Gas section of the Commission's website, located at <http://www.ferc.gov>.

16.2 Basis of the Annual Charge Adjustment. The ACA charge shall be adjusted to Transporter's pressure base and heating value, if required, which is listed on the Commission's Annual Charges Billing. The ACA charge will be assessed on all transportation volumes including those moving into, but not out of, the Jackson Prairie Storage Project or Plymouth LNG Facility. The ACA charge will not be assessed on volumes transported on a Designated Lateral by a Rate Schedule TFL-1 or TIL-1 Service Agreement if those same transportation volumes were delivered on to or off of the Designated Lateral by a Rate Schedule TF-1, TF-2 or TI-1 Service Agreement.

16.3 Remittance to the Commission. Transporter shall remit to the Commission, on/or before the date which is specified on the Annual Charges Billing, the Total Annual Charge stated on such billing.

16.4 Accounting Procedures. Transporter will record annual charges in Commission Account No. 928. Pursuant to Section 154.402(b) of the Commission's regulations, Transporter will not attempt to recover any annual charges previously recorded in Account No. 928 in a Natural Gas Act Section 4 rate case.

GENERAL TERMS AND CONDITIONS
(Continued)

17. STANDARDS OF CONDUCT

Transporter will comply with 18 CFR Part 358 of the Commission's regulations including posting in the informational posting section on Transporter's Designated Site the required information set forth in 18 CFR Part 358.

**Northwest Pipeline LLC
FERC Gas Tariff
Fifth Revised Volume No. 1**

**First Revised Sheet Nos. 240 Through 242
Superseding
Substitute Original Sheet Nos. 240 Through 242**

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS (Continued)

18. COMPLAINT PROCEDURES

18.1 Shippers are first encouraged to work with Transporter to resolve problems on an informal basis, prior to filing a formal complaint.

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

Attention: Director, Commercial Services
Northwest Pipeline LLC
2800 Post Oak Boulevard
Houston, TX 77056
P.O. Box 1396
Houston, TX 77251

18.3 Transporter will respond initially within 48 hours and in writing within 30 days to such complaints.

18.4 If Shipper has exhausted all options in Sections 18.1 through 18.3, further discussion may be pursued with the Vice President, Customer Services and Rates.

18.5 A Shipper may also file a complaint with the Commission pursuant to 18 CFR Section 385.206 of the Commission's regulations.

GENERAL TERMS AND CONDITIONS
(Continued)

19. NEGOTIATED RATES

19.1 Availability. Shipper and Transporter may agree to Negotiated Rates for a specific term of service under any open-access rate schedule contained in this tariff, provided that Shipper has not acquired its capacity through a temporary capacity release transaction pursuant to Section 22 of the General Terms and Conditions of this tariff. The rates shown on Transporter's Statement of Rates are available as Recourse Rates for any Shipper that does not negotiate a rate with Transporter.

19.2 Applicability.

(a) Existing Service. Notwithstanding anything to the contrary contained in this tariff, Transporter and Shipper may mutually agree to Negotiated Rates and contract term for all or any portion of the capacity under any existing open-access Service Agreement, provided that Shipper has not acquired its capacity through a temporary capacity release. If only a portion of the capacity under any existing open-access Service Agreement will be priced at Negotiated Rates, the original Service Agreement must first be bifurcated, and Recourse Rates will continue to apply to the Service Agreement not subject to the Negotiated Rates.

(b) New Service.

(1) Requests for Service. Transporter and Shipper may mutually agree to Negotiated Rates and contract term for any available capacity that is requested by Shipper, provided that such capacity has been posted for informational purposes, but is not posted for bid at the time of Shipper's request. If Shipper and Transporter mutually agree on a Negotiated Rate for the capacity, Transporter will post the terms of any such pre-arranged agreement in accordance with Section 25.5 of the General Terms and Conditions of Transporter's tariff, and other parties will have an opportunity to bid on the capacity. The pre-arranged Shipper will have a one-time right to match any higher bid in order to retain the capacity.

GENERAL TERMS AND CONDITIONS
(Continued)

19. NEGOTIATED RATES (Continued)

(2) Bids on Posted Capacity. If available capacity, including capacity under expiring or terminating Service Agreements, is posted for bid pursuant to Section 25.5 of the General Terms and Conditions and Transporter has determined that it is willing to consider bids at Negotiated Rates, Transporter must specify in its posting that it will consider Negotiated Rate bids in addition to Recourse Rate and discounted Recourse Rate bids.

(c) Option Fee. Where negotiated rates include an option fee, the applicable rate will be calculated as follows for the purpose of scheduling pursuant to Section 12: (i) any stated daily or calculated daily formulaic rate, plus (ii) the quotient of the total value of the option fee divided by the volume applicable to the option fee. For the purposes of determining the best bid pursuant to Section 25, the option fee will be included in the same manner in the Net Present Value calculation.

19.3 Evaluation of Negotiated Rate Bids. If Transporter determines that it is willing to consider Negotiated Rate bids for available capacity that is posted pursuant to Section 25 of the General Terms and Conditions or deferred exchange service that is posted pursuant to Section 2.2 of Rate Schedule DEX-1, Transporter will state in its posting the specific basis on which Negotiated Rate bids will be considered and one of the following evaluation methods for determining the winning bid:

- (a) Net Present Value (reservation rate x quantity x term, discounted using the discount rate(s) shown in the posting);
- (b) Revenue (reservation rate x quantity); or
- (c) Reservation Rate/Deferred Exchange Rate.

If Transporter specifies in its posting that it will accept Negotiated Rate bids tied to an index or indices, Transporter will post an assumed value for such index or indices, where such assumed value is based on both historical and projected index prices. This assumed value will be used to compare Negotiated Rate bids with Recourse Rate and discounted Recourse Rate bids; provided, however, that if a Shipper with a Negotiated Rate bid tied to an index or indices has submitted the bid with the highest value and is awarded the capacity, such Shipper will pay according to the actual value of the index or indices at the time service is rendered.

Negotiated Rate bids in excess of Transporter's Maximum Base Tariff Rate for the applicable rate schedule will be treated as Maximum Base Tariff Rate offers for bid evaluation purposes.

GENERAL TERMS AND CONDITIONS
(Continued)

19. NEGOTIATED RATES (Continued)

19.4 Filing Requirement. Transporter will submit to the Commission a tariff sheet stating the name of the Shipper, the Negotiated Rate, the rate schedule, the receipt and delivery points, and the contract quantities applicable to any Negotiated Rate Service Agreement. Unless Transporter executes and files a non-conforming service agreement, such tariff sheet will contain a statement that the Negotiated Rate service agreement does not deviate in any material aspect from the form of service agreement in the tariff for the applicable rate schedule.

19.5 Rate Treatment. Transporter will not seek in future general rate proceedings discount-type adjustments to demand charge billing determinants for capacity converted from Recourse Rate service agreements to Negotiated Rate service agreements, unless the Recourse Rate had been discounted. In those situations where Transporter had granted a market-justified discount to the Recourse Rate and subsequently converted the service agreement to a Negotiated Rate service agreement, Transporter may seek a discount-type adjustment. Such adjustment would be based on the greater of: (i) the Negotiated Rate revenues received or (ii) the discounted Recourse Rate revenues which otherwise would have been received.

19.6 Limitations. This section 19 does not authorize Transporter to negotiate terms and conditions of service.

**Northwest Pipeline LLC
FERC Gas Tariff
Fifth Revised Volume No. 1**

**First Revised Sheet Nos. 247 Through 249
Superseding
Substitute Original Sheet Nos. 247 Through 249**

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS (Continued)

21. INTERCONNECTS

21.1 General. This Section 21 applies to all facilities for receiving Gas into or delivering Gas out of Transporter's Mainline Transportation System ("Interconnect"). Interconnect facilities generally include a Tap, Meter Station and Other Interconnect Facilities, as such terms are defined in Section 21.4 below. This Section 21 does not apply to facilities required to accommodate the Transportation of new Contract Demand on Transporter's Mainline Transportation System.

21.2 Request for Interconnect. A party desiring to establish an Interconnect ("Interconnecting Party"), will deliver to Transporter a written request that provides sufficient and reliable information for Transporter to evaluate the Interconnect and assess the associated operational impacts that the Interconnect will have on Transporter's Mainline Transportation System. Information required with such request must include the proposed location of the Interconnect, the anticipated minimum and maximum capacity needs, the anticipated pressure requirements at desired delivery point(s), the anticipated Gas composition and quality for receipt points and such other information as Transporter may deem relevant. Transporter will respond within 60 days after the foregoing information has been received with either an answer to the request or an estimate of the additional time Transporter will need to provide an answer to the request.

21.3 Conditions for Access. Transporter will allow access for the Interconnect once all of the following conditions have been satisfied:

- (a) The Interconnect will not adversely affect Mainline Transportation System operations;
- (b) The Interconnect and resulting Transportation service will not result in diminished services to Transporter's existing customers;
- (c) The Interconnect will not cause Transporter to be in violation of any environmental or safety laws or regulations;
- (d) The Interconnect will not cause Transporter to be in violation of its right-of-way agreements or any other contractual obligations;
- (e) Transporter and/or Interconnecting Party will have acquired any necessary regulatory approvals, permits and real property rights to construct, own, operate and maintain the Interconnect facilities;
- (f) If applicable, the party responsible for confirming Nominations at the receipt point or interconnecting pipeline will have agreed to execute an OBA for such Interconnect prior to Transporter placing the Interconnect in-service; and

GENERAL TERMS AND CONDITIONS (Continued)

21. INTERCONNECTS (Continued)

(g) The Transporter and the Interconnecting Party will have executed a facilities agreement and, if applicable, an Exhibit C to the Interconnecting Party's valid Service Agreement with respect to the Interconnect facilities that Transporter will design and construct.

21.4 Design, Construction, Ownership, Operation and Maintenance of Interconnect. Upon satisfaction of the conditions in Section 21.3:

(a) Transporter will design, construct, own, operate and maintain the Tap for the Interconnect. The "Tap" will mean the tap(s), valve(s) and appurtenant facilities that physically connect with Transporter's Mainline Transportation System.

(b) Transporter will design, construct, own, operate and maintain the Meter Station for the Interconnect, subject to the following exceptions:

(1) If Transporter determines in its sole discretion that an Interconnecting Party's ownership of all or part of the Meter Station will not be detrimental to its Mainline Transportation System, then Transporter may allow the Interconnecting Party to acquire an ownership interest in the Meter Station in proportion to construction costs for which the Interconnecting Party is responsible. However, Transporter will not transfer any ownership interest to the Interconnecting Party prior to payment in full of such construction costs; or

(2) If the Interconnecting Party is another pipeline performing interstate Gas transportation subject to the Commission's jurisdiction, then which pipeline will design, construct, own, operate and/or maintain the Meter Station will be mutually agreed upon by Transporter and the Interconnecting Party.

The "Meter Station" will mean Measurement Equipment, valves and appurtenant facilities (including the incidental piping connecting the Tap to the Meter Station) that will perform custody transfer measurement and ensure that Gas receipts or deliveries will not adversely affect the reliability or the operational integrity of Transporter's Mainline Transportation System.

GENERAL TERMS AND CONDITIONS (Continued)

21. INTERCONNECTS (Continued)

(c) Transporter will not be required to design, construct, own, operate or maintain any other facilities necessary to effectuate the Interconnect besides the Tap and Meter Station ("Other Interconnect Facilities"), but may agree to do so in a facilities agreement.

(d) For any Interconnect facilities that Transporter will design and construct:

(1) The terms governing the design, construction, ownership, operation and maintenance of and payment for such facilities will be set forth in a facilities agreement between Transporter and the Interconnecting Party; and

(2) All real property rights required for the construction, ownership, operation and maintenance of the Interconnect facilities, including rights of ingress and egress, will be obtained in Transporter's name, unless Transporter otherwise agrees.

(e) For any Interconnect facilities that the Interconnecting Party will design and construct:

(1) Such facilities must comply with Sections 21.3 and 21.4(f);

(2) The Interconnecting Party assumes full responsibility and liability for the design and construction of such facilities and will hold Transporter harmless from any and all liability arising from the design and construction of such facilities by the Interconnecting Party or third party on the Interconnecting Party's behalf; and

(3) If such facilities will be constructed in close proximity to Transporter's facilities such that Transporter reasonably determines its facilities and/or personnel may be at risk, then: the Interconnecting Party will coordinate the construction of such proximate facilities with Transporter so that such proximate facilities comply with Transporter's reasonable specifications, Transporter may pre-approve related design drawings and bills of materials, and Transporter may have inspectors present during construction. Approval to proceed with construction from Transporter and Transporter's inspectors will not be unreasonably delayed or withheld. The Interconnecting Party will reimburse Transporter for all costs associated with Transporter's review and inspection of such proximate

GENERAL TERMS AND CONDITIONS (Continued)

21. INTERCONNECTS (Continued)

facilities within 30 days of Transporter submitting an invoice detailing such costs. Interest calculated in accordance with 18 CFR Section 154.501(d) will accrue on any balance remaining after the due date specified in the invoice.

(f) Regardless of which party designs and constructs the Interconnect facilities, Transporter will have the right to require the installation of any equipment necessary to: accurately monitor the quality of Gas received into its Mainline Transportation System to ensure that such Gas meets the specifications of its Tariff, maintain the reliability and operational integrity of its Mainline Transportation System, and enable accurate custody transfer measurement.

21.5 Payment for Interconnect.

(a) For any Tap and/or Meter Station that Transporter will design and construct, the facilities agreement will provide that the Interconnecting Party will make prepayments to Transporter, as specified in the facilities agreement, for Transporter's design and construction costs, Related Income Taxes and any other costs directly related to the construction of the Tap and/or Meter Station, with a final true-up payment/refund after completion.

(b) For any Other Interconnect Facilities that Transporter agrees to design and construct, the facilities agreement and, if applicable, Exhibit C or Exhibit D to the Interconnecting Party's valid Service Agreement will provide that the Interconnecting Party will pay to Transporter over an agreed period of time an incremental facilities charge. Such charge will include, as applicable and appropriate, all Transporter's costs associated with the Other Interconnect Facilities, including without limitation operating and maintenance expenses, administrative and general expenses, return on debt, return on equity, income taxes, other taxes, depreciation and net negative salvage ("Cost Requirement").

(c) Notwithstanding Sections 21.5(a) and (b), Transporter and the Interconnecting Party may agree to a different payment method, as applicable and appropriate, for Transporter to design, construct, own, operate and maintain any given Interconnect facility if Transporter agrees to do so.

d) For any Interconnect facilities that Transporter will design and construct without receiving prepayment, Transporter and Interconnecting Party may agree to credit provisions that

GENERAL TERMS AND CONDITIONS (Continued)

21. INTERCONNECTS (Continued)

apply before and after the in-service date of the Interconnect facilities. Transporter may require a credit obligation in an amount up to full Cost Requirement of the Interconnect facilities, but not to exceed the Interconnecting Party's proportionate share of such Cost Requirement. Each year, Transporter will reduce the amount of such credit obligation as necessary to approximate the remaining Cost Requirement payable by the Interconnecting Party under the facilities agreement.

(e) Subject to Transporter's prior approval, which will not be unreasonably withheld, the Interconnecting Party's payment and credit obligations under the facilities agreement and, if applicable, Exhibit C to the Interconnecting Party's Service Agreement may be assigned to a superseding or replacement Service Agreement(s) ("Successor").

(f) Notwithstanding anything in this Section 21 to the contrary, Transporter may agree on a not unduly discriminatory basis in the facilities agreement to pay for all or part of the cost to design, construct, own, operate and/or maintain the Interconnect facilities if it determines that it will be economically beneficial for Transporter to do so. Transporter will post notice of any such contribution on its Designated Site for a period of 30 days following any such agreement.

21.6 Sharing of Expanded Interconnect Costs. If Transporter agrees, at the request of a later Interconnecting Party ("Second Interconnect Party"), to increase through compression the capacity of the original Interconnect facilities previously constructed by Transporter for an earlier Interconnecting Party ("First Interconnecting Party") pursuant to this Section 21, then the following cost sharing procedures will be applicable:

(a) Transporter will add its actual or imputed depreciated cost of the original Interconnect facilities to the incremental expansion cost and apportion the combined costs between the First Interconnecting Party and the Second Interconnecting Party pro rata based on the original and incremental expansion firm design capacity of the Interconnect facilities. (if the First Interconnecting Party reimbursed Transporter by a prepayment method, Transporter will calculate the imputed depreciated cost of the original Interconnect facilities using a depreciation rate equal to the higher of the depreciation rate for the Mainline

GENERAL TERMS AND CONDITIONS (Continued)

21. INTERCONNECTS (Continued)

Transportation System or the depreciation rate based on the term of the First Interconnecting Party's Service Agreement for firm capacity on the original Interconnect facilities, if any).

(b) If the resulting apportioned cost to the Second Interconnecting Party is greater than the incremental expansion cost, the Second Interconnecting Party's payment responsibility under Section 21.5 will be based on its apportioned cost. Otherwise, the Second Interconnecting Party will only be responsible for the incremental expansion cost.

(c) If the apportioned cost to the Second Interconnecting Party is greater than the incremental expansion cost, the difference ("Cost Sharing Adjustment") will be credited or refunded by Transporter to the First Interconnecting Party, or its Successor, pursuant to the following procedures:

1) If the First Interconnecting Party and/or its Successor is currently paying Transporter for the original Interconnect facilities through payments over time, such obligation will be amended to reduce the capital cost underlying the facilities construction charge by the Cost Sharing Adjustment, to be effective on the in-service date of the incremental expansion Interconnect facilities.

2) If the First Interconnecting Party has reimbursed Transporter for the original Interconnect facilities through a prepayment, the Cost Sharing Adjustment will be refunded to the First Interconnecting Party within 45 days following the in-service date of the incremental expansion Interconnect facilities. If the Second Interconnecting Party pays its apportioned cost to Transporter using a prepayment method and pays Related Income Taxes, then the portion of the Related Income Taxes payment attributable to the Cost Sharing Adjustment also will be included in Transporter's refund to the First Interconnecting Party. Further, if the First Interconnecting Party is the passive owner of the original Interconnect facilities, its ownership interest will be reduced proportionate to the Cost Sharing Adjustment.

GENERAL TERMS AND CONDITIONS (Continued)

21. INTERCONNECTS (Continued)

21.7 Accelerated Payment Provisions.

(a) For any receipt or delivery facilities subject to a facilities agreement executed prior to January 16, 2012 and pursuant to which Shipper is paying for such facilities over time, the following provisions will continue to apply:

(1) Shipper may elect at any time to cease paying a facilities surcharge by paying Transporter for the then remaining net book value of the facilities, including any Related Income Taxes, at which time the applicable Service Agreement will be amended to reflect the termination of Exhibit C.

(2) If Shipper ceases operations at the end-use point or receipt point for which the facilities were installed, or ceases to be a Rate Schedule TF-1, Rate Schedule TF-2, or Rate Schedule TFL-1 Shipper (unless its facility cost reimbursement obligations hereunder are assumed by a Replacement Shipper), Shipper will notify Transporter of such occurrence within five business days of such occurrence. Shipper will pay Transporter for the then remaining net book value of the facilities, including any Related Income Taxes, within 30 days after Transporter submits an invoice to Shipper. Interest calculated in accordance with 18 CFR Section 154.501(d) will accrue on any balance remaining after the due date specified on the invoice.

(3) If Transporter has previously paid for all or a portion of receipt or delivery point facilities under a facilities agreement with Shipper, Shipper will, nevertheless, promptly pay Transporter for Transporter's remaining net book value of such facilities, including any Related Income Taxes, when either of the following events occurs: (1) Transporter's ability to fully recover such costs is denied in any Section 4 or Section 5 rate proceeding, or (2) Shipper permanently ceases operations at the end-use point or receipt point adjacent to where the facilities were installed.

(b) For any Interconnect facilities subject to a facilities agreement executed after January 16, 2012 and pursuant to which the Interconnecting Party is paying for such facilities over time, any mutually agreed provisions governing the Interconnecting Party's right or obligation to accelerate payment will be set forth in the facilities agreement and, if applicable, Exhibit C to the Interconnecting Party's valid Service Agreement.

GENERAL TERMS AND CONDITIONS
(Continued)

22. CAPACITY RELEASE

22.1 CAPACITY RELEASE DEFINITIONS.

For the purposes of this Section 22, the following definitions will apply to Capacity Releases.

- (a) Releasing Shipper: A firm Shipper or Replacement Shipper under an executed Service Agreement subject to Part 284 of the Commission's regulations who intends to have Transporter post to Transporter's Designated Site all or any portion of its firm service to be released to a Replacement Shipper, or to a Prearranged Replacement Shipper through a prearranged capacity release transaction, or which has released its firm service.
- (b) Replacement Shipper: A Shipper which has contracted for service with Transporter subject to Part 284 of the Commission's regulations to utilize a Releasing Shipper's released firm service for a specified period of time. Replacement Shippers must meet all of the terms and conditions of Transporter's tariff as required of any other Shipper.
- (c) Potential Replacement Shipper: A Shipper which desires to acquire released firm capacity.
- (d) Prearranged Replacement Shipper: A party who desires to contract directly for or who has contracted directly for capacity which is subject to Part 284 of the Commission's regulations and who has agreed to the terms of a capacity release transaction directly with a Releasing Shipper, which terms are posted to Transporter's Designated Site. Prearranged Replacement Shippers must meet all of the terms and conditions of Transporter's tariff as required of any other Shipper.
- (e) Bidder: A party submitting a bid(s) to Transporter's Designated Site for released capacity.
- (f) Open Bidding: Full disclosure of the bid(s) submitted to Transporter's Designated Site, excluding the bidder(s) name.

GENERAL TERMS AND CONDITIONS
(Continued)

22.1 CAPACITY RELEASE DEFINITIONS (Continued)

(g) The Economic Value of a bid: The total net present value of the demand and capacity charge bid for the release of storage capacity or of the reservation charge bid for the release of transportation capacity. The net present value shall be computed from the monthly demand and capacity, or reservation revenues to be received over the term of the release contract, using the discounted cash flow rate of return methodology, with the rate of discounting to be equal to the rate set forth in Section 154.501(d) of the Commission's regulations at the time the capacity is posted for bid. NAESB WGQ Capacity Release Related Standard 5.3.3 will apply.

(h) Open Season: The minimum number of business days allowed for posting releases and accepting bids.

22.2 GENERAL AND INDEX-BASED CAPACITY RELEASE PROVISIONS

NAESB WGQ Capacity Release Related Standards 5.2.4, 5.2.5, 5.3.1, 5.3.3, 5.3.4, 5.3.5, 5.3.7, 5.3.8, 5.3.9, 5.3.18, 5.3.20, 5.3.21, 5.3.24, 5.3.26, 5.3.31 through 5.3.42, 5.3.62, 5.3.62a, and 5.3.63 through 5.3.69 will apply.

GENERAL TERMS AND CONDITIONS (Continued)

22.2 CAPACITY RELEASE GENERAL PROVISIONS (Continued)

(a) Any firm Shipper (Releasing Shipper) is eligible to release all or any part of its firm transportation capacity, defined, with respect to Rate Schedules TF-1, TF-2 and TFL-1, as capacity between primary receipt and delivery points, for use by another party (Prearranged Replacement Shipper or Replacement Shipper) for a minimum term of one (1) day and a maximum term not to exceed the remaining term of the Releasing Shipper's firm Service Agreement.

(1) If a Shipper wishes to temporarily release a part of its capacity and Transporter determines that such a release could create operational problems (such as reducing Releasing Shipper's ability to respond to an OFO pursuant to Section 14.15 of the General Terms and Conditions), then either (i) Releasing Shipper must amend its Service Agreement to incorporate a contract-specific flow requirement on its retained capacity that would enable Transporter to duplicate the displacement capacity available under the Releasing Shipper's Service Agreement as it exists prior to such release, or (ii) Releasing Shipper must condition its release on the Replacement Shipper or Prearranged Replacement Shipper being subject to a contract-specific flow requirement on its newly acquired capacity, or (iii) the Replacement Shipper's Service Agreement must indicate that it is subject to recall in accordance with Section 22.2(a)(2).

(2) If Replacement Shipper's Service Agreement indicates that it is subject to recall pursuant to this Section 22.2(a)(2), and if Transporter provides notification that issuance of a general OFO under Section 14.15 is imminent, then Releasing Shipper either (i) must recall sufficient capacity from the Replacement Shipper prior to the Evening Nomination cycle following notification from Transporter to reinstate Releasing Shipper's pre-release ability to respond to a general OFO, or (ii) take other action that is acceptable to Transporter to satisfy such OFO obligation.

(3) If a Shipper wishes to temporarily release a part of its capacity that contains a conditional service agreement extension pursuant to Section 11.9 of the General Terms and Conditions of the tariff, then the Replacement Shipper's Service Agreement must indicate that the release is subject to recall.

(4) If Replacement Shipper's Service Agreement indicates that a release is subject to recall pursuant to Section 22.2(a)(3) and Transporter receives notice from the base contract holder that it is exercising its conditional service agreement extension, then such base contract holder must recall all of the capacity that goes beyond the later

GENERAL TERMS AND CONDITIONS
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22.2 CAPACITY RELEASE GENERAL PROVISIONS (Continued)

of the effective date associated with the early termination right or the evergreen rollover period.

(5) If a Shipper wishes to permanently release only a part of its firm transportation capacity, such Shipper's aggregate MDQs and aggregate MDDOs must be released by the same percentage as the Contract Demand is released. Shipper may specify the MDQs it wishes to release at each Receipt Point and the MDDOs it wishes to release at each Delivery Point.

(6) A Rate Schedule TF-2 Shipper may only release the Annual Contract Quantity set forth in its executed Service Agreement that is unused. The unused Annual Contract Quantity is such Shipper's Annual Contract Quantity reduced by the amount of transportation service received by such Shipper during the same twelve-month period ending September 30 through the effective date of the release.

(7) A Releasing Shipper can segment its firm capacity under a Rate Schedule TF-1 or Rate Schedule TFL-1 Service Agreement by posting a release of such firm capacity from any physical Receipt Point to any physical delivery point subject to availability of capacity at and between the designated points.

(8) Any Replacement Shipper or Prearranged Replacement Shipper which has previously contracted for released capacity may also release the capacity to another party, thereby becoming a Releasing Shipper, subject to the notification and bidding requirements of this Section 22.

GENERAL TERMS AND CONDITIONS
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22.2 CAPACITY RELEASE GENERAL PROVISIONS (Continued)

(9) Releasing Shippers that have Service Agreements with aggregate MDDOs in excess of Contract Demand as a result of the grandfathering of pre-existing conjunctive nomination rights under the sales conversion program approved in Docket No. CP92-79 cannot release an amount of MDDOs that would increase the ratio of MDDOs to Contract Demand for the Replacement Shipper above the ratio that exists in the Releasing Shipper's Service Agreement.

(10) Releasing Shippers with service under Rate Schedules TF-1 (Large Customer), TF-1 25-Year Evergreen, or TF-2, may condition their release upon the Replacement Shipper's assumption of the CRM Surcharge for the released capacity in full, at a fixed rate less than the full CRM Surcharge, or as a percentage of the CRM Surcharge. If no selection is made by the Releasing Shipper and the Replacement Shipper's reservation rate is the Maximum Base Tariff Rate or higher, then the Replacement Shipper will be deemed to have assumed the CRM Surcharge in full. If no selection is made by the Releasing Shipper and the Replacement Shipper's reservation rate is a percentage of the Maximum Base Tariff Rate, then the Replacement Shipper will be deemed to have assumed the CRM Surcharge in the same percentage as it assumed the Maximum Base Tariff Rate. If no selection is made by the Releasing Shipper and the Replacement Shipper's reservation rate is neither the Maximum Base Tariff Rate or higher nor a percentage of the Maximum Base Tariff Rate, then the Replacement Shipper will be deemed to have not assumed the CRM Surcharge.

(b) Shippers releasing firm storage rights shall be subject to the notification and bidding requirements set forth in Section 22. Unless otherwise specified by the Releasing Shipper, Rate Schedule SGS-2F storage capacity will be released as one package which includes the storage injection and withdrawal rights and the associated storage capacity rights. In addition, the Rate Schedule SGS-2F Releasing Shipper must specify the level of

GENERAL TERMS AND CONDITIONS
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22.2 CAPACITY RELEASE GENERAL PROVISIONS (Continued)

Working Gas Quantity associated with the release for the purpose of calculating Unavailable Working Gas. Unless otherwise specified by the Releasing Shipper, Rate Schedule LS-2F and LS-3F storage capacity can only be released as one package which includes the storage liquefaction and vaporization rights and associated capacity rights. If Replacement Shipper fails to withdraw or vaporize, as applicable, all gas inventory within three (3) days of termination of the replacement agreement, then Transporter shall take title to any such remaining inventory free and clear of any adverse claims.

(c) Potential Replacement Shippers may post offers to purchase capacity to Transporter's Designated Site, which will remain posted on such site for a period specified by the Potential Replacement Shipper, but not to exceed 90 days. If an offer to purchase results in a capacity release being offered, such release is subject to the bidding requirements of this Section. Offers to purchase capacity must include desired receipt and delivery point(s), contract volume, and contract term.

22.3 CAPACITY RELEASE OFFERS.

All requests to release capacity shall be made through Transporter's Designated Site setting forth the following:

1. Releasing Shipper's name, contract number and contract quantity to be released and, for Rate Schedule TF-2 releases, the unused Annual Contract Quantity;
2. receipt point(s), delivery point(s) and volumes associated with each;
3. if a storage release, the volume of storage withdrawal or vaporization and storage capacity rights;
4. commencement date for the release, termination date for the release;
5. minimum percentage of volume and minimum term for the release which Releasing Shipper is willing to accept;
6. any specific conditions of the release, which conditions must be objectively stated, applicable to all bidders, operationally feasible, non-discriminatory to other Shippers and consistent with this Tariff. If Releasing Shipper submits no release conditions, or

GENERAL TERMS AND CONDITIONS
(Continued)

22.3 CAPACITY RELEASE OFFERS (Continued)

Transporter finds the requested conditions operationally infeasible or inconsistent with this Tariff, the released capacity shall be subject to the conditions currently effective in this Tariff. Releasing Shipper must notify Transporter if the minimum conditions precedent to the release are not to be posted on Transporter's Designated Site until after the capacity is awarded;

7. if Releasing Shipper desires to release capacity on the basis of a volumetric rate, Releasing Shipper must provide the criteria Releasing Shipper desires Transporter to use in the evaluation of volumetric bids and any other terms and conditions of the release;

8. if Releasing Shipper has secured a Prearranged Replacement Shipper, the release request must also contain:

(a) the name of the Prearranged Replacement Shipper;

(b) the rate and term of the bid which such Prearranged Replacement Shipper is willing to pay;

(c) whether the transaction is being made pursuant to: i) a standard capacity release, ii) the implementation of an Asset Management Arrangement, as defined in 18 C.F.R. Section 284.8 (h) (3) ("AMA"), or iii) a state-regulated retail access program, as defined in 18 C.F.R. Section 284.8 (h) (4); and

(d) whether the Prearranged Replacement Shipper is affiliated with the Releasing Shipper.

9. if Releasing Shipper has secured a Prearranged Replacement Shipper pursuant to the implementation of an AMA transaction, the release request must also contain AMA Special Terms and Conditions which: 1) state that the release is being made to implement an AMA; and 2) specifies the quantity and term commitment of the Replacement Shipper's delivery or purchase obligation to the Releasing Shipper;

GENERAL TERMS AND CONDITIONS
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22.3 CAPACITY RELEASE OFFERS (Continued)

10. whether Releasing Shipper is willing to accept contingent bids that extend beyond the open season and the terms and conditions applicable to such contingency, including the rights and obligations of the next highest Bidder to secure the released capacity in the event that the contingency is not fulfilled or the winning contingent Bidder exercises its option not to take the capacity. The date to which the contingency may be extended must end at least four (4) working days prior to the effective date of the release.

22.4 CAPACITY RELEASE BIDS.

(a) All bids for released capacity shall be made through Transporter's Designated Site setting forth the following:

1. Bidder's name and capacity release number bidding on;
2. receipt point(s) and delivery point(s) bidding on and the volume and rate associated with each;
3. if bidding on storage, the volume and rates for both the storage withdrawal or vaporization rights and the storage capacity rights;
4. term of bid;
5. minimum percentage of the volume which the Bidder is willing to accept; and

GENERAL TERMS AND CONDITIONS
(Continued)

22.4 CAPACITY RELEASE BIDS (Continued)

6. any affiliation of the releasing shipper involved in the transaction.

(b) A Releasing Shipper may specify that bids may be accepted on a volumetric rate basis.

(c) Releases of Rate Schedule SGS-2F, LS-2F and LS-3F service shall be acquired either through separate bids to pay the applicable Demand and/or Capacity Demand charge(s) or, if released on a volumetric bid basis, through separate bids to pay for usage on a daily basis of Contract Demand withdrawn or vaporized, as applicable, and storage capacity used.

(d) All bids shall be submitted in amounts which a Replacement Shipper or Prearranged Replacement Shipper agrees to pay to Transporter for the right to demand firm services, including undiscounted reservation surcharges, if applicable. Such bids shall exclude Transporter's volumetric charges and volumetric surcharges, including liquefaction and vaporization volumetric charges, applicable to each service as included in Transporter's rates, which rate components must be paid to Transporter by the successful bidding Replacement Shipper or Prearranged Replacement Shipper in addition to the bid amounts. The Releasing Shipper shall not be responsible for continuing to pay such volumetric charges and volumetric surcharges for the capacity released during the term of each release, nor for penalties incurred by the Replacement Shipper or Prearranged Replacement Shipper.

22.5 CAPACITY RELEASE AWARD PROCESS FOR BIDDABLE TRANSACTIONS.

(a) Transporter shall determine the winning bid. Unless Releasing Shipper specifies otherwise, bids will be evaluated based on the economic value of the demand and capacity or reservation charges bid by each Bidder. After the economic value of each bid for each receipt and delivery point combination has been determined, and if the capacity to be allocated to the highest Bidders would not result in awarding all of the capacity to be released, then Transporter shall award the remaining

GENERAL TERMS AND CONDITIONS
(Continued)

22.5 CAPACITY RELEASE AWARD PROCESS FOR BIDDABLE TRANSACTIONS (Continued)

capacity based on the economic value of each bid for each receipt and delivery point combination, from highest economic value to lowest economic value, with the process of awarding capacity to Bidders continuing until all of the capacity has been awarded or until all valid bids have been accepted. Transporter shall break ties and determine the winning bid(s) in those situations by holding a lottery using a computerized random number generator unless the releasing Shipper specifies another non-discriminatory method for determining the winning bid.

A Releasing Shipper may specify and post to Transporter's Designated Site an objectively stated, nondiscriminatory standard for Transporter to use in determining the best bid(s), including the criteria to be used by Transporter in evaluating volumetric bid(s) and, subject to Section 22.5(b), repackaged bids. If Releasing Shipper provides insufficient criteria for Transporter to use in evaluating volumetric rate bid(s), Transporter will evaluate volumetric bids based on the rate which is bid, or, in the case of services for which multiple bids are required, the sum of such bids.

(b) At Releasing Shipper's request using reasonable, objective criteria for repackaging, Transporter may repackage bids for the same release to maximize the economic value of the released capacity i.e., discrete bids for portions or segments of the released capacity may be repackaged for evaluation; provided, however that Transporter shall be under no obligation to repackage bids if Transporter determines that such repackaging is not administratively or operationally feasible.

22.6 CAPACITY RELEASE CREDIT REQUIREMENTS.

(a) A Replacement Shipper or Prearranged Replacement Shipper must comply with Section 5.10 of the General Terms and Conditions of this tariff. Such Shipper must submit a request for pre-qualification for credit as a Shipper to Transporter in order to submit a bid for capacity release service.

GENERAL TERMS AND CONDITIONS
(Continued)

22.6 CAPACITY RELEASE CREDIT REQUIREMENTS. (Continued)

(b) Exception. A Prearranged Replacement Shipper will automatically be pre-qualified for credit if a creditworthy Releasing Shipper elects to assume all liability for any unpaid charges (all reservation and commodity based charges) incurred by such prearranged capacity release transaction by posting its assumption of such liability in the special terms and conditions of its Offer.

22.7 CAPACITY RELEASE MISCELLANEOUS PROVISIONS.

(a) Releasing Shipper is responsible for payment of demand and capacity charges for the release of storage capacity and reservation charges for the release of transportation capacity, as well as any applicable reservation surcharges under the firm Service Agreement as it existed before any release(s), except as provided in subsection 22.4(c) above and in Section 23. Releasing Shipper also is responsible for payment obligations, payment procedures and crediting mechanisms that vary from or are in addition to those set forth herein when those provisions are part of a Negotiated Rate service agreement.

(b) Transporter shall not be liable to Releasing Shipper for the revenue credits provided for in Section 23 of the General Terms and Conditions in the event any Replacement Shipper fails to pay any applicable demand, capacity, or reservation charges or applicable reservation surcharges to Transporter. However, releasing Shipper shall retain a subrogated right to demand payment from any Replacement Shipper or Prearranged Replacement Shipper in the event any Replacement Shipper or Prearranged Replacement Shipper is delinquent on any such payment owed Transporter.

GENERAL TERMS AND CONDITIONS
(Continued)

22.7 CAPACITY RELEASE MISCELLANEOUS PROVISIONS (Continued)

(c) Bids may be submitted for any segment of released Rate Schedule TF-1 or Rate Schedule TFL-1 capacity subject to the availability of metering and pipeline capacity at and between the requested receipt and delivery points. Replacement Shippers or Prearranged Replacement Shippers may change primary receipt or delivery points as specified in this Tariff during the term of a capacity release.

At the expiration of each release such changes shall terminate and the Releasing Shipper shall be entitled to its rights at receipt and delivery points as they existed prior to the release.

(d) A Releasing Shipper may withdraw its release in accordance with NAESB Standard 5.3.14 and prior to receipt of a valid bid.

(e) A Bidder may withdraw its bid in accordance with NAESB Standard 5.3.13, provided, however, that the Bidder may not then resubmit a bid with a lower Economic Value for the same capacity. Bidder may not submit multiple bids on the same release package.

GENERAL TERMS AND CONDITIONS
(Continued)

22.7 CAPACITY RELEASE MISCELLANEOUS PROVISIONS (Continued)

(f) Transporter will provide service to a Replacement Shipper or a Prearranged Replacement Shipper pursuant to an electronically executed Service Agreement. The Replacement Shipper's or Prearranged Replacement Shipper's execution of the Service Agreement occurs automatically upon posting of its bid and Transporter's execution occurs upon award. Transporter's accepted bid for release of firm capacity and any conditions of the release contained in the Releasing Shipper's posting of the release will be reflected on the exhibits to the Service Agreement between Transporter and the Replacement Shipper or Prearranged Replacement Shipper. Releasing Shipper's rights under its Service Agreement also will be deemed modified consistent with Transporter's accepted bid for release of firm capacity and any conditions of the release reflected on the exhibits to the Service Agreement between Transporter and the Replacement Shipper or Prearranged Replacement Shipper.

(g) Transporter may assess a marketing fee to a Releasing Shipper, if agreed upon by both Transporter and Releasing Shipper, pursuant to a separately negotiated marketing contract, for marketing services to be performed by Transporter.

(h) All terms of Capacity Release transactions between Transporter, the Releasing Shipper and the Replacement Shipper or Prearranged Replacement Shipper, must be agreed to through the public notification and posting procedures contained herein.

GENERAL TERMS AND CONDITIONS
(Continued)

22.7 CAPACITY RELEASE MISCELLANEOUS PROVISIONS (Continued)

(i) In the event a capacity release transaction is not effective prior to the Evening Nomination cycle applicable to the initial day of the capacity release, the Contract Demand released as reflected in the Releasing Shipper's amended Service Agreement and the Contract Demand acquired as stated in the Replacement Shipper's Service Agreement may be modified for the initial day of the release to prevent such Contract Demand from exceeding nineteen/twenty-fourths of the Releasing Shipper's available Contract Demand if the release is effective for the Intraday 1 nomination cycle or fifteen/twenty-fourths of the Releasing Shipper's available Contract Demand if the release is effective for the Intraday 2 nomination cycle or eleven/twenty-fourths of the Releasing Shipper's available Contract Demand if the release is effective for the Intraday 3 nomination cycle.

(j) For a capacity re-release transaction, both the Releasing Shipper's posting of the offer and the exhibits to the new Replacement Shipper's Service Agreement will reflect the "standard capacity release conditions" included on Exhibit A to the Releasing Shipper's Service Agreement that must also apply to the new Replacement Shipper in order to preserve the previous Releasing Shipper's rights and obligations.

(k) The "additional capacity release conditions" included on Exhibit A to the Replacement Shipper's Service Agreement will not cause Transporter to modify any existing notification procedures. Transporter does not assume or accept any liability or responsibility to enforce or administer any additional capacity release conditions that a Releasing Shipper may impose. Releasing Shipper and Replacement Shipper will indemnify Transporter for any claims made against Transporter by the other that arise out of any additional capacity release conditions imposed by Releasing Shipper.

**Northwest Pipeline LLC
FERC Gas Tariff
Fifth Revised Volume No. 1**

**First Revised Sheet Nos. 265-A Through 265-C
Superseding
Substitute Original Sheet Nos. 265-A Through 265-C**

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22. CAPACITY RELEASE (Continued)

22.8 CAPACITY RELEASE OPEN SEASONS.

NAESB WGQ Capacity Release Related Standards 5.3.10 through 5.3.16, 5.3.19, 5.3.25, 5.3.26, 5.3.28, and 5.3.29 will apply.

22.9 CAPACITY RELEASE TIMELINES.

The following Capacity Release timelines in Central Clock Time (with Mountain Clock Time in parentheses) reflect NAESB WGQ Standard 5.3.2:

Biddable Releases (1 year or less)

Timeline pertains to a Business Day:

Offers Tendered:	9:00 (8:00) A.M.
Open Season Ends:	10:00 (9:00) A.M.
Evaluation Begins:	10:00 (9:00) A.M.
Contingency eliminated.	
Best bid determined.	
Ties broken.	
Evaluation Ends:	11:00 (10:00) A.M.
Award Posted if no Match:	11:00 (10:00) A.M.
Option to Match communicated:	11:00 (10:00) A.M.
Shipper Match Response:	11:30 (10:30) A.M.
Award Posted if Match:	Noon (11:00 A.M.)
Contract Issued:	Within One Hour of Award Posting
Nomination Possible:	Next Available Nomination Cycle for Effective Date of Contract

GENERAL TERMS AND CONDITIONS
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22.9 CAPACITY RELEASE TIMELINES (Continued)

Biddable Releases (more than 1 year)

Offers Tendered: 9:00 (8:00) A.M.

Open Season shall include no less than three 9:00 A.M. to 10:00 A.M. time periods on consecutive Business Days:

Timeline pertains to a Business Day:

Open Season Ends:	10:00 (9:00) A.M.
Evaluation Begins:	10:00 (9:00) A.M.
Contingency eliminated.	
Best bid determined.	
Ties broken.	
Evaluation Ends:	11:00 (10:00) A.M.
Award Posted if no Match:	11:00 (10:00) A.M.
Option to Match communicated:	11:00 (10:00) A.M.
Shipper Match Response:	11:30 (10:30) A.M.
Award Posted if Match:	Noon (11:00 A.M.)
Contract Issued:	Within One Hour of Award Posting
Nomination Possible:	Next Available Nomination Cycle for Effective Date of Contract

GENERAL TERMS AND CONDITIONS
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22.9 CAPACITY RELEASE TIMELINES (Continued)

Non-Biddable Releases.

The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2.:

Posting:	
Timely Cycle:	Noon (11:00 A.M.)
Evening Cycle:	5:00 (4:00) P.M.
Intraday 1 Cycle:	9:00 (8:00) A.M.
Intraday 2 Cycle:	1:30 (12:30) P.M.
Intraday 3 Cycle:	6:00 (5:00) P.M.
Contract Issued:	Within One Hour of Award Posting
Nomination Possible:	Next Available Nomination Cycle for Effective Date of Contract

Transporter may extend the open season periods for those releases wherein the Releasing Shipper has requested volumetric rate bids, or where the Releasing Shipper has requested a method of evaluating bids not specified in this Tariff, or where the terms and conditions are too complex to handle through Transporter's automated posting and bidding procedures, or where Releasing Shipper has specified an index-based rate unique formula. Such extended period of time shall end at least two (2) business days prior to the effective date of the release.

GENERAL TERMS AND CONDITIONS
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22.10 CAPACITY RELEASE TRANSACTIONS EXEMPT FROM BIDDING.

(a) A Releasing Shipper may release capacity to a Prearranged Replacement Shipper for any period of thirty-one (31) days or less without having to comply with the notification and bidding requirements of this Section 22. A Releasing Shipper may not re-release capacity covered by this Section 22.10(a) to the same Prearranged Replacement Shipper without complying with the notification and bidding requirements of this Section 22 until twenty-eight (28) days after the first release period has ended.

GENERAL TERMS AND CONDITIONS
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22.10 CAPACITY RELEASE TRANSACTIONS EXEMPT FROM BIDDING (Continued)

(b) For a release involving a Prearranged Replacement Shipper where the rate is equal to the maximum posted tariff rate applicable to capacity releases, and the term is equal to the term described by the Releasing Shipper but is greater than one year in any event, the Prearranged Replacement Shipper shall be awarded the released capacity without the necessity of waiting for competing bids to be submitted. However, Transporter shall be notified of the release by the Releasing Shipper and the notification shall contain the same information as identified in Section 22.3. Transporter shall post a notice of the occurrence of the release on its Designated Site.

(c) For a release involving a Prearranged Replacement Shipper pursuant to an AMA or pursuant to a state-regulated retail access program, the Prearranged Replacement Shipper shall be awarded the released capacity without the necessity of waiting for competing bids to be submitted. However, Transporter shall be notified of the release by the Releasing Shipper and the notification shall contain the same information as identified in Section 22.3. Transporter shall post a notice of the occurrence of the release on its Designated Site.

22.11 RECALL OF RELEASED CAPACITY.

Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity. For the recall notification provided to Transporter, the Contract Demand recalled should be expressed in terms of total released capacity entitlements. In the event a capacity recall transaction is not effective prior to the Evening Nomination cycle applicable to the initial day of the capacity recall, the Contract Demand recalled may be modified for the initial day of the recall to prevent such Contract Demand from exceeding nineteen/twenty-fourths of the Contract Demand recalled if the recall is effective prior to the Intraday 1 nomination cycle or fifteen/twenty-fourths of the Contract Demand recalled if the recall is effective prior to the Intraday 2 nomination cycle or eleven/twenty-fourths of the Contract Demand recalled if the recall is effective prior to the Intraday 3 nomination cycle.

GENERAL TERMS AND CONDITIONS
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22.11 RECALL OF RELEASED CAPACITY (Continued)

The following NAESB WGQ Capacity Release Related Standards, in Central Clock Time, will apply:

Standard 5.3.44: "All Transportation Service Providers (TSPs) should support the following recall notification periods for all released capacity subject to recall rights:

(i) Timely Recall Notification:

(a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;

(b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due;

(ii) Early Evening Recall Notification:

(a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;

(b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due;

(iii) Evening Recall Notification:

(a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;

(b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due;

GENERAL TERMS AND CONDITIONS
(Continued)

22.11 RECALL OF RELEASED CAPACITY (Continued)

(iv) Intraday 1 Recall Notification:

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

(b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due; and

(v) Intraday 2 Recall Notification:

(a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;

(b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due.

(vi) Intraday 3 Recall Notification:

(a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;

(b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due."

22.11 RECALL OF RELEASED CAPACITY (Continued)

Standard 5.3.45: "For recall notification provided to the Transportation Service Provider (TSP) prior to the recall notification deadline specified in NAESB WGQ Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., the TSP should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification.

For recall notification provided to the TSP after 5:00 p.m. and prior to 7:00 a.m., the TSP should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification."

Standard 5.3.54: "The deadline for notifying the Transportation Service Provider of a repute is 8:00 a.m. to allow for timely nominations to flow on the next gas day."

NAESB WGQ Capacity Release Related Standards 5.3.46 through 5.3.53, and 5.3.55 through 5.3.60 will apply.

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GENERAL TERMS AND CONDITIONS
(Continued)

22.12 PERMANENT RELEASES OF CAPACITY.

(a) Parameters, Bidding Procedures and Exit Fee.

(i) To the extent that any Shipper desires to release all or any part of its firm contract rights (including the Right-of-First-Refusal specified in Section 25 and its residual rights to firm capacity encumbered with temporary capacity releases, if applicable), on a permanent basis as included in any of Transporter's Part 284 firm Rate Schedules, the bidding procedures specified in Section 22.4, above, will apply. If a Shipper wishes to permanently release only a portion of its firm transportation capacity, the provisions in Section 22.2(a)(5) also will apply. The procedures for establishment of credit must be complied with before Transporter effectuates any permanent releases of capacity under this Section 22.6. In any event, Transporter may refuse to allow a permanent release if it has a reasonable basis to conclude that it will not be financially indifferent to the release. Transporter will notify the Shipper electronically in Northwest Passage if the Shipper's request to permanently release capacity is denied, and will include in the notification the reasons for such denial.

(ii) A Replacement Shipper may acquire a Releasing Shipper's grandfathered unilateral evergreen provision under Rate Schedules TF-1, TF-2 and SGS-2F if (i) the primary term of the permanent release from the Releasing Shipper is for a period of at least ten years or (ii) the Replacement Shipper agrees to incorporate a primary term of at least ten years at the time they accept the permanent release. Otherwise the Replacement Shipper has the option to select one of the standard evergreen provisions currently available under the applicable Rate Schedule.

(iii) A Shipper may permanently release firm capacity rights acquired under a temporary capacity release in the event such Shipper also holds and is concurrently permanently releasing the corresponding rights under the associated base Service Agreement.

GENERAL TERMS AND CONDITIONS
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22.12 PERMANENT RELEASES OF CAPACITY (Continued)

(iv) For any permanent capacity release, the minimum bid acceptable to Transporter will be a bid for the remainder of the Releasing Shipper's contract term at the rate the Releasing Shipper is obligated to pay Transporter for the released capacity.

(v) As part of its permanent capacity release offer, the Releasing Shipper may offer to make a lump sum exit fee payment, up to a specified amount, directly to the Replacement Shipper as consideration for the Replacement Shipper agreeing to pay Transporter a rate at or above Transporter's minimum acceptable bid rate. If Releasing Shipper's capacity release offer includes an exit fee payment commitment, any bids for the capacity must state the rate the Bidder offers to pay Transporter for the released capacity and the associated exit fee payment, not to exceed the Releasing Shipper's specified amount, that Bidder requires from the Releasing Shipper. The winning bid will be determined based on the net present value of the transportation rate component of the bid less the exit fee component of the bid. The cash flow discount factor for the net present value calculations will be the latest annual interest rate published quarterly by the Commission as posted on the Commission's Internet Website, unless otherwise specified by the Releasing Shipper. The payment of any exit fee will be handled directly between the Releasing Shipper and Replacement Shipper, with both parties agreeing that Transporter will not be responsible for collecting or disbursing such payment.

GENERAL TERMS AND CONDITIONS
(Continued)

22.12 PERMANENT RELEASES OF CAPACITY (Continued)

(b) Procedures.

(i) Replacement Shipper(s) or Prearranged Replacement Shipper(s) and Transporter shall electronically execute a new Service Agreement(s) prior to the commencement of service which confirms the terms of the accepted transaction for the permanent release of capacity. The Replacement Shipper's or Prearranged Replacement Shipper's execution of the Service Agreement occurs automatically upon posting of its bid and Transporter's execution occurs upon award.

(ii) Upon execution of the new Service Agreement with the Replacement Shipper, the Releasing Shipper's Service Agreement will be deemed amended to reflect the terms contained in the Offer, including either: 1) the reduction in Contract Demand due to a permanent partial release; or 2) the termination of the Service Agreement due to release of all of the Contract Demand. The amendment to the Service Agreement will be reflected in the automatic addition of an Addendum to Service Agreement.

(iii) If the Releasing Shipper's Service Agreement is encumbered with temporary capacity release transactions at the time of a permanent capacity release, the Service Agreement(s) for such temporary Replacement Shipper(s) will be deemed amended to identify the new Replacement Shipper that replaced the original Releasing Shipper. An Addendum to Service Agreement will be automatically added to such temporary capacity release Service Agreement(s) to document such deemed amendment(s) upon the award of the permanent capacity release. Transporter will notify such Replacement Shipper(s) of the deemed amendment.

GENERAL TERMS AND CONDITIONS
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23. REVENUE CREDITING FOR CAPACITY RELEASES (FIRM)

23.1 Definitions. The definitions in Section 22 of the General Terms and Conditions apply also to this Section.

23.2 Revenue Credits for Released Capacity - Eligibility. Transporter shall provide revenue credits to any Shipper, which temporarily releases (Releasing Shipper), under the Capacity Release Provisions of this Tariff, all or any portion of its Contract Demand under a Service Agreement (Released Capacity) governed by the provisions of any Part 284 firm Rate Schedule included in Northwest's Tariff.

GENERAL TERMS AND CONDITIONS (Continued)

23. REVENUE CREDITING FOR CAPACITY RELEASES (FIRM) (Continued)

23.3 Monthly Crediting Procedure. Releasing Shipper shall be billed each month for the reservation charge(s) and reservation surcharge(s) (or demand or capacity charges, as applicable, if the release is a release of firm storage service) associated with the released capacity pursuant to its Service Agreement, with a concurrent conditional credit for the payment of the reservation charge(s) and reservation surcharge(s) due from the Replacement Shipper or Prearranged Replacement Shipper. However, a Releasing Shipper that is not subject to facility reservation surcharges pursuant to Section 3.4 of Rate Schedule TF-1 and its Service Agreement will not be credited for facility reservation surcharges paid to Transporter by the Replacement Shipper or Prearranged Replacement Shipper. (The term reservation charge(s) in this paragraph includes volumetric reservation charge payments received from a Replacement Shipper or Prearranged Replacement Shipper where the release was pursuant to volumetric bidding, and shall include all revenues received in excess of the sum of volumetric charges and all surcharges.) This bill shall include an itemization of credits and adjustments associated with each Capacity Release Service Agreement. Releasing Shipper shall also be billed a marketing fee, if applicable.

23.4 Failure to pay. If a Replacement Shipper or Prearranged Replacement Shipper does not make payment to Transporter of the reservation charge(s) and reservation surcharge(s) due as set forth in Section 5 of the General Terms and Conditions, Transporter shall notify the Releasing Shipper within 10 business days of the amount due, including all late charges authorized in Section 5 of the General Terms and Conditions, unless such amount is less than \$50. If the amount due, as described above, remains unpaid in whole or in part for 30 days after the invoice due date, Transporter shall invoice the Releasing Shipper and such amount shall be paid by Releasing Shipper within 10 days of the date of such invoice. In addition, Releasing Shipper may terminate the release of capacity to a Replacement Shipper or Prearranged Replacement Shipper if such Shipper fails to pay all of the amount of any bill for service under the executed capacity release Service Agreement upon at least one week of notice to Transporter and such Shipper. Once terminated, capacity rights and the responsibility to pay all charges specified in the original service agreement applicable to the capacity that was released shall revert to the Releasing Shipper.

GENERAL TERMS AND CONDITIONS (Continued)

23. REVENUE CREDITING FOR CAPACITY RELEASES (FIRM) (Continued)

Transporter shall apply partial payments received from Replacement Shippers or Prearranged Replacement Shippers, in interpreting the provisions of this section, first to reservation, demand and capacity charges, then to volumetric charges, then to volumetric surcharges, then to reservation surcharges, then to penalty charges and finally to late charges.

24. CLAY BASIN STORAGE SERVICE REVENUE CREDITING

24.1 Applicability. Clay Basin revenue credits received by Transporter from MountainWest Pipeline, LLC (MWP), or its successor, pursuant to its Clay Basin Interruptible Revenue Sharing tariff provisions will be distributed to Transporter's Rate Schedules TF-1 (Large Customers), TF-1 (Small Customers) for the period they paid a reservation charge due to conversion to Rate Schedule TF-1 (Large Customer) service and TF-2 Shippers (applicable firm Shippers), excluding any Shipper receiving service under a discounted firm transportation service agreement or a capacity release service agreement.

24.2 Timing of Credits. Within 30 days of receipt from MWP, or its successor, of the Clay Basin revenue credits totaling \$5,000 or more, Transporter will determine the distribution, as described below, of such revenue credits due to applicable firm Shippers. Such revenue credits will be reflected as a credit billing adjustment to the next invoices rendered to the applicable firm Shippers. In the event that such credit billing adjustment would result in a credit total invoice to any Shipper, Transporter will refund the excess credit billing adjustment to the Shipper by check within 15 days after determination of the amount of the credit due to the Shipper.

For administrative efficiency no credit billing adjustment or check will be issued until the amount of Clay Basin revenue credits held by Transporter total \$5,000 or more. Credits awaiting distribution until this threshold is reached will accrue interest pursuant to Section 24.4 herein until distributed to the applicable firm Shippers. Interest will be distributed in the same proportion as revenue credits.

GENERAL TERMS AND CONDITIONS (Continued)

24. CLAY BASIN STORAGE SERVICE REVENUE CREDITING (Continued)

24.3 Distribution Method. Clay Basin revenue credits will be credited to each applicable firm Shipper on a pro-rata basis in proportion to the Maximum Base Tariff rate reservation charges (exclusive of surcharges) billed to each applicable firm Shipper, during the period coinciding with each twelve-month period utilized by MWP, or its successor, to determine any revenue credits divided by the total reservation charges billed by Transporter to all applicable firm Shippers for the same period. For any applicable firm Shipper paying a negotiated rate above the Maximum Base Tariff rate, reservation revenues will be capped at the Maximum Base Tariff rate when determining such Shipper's pro-rata share of the Clay Basin revenue credit.

24.4 Interest. Transporter will pay interest to Shippers on the Clay Basin revenue credits until the revenue credits are distributed to the applicable firm Shippers. Such interest will be calculated in accordance with the procedures outlined in Section 154.501(d) of the Commission's regulations. Such interest will accrue on the Clay Basin revenue credits commencing on the day Transporter receives such revenue credits from MWP, or its successor.

GENERAL TERMS AND CONDITIONS
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25. AVAILABLE CAPACITY

25.1 General

This Section 25 sets forth procedures for Transporter to post and offer, and for Shippers to acquire, available capacity for firm service under Rate Schedule TF-1, TF-2, TFL-1, SGS-2F, LS-2F, or LS-3F. New Service Agreement requests for mainline capacity under Rate Schedule TF-1, TF-2 or TFL-1 must include available MDQs at receipt point(s) and MDDOs at delivery point(s). New capacity is requested on Transporter's Designated Site. Modifications to Service Agreement requests utilizing available capacity must be submitted in accordance with Section 11.4 of the General Terms and Conditions.

25.2 Availability of Capacity

Available capacity includes:

- (a) capacity currently available for any period;
- (b) capacity currently available for an interim period, but is reserved for a future period pursuant to Section 25.8 or has been sold for a future period;
- (c) capacity that will become available on a date certain due to the expiration of a firm Service Agreement that does not have an evergreen provision;
- (d) capacity that will become available on a date certain because either Transporter or Shipper has provided termination notice under a firm Service Agreement with an evergreen provision; or
- (e) capacity that will become available as a result of Shipper's request to amend a Service Agreement in such a manner that it creates additional available capacity that otherwise would not be available.

GENERAL TERMS AND CONDITIONS
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25. AVAILABLE CAPACITY (Continued)

25.3 Expansion or New Construction Capacity

Expansion or new construction capacity is capacity made available through:

(a) an expansion of the existing Transportation System, but only pursuant to the non-discriminatory procedures and conditions that will be set forth in Transporter's open season postings for an expansion project; or

(b) construction of new or upgraded facilities under Section 21 or 29 of the General Terms and Conditions, provided however that prior to the in-service date for such facilities only the party obligated to reimburse Transporter for such facilities may submit a request to acquire firm service rights to any resulting new firm capacity. After the in-service date for the facilities, any associated uncontracted firm capacity will be available to any Shipper pursuant to this Section 25.

If the reimbursing party has an existing transportation Service Agreement that could potentially be amended or segmented in order to use any resulting new or upgraded capacity then the reimbursing party may submit a request to (1) amend Primary Receipt Points or Primary Delivery Points under its existing Service Agreement; or (2) temporarily segment capacity under its existing Service Agreement in accordance with Section 13 of Rate Schedule TF-1 and Section 8 of Rate Schedule TFL-1. If Transporter determines it can accommodate such request, it will execute the requested amendment or segmentation for implementation effective the later of the requested effective date or the in-service date for the associated facilities.

25.4 Informational Postings

Transporter will post information regarding available capacity to its Designated Site utilizing the following reports:

(a) Unsubscribed Capacity Report

Transporter's Unsubscribed Capacity Report will identify all Receipt Points, Delivery Points, mainline capacity, or storage capacity, as applicable, which is available for new firm service, amendment or Capacity Release segmentation requests. Transporter will post capacity as available within two business days of becoming aware of such availability.

GENERAL TERMS AND CONDITIONS
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25. AVAILABLE CAPACITY (Continued)

(b) TSP Capacity Offering Report

Transporter's TSP Capacity Offering Report will identify Receipt Points, Delivery Points, and/or mainline capacity packages, or storage capacity that Transporter has pre-defined as available for firm service.

(c) Index of Customers Report

Transporter's Index of Customers Report will identify capacity that could become available as a result of Transporter's option to provide termination notice under firm Service Agreements with a bi-lateral evergreen provision.

Transporter has the option to establish a reserve rate for any available capacity before such capacity is posted for competitive bid. Transporter is not required to disclose the reserve rate at the time of the competitive bid posting, but a record of the reserve rate must be maintained for a period of three years for validation purposes.

25.5 Available Capacity Acquisition Methods

Other than acquiring capacity pursuant to Section 25.3, Shippers may acquire capacity utilizing any of the methods identified below:

(a) Prearranged Transactions

On a nondiscriminatory basis, Transporter may enter into a prearranged transaction with any creditworthy Shipper for any available capacity posted pursuant to this Section 25. To request to be the prearranged Shipper in such transactions, a Shipper must submit a prearranged offer request electronically on Transporter's Designated Site, unless otherwise specified by Transporter that the terms and conditions of the prearranged transaction are too complex to be administered on Transporter's Designated Site.

A prearranged offer request must include the bid information specified herein. Such request will be deemed a binding bid which cannot be withdrawn by Shipper once accepted by Transporter. However, Transporter has the discretion to reject any prearranged offer request:

- (i) for available capacity requested with contingencies or conditions,

GENERAL TERMS AND CONDITIONS
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25. AVAILABLE CAPACITY (Continued)

(ii) for available capacity requested at less than the Maximum Base Tariff Rate, and

(iii) for available capacity at the Maximum Base Tariff Rate prior to thirty days of its availability.

For any available capacity, the prearranged offer request that is acceptable to Transporter will be posted as a prearranged transaction and will be subject to competitive bid.

(b) Competitive Bid Transactions

Transporter will hold a competitive bid process for capacity that: (1) has been requested by a prearranged Shipper; or (2) Transporter has elected to post for competitive bid without a prearranged Shipper. Unless otherwise specified, all competitive bid postings will be posted on Transporter's Designated Site.

Each competitive bid posting will include all information outlined below that is pertinent to the offered capacity:

1. Contract Demand, Storage Demand and/or Storage Capacity;
2. Receipt Point(s), Delivery Point(s), and/or mainline capacity or Storage Facility;
3. Date capacity is available, and any availability duration limits, e.g., due to reservation of the capacity for a future period pursuant to Section 25.8;
4. Bid open and close dates;
5. Minimum acceptable reservation rate, which may be a stated rate or a non-disclosed reserve rate;
6. Whether Transporter is willing to entertain Negotiated Rate bids and the specific basis for such bids;

GENERAL TERMS AND CONDITIONS
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25. AVAILABLE CAPACITY (Continued)

7. Reservation rate and term offered by a prearranged Shipper, if any;
8. Transporter's bid evaluation criteria;
9. Whether capacity is subject to a Right of First Refusal option; and
10. Other non-discriminatory conditions that Transporter may elect to specify for the offered capacity.

Competitive Bid Timelines

Transporter's competitive bid postings will be subject to the following bid period timelines:

- (i) Transactions for a term of thirty-one days or less will be posted for a competitive bid period of no less than one hour. Any one hour posted bid period will commence at either 8:45 A.M., 11:45 A.M. or 4:45 P.M. Central Clock Time (7:45 A.M., 10:45 A.M. or 3:45 P.M. Mountain Clock Time) on a Business Day.
- (ii) Transactions for a term greater than thirty-one days but less than a year will be posted for a competitive bid period of no less than twenty-four hours.
- (iii) Transactions for a term of one year or more will be posted for a competitive bid period of no less than seventy-two hours (not including weekends and holidays).

For non-prearranged competitive bid postings, if no acceptable bids are received, Transporter may hold subsequent competitive bid posting(s) for the same capacity.

If Transporter determines that it is willing to accept Negotiated Rate bids for available capacity that is posted for competitive bid pursuant to this Section 25, the evaluation methods set forth in Section 19.3 of the General Terms and Conditions will apply.

(c) First-Come, First-Served Transactions

First-come, first-served requests for point amendments pursuant to Section 11.3 of Rate Schedule TF-1, Section 9.4 of Rate Schedule TF-2 or Section 6.2 of Rate Schedule TFL-1 or for segmentation purposes pursuant to Section 13 of Rate Schedule TF-1 and Section 8 of Rate Schedule TFL-1 may be submitted for capacity that is posted as

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25. AVAILABLE CAPACITY (Continued)

available on the Unsubscribed Capacity Report. The Receipt and Delivery Point capacity shown as available on the Unsubscribed Capacity Report for first-come, first-served requests will include: (1) capacity that has been posted on Transporter's TSP Capacity Offering Report without being sold for a minimum period of six months from the date the capacity was posted pursuant to Section 25.4(a); or (2) capacity that is not required to preserve mainline capacity rights to prevent the stranding of mainline capacity and/or the loss of mainline capacity which may create operational problems, unless Transporter, on a non-discriminatory basis, agrees otherwise.

Requests for first-come, first-served point capacity cannot be submitted earlier than thirty days prior to Shipper's proposed effective date unless the request is associated with: (1) a facility modification pursuant to Sections 21 or 29 of the General Terms and Conditions; (2) a Service Agreement term extension pursuant to Section 11.7 of the General Terms and Conditions; or (3) a FERC abandonment of Transporter's facilities. If Transporter determines it can accommodate Shipper's request, then within two Business Days after the date of receiving such request, Transporter will execute the requested amendment and make the requested point change effective on the later of such execution date or Shipper's proposed effective date.

Requests for changes only to receipt and/or delivery points under existing Service Agreements which do not require additional mainline capacity are not subject to the competitive bid procedures described in this Section 25. Amendment requests under existing Service Agreements that do require additional available mainline capacity will be subject to the competitive bid process described herein, unless otherwise agreed to by Transporter.

If Transporter has determined that the requested receipt and/or delivery point change may create operational problems, such Shipper will be subject to a contract-specific flow requirement on its requested segment or must be willing to take other action that is acceptable to Transporter.

25.6 Competitive Bidding Requirements

Prior to submitting a bid, the bidder must first comply with the service request procedures set forth in Section 28 of the General Terms and Conditions and the creditworthiness requirements in Section 5.10 of the General Terms and Conditions.

GENERAL TERMS AND CONDITIONS
(Continued)

25. AVAILABLE CAPACITY (Continued)

Unless otherwise specified in Transporter's competitive bid posting, all bids for capacity included in a competitive bid posting must be submitted on Transporter's Designated Site consistent with the bidding periods established under Section 25.5, and must comply with the bid requirements outlined below. A bidder may withdraw its bid at any time prior to close of the bid period; provided, however, that if the bidder is a pre-arranged Shipper, it may not withdraw its bid. A bidder who withdraws its bid may not then submit another bid with a lower economic value for the same capacity. Bidders may not submit multiple bids for the same capacity.

Competitive bids for capacity posted pursuant to Section 25.5 must specify the following, if pertinent to the capacity:

1. Bidder's name (which will not be publicly viewable unless and until the capacity is awarded to such bidder);
2. Requested Contract Demand, Storage Demand and Storage Capacity, and specific Receipt Point(s), Delivery Point(s) and/or mainline capacity and/ or Storage Facility ;
3. Quantity of the total posted capacity that bidder is willing to accept in the event of a pro rata allocation in a potential tie-breaker process;
4. Reservation rate that bidder offers to pay for the requested capacity;
5. Requested primary term of service (including, if applicable, offered term extensions of existing Service Agreements);
6. Whether the bidder is an affiliate of Transporter; and
7. The terms and conditions of any bid contingencies, if the competitive bid posting indicated that Transporter was willing to accept bids with contingencies.

All bids must be submitted in amounts which a bidder agrees to pay to Transporter for the right to receive firm service, including undiscounted reservation surcharges, if applicable. Such bids will exclude Transporter's volumetric charges and volumetric surcharges applicable to such service included in Transporter's rates, which rate components must be paid to Transporter by the successful bidder in addition to the bid amounts.

GENERAL TERMS AND CONDITIONS
(Continued)

25. AVAILABLE CAPACITY (Continued)

Unless the competitive bid posting indicated Transporter was willing to consider Negotiated Rate bids, the rate bid under this Section 25.6 must not exceed the Maximum Base Tariff Rate or be less than the Minimum Base Tariff Rate as set forth in the Statement of Rates.

For bids at the Maximum Base Tariff Rate, bidders may bid any term for which the offered capacity is available. Further, for a prearranged transaction for service commencing at a future date, competing bids at the Maximum Base Tariff Rate will be allowed for service to start either on such future date or on any date between the earliest time the capacity is available and such future date.

Maximum Base Tariff Rate bids may be submitted for any segment of the mainline capacity posted for competitive bid, subject to the availability of capacity at and between the requested physical receipt and delivery points. However, if a Shipper bids on only a segment of the mainline capacity and Transporter has indicated in the special conditions of its competitive bid posting that bids for only a segment of the mainline capacity will create an operational problem, then Shipper will be subject to a contract-specific flow requirement on its requested segment or must be willing to take other action acceptable to Transporter if such Shipper is the successful bidder.

25.7 Competitive Bid Evaluations and Award Process

(a) Best Bid Determination

Within two Business Days following the bid close date, unless otherwise stated in the competitive bid posting, Transporter will evaluate the bids received and determine the winning bid, subject (where applicable) to Section 25.7(b) and (c), Section 25.9 and Section 25.10. Bids will be evaluated based on either the net present value or highest rate of each bid for all bid periods of seventy-two hours or less, as specified in Transporter's competitive bid posting. For bid periods longer than seventy-two hours, bids will be evaluated based on either the net present value, highest rate or the alternative criteria for determining incremental economic value that is specified by Transporter in its competitive bid posting. For prearranged transactions starting a year or more after the underlying capacity becomes available, the incremental economic value of bids will be determined on a net present value basis. For bid evaluation purposes, the value of a Negotiated Rate bid will be capped at the value of such bid at Transporter's applicable Maximum Base Tariff Rate. A bid to pay the Maximum Base Tariff Rate as it may vary from time to time for a given term will be deemed superior to a bid to pay a specified dollar rate which is equal to the Maximum Base Tariff Rate.

GENERAL TERMS AND CONDITIONS
(Continued)

25. AVAILABLE CAPACITY (Continued)

For purposes of this Section 25, the incremental economic value of a bid is (1) the total net present value of the reservation charge bid for transportation capacity (including bids to extend the term of existing Service Agreements); (2) the demand and capacity charge bid for storage capacity; or (3) the value determined using either the highest rate or the alternative criteria specified by Transporter in its competitive bid posting. The net present value shall be computed from the monthly demand and capacity, or reservation revenues to be received over the term of the Service Agreement, using the discounted cash flow rate of return methodology, with the rate of discounting, as updated from time to time, to be equal to the rate set forth in Section 154.501(d) of the Commission's regulations at the time the capacity is posted for bid, unless a different discount rate is specified in Transporter's competitive bid posting for available capacity. Bids for capacity under existing Service Agreements will be deemed to have no incremental economic value for award purposes, except to the extent bidder proposes to extend the term of its existing Service Agreement.

(b) Contingent Bids

If the best bid is a contingent bid, Transporter will notify the bidder making the best bid within five Business Days following the bid close date. That bidder will have five Business Days following such notification to satisfy or waive the contingency for bids of six months or longer and one Business Day following such notification to satisfy or waive the contingency for bids for less than six months, or Transporter may disregard such bid.

(c) Tie Break Process

Transporter will break ties and determine the winning bid(s) by providing each of the tying bidders an opportunity to improve their bids by submitting closed bids via electronic means as specified in Transporter's competitive bid posting which may include facsimile, email, or via Transporter's Designated Site, within 24 hours of notification by Transporter. If a tie still exists and the prearranged Shipper has declined to match the tied bids, if applicable, Transporter will allocate the available capacity on a pro rata basis to each tying bidder that has indicated in its bid a willingness to accept a proportionate share of such capacity.

(d) Match Process

For a competitive bid posting with a prearranged transaction, if the highest bid(s) determined by Transporter in the bid evaluation and tie-breaker processes exceeds the economic value of the prearranged transaction, the prearranged Shipper will be provided a one-time

GENERAL TERMS AND CONDITIONS
(Continued)

25. AVAILABLE CAPACITY (Continued)

opportunity to match the highest acceptable bid(s) by posting such election on Transporter's Designated Site. For service with a term of less than one year, the posting by the prearranged Shipper must be made within two hours of Transporter's notification to the prearranged Shipper of the best bid(s) and for service with a term of one year or more, the posting by the prearranged Shipper must be made within forty-eight hours, excluding weekends and holidays, of such notification.

If two or more Maximum Base Tariff Rate bids are received for discrete portions of prearranged transaction capacity, the prearranged Shipper will be offered the right to match such bids, one by one, starting with the lowest incremental economic value bid. Accordingly, if the prearranged Shipper declines to match a lower incremental economic value bid for a discrete portion of the prearranged capacity, it will not be offered the opportunity to match any higher incremental economic value bids.

Whether or not the competitive bid posting includes a prearranged transaction, if an existing Shipper holds a Right of First Refusal pursuant to Section 25.9 for such capacity, such existing Shipper will have the final opportunity to match the best bid(s) according to the Section 25.9 procedures.

(e) Award Process

Capacity offered in a competitive bid posting will be awarded to Shippers based on the incremental economic value of the bids, from highest economic value to lowest, until all of the capacity has been awarded or until all valid bids have been accepted, subject to a prearranged Shipper's right to match and/or an existing Shipper's Right of First Refusal under Section 25.9.

For competitive bid postings with a prearranged transaction, if no acceptable higher value bids are submitted, Transporter will award the capacity to the prearranged Shipper within one hour after the close of the bid period, subject to an existing Shipper's Right of First Refusal under Section 25.9.

For any capacity offered under this Section 25, the successful bidder(s) and Transporter will electronically execute a new Service Agreement or amendment prior to the commencement of service which confirms the terms of the accepted bid(s) for the available capacity. The Shipper's execution of the Service Agreement occurs automatically upon posting of its bid and Transporter's execution occurs upon award.

GENERAL TERMS AND CONDITIONS
(Continued)

25. AVAILABLE CAPACITY (Continued)

25.8 Reserved Capacity

Transporter may elect to reserve available capacity for future expansion projects. Capacity may be reserved for up to one year prior to Transporter filing for either Commission approval to initiate the National Environmental Policy Act pre-filing review for a proposed expansion or certificate approval for construction of a proposed expansion and thereafter until such expansion project is placed into service. If Transporter elects to reserve capacity for an expansion project, it will notify Shippers of its intent on the earlier of the following dates:

- (a) the date on which expiring or terminating capacity is required to be posted in accordance with Section 25,
- (b) the date on which Transporter executes a letter of intent with a prospective expansion Shipper which requires the reservation of capacity, or
- (c) the date on which Transporter begins an open season for the expansion project.

If Transporter enters into a Service Agreement for available capacity for service starting at a future date or reserves available capacity for a future expansion project, Transporter will post such capacity on its Unsubscribed Capacity Report for use on an interim basis, but will indicate in its posting that such capacity is reserved for future use. Shippers that acquire such capacity on an interim basis will not be eligible for a Right of First Refusal under Section 25.9.

Any capacity reserved for an expansion project that does not go forward for any reason shall be posted on Transporter's Unsubscribed Capacity Report within 30 days of the date when such capacity becomes available, subject to prior interim commitments of such capacity.

25.9 Right of First Refusal

- (a) A Shipper under an expiring or terminating Part 284 firm Service Agreement may avoid pre-granted abandonment of service in accordance with the right of first refusal provisions of Section 284.221(d) of the Commission's regulations, provided that: (1) the Service Agreement is expiring under its own terms or Shipper is not the party providing termination notice under an evergreen provision; (2) service is not being provided on an interim basis pursuant to Section 25.8, and (3) service is not being provided on an interim basis using capacity reserved for future service under Section 25.5. To be eligible for a

GENERAL TERMS AND CONDITIONS
(Continued)

25. AVAILABLE CAPACITY (Continued)

right of first refusal, a Shipper must be receiving service (1) at the Maximum Base Tariff Rate for a term of twelve consecutive months or longer (or for one year or longer where service is not available for twelve consecutive months); or (2) at any rate for a term of one year or longer when such service is provided under a Service Agreement executed prior to March 27, 2000.

A Shipper eligible for a right of first refusal can continue receiving the contracted service by matching the incremental economic value of competing bid(s) in accordance with the procedures described below; provided, however, that in no event will such Shipper be required to match a bid, including a Negotiated Rate bid, that exceeds the Maximum Base Tariff Rate in order to avoid pre-granted abandonment of service.

(b) Transporter will notify the existing Shipper of the best non-contingent bid(s), or that no bids from creditworthy bidders were received, within one business day after determining the same. The existing Shipper will have a right of first refusal to match the best bid received for such capacity for two business days after receiving the notification of the best bid for bids of six months or longer duration and one business day after receiving notification of the best bid for bids of less than six months.

If the best bid is a Negotiated Rate bid, the existing Shipper can continue receiving the contracted service as set forth in Section 25.9(a) above (1) by matching the highest Negotiated Rate offer submitted by another Shipper that meets or exceeds the lowest rate Transporter is willing to accept for such service, or (2) by paying a Recourse Rate or discounted Recourse Rate per Dth that is equivalent to the highest Negotiated Rate offer submitted by another Shipper that meets or exceeds the lowest rate Transporter is willing to accept for such service. Negotiated Rate offers will be evaluated in accordance with Section 19.3 of the General Terms and Conditions.

(c) If the best bid as determined by Transporter is for less than the total capacity subject to the right of first refusal, the existing Shipper is required to match the incremental economic value for the amount of capacity to which the bid applies in order to retain the right to service for that portion of the capacity. The existing Shipper also may choose to retain only a portion of its capacity rights by matching the incremental economic value of any bid(s) submitted for that portion. If an existing Shipper wishes to retain only a portion of its capacity, such Shipper's aggregate MDQs and aggregate MDDOs must be retained by the same percentage as the Contract Demand is retained. Shipper may specify the MDQs it wishes to retain at each Receipt Point and the MDDOs it wishes to retain at each Delivery Point.

GENERAL TERMS AND CONDITIONS
(Continued)

25. AVAILABLE CAPACITY (Continued)

(d) If an existing Shipper chooses not to match the incremental economic value of the best bid(s) as determined by Transporter, capacity will be awarded to the selected bidder(s), and the existing Shipper's right of first refusal will expire.

(e) If no creditworthy bids are submitted for any portion of the capacity, an existing Shipper will be entitled to continue its existing service for any portion of the capacity, for any term desired, provided Transporter and Shipper agree to mutually acceptable rates for the service at a level within the posted maximum and minimum tariff rates for the applicable service or at a mutually acceptable Negotiated Rate for the applicable service. If Transporter and Shipper fail to agree on rates within thirty days of the bid close date, Shipper's right of first refusal will be deemed to have terminated. If an existing Shipper wishes to retain only a portion of its capacity and Transporter has indicated in the special conditions of its posting that it has determined that partial use or segmentation of the posted capacity may create operational problems (such as reducing the existing Shipper's ability to respond to an OFO pursuant to Section 14.15 of the General Terms and Conditions), Shipper will be subject to a contract-specific flow requirement on its retained segment or must be willing to take other action that is acceptable to Transporter.

25.10 No Discount Requirement

Notwithstanding anything to the contrary set forth in this Section 25, Transporter will not be required to provide service at any rate less than the Maximum Base Tariff Rate as set forth in the Statement of Rates in the Tariff, as such rate may vary from time to time.

GENERAL TERMS AND CONDITIONS
(Continued)

26. NAESB WGQ STANDARDS AND ELECTRONIC COMMUNICATIONS

26.1 NAESB WGQ Business Practice Standards.

Transporter has adopted all of the business practices and electronic communications standards, NAESB Wholesale Gas Quadrant (WGQ) Version 4.0, which are required by the Commission in 18 CFR, Section 284.12 (a), as amended from time to time, in accordance with Order No. 587-AA, et al.

NAESB has granted to Transporter a limited self executing waiver to reproduce all or portions of the copyright protected language from the North American Energy Standards Board (NAESB) Standards listed below. With respect to each reproduced standard, Transporter incorporates the following: © 1996 - 2024 NAESB, all rights reserved.

Transporter specifically incorporates by reference the following NAESB WGQ Version 4.0 (Standards), standards, definitions, data sets and the standard revised by Minor Correction MC24002 marked with an asterik [*]:

Additional Standards:

General

Definition:
0.2.5

Standards:
0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness

Standards:
0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

Gas/Electric Operational Communications

Definitions:
0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:
0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed

Standards:
0.3.18, 0.3.20, 0.3.21, 0.3.22

Data Sets:
0.4.2, 0.4.3

GENERAL TERMS AND CONDITIONS (Continued)

26. NAESB WGQ STANDARDS AND ELECTRONIC COMMUNICATIONS (Continued)

Location Data Download:

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Data Set:

0.4.4

Storage Information

Data Set:

0.4.1

Nominations Related Standards

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 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,
1.2.19

Standards:

1.3.1, 1.3.3, 1.3.4, 1.3.5, 1.3.6, 1.3.7, 1.3.8, 1.3.9, 1.3.11,
1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.20,
1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28,
1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.34, 1.3.35, 1.3.36,
1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44,
1.3.45, 1.3.46, 1.3.48, 1.3.51, 1.3.53, 1.3.55, 1.3.56, 1.3.58,
1.3.62, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70,
1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79,
1.3.80, 1.3.81, 1.3.82

Data Sets:

1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7

Flowing Gas Related Standards

Definitions:

2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.10,
2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18,
2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27,
2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41, 2.3.42,
2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.50, 2.3.51,
2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59,
2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Data Sets:

2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9,
2.4.10, 2.4.11, 2.4.17, 2.4.18

GENERAL TERMS AND CONDITIONS (Continued)

26. NAESB WGQ STANDARDS AND ELECTRONIC COMMUNICATIONS (Continued)

Invoicing Related Standards

Standards:

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,
3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.3.27

Data Sets:

3.2.1, 3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9,
4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17,
4.2.18

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23,
4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32,
4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.42,
4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50,
4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.66, 4.3.67,
4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81,
4.3.82, , 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92,
4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100,
4.3.101, 4.3.102, 4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108,
4.3.110

Capacity Release Related Standards

Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

5.3.1, 5.3.3, 5.3.4, 5.3.5, 5.3.7, 5.3.8, 5.3.9, 5.3.10, 5.3.11,
5.3.12, 5.3.13, 5.3.14, 5.3.15, 5.3.16, 5.3.18, 5.3.19, 5.3.20,
5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.26, 5.3.28, 5.3.29,
5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38,
5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.46, 5.3.44, 5.3.45, 5.3.47,
5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.55, 5.3.54,
5.3.56, 5.3.57, 5.3.58, 5.3.59, 5.3.60, 5.3.62, 5.3.62a, 5.3.63,
5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.70, 5.3.71,
5.3.72, 5.3.73

GENERAL TERMS AND CONDITIONS (Continued)

26. NAESB WGQ STANDARDS AND ELECTRONIC COMMUNICATIONS (Continued)

Capacity Release Related Standards (Continued)

Data Sets:

5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.20, 5.4.21, 5.4.22, 5.4.23,
5.4.24, 5.4.25, 5.4.26, 5.4.27

Cybersecurity Related Standards

Definitions:

12.2.1, 12.2.2, 12.2.3, 12.2.4, 12.2.5, 12.2.6, 12.2.7, 12.2.8,
12.2.9, 12.2.10, 12.2.11, 12.2.12, 12.2.13, 12.2.14, 12.2.15,
12.2.16, 12.2.17, 12.2.18, 12.2.19, 12.2.20, 12.2.21, 12.2.22,
12.2.23, 12.2.24, 12.2.25, 12.2.26, 12.2.27, 12.2.28, 12.2.29,
12.2.30, 12.2.31, 12.2.32, 12.2.33, 12.2.34, 12.2.35, 12.2.36,
12.2.37, 12.2.38, 12.2.39, 12.2.40, 12.2.41

Cybersecurity Related Standards

Standards:

12.3.1, 12.3.2, 12.3.3, 12.3.4, 12.3.5, 12.3.6, 12.3.7, 12.3.8,
12.3.9, 12.3.10, 12.3.11, 12.3.12, 12.3.13, 12.3.14, 12.3.15, 12.3.16,
12.3.17, 12.3.18, 12.3.19, 12.3.20, 12.3.21, 12.3.22, 12.3.23,
12.3.24, 12.3.25, 12.3.26, 12.3.27, 12.3.28, 12.3.29, 12.3.30, 12.3.31

Standards for which Waiver or Extension of Time to Comply have been
granted:

Waiver: None

Extension of Time:

0.4.1, 0.4.2, 0.4.3

2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9,
2.4.10, 2.4.11, 2.4.17, 2.4.18

3.4.1*, 3.4.2, 3.4.3, 3.4.4

5.4.17, 5.4.20, 5.4.21, 5.4.22, 5.4.23

GENERAL TERMS AND CONDITIONS (Continued)

26. NAESB WGQ STANDARDS AND ELECTRONIC COMMUNICATIONS (Continued)

Standards not Incorporated by Reference and their Location in the Tariff:

<u>NAESB Standard</u>	<u>GT&C Tariff Section</u>
1.2.4	1
1.2.6	1
1.2.12	1
1.3.1	1
1.3.2	14.1
1.3.14	1
2.2.1	1
2.2.2	1
2.3.9	1
3.2.1	1
5.3.2	22.9
5.3.44	22.11
5.3.45	22.11
5.3.54	22.11

26.2 EDI/EDM Extension of Time. Following written receipt of a bona fide request to implement a NAESB electronic data interchange or electronic delivery mechanism data set, Northwest will within 90 (ninety) days of the request make such data set(s) available for usage. Such extension of time to implement data sets as discussed in this subsection shall be subject to a currently effective extension of time granted by the Commission.

GENERAL TERMS AND CONDITIONS (Continued)

26. NAESB WGQ STANDARDS AND ELECTRONIC COMMUNICATIONS (Continued)

26.3 Electronic Communications. Electronic communication capabilities will be available on a nondiscriminatory basis to any party.

Transporter will provide timely information pertaining to arranging for transportation and storage services, including informing all interested Shippers or other parties about the availability of capacity at Receipt Points, on the mainline, at delivery points and in storage facilities, and whether the capacity is available from the pipeline directly or through capacity release. In addition, Transporter will report design day displacement capacity needed at various constraint points. Transporter will also maintain and provide access to bidding information pertaining to released capacity, and Order No. 497 compliance information. Transporter will update and maintain this information on its Designated Site in accordance with 18 CFR Section 284.12(b)(3). Any party may access this information on Transporter's Designated Site.

There is no fee associated with the use of Transporter's Designated Site.

26.4 Information to be Posted. Via Transporter's Designated Site, Transporter will provide to all parties information relevant to the availability of services in accordance with 18 CFR Section 284.13.

26.5 Transporter will also support the NAESB approved EDI Standard Business Practice Data Sets referenced below, where applicable, subject to the execution of a Trading Partner Agreement between Transporter and requesting party:

NAESB WGQ Standards:

0.4.1
1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7
2.4.1, 2.4.2, 2.4.3, 2.4.4 2.4.5
2.4.6 through 2.4.11, 2.4.17, 2.4.18
3.4.1* through 3.4.4
5.4.14 through 5.4.17
5.4.20, 5.4.21, 5.4.22, 5.4.23, 5.4.24
5.4.25, 5.4.26, 5.4.27

GENERAL TERMS AND CONDITIONS (Continued)

26. NAESB WGQ STANDARDS AND ELECTRONIC COMMUNICATIONS (Continued)

26.6 Electronic Communication. Electronic communications between Transporter and Shipper or other parties will be binding and enforceable in the same manner and to the same extent as written communications, and evidence of electronic communications, if introduced on paper, will be admissible to the same extent as other business records originated in written form. Any provisions of this Tariff requiring that certain matters between Transporter and Shipper be written or in writing are satisfied by Transporter and Shipper utilizing electronic communications through Transporter's Designated Site or through other mutually agreed forms of electronic communications.

26.7 Disclaimer. Transporter will not be liable for any damages caused by the incompleteness or inaccuracy of any information posted to Transporter's Designated Site except to the extent such inaccuracy or incompleteness is shown to be the result of negligence or misfeasance of Transporter. Transporter will not be liable for errors in any subsequent re-posting by a third-party vendor.

26.8 Electronic Trading Partner Communications. Transporter will support NAESB WGQ approved EDI communications through Transporter's Designated Site.

NAESB WGQ Nominations Related Standard 1.2.2 will apply.

GENERAL TERMS AND CONDITIONS
(Continued)
RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS
(Continued)

28. SERVICE REQUEST PROCEDURES

28.1 Availability. Transporter maintains a Designated Site to provide the information or services required by applicable Commission orders or described in Transporter's FERC Gas Tariff. Transporter's Designated Site is comprised of two internet websites: a non-secure (public) informational postings site and a secure (non-public) customer activities site (Northwest Passage). Information of a general nature is included in the public informational postings site. Confidential customer and interconnect data are accessible only through the non-public customer activities site. Northwest Passage is accessible on Transporter's Designated Site.

Northwest Passage shall be available twenty-four (24) hours per day, subject to maintenance and reasonable downtime. Northwest Passage shall be available on a nondiscriminatory basis to any entity provided that such entity submits a complete request in accordance with Transporter's procedures set forth in 28.2 below. Transporter reserves the right, at its sole discretion, to provide enhancements to Northwest Passage or to discontinue information or services not required by Commission order or otherwise described in Transporter's FERC Gas Tariff.

28.2 Access to Northwest Passage. To gain access to Northwest Passage, a Service Requester must complete and submit a Business Associate Information form to Transporter. The Business Associate Information form is available in the Agreements/Forms area of Transporter's Designated Site.

On the Business Associate Information form, the Service Requester must designate one person as its security coordinator. Upon receipt of the completed Business Associate Information form, Transporter will create a unique Service Requester ID for the Service Requester and assign a userID and temporary password to the Service Requester's security coordinator. The temporary password will be provided electronically to the designated security coordinator and will expire upon the security coordinator's initial login to Northwest Passage, at which time the security coordinator will designate his or her own password. By logging in to Northwest Passage with the temporary password, the Service Requester and its security coordinator agree to the provisions of this Section 28 and any other applicable provisions of Transporter's FERC Gas Tariff, as amended or superseded from time to time.

Service Requester agrees to immediately notify Transporter upon any material change to the information provided on the Business Associate Information form, and to provide Transporter any documentation required to verify such material change (e.g., documentation verifying a legal name change, etc.).

GENERAL TERMS AND CONDITIONS
(Continued)

28. SERVICE REQUEST PROCEDURES (Continued)

28.3 Role and Responsibilities of the Service Requester's security coordinator. The security coordinator will perform certain administrative functions in Northwest Passage on behalf of the Service Requester, including (1) identifying user(s) who are duly authorized to access the Service Requester's account and/or transact business on Service Requester's behalf on Northwest Passage ("Authorized Person(s)"), (2) setting up userIDs on Northwest Passage for use by Authorized Person(s), (3) maintaining account information for Authorized Person(s), (4) promptly suspending userID(s) when an Authorized Person is no longer an employee of the Service Requester or is no longer authorized to transact business for that Service Requester, (5) managing or modifying security rights for Authorized Person(s), and (6) ensuring that Transporter's userID and password rules, as detailed in this Section 28, are followed. Transporter shall be entitled to rely upon the security coordinator's performance of these administrative functions in designating Authorized Person(s), including that Authorized Person(s) may (1) transmit information to Transporter via Northwest Passage and/or (2) view the Service Requester's information posted on Northwest Passage in accordance with the security rights granted by the security coordinator.

Either a security coordinator or Authorized Person may instruct Transporter in writing or via email to modify its security coordinator designation. Such instruction shall supersede in its entirety any previously submitted security coordinator designation for that Service Requester. The Service Requester shall be solely responsible for any unauthorized actions due to failure to notify Transporter to modify its security coordinator designation.

28.4 Authorized Person(s). Transporter will provide each Authorized Person with a unique userID and a verification code that will be required to create a password upon first login. Each Authorized Person who wishes to gain access to Northwest Passage must complete and submit a Logon ID Request form. The Logon ID Request form is available in the Agreements/Forms area of Transporter's Designated Site. Alternatively, the security coordinator for Service Requester may submit a unique userID request in Northwest Passage. Each Authorized Person, by logging in to Northwest Passage with his or her userID, agrees to the provisions of Section 28 of Transporter's FERC Gas Tariff and any other applicable provisions of Transporter's FERC Gas Tariff, as amended or superseded from time to time.

GENERAL TERMS AND CONDITIONS
(Continued)

28. SERVICE REQUEST PROCEDURES (Continued)

28.5 Agent(s). Transporter agrees that it will recognize the appointment of an Agent by Service Requester to access and perform functions in Northwest Passage on Service Requester's behalf. However, Transporter shall only recognize such appointment after Service Requester and the Agent have completed and provided to Transporter an Agency Delegation form as made available on Transporter's Designated Site and Agent, who must also comply with Sections 28.2, 28.3, and 28.4 with respect to its own security coordinator and Authorized Person(s), has completed and provided to Transporter its Business Associate Information form specifying its security coordinator. Thereafter, the Agent will be considered an appointed agent of Service Requester and will be treated as acting on behalf of Service Requester as described herein. Service Requester may cancel the appointment of an Agent by following the procedures specified on the Agency Delegation form and/or name a successor Agent by providing an updated Agency Delegation form. Service Requester represents and acknowledges that any Agent recognized by Transporter has legal authority to act on behalf of Service Requester in performing any functions for which the Agent is authorized, as identified on the Agency Delegation form, and that Transporter is fully entitled to rely upon, and is fully protected in relying upon and acting in accordance with, such representation and acknowledgment.

28.6 Requests for Service. All requests for Service Agreements and amendments to existing Service Agreements shall be made to Transporter electronically in Northwest Passage. Each request shall be considered effective on the date the information required in Northwest Passage is entered in Northwest Passage.

28.7 Trading Partner Agreement. To conduct transactions using EDI communications, a party must execute a Trading Partner Agreement. A standard NAESB WGQ EDI Trading Partner Agreement will be available in the Agreements/Forms area of Transporter's Designated Site or may be obtained from Transporter's commercial services department.

28.8 Requests for Amendments. Amendments to receipt or delivery points or associated volumes under Rate Schedules TF-1 and TFL-1 or amendments to delivery points under Rate Schedule TF-2 shall be considered requests for amended service under Section 28.6 and shall be documented in accordance with the procedures set forth in such rate schedules.

GENERAL TERMS AND CONDITIONS
(Continued)

28. SERVICE REQUEST PROCEDURES (Continued)

28.9 Compliance with 18 CFR Section 284.102. If service is requested pursuant to Section 284.102 of the Commission's regulations "on behalf of" a local distribution company or an intrastate pipeline, Shipper must provide an original letter signed by an official of such "on behalf of" party on its letterhead. This letter must warrant that such "on behalf of" party is either an intrastate pipeline as defined by Section 2(16) of the Natural Gas Policy Act of 1978 or a local distribution company as defined by Section 2(17) of the Natural Gas Policy Act of 1978. It must also state that such "on behalf of" party has authorized the Shipper to enter into the requested Service Agreement in order to have Section 311(a) transportation service rendered on behalf of such "on behalf of" party by Transporter and that (1) the intrastate pipeline or local distribution company will have physical custody of and transport the Natural Gas at some point; or (2) the intrastate pipeline or local distribution company will hold title to the Natural Gas at some point, which may occur prior to, during, or after the time that the Natural Gas is being transported by the interstate pipeline, for a purpose related to its status and functions as an intrastate pipeline or its status and functions as a local distribution company; or (3) the Natural Gas will be delivered at some point to a customer that either is located in a local distribution company's service area or is physically able to receive direct deliveries of Natural Gas from an intrastate pipeline, and that the local distribution company or intrastate pipeline certifies that it is on its behalf that the interstate pipeline is providing transportation service.

GENERAL TERMS AND CONDITIONS
(Continued)

28. SERVICE REQUEST PROCEDURES (continued)

28.10 Establishment of Credit. Before Service Requester may transact business electronically on the Designated Site, Service Requester must establish a credit limit satisfactory to Transporter pursuant to Section 5.10 of the General Terms and Conditions. A credit application form is available in the Agreements/Forms area of Transporter's Designated Site.

28.11 Security. Transporter reserves the right to terminate any userID that has been inactive for more than ninety (90) calendar days. Transporter further reserves the right to deactivate userIDs if the Service Requester or its security coordinator, Authorized Person(s), or Agent(s) breaches any provision in this Section 28. Such deactivation shall only be implemented following ten (10) days' prior notice by Transporter to Service Requester of such intended action and the reason therefore to provide Service Requester a reasonable time to correct its conduct; however, if the conduct results in a serious breach which may immediately jeopardize the security, confidentiality, or viable operation of Northwest Passage, Transporter may immediately deactivate userIDs.

28.12 Confidentiality. Service Requester will keep, and will cause its security coordinator, Authorized Person(s), and Agent(s) to keep, all userIDs and passwords confidential and not disclose the same, either separately or combined. Service Requester agrees that only its security coordinator, Authorized Person(s), and Agent(s) will be given unique userIDs and passwords for that Service Requester, and that only its security coordinator, Authorized Person(s), and Agent(s) will access Northwest Passage on Service Requester's behalf. Likewise, Transporter will keep, and will cause its authorized employees to keep, Service Requester's userIDs and temporary passwords confidential and will not disclose the same, either separately or combined, to any person or entity without authority to access Northwest Passage on Transporter's behalf. Service Requester will immediately notify Transporter if it becomes aware that a security breach has or may have occurred. Any use of Northwest Passage by any person using the userIDs and/or passwords of Service Requester's security coordinator, Authorized Person(s), or Agent(s) shall be deemed to be Service Requester's use and Service Requester accepts full responsibility and liability for such use, whether authorized or unauthorized by Service Requester, except to the extent such use has resulted from the negligence or willful misconduct of Transporter.

GENERAL TERMS AND CONDITIONS
(Continued)

28. SERVICE REQUEST PROCEDURES (Continued)

28.13 Indemnification. Except to the extent resulting from the negligence or willful misconduct of Transporter, Service Requester agrees to defend, indemnify and hold harmless Transporter and its officers, directors, employees, agents and representatives from and against all claims, demands, damages, losses, costs and expenses (including court costs and reasonable attorneys' fees) of Transporter, Service Requester, and others arising out of any: (i) failure to keep confidential the userIDs and passwords of Service Requester's security coordinator, Authorized Person(s), or Agent(s); (ii) use of such userIDs or passwords; (iii) use of Service Requester's Northwest Passage account; (iv) failure by Service Requester's security coordinator, Authorized Person(s), or Agent(s) to perform any affirmative duty required by use of the interactive function of Northwest Passage; and/or (v) breach of this Section 28 by Service Requester or its security coordinator, Authorized Person(s), or Agent(s).

28.14 Limitation of Liability. The following limitation of liability is in addition to that in Section 7.3 of the General Terms and Conditions. Except to the extent of Transporter's negligence or willful misconduct, Transporter may rely, without liability upon the actions or inactions of persons utilizing the userIDs or passwords of Service Requester's security coordinator, Authorized Person(s), or Agent(s). Transporter shall not be responsible for any omission or failure of any function accessed through Northwest Passage if such omission or failure is caused by or related to any errors in transmission of data to or from Transporter's computer systems, power failures, failure of any computer systems or backup systems, or any other event beyond the reasonable control of Transporter. If Service Requester requests and receives assistance from Transporter's representatives, such assistance will be at the Service Requester's sole risk and Transporter will not have any responsibility or liability arising therefrom, except to the extent of Transporter's negligence or willful misconduct. Except to the extent of Transporter's negligence or willful misconduct, Transporter will not be responsible for any faulty retrieval of information, inability to retrieve information, or loss of information from Northwest Passage.

28.15 Procedures. Transporter and Service Requester and Service Requester's security coordinator, Authorized Person(s), and Agent(s), if applicable, agree to follow all procedures regarding Northwest Passage as such procedures may be established and announced by Transporter from time to time.

GENERAL TERMS AND CONDITIONS (Continued)

29. MAINLINE PATH ALTERATIONS

29.1 General. This Section 29 applies to all facilities required for altering the Mainline Transportation System path of all or part of a Shipper's existing Transportation Contract Demand ("Mainline Path Alteration"). This Section 29 does not apply to facilities required to accommodate the Transportation of new Transportation Contract Demand on Transporter's Mainline Transportation System.

29.2 Request for Mainline Path Alteration. A Shipper desiring a Mainline Path Alteration for all or part of its existing Transportation Contract Demand ("Alteration Shipper") will deliver a written request to Transporter that includes the following information: desired receipt and/or delivery point change(s), desired capacity needs for the new path, pressure requirements at desired delivery point(s), and such other information as Transporter may deem relevant. Transporter will respond within 60 days after the foregoing information has been received with either an answer to the request or an estimate of the additional time Transporter will need to provide an answer to the request.

29.3 Conditions for Mainline Path Alteration. Transporter is not obligated to perform any Mainline Path Alteration, but may agree to do so if:

(a) It will not adversely affect the Mainline Transportation System's operations;

(b) Neither it nor the resulting Transportation service will result in diminished services to Transporter's existing customers;

(c) It will not cause Transporter to be in violation of any environmental or safety laws or regulations;

(d) It will not cause Transporter to be in violation of its right-of-way agreements or any other contractual obligation; and

(e) Transporter can acquire all the necessary regulatory approvals, permits and real property rights for Transporter to construct, own, operate and maintain the Mainline Path Alteration.

GENERAL TERMS AND CONDITIONS (Continued)

29. MAINLINE PATH ALTERATIONS (Continued)

29.4 Facilities Agreement.

(a) If: (i) a Mainline Path Alteration satisfies the conditions set forth in Section 29.3, (ii) Transporter is willing to proceed, and (iii) Transporter and Alteration Shipper can agree upon the terms governing Transporter's design, construction, ownership, operation and maintenance of the Mainline Path Alteration facilities, then such terms will be set forth in a facilities agreement between Transporter and the Alteration Shipper.

(b) The facilities agreement and Exhibit C or Exhibit D, as applicable, of the Alteration Shipper's Service Agreement will provide that the Alteration Shipper will pay to Transporter over an agreed period of time an incremental facilities charge. Such charge will include, as appropriate, all Transporter's costs associated with the Mainline Path Alteration, including without limitation operating and maintenance expenses, administrative and general expenses, return on equity, return on debt, income taxes, other taxes, depreciation and net negative salvage ("Cost Requirement").

(c) Notwithstanding Section 29.4(b), Transporter and the Alteration Shipper may agree to a different payment method, as appropriate, for Transporter to design, construct, own, operate and maintain the Mainline Path Alteration facilities if Transporter agrees to do so.

(d) For any Mainline Path Alteration that Transporter will design and construct without receiving prepayment, Transporter and Alteration Shipper may agree to credit provisions that apply before and after the in-service date of the Mainline Path Alteration. Transporter may require a credit obligation in an amount up to the full Cost Requirement of the Mainline Path Alteration, but not to exceed the Alteration Shipper's proportionate share of such Cost Requirement. Each year, Transporter will reduce the amount of such credit obligation as necessary to approximate the remaining Cost Requirement payable by the Alteration Shipper under the facilities agreement.

(e) Within 10 days after Transporter and the Alteration Shipper have executed the facilities agreement for the Mainline Path Alteration, Transporter will post notice of the Mainline Path Alteration on its Designated Site for a period of 10 days. If within 30 days after the posting the Alteration Shipper is able

GENERAL TERMS AND CONDITIONS (Continued)

29. MAINLINE PATH ALTERATIONS (Continued)

to acquire capacity that renders all or part of the Mainline Path Alteration unnecessary, then the Alteration Shipper may terminate the facilities agreement by providing written notice of termination to Transporter and paying all costs incurred by Transporter pursuant to the facilities agreement.

(f) Subject to Transporter's prior written approval, which will not be unreasonably withheld, the Alteration Shipper's payment obligations under the facilities agreement and Exhibit C of the Alteration Shipper's Service Agreement may be assigned to a superseding or replacement Service Agreement(s) ("Successor").

(g) Notwithstanding anything in this Section 29.4 to the contrary, Transporter may agree on a not unduly discriminatory basis in the facilities agreement to pay for all or part of the cost to design, construct, own, operate and/or maintain the Mainline Path Alteration facilities if it determines that it will be economically beneficial for Transporter to do so. Transporter will post notice of any such contribution on its Designated Site for a period of 30 days following any such agreement.

29.5 Mainline Path Alteration Capacity Rights. Prior to the in-service date of the Mainline Path Alteration facilities, the primary receipt point(s) and/or primary delivery point(s) of the Alteration Shipper's Service Agreement may be amended to reflect the new Mainline Transportation System path becoming available as the result of the Mainline Path Alteration facilities. Such amendment, however, will not take effect until the Mainline Path Alteration facilities have been placed in service.

GENERAL TERMS AND CONDITIONS (continued)

30. MODERNIZATION AND EMISSIONS REDUCTION PROGRAM COST RECOVERY MECHANISM

This Section 30 sets forth the Cost Recovery Mechanism ("CRM") for the Modernization and Emissions Reduction Program ("MER Program") established by Article XIII of the pre-filing Stipulation and Settlement Agreement filed on August 26, 2022 and approved in Docket No. RP22-1155 ("2022 Settlement"). This Section 30 is incorporated by reference into the 2022 Settlement. This Section 30, the MER Program, and the CRM will each terminate when the 2022 Settlement terminates. The provisions of this Section 30, the MER Program, and the CRM may not be amended except as provided in the 2022 Settlement.

The CRM applies to Shippers under Rate Schedules TF-1 (Large Customer), TF-1 (25-year Evergreen Expansion), and TF-2 (such Shippers referred to herein as "CRM Shippers" and such rate schedules referred to herein as "Applicable CRM Rate Schedules") with base contracts having a primary term of one year or more. The CRM establishes a separately tracked surcharge ("CRM Surcharge") to recover Transporter's revenue requirements, as defined in Section 30.4(a) ("Revenue Requirement"), incurred to strengthen the safety, efficiency, reliability, and flexibility of Transporter's system while reducing Transporter's air emissions.

30.1 Scope of CRM

The CRM established by this Section 30 provides for the recovery of the Revenue Requirement for Eligible Facilities, as defined in Section 30.3, placed in service by Transporter from January 1, 2023 through October 31, 2027. Such Revenue Requirement will be recovered through the applicable annual CRM Surcharge every year for the years starting from April 1, 2025 through March 31, 2028, with the determination of each annual Revenue Requirement being subject to both the Cumulative Eligible Capital Investment Limit over entire 5-year period described in 30.3(d), and Annual Eligible Capital Investment Limits described in 30.3(e) below.

30.2 Annual Limited Natural Gas Act Section 4 CRM Surcharge Filings

- (a) Transporter will make its first CRM Surcharge filing with the FERC on or before February 28, 2025 to be effective April 1, 2025, to recover the Revenue Requirement for Eligible Facilities placed into service between January 1, 2023 and October 31, 2024. The first CRM Surcharge established by this filing will be effective from April 1, 2025 through March 31, 2026.
- (b) Transporter will make a second CRM Surcharge filing with the FERC on or before February 28, 2026 to be effective April 1, 2026, to recover the Revenue Requirement for Eligible Facilities placed into service between January 1, 2023 and October 31, 2025. The revised CRM Surcharge established by this second filing will be effective from April 1, 2026 through March 31, 2027. The revised CRM Surcharge filing will

GENERAL TERMS AND CONDITIONS (Continued)

30. MODERNIZATION AND EMISSIONS REDUCTION PROGRAM COST RECOVERY MECHANISM
(Continued)

30.2 Annual Limited Natural Gas Act Section 4 CRM Surcharge Filings
(Continued)

incorporate (1) changes in CRM Revenue Requirement, (2) any over recovery from the preceding year and/or (3) subject to Section 30.4(b), any under recovery from the preceding year.

- (c) Transporter will make a third CRM Surcharge filing with the FERC on or before February 28, 2027 to be effective April 1, 2027, to recover the Revenue Requirement for Eligible Facilities placed into service between January 1, 2023 and October 31, 2026. The revised CRM Surcharge established by this third filing will be effective from April 1, 2027 through March 31, 2028. The revised CRM Surcharge filing will incorporate (1) changes in the CRM Revenue Requirement, (2) any over recovery from the preceding year and/or (3) subject to Section 30.4(b), any under recovery from the preceding year.
- (d) The net capital costs for Eligible Facilities placed in service between January 1, 2023 and October 31, 2027 will be rolled into the rate base included in Transporter's next Natural Gas Act ("NGA") Section 4 or 5 general rate case or pre-filing settlement subject to Sections 30.3(d), 30.3(e), and 30.6.

30.3 Eligibility

- (a) Eligible Facilities. "Eligible Facilities" have been defined in the Eligible Facilities Plan ("EFP") as filed by Transporter in Appendix F-1 of 2022 Settlement.
- (b) Transporter may unilaterally remove Eligible Facilities from the EFP at any time. Subject to the requisite prior Approval, as defined in Section 30.3 (c), of the CRM Shippers, Northwest may substitute facilities currently included in the EFP and/or add new facilities not currently included in the EFP, provided such substitutions or additions are consistent with the objective of the MER Program and fit within the applicable Annual Eligible Capital Investment Limit in Section 30.3(e) and the total Cumulative Eligible Capital Investment Limit of the EFP in Section 30.3(d).
- (c) During any year at either the normal annual CRM meeting held pursuant to Section 30.5 or at a special meeting called by Transporter with at least thirty (30) days' prior written notice, Transporter may propose to substitute or add facilities to the EFP consistent with Section 30.3(b). Such meetings may be conducted virtually. If meetings are conducted in person, an option for remote participation via videoconference technology

GENERAL TERMS AND CONDITIONS (Continued)

30. MODERNIZATION AND EMISSIONS REDUCTION PROGRAM COST RECOVERY MECHANISM
(Continued)

30.3 Eligibility (Continued)

shall be offered to the extent practicable. Each CRM Shipper will have ten (10) days after the meeting to submit to Transporter in writing its vote(s) either supporting, not opposing, or rejecting each proposed substitution and/or addition. Votes received by electronic mail will be considered in writing. Any CRM Shipper who fails to timely submit its vote(s) will be deemed to have abstained from the vote. Transporter will have received the requisite prior "Approval" from the CRM Shippers when CRM Shippers holding at least 75% of the reservation billing determinants assessed the CRM Surcharge at the time of the vote elect either to support or not oppose the proposed substitution or addition. If a CRM Shipper abstains from the vote, then Transporter may calculate the 75% of billing determinants threshold based on the billing determinants of those CRM Shippers that participated in the vote. If the requisite Approval is not received, Transporter may elect to undertake the project outside of the CRM and include these costs as part of its maintenance capital expenditure in its next NGA Section 4 or 5 general rate case filing or pre-filing settlement.

- (d) Cumulative Eligible Capital Investment Limit. The total amount of capital investment for the Eligible Facilities that may be included in the determination of the annual Revenue Requirements, which is estimated at \$389.4 million (\$338.65 million plus 15%).
- (e) Annual Eligible Capital Investment Limit. The Annual Eligible Capital Investment Limit under the CRM shall be equal to the following annual capital dollar limits plus 15%: for 2023, \$9 million limit (\$7.85 million plus 15%); for 2024, \$156.5 million limit (\$136.13 million plus 15%); for 2025, \$91.6 million limit (\$79.63 million plus 15%); for 2026, \$75.5 million limit (\$65.63 million plus 15%); and for 2027, \$56.8 million limit (\$49.41 million plus 15%). If Transporter exceeds the Annual Eligible Capital Investment Limit in any year, Transporter will treat the excess above the Annual Eligible Capital Investment Limit as maintenance capital that will be excluded from the CRM Surcharge calculation. Transporter will treat maintenance capital excluded from the CRM Surcharge calculation as part of Transporter's rate base when determining Transporter's new rates in its next NGA Section 4 or 5 general rate case or pre-filing settlement.
- (f) Minimum Annual Maintenance Capital Expenditures. Transporter will spend on maintenance capital (i.e., expenditures for maintenance and other projects, excluding reimbursements through a customer specific rate as stated on Exhibit C or Exhibit D of the

GENERAL TERMS AND CONDITIONS (Continued)

30. MODERNIZATION AND EMISSIONS REDUCTION PROGRAM COST RECOVERY MECHANISM
(Continued)

30.3 Eligibility (Continued)

customer's transportation service agreements) a minimum annual amount of \$75 million in transmission gas plant. In each annual CRM Surcharge filing, Transporter will include a schedule of transmission gas plant projects with costs that were \$2 million or greater along with a description of each project and the costs per project, which together with transmission gas plant projects under \$2 million shows Transporter's annual maintenance capital expenditures on transmission gas plant in the prior year. For example, for Transporter's first CRM Surcharge filing made on or before February 28, 2025, Transporter will include a schedule of projects with maintenance capital expenditures for year 2024. If Transporter spent less than \$75 million on maintenance capital in the prior year, then the shortfall will be used to reduce the gross plant investment included in the annual CRM Surcharge filing for the upcoming year.

30.4 CRM Surcharge Calculation

- (a) Determination of Revenue Requirement. In each annual CRM Surcharge filing described in Section 30.2, Transporter will calculate the annual Revenue Requirement for Eligible Facilities placed into service through October 31 of the prior year. Transporter will determine the annual Eligible Capital Investment incurred (i.e., gross plant). Transporter will then subtract accumulated depreciation from the gross plant and adjust for accumulated deferred income taxes to determine the cumulative rate base associated with the Eligible Facilities. The Revenue Requirement will then be derived by summing:
- (1) the cumulative rate base associated with the Eligible Facilities multiplied by the applicable Rate Base Multiplier from Appendix F-3 of the 2022 Settlement (11.50% based on 21% federal corporate income tax rate) that reflects pre-tax return and ad valorem taxes;
 - (2) the cumulative gross plant (subject to the limits in Sections 30.3(d) and 30.3(e) and less retirement of original gross plant of the compressor stations where the scope is for horsepower replacement) associated with the Eligible Facilities multiplied by the applicable depreciation rate from the 2022 Settlement;

GENERAL TERMS AND CONDITIONS (Continued)

30. MODERNIZATION AND EMISSIONS REDUCTION PROGRAM COST RECOVERY MECHANISM
(Continued)

30.4 CRM Surcharge Calculation (Continued)

- (3) less operations and maintenance savings in the amounts of \$705,429 for April 1, 2025 CRM Surcharge, \$854,198 for the April 1, 2026 CRM Surcharge, and \$1,279,492 for the April 1, 2027 CRM Surcharge;
 - (4) less revenues derived from greenhouse gas reductions on the Eligible Facilities unless otherwise accounted for in the Carbon/Greenhouse Gas Tax Tracker mechanism included in the 2022 Settlement;
 - (5) any fees or taxes Transporter incurs due to carbon/greenhouse gas emissions on the Eligible Facilities unless otherwise accounted for in the Carbon/Greenhouse Gas Tax Tracker mechanism included in Article IX or Article X of the 2022 Settlement; and
 - (6) for each CRM Surcharge filing except the initial CRM Surcharge filing, any over recovery or under recovery of the prior year's Revenue Requirement.
- (b) After the annual Revenue Requirement has been calculated, Transporter will calculate the CRM Surcharge as the quotient of the annual Revenue Requirement divided by the current annual actual billing determinants, adjusted for discounts, associated with the Applicable CRM Rate Schedules, excluding any expansion projects that may be excluded pursuant to Section 30.4(c) below; provided, however, for purposes of this section, current billing determinants will be subject to an annual billing determinant floor of 900,000,000 Dth.
- If the annual billing determinants are lower than 900,000,000 Dth, then Transporter may only roll forward for recovery in its next CRM Surcharge filing any under-recovered Revenue Requirements down to the annual 900,000,000 Dth billing determinant floor. Any under recovered Revenue Requirement below the annual 900,000,000 Dth billing determinant floor may not be rolled forward for recovery in Transporter's next CRM Surcharge filing. For purposes of this section, the annual billing determinants means the actual billing determinants as of October 31 of the prior year under the Applicable CRM Rate Schedules.
- (c) Lateral Projects. Designated Laterals and projects that are reimbursed through a customer specific rate as stated on Exhibit C or Exhibit D of the customer's transportation service agreement are not subject to the CRM Surcharge.

GENERAL TERMS AND CONDITIONS (Continued)

30. MODERNIZATION AND EMISSIONS REDUCTION PROGRAM COST RECOVERY MECHANISM
(Continued)

30.5 Annual CRM Shippers Meeting

Upon at least 30 days' prior notice to all CRM Shippers, Transporter shall hold one annual meeting with the CRM Shippers in January of each year. Such meeting may be conducted virtually. If meetings are conducted in person, an option for remote participation via video conference technology shall be offered to the maximum extent practicable. Transporter will review the following at the meeting:

- (a) Upcoming Eligible Facilities and updated cost estimates (including any fees or taxes due to greenhouse gas emissions on Eligible Facilities);
- (b) Prior year Eligible Facilities and actual spend (including any fees or taxes due to greenhouse gas emissions on Eligible Facilities);
- (c) Removals from and proposed additions and/or substitutions of Eligible Facilities;
- (d) Anticipated outages;
- (e) Draft of upcoming CRM Surcharge filing; and
- (f) Anticipated efficiency savings in operations costs, maintenance costs and/or fuel and emissions reductions due to CRM spend for the next year and actual cost savings achieved due to prior year's Eligible Facilities.

Transporter will make available upon request after the annual meeting copies of all updated maintenance and safety plans developed to comply with the regulations or requirements of the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), U.S. Environmental Protection Act ("EPA"), or any state authority regarding implementation of the Pipes Act. Transporter will also make available upon request after the annual meeting copies of any studies, audits, and any information provided to PHMSA, EPA, or any state authority regarding leaks or emissions of greenhouse gases from its facilities as well as any requests for waivers.

30.6 Term of CRM and Roll-In of Net Capital Costs

- (a) The CRM will be in effect from January 1, 2023 through March 31, 2028. However, if a rate case is filed under NGA Section 4 or 5 or a pre-filing settlement is reached with new rates becoming effective prior to March 31, 2028, then the MER Program and CRM will terminate when such new rates take effect.

GENERAL TERMS AND CONDITIONS (Continued)

30. MODERNIZATION AND EMISSIONS REDUCTION PROGRAM COST RECOVERY MECHANISM
(Continued)

30.6 Term of CRM and Roll-In of Net Capital Costs (Continued)

(b) Upon termination of the MER Program and CRM:

- i. Neither Northwest nor any CRM Shipper may seek to recover in new base rates any under recovered or over recovered Revenue Requirement in existence on the date that the 2022 Settlement terminates; and
- ii. The net capital costs of the Eligible Facilities up to the time of the termination of the MER Program and CRM will be rolled into Transporter's rate base when determining Transporter's new rates in its next NGA Section 4 or 5 general rate case or pre-filing settlement.

GENERAL TERMS AND CONDITIONS
(Continued)

31. RESERVED FOR FUTURE USE.

32. SALES OF EXCESS GAS

32.1 Applicability. Transporter is not providing a sales service under any Rate Schedule of this Tariff, but may buy and sell gas in connection with providing storage and transportation services. Specifically, Transporter may have gas supplies in de minimis quantities or in limited or infrequent situations which it may choose to sell. Such sales are authorized pursuant to Transporter's blanket sales certificate. Circumstances under which Transporter may acquire gas to sell are described below:

(a) pursuant to Section 15.11, at the termination of a transportation Service Agreement, the Shipper has 15 days after the invoice date to remove from Transporter's system any imbalance gas resulting from gas received by Transporter in excess of that delivered to Receiving Party for Shipper; otherwise, such gas becomes the property of Transporter;

(b) pursuant to Section 15.10(b), any excess Shipper Imbalance gas, resulting from confirmed nominations by Shipper exceeding deliveries by Transporter, that is not reduced to allowed tolerance levels within fifteen days from the date of Northwest's invoice becomes the property of Northwest;

(c) pursuant to Section 22.2(b), when a Replacement Shipper fails to withdraw or vaporize, as applicable, all gas inventory within three days of termination of the replacement agreement, such gas becomes the property of Transporter;

(d) pursuant to Section 2.2 of Rate Schedule SGS-2I or Section 2.4 of Rate Schedule LS-2I, a Shipper utilizing interruptible storage service generally has seven days in which to withdraw Working Storage Gas Inventory from storage after receiving notice; otherwise, the gas becomes the property of Transporter;

(e) as authorized by the Commission, Transporter may reduce the levels of storage gas inventory which it owns and maintains to accommodate transportation balancing;

(f) as authorized by the Commission, Transporter may reduce the levels of Jackson Prairie storage facility cushion gas and/or test gas which it owns;

GENERAL TERMS AND CONDITIONS
(Continued)

32. SALES OF EXCESS GAS (Continued)

(g) as system operations dictate, Transporter may buy and sell gas in equivalent Dth amounts for the purpose of moving gas between the Jackson Prairie and Clay Basin storage facilities;

(h) pursuant to Section 14.12, Transporter may recover gas through its fuel use requirements factors as reimbursement for volumes purchased by Transporter to fund lost and unaccounted-for gas;

(i) pursuant to Rate Schedule DEX-1, Transporter will take title to any Deferred Exchange Quantity not delivered to Shipper at the end of the Deferred Exchange Period or any extension thereof due to Shipper's failure to arrange for receipt of such gas;

(j) pursuant to Section 5 of Rate Schedule TPAL and Section 5 of Rate Schedule PAL, any Parked Quantity not removed within the time frame specified by Transporter's notice and any Parked Quantity not removed by the termination date of the Service Agreement will be deemed as a sale to Shipper; and

(k) pursuant to Section 15.14, any excess LNG Boil-off Balance not brought within tolerance levels within 45 non-entitlement Balancing Approved Days from the date of Transporter's notice becomes the property of Transporter.

(l) Pursuant to Section 14.14, if, as part of its integrity management program to perform inline inspections, Transporter requires minimum flow levels where scheduled quantities, and balancing flexibility related to line-pack, system storage, and interconnect agreements are insufficient to provide the required flow levels, Transporter may buy and sell gas to create such flows. If, due to market conditions, the purchased gas is sold at a loss, Transporter may recover the loss by selling gas in excess of the purchased gas. If, due to market conditions, the purchased gas is sold at a gain, Transporter will only sell sufficient gas to cover the cost of the gas purchased. Transporter will pass any difference in the quantities purchased verses sold through the fuel use requirements factors as reimbursement.

GENERAL TERMS AND CONDITIONS
(Continued)

32. SALES OF EXCESS GAS (Continued)

32.2 Revenue Crediting. One hundred percent (100%) of all sales revenues received by Transporter pursuant to Sections 32.1(a) through (d) and Section 32.1(i), and one hundred percent (100%) of all net sales revenues received by Transporter pursuant to Section 32.1(j), Section 5.3 of Rate Schedule TPAL, and Section 5.3 of Rate Schedule PAL, will be credited to the following firm transportation Shippers, except those receiving service under a discounted Service Agreement or a capacity release Service Agreement: Rate Schedule TF-1(Large Customer) Shippers, Rate Schedule TF-1(Small Customer) Shippers for the months they paid a reservation charge due to conversion to Rate Schedule TF-1 (Large Customer) service, Rate Schedule TF-2 Shippers, and Rate Schedule T-1 Shippers who received service prior to the cancellation of Rate Schedule T-1 (collectively, the specified Shippers). The credits will be allocated to the specified Shippers pro rata in proportion to the Maximum Base Tariff rate reservation charges (exclusive of surcharges) billed to the specified Shippers divided by the total reservation charges billed to all specified Shippers for each applicable month. Such credits shall be reflected as a credit billing adjustment to each March billing for credits accrued during the prior calendar year.

32.3 Reporting Requirements. Transporter will post on its Designated Site any quantities of gas available for sale pursuant to Section 32. In the event gas is sold, completed transactions will be posted on the Designated Site within thirty (30) days of the sales transaction detailing the quantity of gas sold, the sales price and whether or not the gas was sold to an affiliate. Transporter will file an annual report with the Commission by March 1 of each year describing for each sales transaction for the preceding calendar year the identities of the parties, the type of service provided, the total volumes sold, and the total revenues received.