MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

REBUTTAL TESTIMONY SCHEDULES

OF KEENAN B. PATTERSON, PE

SCHEDULE KBP-r1
SCHEDULE KBP-r2
SCHEDULE KBP-r3
SCHEDULE KBP-r4
SCHEDULE KBP-r5 - Confidential
SCHEDULE KBP-r6 - Confidential
SCHEDULE KBP-r7
SCHEDULE KBP-r8

UNION ELECTRIC COMPANY,
d/b/a AMEREN MISSOURI

CASE NO. GR-2019-0077

Jefferson City, Missouri
June 2019

** Denotes Confidential Information **

KEENAN B. PATTERSON, PE

Education and Employment Background and Credentials

I am currently employed as a Utility Regulatory Engineer for the Missouri Public Service Commission (Commission) in the Procurement Analysis Division. I have been employed by the Commission in this position since February 2018. From August 2015 through January 2019, I was employed by the Commission Utility Engineering Specialist/Utility Regulatory Engineer in the Engineering Analysis Department.

I am a graduate of the University of Missouri where I earned the degrees of Bachelor of Science in Agricultural Engineering and Master of Public Administration. In addition, I am licensed as a Professional Engineer in Missouri.

Prior to working for the Commission, I was employed as an Environmental, Health and Safety Coordinator by Pittsburgh Corning Corporation from 2013 to 2015. I have also been employed as an Associate at The Cadmus Group from 2010 to 2013, an Environmental Engineer at GREDELL Engineering Resources in 2009, the owner of Infra Consulting LC from 2006 to 2013, and various environmental engineering positions at the Missouri Department of Natural Resources from 1994 to 2006.

Other cases I have been assigned to or that I have participated in are listed below.

Case Number	Company
GR-2019-0123	Liberty Utilities (Midstates Natural Gas)
GR-2019-0120	Spire Missouri (Spire West)
GR-2019-0119	Spire Missouri (Spire East)
WR-2018-0170 SR-2018-0171	Liberty Utilities (Missouri Water)
GR-2018-0122	Empire District Gas Company
GR-2018-0106	Summit Natural Gas Company of Missouri
GR-2018-0077	Liberty Utilities (Midstates Natural Gas)
WM-2018-0023	Liberty Utilities
WM-2018-0018 SM-2018-0017	Seges Partners Mobile Home Park
WR-2018-0001	Environmental Utilities
GR-2017-0341	Ameren Missouri

Case Number	Company
GR-2017-0300	Spire Missouri (Spire West)
GR-2017-0299	Spire Missouri (Spire East)
WR-2017-0285	Missouri-American Water Company
WR-2017-0259	Indian Hills Utility Operating Company
GR-2017-0216	Missouri Gas Energy
GR-2017-0215	Laclede Gas Company
SM-2017-0187 WM-2017-0186	Lake Region Water & Sewer Company
WA-2017-0181	Missouri-American Water Company
SM-2017-0150	Elm Hills Utility Operating Company, Inc.
WF-2017-0143 WR-2017-0110	Terre Du Lac Utilities Corporation
WR-2017-0139	Stockton Hills Water Company
SR-2017-0130	Gladlo Water and Sewer Company, Inc.
SR-2017-0099	Seges Partners Mobile Home Park, L.L.C.
WO-2017-0236 WC-2017-0200 WR-2017-0042	Ridge Creek Water Company LLC
ER-2016-0285	Kansas City Power & Light Company
SR-2016-0202	Raccoon Creek Utility Operating Company, Inc.
EM-2016-0213	Empire District Electric Company
ER-2016-0179	Ameren Missouri
WM-2016-0169	Woodland Manor Water Company, LLC
SR-2016-0110 WR-2016-0109	Roy-L Utilities, Inc.
WM-2016-0094	Foxfire Utilities Company
WA-2016-0054	Missouri-American Water Company
WA-2016-0031 SA-2016-0030	Peaceful Valley Service Company
WR-2015-0301	Missouri-American Water Company

GENERAL TERMS AND CONDITIONS
SHIPPER OBLIGATIONS AND PENALTIES

7.14. Shipper Obligations and Penalties

Except as provided in General Terms and Conditions Section 7.9, Shippers receiving firm or interruptible transportation service are required to keep receipts and deliveries in balance and to conform receipts and deliveries to Scheduled Quantities.

1. Imbalances

This Section 7.14.1 is applicable to Shippers under Rate Schedules FT and IT.

An Imbalance results when a Shipper delivers or causes delivery to Transporter at the Receipt Point(s) of a quantity of gas which, after appropriate reduction for fuel and loss, is less than or greater than the quantity of gas taken from Transporter at the delivery point(s). An Imbalance does not occur when a Shipper has elected to receive automatic balancing service under Rate Schedule SBS and such service is available. Shippers shall maintain thermal balancing of receipts and deliveries on a daily basis to the maximum extent possible. Any monthly Imbalance amounts which do remain, however, shall be subject to the provisions of this Section 7.14.1.

(a) All transportation agreements with each Shipper within the same zone will be combined for purposes of determining whether a net monthly Imbalance exists. If a Shipper utilizes more than one agreement to transport the same gas sequentially, Transporter will utilize original receipts and ultimate deliveries for purposes of determining the monthly Imbalance. For Shippers that use an Aggregation Point as defined in General Terms and Conditions Section 7.7.12, Transporter will utilize the Aggregation Point for purposes of determining the monthly imbalance. An Imbalance statement shall be generated for each Shipper at the same time or prior to the generation of the transportation invoice, which will state their level of Imbalance for the preceding calendar month. Shippers may elect to resolve their Imbalances by the 17th day of the calendar month following the month in which the Imbalance occurs by any of the following means:

(i) Imbalance trading among Shippers in the same zone, or

(ii) adjusting nominations. To the extent Shipper requests Authorized Overrun service to resolve an Imbalance, such service shall be provided on an interruptible basis and subject to availability on the pipeline.

Transporter will apply a Shipper's Imbalance resolution nominations first to any prior month Imbalance, then, once the prior month's Imbalance is resolved, to any current month Imbalance. Unavailability of such Authorized Overrun service shall not relieve Shipper of its obligations under this Section 7.14.1(c).

(b) To assist Shippers in trading Imbalances, Transporter will post on its Internet Website the Posted Imbalance Quantity available to be traded for any Shipper who has authorized Transporter to post such information, and instructions for how to complete such trades, consistent with the applicable NAESB business standards.

(c) Net monthly Imbalances which are not resolved by the 17th day of the month following the month in which the Imbalance occurred and which exceed 5 percent of the Shipper's MDQ at the end of any month shall be subject to a penalty equal to twice the rate for service under Rate Schedule IT as set forth in Section 4 of this Tariff. The excess quantity or any remaining portion of the excess quantity shall be subject to the penalty on each day until the Shipper resolves the Imbalance.

(d) In the event a monthly Imbalance exceeding the tolerance set forth in Section 7.14.1 results directly from (1) compliance with an operational flow order issued by Transporter pursuant to General Terms and Conditions Section 7.39, (2) inaccurate information provided by Transporter, or (3) a force majeure event, such Shipper shall be allowed an additional month to resolve such Imbalances.

(e) No Imbalance penalty will be assessed against Shippers for Imbalances which are the result of force majeure, compliance with operational flow orders or other operational conditions caused solely by Transporter. No Imbalance penalty will be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty.

(f) In the event actual or expected Imbalances threaten the integrity of its system, Transporter may take whatever actions it deems necessary to protect such system integrity, including, but not limited to, adjusting or rejecting Shipper nominations. Any actions taken by Transporter pursuant to this paragraph shall not be unduly discriminatory.

2. <u>Delivery Point Scheduling Penalty</u>:

(a) When a critical period has not been declared, if Shipper takes delivery from Transporter at a Delivery Point of a quantity that varies from the Shipper's Scheduled Quantity plus the greater of 50 Dth or 5 percent of the Scheduled Quantity, Shipper must pay a daily scheduling penalty for each Dth Shipper receives that varies from the Scheduled Quantity in excess of the authorized tolerance. The daily scheduling penalty will be equal to the currently effective

GENERAL TERMS AND CONDITIONS

13. IMBALANCES

13.1 RESPONSIBILITY FOR BALANCING

In addition to delivering and receiving volumes of gas in conformance with nominations, Shippers are responsible for conforming their takes at Delivery Points with their deliveries to Natural at Receipt Points each day. Except for the no-notice aspect of Rate Schedules DSS, FRSS, FTS-NB, FFTS-NB and FTS-G/NB, and except as otherwise provided under an IBS Agreement, Natural has no obligation to deliver for the account of a Shipper more volumes of gas than Natural has received for the account of the Shipper or to accept for the account of the Shipper more volumes of gas than are being delivered for the account of the Shipper on any day.

13.2 MONTHLY IMBALANCES, NETTING AND OFFSETTING

At the end of each calendar month, to the extent the net receipts (with the appropriate deductions for Fuel Gas and Gas Lost and Unaccounted For and after giving appropriate recognition to storage activity subject to applicable storage rights) do not equal the deliveries under an Agreement on a Dth basis, and except that any IBS Balance under an IBS Agreement is only subject to the provisions of this Section 13 to the extent provided in Section 7(b) of Rate Schedule IBS, the following netting and offsetting procedures will apply:

(a) Imbalances under a Shipper's different Agreements will be netted together to obtain the Shipper's Total Monthly Imbalance. The Total Monthly Imbalance will be shown with the monthly billings sent to Shippers.

(b) To assist Shippers in arranging offsets, Natural will post on its Interactive Website the Total Monthly Imbalance of any Shipper which has notified Natural that it has elected to have such information posted. Notification by the Shipper may be in writing or on Natural's Interactive Website and shall be effective by 8:00 a.m. on the next Business Day (Central Clock Time) if the notification is received by 11:45 a.m. on a Business Day. Imbalance information authorized for posting through such notification shall be posted no later than the ninth Business Day of the month after the imbalance occurred. Shippers shall have the ability to post and trade imbalances, and imbalance information shall remain posted, until the seventeenth Business Day of the month after the imbalance occurred.

(c) Natural shall enable the imbalance trading process by:

(1) Receiving the Request for Imbalance Trade,

(2) Receiving the Imbalance Trade Confirmation,

(3) Sending the Imbalance Trade Notification, and

(4) Reflecting the trade prior to or on the next monthly Shipper Imbalance or cashout.

(d) Imbalance trades can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. Imbalance trades are considered final when confirmed by the confirming trader and effectuated by Natural.

(e) After receipt of an Imbalance Trade Confirmation, Natural shall send the Imbalance Trade Notification to the initiating trader and the confirming trader no later than noon (Central Clock Time) the next Business Day.

(f) Shipper imbalances remaining after the imbalance netting and trading procedures set out in subsections (a)-(e) shall be cashed out as described in Section 13.3 of these General Terms and Conditions.

13.3 CASHOUT PROCEDURES

(a) Any imbalance remaining will be cashed out on a tiered basis pursuant to the following schedule:

IMBALANCE LEVEL	OVERAGE (Natural pays Shipper)	UNDERAGE (Shipper pays Natural)
0% to 5%	100% x AMIP	100% x AMIP
Greater than 5% to 10%	90% x AMIP	110% x AMIP
Greater than 10% to 15%	80% x AMIP	120% x AMIP
Greater than 15% to 20%	70% x AMIP	130% x AMIP
Greater than 20%	60% x AMIP	140% x AMIP

Notwithstanding the foregoing, any imbalances created during a Critical Time to the benefit of the system that are remaining at the end of the month will be separately cashed out at 100% of the AMIP.

(b) Following any offsetting with other Shippers, a Shipper's remaining imbalance will be cashed out based on the percentage of that imbalance compared to the total deliveries for that Shipper during the month. For example, if the Total Deliveries were 1,000 Dth and the remaining underage imbalance after offsetting with other Shippers was 100 Dth, the total Imbalance Level would be 10%. The first 5% (50 Dth) would be cashed out at 100% of the AMIP and the remaining 50 Dth would be cashed out at 110% of the AMIP.

(c) The Average Monthly Index Price (AMIP) is the arithmetic average of the Weekly Index Prices (WIPs). The WIP for any week is the arithmetic average of the following index prices reported in Intelligence Press' "NGI's Weekly Gas Price Index" under the "AVG" column in the table entitled "NGI Cash Market Prices":

(1) S. TX Regional Avg.
(2) E. TX Regional Avg.
(3) Midcontinent Regional Avg.
(4) S. LA Regional Avg.

In calculating the AMIP, the WIPs will be based on the prices reported in the issue of "NGI's Weekly Gas Price Index" dated on or after Natural's nomination deadline for first of the month service for that month, and the subsequent issues dated prior to Natural's nomination deadline for the following month's first of the month service.

(d) Following the ten (10) day period for offsetting imbalances, Shippers with remaining imbalances shall pay Natural or will be credited with the appropriate cashout amounts.

(e) In the event "NGI's Weekly Gas Price Index" ceases to be published entirely or fails to report the index prices listed in subsection (c) above, the following procedures shall apply in determining a month's AMIP:

(1) Should, in any given week, "NGI's Weekly Gas Price Index" fail to report one of the four index prices used in determining that week's WIP, the WIP will be determined using the average of the remaining three published index prices.

(2) Should, in any given week, "NGI's Weekly Gas Price Index" fail to report two or more of the four index prices used in determining that week's WIP, there will be no WIP for that week used in determining the month's AMIP.

(3) Should, in a given month, there be less than two WIPs available for the AMIP calculation, the following alternate AMIP procedures will apply: The AMIP will be defined as the arithmetic average of:

(i) the closing price for the NYMEX natural gas futures contract applicable to the month in which the imbalance was created (i.e., the price at which that month's contract "went off the board"); and

(ii) the individual daily closing prices for the following month ("spot month" or "near month") NYMEX natural gas contract during the month in which the imbalance was created, up to and including the day the "spot month" contract "goes off the board."

13.4 OPERATIONAL DATA VS. ACTUALS

In determining the cashout tier applicable under Section 13.3 above, Natural will utilize the operational data posted on its Interactive Website as of the end of the month or the actual flow volumes (or, if actual flow volumes are not available at the time of billing, the reasonable estimates), whichever results in a lower cashout tier.

13.5 PRIOR PERIOD ADJUSTMENTS

Any imbalances for a month that are booked after the transportation for that month has been billed as a result of receiving actual or corrected flow information will be cashed out at 100% of the AMIP in effect during the month the imbalance occurred.

13.6 IMBALANCES THAT OCCURRED PRIOR TO DECEMBER 1, 1993

Notwithstanding anything to the contrary in this Section 13, any imbalances under Shipper's effective or terminated FTS or ITS Agreement(s) applicable to the period prior to December 1, 1993 that have not been made up by that date, will be cashed out as follows:

(a) All overages (where Natural owes gas to Shipper) will be netted against underages (where Shipper owes gas to Natural) under all of Shipper's transportation agreements with Natural (including transportation and exchange agreements filed in Volume No. 2 of Natural's FERC Gas Tariff). In netting overages with underages, the oldest monthly imbalances will be netted first, so that any remaining imbalance after netting will be attributable to the most recent months in which the overages or underages occurred.

(b) Any remaining imbalances under the FTS and ITS Agreements will then be cashed out at one hundred percent (100%) of the AMIP applicable to the month in which the imbalance occurred.

(c) Natural shall credit Shipper's account or shall bill Shipper the appropriate amount for the remaining imbalance by March 15, 1994, except for that portion of the remaining imbalance which is in dispute. For a portion of the remaining imbalance to be considered to be in dispute, the Shipper must have submitted a written notice prior to March 15, 1994 specifying the volume in dispute along with documentation which supports the Shipper's position, such as allocation statements from the operator of the facilities at which Natural received or delivered the volume being Disputed. Within sixty (60) days Natural and Shipper will meet and/or exchange any other documentation as necessary to resolve the dispute. If the dispute has not been resolved by the end of those sixty (60) days, either party may thereafter submit written notice to the other that any remaining disputed amount shall be resolved utilizing the following arbitration procedures:

(1) Natural and Shipper shall have thirty (30) days from the date of the notice to agree on an arbitrator employed by one of the following accounting firms:

GENERAL TERMS AND CONDITIONS

12. CONDITIONS OF RECEIPT AND DELIVERY

Deliveries of Gas by Panhandle to, or for the account of, any Shipper are absolutely dependent upon confirmed receipts of Gas, scheduled for delivery or provided for under Rate Schedule GDS. Panhandle shall, in no circumstances, be obligated to deliver any Quantities of Gas for which the Thermal Equivalent, adjusted for Fuel Reimbursement, has not been received by Panhandle for service under any Service Agreement.

12.1 Panhandle and Shipper, by mutual agreement, shall establish the date of commencement of receipt and delivery of Gas hereunder.

12.2 Receipts and deliveries of Gas hereunder shall be at uniform hourly rates of flow unless otherwise provided pursuant to the Rate Schedule under which Shipper is receiving service. If the Quantities of Gas received and delivered are not in balance on any particular Day such imbalance shall be corrected by Shipper as promptly as is reasonably consistent with operating conditions.

12.3 Unless otherwise agreed to in writing by Panhandle and Shipper, deliveries of Gas at a Point of Delivery shall be at such pressure as may exist in Panhandle's pipeline at such point from time to time.

12.4 Deliveries of Gas at the Point of Receipt shall be at a pressure sufficient to enter Panhandle's pipeline system at such point.

12.5 Shipper shall be responsible for upstream and downstream Transportation and Storage arrangements. To the extent Shipper's upstream or downstream transporters do not deliver or receive Gas for any reason, Panhandle shall not be obligated to receive or deliver Gas.

12.6 If a Shipper is unable to accept Quantities of Gas tendered at the Point(s) of Delivery on any Day, then Panhandle shall not be obligated to receive Gas at the Point(s) of Receipt on such Day.

12.7 Should Shipper be unable to provide Quantities of Gas scheduled at the Point(s) of Receipt on any Day, then Panhandle shall not be obligated to deliver Gas at the Point(s) of Delivery on such Day.

12.8 Panhandle shall have the unqualified right to commingle Gas transported hereunder with Gas from other sources, and to treat and handle all such Gas as its own. Unless Shipper or Shipper's designee elects to exercise its rights to process Gas for removal of moisture, helium, natural gasoline, butane, propane, or other liquefiables or inerts and has made arrangements for such processing at an existing point on Panhandle's system, Panhandle will have the unqualified right to process such gas for the purpose of removing such moisture, helium, natural gasoline, butane, propane, or other liquefiables or inerts, and the ownership of such moisture, helium, natural gasoline, butane, propane, or other liquefiables or inerts, shall be vested in Panhandle. Panhandle must be advised prior to January 1 and July 1 of each year by Shipper or Shipper's designee for the following six (6) months of Shipper's or Shipper's designee's exercise of their right to process Gas for removal of such moisture, helium, natural gasoline, butane, propane, or other liquefiables or inerts and of the arrangements made therefor. It is recognized that Gas delivered at a Point of Delivery may not be the same molecules as those received at any Point of Receipt, and that Panhandle's sole obligation is to deliver the Thermal Equivalent of Quantities of Gas received, adjusted for Fuel Reimbursement.

12.9 Shipper shall have the responsibility to maintain a concurrent balance between Quantities of Gas received, adjusted for appropriate Fuel Reimbursement, and Quantities of Gas delivered, based on the best information available to Shipper. Panhandle shall make available to Shipper information regarding daily receipts and daily deliveries based on the best operating information (hereinafter called Operating Data) available to Panhandle and shall make such information available to all parties to the transaction. Panhandle shall make Operating Data available in the Messenger® system, within one Business Day following the conclusion of the production Day for meters equipped with EGM or the availability of chart measurement for meters not so equipped.

12.10 Allocation of Deliveries

Quantities of Gas delivered at any Point of Delivery on any Day shall be allocated first to nominated and scheduled WS, IWS, PS and FS Storage. After all nominated Storage has been accounted for, all Transportation Agreements shall be allocated pursuant to the allocation methodology as described in Section 8.5(a).

12.11 Balancing Charges

If Shipper does not maintain a concurrent balance between Quantities of Gas received, adjusted for Fuel Reimbursement, and Quantities of Gas delivered, the following charges shall apply to imbalances in such Quantities.

(a) Firm Service Monthly Contract Balancing

For the purposes of this Section 12.11(a), Maximum Accumulated Imbalance Quantity (MAIQ) shall be established as the product of 1.5 times the Maximum Daily Contract Quantity (MDCQ) under a firm Transportation Agreement or 1,000 Dt., whichever is greater.

Each Month, Panhandle shall determine for each Shipper receiving service under Rate Schedule FT, EFT, SCT, GDS, LFT or HFT the Shipper's imbalance based on the Quantities of Gas received and delivered in the prior Month after minimizing the imbalances in accordance with Section 12.11(d) of these General Terms and Conditions. The resulting excess receipts and deliveries shall be handled as follows:

(1) Excess Receipts

When actual receipts, adjusted for Fuel Reimbursement, exceed actual deliveries, the excess shall be applied to any prior accumulated imbalance due Panhandle first. If receipts still exceed deliveries, then an imbalance due Shipper shall be carried without charge up to the MAIQ. Any imbalance in excess of the MAIQ shall be sold by Shipper to Panhandle according to the following schedule:

Percentage Imbalance Level in Excess of MAIQ	Sales Price
0% - 5%	.9 x Mid-Continent Spot Price
> 5% - 10%	.8 x Mid-Continent Spot Price
>10% - 15%	.7 x Mid-Continent Spot Price
>15% - 20%	.6 x Mid-Continent Spot Price
>20%	.5 x Mid-Continent Spot Price

The percentage imbalance level shall be calculated by dividing the imbalance in excess of MAIQ by the actual Quantity of Gas received during the Month unless the percentage imbalance level would be lower if calculated using operating data provided pursuant to Section 12.9 of these General Terms and Conditions, in which case the percentage imbalance level shall be calculated using such operating data.

(2) Excess Deliveries

When actual deliveries exceed actual receipts, adjusted for Fuel Reimbursement, the excess shall be applied to any prior accumulated imbalance due Shipper first. If deliveries still exceed receipts, then an imbalance due Panhandle shall be carried without charge up to the MAIQ. Any imbalance in excess of the MAIQ shall be purchased by Shipper from Panhandle according to the following schedule:

Percentage Imbalance Level in Excess of MAIQ	Purchase Price
0% - 5%	1.1 x Mid-Continent Spot Price
> 5% - 10%	1.2 x Mid-Continent Spot Price
>10% - 15%	1.3 x Mid-Continent Spot Price
>15% - 20%	1.4 x Mid-Continent Spot Price
>20%	1.5 x Mid-Continent Spot Price

The percentage imbalance level shall be calculated by dividing the imbalance in excess of MAIQ by the actual Quantity of Gas delivered during the Month unless the percentage imbalance level would be lower if calculated using operating data provided pursuant to Section 12.9 of these General Terms and Conditions, in which case the percentage imbalance level shall be calculated using such operating data.

(b) Interruptible Service Monthly Contract Balancing

For the purposes of this Section 12.11(b), the Maximum Monthly Imbalance Quantity (MMIQ) shall be established as the product of .05 times the actual volumes delivered under an interruptible Transportation Agreement for the Month, or 1,000 Dt., whichever is greater.

Each Month, Panhandle shall determine for each Shipper receiving service under Rate Schedules IT or EIT the Shipper's imbalance based on the Quantities of Gas received and delivered in the prior Month after minimizing the imbalances in accordance with Section 12.11(d) of these General Terms and Conditions. The resulting excess receipts and deliveries shall be handled as follows:

(1) Excess Receipts

When actual receipts, adjusted for Fuel Reimbursement exceed actual deliveries, an imbalance due Shipper shall be carried without charge up to the MMIQ. Any imbalance in excess of the MMIQ shall be sold by Shipper to Panhandle according to the following schedule:

Percentage Imbalance Level in Excess of MMIQ	Sales Price
0% - 5%	.9 x Mid-Continent Spot Price
> 5% - 10%	.8 x Mid-Continent Spot Price
>10% - 15%	.7 x Mid-Continent Spot Price
>15% - 20%	.6 x Mid-Continent Spot Price
>20%	.5 x Mid-Continent Spot Price

The percentage imbalance level shall be calculated by dividing the imbalance in excess of MMIQ by the actual quantity of gas received unless the percentage imbalance level would be lower if calculated using operating data provided pursuant to Section 12.9 of these General Terms and Conditions, in which case the percentage imbalance level shall be calculated using such operating data. Any IT or EIT excess receipts up to the MMIQ must be nominated and scheduled to be transported during the next Month. Any portion of the MMIQ existing at the end of a Month which has not been nominated and scheduled to be made up during the next Month shall be sold by Shipper to Panhandle at the 0-5% Percentage Imbalance Level in Excess of MMIQ.

(2) Excess Deliveries

When actual deliveries exceed actual receipts, adjusted for Fuel Reimbursement, an imbalance due Panhandle shall be carried without charge up to the MMIQ. Any imbalance in excess of the MMIQ shall be purchased by Shipper from Panhandle according to the following schedule:

Percentage Imbalance Level in Excess of MMIQ	Purchase Price
0% - 5%	1.1 x Mid-Continent Spot Price
> 5% - 10%	1.2 x Mid-Continent Spot Price
>10% - 15%	1.3 x Mid-Continent Spot Price
>15% - 20%	1.4 x Mid-Continent Spot Price
>20%	1.5 x Mid-Continent Spot Price

The percentage imbalance level shall be calculated by dividing the imbalance in excess of MMIQ by the actual quantity of gas delivered unless the percentage imbalance level would be lower if calculated using operating data provided pursuant to Section 12.9 of these General Terms and Conditions, in which case the percentage imbalance level shall be calculated using such operating data. Any IT or EIT excess deliveries up to the MMIQ must be nominated and scheduled to be received by Panhandle from Shipper during the next Month. Any portion of the MMIQ existing at the end of a Month which has not been nominated and scheduled to be made up during the next Month shall be purchased by Shipper from Panhandle at the 0-5% Percentage Imbalance Level in Excess of MMIQ.

c) Mid-Continent Spot Price Calculation

For sales of excess receipts under Sections 12.11(a)(1) and 12.11(b)(1) herein and purchases of excess deliveries under Sections 12.11(a)(2) and 12.11(b)(2), the Mid-Continent Spot Price shall be the average of the Midcontinent, Panhandle

Spot Price for Gas delivered to Panhandle from the table "NGW's Monthly Weighted Averages" for deliveries during the applicable Month in which the imbalance occurred contained in the first issue of NATURAL GAS WEEK published the following month. If the reported price referenced above is not published for the Month required, Panhandle shall determine the Mid-Continent Spot Price using another publication that publishes the spot price for Gas.

d) Minimization of Imbalances for Transportation Agreements

(1) Contract Imbalance Netting

In order to minimize the quantity of excess receipts pursuant to Sections 12.11(a)(1) and 12.11(b)(1), above and excess deliveries pursuant to Sections 12.11(a)(2) and 12.11(b)(2), above, all of a Shipper's firm and interruptible Transportation Agreements shall be matched by Point(s) of Receipt and Point(s) of Delivery. The total quantity of Gas received and delivered under the Shipper's Transportation Agreements within the same Operational Impact Area, as defined in Section 12.11(d)(3) below, shall be netted and excess receipts or excess deliveries shall be determined only after such netting. Such netting of contract imbalances does not relieve the Shipper of the obligation to pay all applicable transportation charges for the Quantity of Gas actually delivered to Shipper during the Month.

(2) Contract Imbalance Trading

(i) Shipper may authorize contract imbalances under Shipper's Transportation Service Agreements within the same Operational Impact Area, as defined in Section 12.11(d)(3), to be posted for trading after the Shipper has minimized excess receipts and deliveries pursuant to Section 12.11(d)(1) above.

(ii) An authorization to post imbalances (pursuant to NAESB WGQ Standard No. 2.4.9) that is received by Panhandle by 11:45 a.m. should be effective by 8:00 a.m. the next Business Day. An imbalance that is previously authorized for posting should be posted on or before the ninth Business Day of the month.

(iii) Panhandle shall provide the ability to post and trade imbalances until at least the close of the seventeenth (17th) Business Day of the Month.

(iv) Shippers may trade contract imbalances with other Shippers having Transportation Agreements within the same Operational Impact Area, as defined in Section 12.11(d)(3) below. Contract imbalances must be traded with contract imbalances in the opposite direction and must move Shipper's imbalance closer to zero. When trading imbalances, a Quantity must be specified.

(v) An imbalance trade can only be withdrawn by the initiating Shipper and only prior to the confirming Shipper's confirmation of the trade. An imbalance trade is considered final when confirmed by the confirming Shipper and effectuated by Panhandle. Imbalance trades shall be deemed to be effectuated by Panhandle when Panhandle sends the imbalance trade notification.

(3) Operational Impact Area For purposes of this Section 12.11(d), two or more Transportation Agreements shall be deemed to be within the same Operational Impact Area only if the Transportation Agreements provide for the Transportation of Natural Gas solely within the Field Zone; or if the Transportation Agreements provide for either the receipt or delivery of Natural Gas within the Market Zone.

(e) All sales and purchases of excess receipts and excess deliveries pursuant to this Section 12 shall be deemed to take place on the first Day of the Month following the accumulation of the applicable imbalance. Settlement of accounts for such sales and purchases shall be made with the Monthly bill, for the Month in which the applicable imbalance accumulated. Settlements of sales and purchases shall be in the form of a credit to Shipper's bill in the case of sales to Panhandle, and as an addition to Shipper's bill, in the case of sales to Shipper.

(f) Prior Month Adjustments

In the event there are adjustments to Shipper's receipts or deliveries or both applicable to a prior Month ("Prior Month Adjustment" or "PMA") such adjustments shall be used to mitigate any amount paid by Shipper or amount credited by Panhandle pursuant to Section 12.11(a) or Section 12.11(b), if applicable to the prior Month. Otherwise, the PMA will be accounted for as current Month volumes. The Shipper will not be penalized in the current Month for PMA volumes that worsen the Shipper's current accumulated imbalance.

(g) Hourly Delivery Notification

If a Shipper under Rate Schedule EFT, EIT, SCT, GDS or LFT, is duly notified by Panhandle to limit hourly deliveries to one-sixteenth of the Quantity scheduled for delivery on that Day and continues to receive more Gas at the Point(s) of Delivery than the amount allowed, Shipper shall pay $10 per Dt. or two times the Mid-Continent Spot Price calculated in accordance with Section 12.11(c), whichever is greater, for the excess deliveries in addition to all other applicable charges.

(h) Daily Scheduling Charge

(1) If the sum of actual deliveries at any Point of Delivery under Transportation Agreements varies from the Sum of Quantities of Gas scheduled for delivery at such Point of Delivery by 10% or 100 Dt., whichever is greater (hereinafter called the tolerance level) plus the available MDVQ if the delivery point operator is a DVS Party, a daily Scheduling Charge shall be assessed; provided that, no Scheduling Charge shall be assessed on an interruptible Transportation Agreement for the Day on which such Shipper's scheduled Quantity has been reduced as a result of a nomination under a Transportation Agreement for firm service during the Evening Nomination Cycle, the Intraday 1 Nomination Cycle or the Intraday 2 Nomination Cycle in Section 8.2(b) herein. The charge shall be applied to each Transportation Agreement with respect to which actual deliveries, as allocated in accordance with Section 12.10, above, vary from the scheduled Quantity in excess of the tolerance level; provided that, if the Transportation Agreement is a designated Transportation Agreement under a TBS Agreement, the tolerance level shall be expanded by the MDIQ, MDWQ, and available Stored Volume applicable to the designated Transportation Agreement under the TBS Agreement and if the Transportation Agreement is an underlying Transportation Agreement under Rate Schedule DVS, the tolerance level shall be increased by the MDVQ. For service under Rate Schedule FT and IT, the Scheduling Charge shall be equal to the sum of the IT Commodity rates per Dt. applicable to the Transmission Access Charge and the Transmission Mileage Charge for 401-500 miles set forth on the Currently Effective Rates for Rate Schedule IT; for service provided under Rate Schedules EFT, SCT, EIT, LFT and HFT the Scheduling Charge shall be equal to the sum of the EIT Commodity rates per Dt. applicable to the Transmission Access Charge and the Transmission Mileage Charge for 401-500 miles set forth on the Currently Effective Rates for Rate Schedule EIT.

(2) If Panhandle issues an OFO as to any portion of its system, requiring Shipper(s) to reduce scheduling variances, the tolerance level, as defined above, for that portion of its system shall be reduced from 10% to 5% and the charge for variances beyond the reduced tolerance level shall be as stated in Section 12.17 herein in lieu of the Scheduling Charge described in this Section 12.11(h)(1). For Shipper(s) under Rate Schedule SCT, the tolerance level shall be reduced from 10% to 5%, or 500 Dt., whichever is greater.

(i) Farm Tap

A Point of Delivery on Panhandle's pipeline system which is required under the terms of a right-of-way agreement between the landowner and Panhandle and at which Gas is delivered under Rate Schedules SCT or EFT for domestic and/or agricultural use shall be defined as a Farm Tap. A Shipper's deliveries at a Farm Tap shall not be subject to the terms set out in (g) and (h) above but shall be subject to the terms of (a) and (c) above. Excess receipts and excess deliveries shall be determined on a basis consistent with the measurement frequency for the Farm Tap delivery meters.

(j) Irrigation Tap

A Point of Delivery on Panhandle's pipeline system which is required under the terms of a right-of-way agreement between the landowner and Panhandle and at which Gas is delivered under Rate Schedules EFT or EIT for purposes of irrigation shall be defined as an Irrigation Tap. A Shipper's deliveries at an Irrigation Tap shall not be subject to the terms set out in (g) and (h) above but shall be subject to the terms of (a), (b) and (c) above. Excess receipts and excess deliveries shall be determined on a quarterly, rather than on a Monthly basis.

12.12 (a) Upon termination of firm Transportation Service, Shipper shall reduce to zero any remaining imbalance within 60 Days of the date that Panhandle notifies Shipper of such imbalance. Such reduction may be accomplished by assigning the imbalance within MAIQ to another firm Service Agreement as long as such assignment will not result in an imbalance in excess of MAIQ on the Service Agreement to which the imbalance is assigned. If Shipper does not reduce the remaining imbalance to zero within such period, Panhandle shall retain those quantities it owes Shipper free and clear of any adverse claims and shall charge Shipper and Shipper shall be obligated to pay for those quantities Shipper owes Panhandle at a rate equal to 1.5 times the Mid-Continent Spot Price as defined in Section 12.11(c) for the Month in which the Service Agreement terminated.

12.12 (b) Upon termination of firm Storage Service, Shipper shall withdraw, or otherwise dispose of, all of its Stored Volume by the date the firm Storage Agreement terminates. If Shipper fails to withdraw, or otherwise dispose of, all of its Stored Volume prior to the termination of the firm Storage Agreement, Panhandle may retain any remaining quantities of Stored Volume free and clear of any adverse claims; provided, however, that Panhandle will notify Shipper in writing 60 Days prior to termination of its firm Storage Agreement of the quantity of Stored Volume being held by Panhandle for Shipper's account. If Shipper in good faith disagrees with the Quantity of Stored Volume set forth in the notification required above, then within 15 days of such notification, Shipper shall notify Panhandle in writing of such dispute and request a reconciliation. If, as of the date of termination of Shipper's firm Storage Agreement, the Quantity of Stored Volume contained in Panhandle's notice has not been finally reconciled and such failure to reconcile results in a retention hereunder by Panhandle, then title to the difference between the Quantity subject to retention according to Panhandle's records and that reflected on Shipper's records shall not finally pass to Panhandle until such reconciliation has been completed. Panhandle shall extend the time available for Shipper to remove its Gas from storage by one Day for every Day that Shipper has been unable to withdraw properly nominated gas due to operational or force majeure conditions on Panhandle's system.

12.13 Unauthorized Gas

Panhandle shall have the right to dispose of Unauthorized Gas as follows:

(a) Unauthorized Receipts

When Unauthorized Gas is delivered to Panhandle, Panhandle shall purchase the Unauthorized Gas from the operator of the Point(s) of Receipt at which the Unauthorized Gas is received at 50% of the Mid-Continent Spot Price, as defined in Section 12.11(c), for the Month in which the Unauthorized Gas is delivered to Panhandle.

(b) Unauthorized Gas Deliveries

When Unauthorized Gas is taken from Panhandle, it shall be assigned to the Transportation Agreements between Panhandle and the operator of the Point(s) of Delivery at which the Unauthorized Gas is taken and shall be treated as unauthorized overruns and, if applicable, Monthly imbalances under such agreements. If there are no Transportation Agreements between Panhandle and the operator of the Point(s) of Delivery at which the Unauthorized Gas is taken, Panhandle shall sell the Unauthorized Gas to the operator at 150 percent of the Mid-Continent Spot Market Price, as defined in Section 12.11(c) for the Month in which the Unauthorized Gas is taken.

12.14 Unauthorized Overrun Receipts

Panhandle shall notify Shipper of excess receipts in order to permit Shipper to reduce receipt quantities. If the excess receipts continue and such receipts jeopardize the safety of the pipeline or Panhandle's ability to serve other Shippers, Panhandle shall be entitled to refuse to accept such excess receipts. If, despite such refusal the excess receipts continue all further excess receipts as to which notice has been given shall be treated as excess receipts under Section 12.11(a) or (b) with a percentage imbalance level greater than 20%.

12.15 Storage Related Transportation

In order to accommodate the transportation to and from Storage used to meet Winter Period requirements, the Maximum Daily Contract Quantity in the Transportation Agreement shall be reduced during the Summer Period in accordance with this Section 12.15.

(a) For Transportation to and from Storage provided by Panhandle under Rate Schedule WS, PS or FS, the Maximum Daily Contract Quantity in the Summer Period shall be reduced if the Transportation Agreement provides that:

(i) During the Summer Period the sole primary Point of Delivery is the WS Point or PS Point; and the Maximum Daily Contract Quantity at the Point(s) of Receipt is equal to the Maximum Daily Injection Quantity, adjusted for Fuel Reimbursement, under Rate Schedule WS, PS or FS; and

(ii) During the Winter Period the sole primary Point of Receipt is the WS Point or the PS Point; and the sole primary Point of Delivery is the outlet side of Panhandle's pipeline facilities that interconnect Panhandle's system with the facilities of Shipper or Shipper's designee; and the Maximum Daily Contract Quantity at the primary Point of Receipt is equal to the Maximum Daily Withdrawal Quantity, adjusted for Fuel Reimbursement, under Rate Schedule WS, PS or FS.

(b) For transportation to and from storage provided by a person other than Panhandle, the Maximum Daily Contract Quantity in the Summer Period shall be reduced if the Transportation Agreement provides that:

(i) During the Summer Period the sole primary Point of Delivery is the outlet side of Panhandle's pipeline facilities that interconnect Panhandle's system with the facilities of another person; and the Maximum Daily Contract Quantity at the Point(s) of Receipt is equal to the Maximum Daily Injection Quantity, adjusted for Fuel Reimbursement, under the Shipper's firm Storage service agreement;

(ii) During the Winter Period the sole primary Point of Receipt shall be the inlet side of Panhandle's pipeline facilities that interconnect Panhandle's system with the facilities of another person; the sole primary Point of Delivery is the outlet side of Panhandle's pipeline facilities that interconnect Panhandle's system with the facilities of Shipper or Shipper's designee; and the Maximum Daily Contract Quantity at the Point of Receipt is equal to the Maximum Daily Withdrawal Quantity, adjusted for Fuel Reimbursement, under the Shipper's firm Storage service agreement; and

(iii) The primary Point of Delivery in the Summer Period and the primary Point of Receipt in the Winter Period is an interconnection in the Market Zone between Panhandle's facilities and the facilities of another person that can both receive Gas from, and deliver Gas to, Panhandle and that delivers to Panhandle for the account of the Shipper, under the affected Transportation Agreement only Quantities that have been withdrawn from firm Storage.

Panhandle shall not execute a Service Agreement for storage related transportation to or from an interconnection with another person until the Shipper provides Panhandle with written verification that it is entitled to receive storage service, with an MDIQ and MDWQ, adjusted as appropriate for Fuel Reimbursement, matching the MDCQ the Shipper has requested at the interconnection during the Summer and Winter Periods, and that the Shipper is entitled to require that such Quantities be received from and delivered to Panhandle during the Summer and Winter Periods. Storage related transportation may be suspended if and to the extent that the Shipper does not subsequently verify (1) that it continues to be entitled to receive a firm storage service, (2) the Shipper's MDIQ, MDWQ, and MSQ (3) Quantities the Shipper is entitled to require to be received from, and delivered to, Panhandle at the interconnection, and (4) the Shipper's Stored Volumes at the beginning of the Winter Period.

(c) A Shipper with a Storage Related Transportation Agreement whose Maximum Daily Contract Quantity has been reduced in accordance with this Section 12.15 may identify secondary Point(s) of Receipt and Point(s) of Delivery in the Transportation Agreement and may nominate Quantities of Gas at such Point(s) in accordance with Sections 10 and 11 of these General Terms and Conditions. In addition, the Shipper may change the primary and secondary Point(s) of Receipt and Delivery in accordance with Section 10.5 and Section 11.9 of these General Terms and Conditions. If the Shipper changes the primary Point(s) of Receipt or Point(s) of Delivery, and the Transportation Agreement no longer qualifies under the terms of this Section 12.15 for the reduced Maximum Daily Contract Quantity during the Summer period, the Maximum Daily Contract Quantity during the Winter Period shall apply throughout the year as of the Day the change in the primary point(s) becomes effective.

12.16 Unauthorized Overrun Penalty

(a) If on any Day during the month, Shipper takes Quantities of Gas in excess of the MDCQ as stated in the Transportation Agreement or Quantities of Gas in excess of the MDIQ or MDWQ as stated in the Storage Agreement and such Quantity has not been scheduled by Panhandle, then, in addition to the Overrun Charge set forth in the applicable Rate Schedule, Shipper shall be subject to an Unauthorized Overrun Penalty of two times the greater of the highest daily price published in Gas Daily, Daily Price Survey, Citygates - Chicago LDCs or Citygates - Mich.- Mich Con for the day (Saturday and Sunday shall be the preceding Friday price) that Unauthorized Overrun Penalties are incurred for each Dt. taken in excess of the greater of the MDCQ, MDIQ, or MDWQ, as applicable, or the scheduled Quantity of Gas. For purposes of determining the Quantities of Gas subject to the Unauthorized Overrun Penalty provided for in this Section 12.16, Panhandle will allow a daily tolerance of four (4) percent of the MDCQ, MDIQ, or MDWQ, as applicable, or fifty (50) Dt. whichever is greater, and on a monthly basis there will be a two (2) percent tolerance. The Quantities of Gas subject to an Unauthorized Overrun Penalty each month shall be the greater of (1) the sum of the daily Unauthorized Overrun Penalty volumes after the four (4) percent daily tolerance; or (2) the monthly Unauthorized Overrun Penalty volumes determined after the two (2) percent monthly tolerance.

(b) Aggregation by Shipper

For purposes of calculating the daily tolerance and the Quantity of Gas subject to the Unauthorized Overrun Penalty under this Section 12.16, a Shipper shall be permitted to aggregate the MDCQs of its firm Transportation Agreements at a designated Point of Delivery. For purposes of aggregation under this Section 12.16(b), Shipper shall have scheduled quantities under the firm Transportation Agreements to be aggregated to no other Point of Delivery.

(c) Panhandle will use the quality specifications, including Btu measurements, shown at the meter with no retroactive adjustment applied in determining the Unauthorized Overrun Penalty provided for in this Section 12.16.

(d) If a Shipper takes Quantities of Gas in excess of MDCQ which cause a Shipper to incur an Unauthorized Overrun Penalty under this Section 12.16, such Quantities of Gas will not be considered in any calculation of an otherwise applicable Daily Scheduling Charge pursuant to Section 12.11(h)(1) of the General Terms and Conditions. However, if Panhandle has issued an OFO, the penalty provided for in Section 12.17(f)(ii) below shall apply in lieu of the Unauthorized Overrun Penalty in this Section 12.16.

12.17 Operational Flow Orders

(a) Conditions for the Issuance of an Operational Flow Order

Panhandle will have the right to issue an Operational Flow Order (OFO) when, in Panhandle's reasonable judgment, such OFO is required to alleviate conditions which threaten or could threaten system integrity, safety or reliability of service or to ensure Shipper(s) compliance with the provisions contained in this Tariff. An OFO may be issued to a particular Shipper(s) creating the need for the OFO or to Shippers on all or part of the system, when in the absence of such Shipper(s) action(s), an OFO would not be required. When an OFO is issued, Panhandle will endeavor to minimize the Shippers and Quantities affected. In this regard, Panhandle will not require Shipper(s) under Rate Schedules EFT and SCT in the affected segment to restrict takes at a Point(s) of Delivery during any hour to one-sixteenth of the nominated and scheduled Quantity to the Point(s) for the Day unless deliveries to other Shipper(s) in the affected segment have been ordered to be within the tolerance levels set forth in this Section 12.17.

(b) Circumstances Under Which an OFO May Be Issued

Panhandle may issue an OFO in any circumstance which would, in Panhandle's reasonable judgment, impair Panhandle's ability to receive or deliver Quantities of Gas in accordance with its service obligations including, but not limited to, when:

(i) operating pressures on the affected portion of the system are significantly less than or greater than normal system operating pressures despite Panhandle's efforts to maintain normal pressures and a further decline or increase in operating pressures would impair Panhandle's ability to receive or deliver scheduled Quantities of Gas;

(ii) a Shipper fails to maintain receipts or deliveries as required in this tariff;

(iii) unscheduled pipeline maintenance and repairs affect capacity;

(iv) wells or pipelines or other essential equipment freeze to the extent that such freezing damages or destroys or otherwise impairs Panhandle's essential facilities or ability to monitor and control essential facilities or results in the loss of supplies of natural gas from other pipelines, Panhandle's storage facilities or producers of Gas;

(v) a loss of Gas supply from producers, storage providers or other suppliers reduces pressure or supplies available for delivery;

(vi) Federal or state rules, regulations, orders, such as safety inspection orders and environmental safety orders, require Panhandle to reduce operating pressures in, or remove from service, a portion of Panhandle's system facilities;

(vii) a mechanical or physical failure affects Panhandle's ability to deliver or receive gas or operate storage, including, but not limited to, pipeline failure, compressor failure, regulator failure, or other similar mechanical or physical failure;

(viii) a partial or total failure of electronic and communications systems impairs Panhandle's ability to monitor or control Panhandle's system;

(ix) external operations, including but not limited to highway construction, require Panhandle to reduce operating pressures in, or remove from service, a portion of Panhandle's system facilities; or

(x) a Shipper's failure to comply with the provisions of this Tariff that adversely affects the operations of Panhandle's pipeline system including, but not limited to, a Shipper's failure to adhere to the quality of gas specifications set forth in Section 3 of these General Terms and Conditions.

(c) Remedial Actions to Be Taken Before Issuing an OFO

Prior to issuing an OFO Panhandle will take all reasonable actions to minimize the issuance and adverse consequences of the OFO. These actions may include, but are not limited to, requiring firm shippers to utilize primary Points of Receipt and Delivery and compliance with the provisions of this Tariff and the Service Agreement.

(d) Notice

(i) Panhandle will provide as much advance notice of an OFO as is possible in the circumstances. Ordinarily, the notice will be issued by 10:30 a.m. CT on the Day before the OFO is to be effective. The OFO will ordinarily become effective at the commencement of the Day. When operating conditions so require, Panhandle may issue the notice of the OFO after 10:30 a.m. and may provide that the OFO will become effective before the commencement of the next Day. When an OFO becomes effective at any time other than the commencement of any Day, Shippers will use their best efforts to comply with the OFO as soon as possible but in no event later than two hours, after which the applicable Scheduling Charges or Unauthorized Overrun Penalty provided for in this Section 12.17 shall apply.

(ii) Panhandle shall issue notice of an OFO by notifying the affected meter operator(s) and Shippers(s) through the Messenger® system, the Web Site and by telephone, and facsimile or via e-mail communication. Panhandle will post notification of, and provide updated information concerning, the OFO on the Messenger® System and the Web Site at the commencement of each Day until Panhandle notifies the affected meter operator(s) and the Shipper(s) that the OFO has ended. Each Shipper and point operator shall designate one or more persons for Panhandle to contact on operational matters on a 24-hour a day, 365 days a year basis. Telephone and facsimile numbers as well as e-mail address must be provided for such person or persons. If Panhandle is unable to contact any Shipper or point operator because that Shipper's or point operator's contact person(s) is unavailable, such Shipper or point operator shall be responsible for any consequences arising from such failure of communications.

(iii) Each notice will provide the time and date of issuance of the OFO, the time the OFO is to become effective, the time the OFO is expected to remain in effect, the action required to be taken by the Shipper(s), the reason for issuing the OFO, together with the operating variables providing the basis for issuing the OFO, and any other information which may be required in the circumstances.

(iv) Within a reasonable period of time following the end of the OFO, Panhandle will post on the Messenger® System and the Web Site a report detailing the conditions that required the issuance and termination of the OFO.

(e) Remedial Action to Be Taken

The OFO shall require the Shipper(s) subject to the OFO to take such action(s) or refrain from such action(s) as necessary to alleviate the conditions set forth in Sections 12.17(a) and 12.17(b). These actions include, but are not limited to, the elimination of Unauthorized Overruns and the reduction of scheduling variances. If the OFO requires the elimination of Unauthorized Overruns and the reduction of scheduling variances, the OFO shall reduce the daily tolerance level for Unauthorized Overruns to zero and shall reduce the tolerance level for scheduling variances from 10% to 5% and require Shipper(s) to maintain scheduling variances to the tolerance level stated in the notice. For Shipper(s) under Rate Schedule SCT, the tolerance level shall be reduced from 10% to 5%, or 500 Dt., whichever is greater.

(f) Penalties for Noncompliance With the OFO

Except as provided in Section 12.17(d)(i), if a Shipper does not comply with the OFO, then:

(i) for an OFO requiring Shipper(s) to reduce scheduling variances, Shipper shall pay for variances in excess of the reduced tolerance level of 5% or 500 Dt. for Shippers under Rate Schedule SCT and 5% for Shipper(s) under other Rate Schedules, the greater of (a) two (2) times the highest daily price published in Gas Daily, Daily Price Survey, Citygates - Chicago LDCs or Citygates - Mich.-Mich Con, whichever is greater, for the day (Saturday and Sunday shall be the preceding Friday price) that Daily Scheduling Charges are incurred, or (b) the following:

Variance	Rate
5% - 10%	$ 25.00 per Dt.
>10% - 15%	$ 50.00 per Dt.
>15% - 50%	$100.00 per Dt.
>50%	$200.00 per Dt.

(ii) for an OFO requiring Shipper(s) to eliminate Unauthorized Overruns, Shipper shall pay for all Quantities taken in excess of the reduced daily tolerance of zero, the greater of (a) two (2) times the highest daily price published in Gas Daily, Daily Price Survey, Citygates - Chicago LDCs or Citygates - Mich.-Mich Con, whichever is greater, for the day (Saturday and Sunday shall be the preceding Friday price) that Unauthorized Overrun Penalties are incurred, or (b) the following:

Overrun	Rate
0% - 5%	$ 15.00 per Dt.
> 5% - 10%	$ 25.00 per Dt.
>10% - 15%	$ 50.00 per Dt.
>15% - 50%	$100.00 per Dt.
>50%	$200.00 per Dt.

The above overrun tiers shall be determined by comparing the aggregate amount of contract entitlement nominated to a Point of Delivery with the aggregated amount of Gas flowing through such Point of Delivery. It shall be the responsibility of the meter operator at a Point of Delivery to provide in writing to Panhandle an allocation by contract of the gas flowing through such meter.

If a Shipper takes Quantities of Gas in excess of MDCQ which cause a Shipper to incur a penalty under this Section 12.17(f)(ii), such Quantities of Gas will not be considered in any calculation of an otherwise applicable penalty pursuant to Section 12.17(f)(i).

For purposes of calculating the Unauthorized Overrun Penalty under this Section 12.17, a Shipper shall be permitted to aggregate the MDCQs of its firm Transportation Agreements at a designated Point of Delivery. For purposes of aggregation under this Section 12.17(f), Shipper shall have scheduled quantities under the firm Transportation Agreements to be aggregated to no other Point of Delivery.

(iii) for any other OFO, Shipper shall, for all Quantities tendered or taken in violation of the OFO, pay two (2) times the greater of the highest daily price published in Gas Daily, Daily Price Survey, Citygates - Chicago LDCs or Citygates - Mich.-Mich Con for the day (Saturday and Sunday shall be the preceding Friday price) that OFO penalties are incurred.

(g) Indemnification

Compliance with an OFO and the other terms and conditions of Panhandle's FERC Gas Tariff is essential to Panhandle's ability to provide deliveries and services under all rate schedules. A failure by one or more Shippers to comply with an OFO may affect Panhandle's ability to provide such deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies or defenses available in law or at equity with respect to any person, Panhandle will have no liability or responsibility for its inability to provide deliveries and services to any Shipper failing to comply with an OFO and will be indemnified and held harmless by the Shipper(s) failing to comply with Panhandle's FERC Gas Tariff and in particular the provisions of this Section 12.17 against any claims related to the failure to provide deliveries and services, except to the extent such claims are the result of Panhandle's negligence, bad faith or wilfull misconduct.

12.18 Third-Party Management Services

Subject to the conditions set forth in this Section, a Shipper may obtain services from a third-party provider to manage imbalances between actual receipts and deliveries; to manage variances between scheduled and actual deliveries; and to supply gas for overruns.

(a) Panhandle and the third-party provider have entered into an agreement which defines how such provider will accommodate Shipper's imbalances, scheduling variances, or overruns, how the provider is to make the corresponding operational changes, the limitations on the level of imbalances, scheduling variances and overruns to be accommodated and the consequences if such levels are exceeded or operational changes are not made. The agreement must provide Panhandle with the ability to call on the third-party provider on a basis consistent with service offered by the third-party provider to the Shipper. The agreement must also specify a predetermined allocation methodology and shall specify the extent to which and the conditions under which the Shipper shall be kept whole because the third-party provider is agreeing to take the imbalance, scheduling variance or overrun. If there is an operational balancing agreement at the point at which the imbalance management service is to be provided, the agreement must also provide that Panhandle shall not be responsible for balancing within the agreed limits of the management service.

(b) Panhandle and the Shipper have entered into an agreement designating the Service Agreements for which the third-party provider will take the imbalance, scheduling variance, or overrun and designating the point(s) at which the third-party provider will provide the imbalance management service. The point(s) designated must have electronic real-time metering or must be otherwise agreeable to Panhandle.

The conditions set forth in this Section are minimum conditions that all third-party providers and Shippers utilizing such services must satisfy. When a specific third-party management service is proposed, Panhandle may require the third-party provider and Shipper to satisfy additional conditions. Panhandle shall not be obligated to enter into any agreement to accept third-party imbalance management services which would, in Panhandle's reasonable judgment, impair its ability to meet its existing system requirements or which would not relieve

Panhandle of the need to manage (to the extent of the third-party service) the Shipper's imbalances, scheduling variances and overruns.

8. IMBALANCE RESOLUTION PROCEDURES

It is the Customer's responsibility to provide accurate and timely nominations of quantities proposed to be received and delivered by Pipeline under all of Customer's service agreements; to maintain each Day as nearly as practicable equality between quantities actually taken under each service agreement and scheduled quantities under each service agreement; and to maintain a concurrent balance between receipts and deliveries under each of Customer's service agreements.

8.1 Resolution of Monthly Imbalances. During the Month, Cash-out Party or OBA Party (individually referred to in this Section 8 as an "Imbalance Party" and collectively as "Imbalance Parties") may use any or all Imbalance Management Services, as defined in Section 1 of the General Terms and Conditions, to reduce or eliminate a monthly imbalance. In addition, Imbalance Party may trade a monthly imbalance with another Imbalance Party, in accordance with Section 8.3 below, until the close of the seventeenth Business Day after the end of the Month during which the imbalance occurred. Any imbalance(s) not resolved via any of the Imbalance Management Services will be resolved via the cash-out mechanism set forth in Section 8.5 or the in-kind imbalance resolution mechanism set forth in OBA Party's executed Operational Balancing Agreement ("OBA"), as applicable.

The monthly imbalance for a service agreement other than an Operational Balancing Agreement shall be calculated as the difference between actual Quantities of Gas received less Applicable Shrinkage, and actual Quantities of Gas delivered during the Month under the service agreement; to the extent Customer is utilizing service provided at a meter for which an Operational Balancing Agreement is in effect, Customer's confirmed and scheduled quantities at that meter will be used as the actual quantity for purposes of calculating such Customer's monthly imbalance. The monthly imbalance for an OBA Party's Operational Balancing Agreement shall be based on the difference between total actual Quantities of Gas received and/or delivered through the applicable meter and the total aggregated confirmed and scheduled quantities for such meter for such month.

8.2 Imbalance Management Services. The Imbalance Management Services offered by Pipeline are identified in Section 1 of the General Terms and Conditions. Details of each service are included in the Rate Schedule and Form of Service Agreement contained in this tariff, or in this Section 8.

8.3 Imbalance Trading. Pipeline shall allow Imbalance Parties to trade imbalances within the same Operational Impact Area, or between Operational Impact Areas, as defined in Section 1 of the General Terms and Conditions, if the two Imbalance Parties' imbalances are offsetting balances for the Month, such that the net imbalance for each Imbalance Party after the completion of the trade would be reduced to a quantity closer to zero. The Imbalance Party with an imbalance resulting from receipts from Imbalance Party in excess of deliveries by Pipeline will reimburse Pipeline for any difference in transportation revenues that may result from such trading. Any trades across Operational Impact Areas are subject to payment of the Zone transportation differential pursuant to an executed service agreement.

Pipeline will provide the ability to post and trade imbalances at any time during the Gas flow Month, and until the close of the seventeenth Business Day after the end of the Month during which the imbalances occurred. To facilitate the trading process, Pipeline will, upon receipt of Imbalance Party's authorization, post an Imbalance Party's imbalance quantity on its Web site. An Authorization to Post Imbalances (pursuant to NAESB WGQ Standard No. 2.4.9) that is received by Pipeline by 11:45 a.m. will be effective by 8:00 a.m. the next Business Day. An Authorization to Post Imbalances will remain in effect until cancelled by the Imbalance Party. An imbalance that is previously authorized for posting will be posted as they become available, but no later than the ninth Business Day of the Month; however, Pipeline will not be required to post zero imbalances. The information posted will identify the Imbalance Party, the Operational Impact Area and the Gas flow Month applicable to the posted imbalance quantity. The imbalance quantity that will be posted shall be determined pursuant to Section 8.4 below. Pipeline will provide to all Customers and OBA Parties the ability to view, and upon request, download posted imbalance information.

Pipeline shall enable the imbalance trading process by providing the ability for:

(i) Customer to authorize the posting of imbalances (pursuant to NAESB WGQ Standard No. 2.4.9) on the LINK® System;
(ii) a party to view the posted imbalances (pursuant to NAESB WGQ Standard No. 2.4.10) on the LINK® System;
(iii) the initiating trader to submit a request to Pipeline for an imbalance trade (pursuant to NAESB WGQ Standard No. 2.4.11) on the LINK® System;
(iv) Pipeline, in response to the request for an imbalance trade, to provide any error/warning message(s), as necessary, which includes the name of the relevant data element, if appropriate, along with the corresponding message;
(v) the initiating trader to withdraw its request for an imbalance trade on the LINK® System;
(vi) Pipeline to, optionally, request the confirming trader to confirm the request for an imbalance trade;
(vii) the confirming trader to confirm the request for an imbalance trade on the LINK® System;
(viii) Pipeline to provide the initiating trader and the confirming trader with the status of the requested imbalance trade no later than noon on the next Business Day, including, if applicable, an explanation when the trade quantity is not equal to the trade quantity requested;
(ix) Pipeline to effectuate the confirmed trade; and

(x) Pipeline to reflect the trade prior to or on the next monthly Customer imbalance or cash-out.

When trading imbalances, the quantity to be traded must be specified. An imbalance trade can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. An imbalance trade is considered final when confirmed by the confirming trader and effectuated by Pipeline. Pipeline shall update the Imbalance Party's imbalance data to reflect any final trades of imbalance quantities no later than 9:00 a.m. on the next Business Day after the trade is finalized.

8.4 Imbalance Netting

For purposes of determining the quantity of Imbalance Party's monthly imbalance, all imbalances within an Operational Impact Area due Imbalance Party under all of Imbalance Party's contracts and all imbalances in that same Operational Impact Area due Pipeline under all of Imbalance Party's contracts shall be summed together to yield a single volume of net imbalances for that Operational Impact Area for that Month unless otherwise requested in writing by Imbalance Party. Any monthly imbalances not resolved after Sections 8.2 and 8.3 above have been utilized will be subject to resolution in accordance with Section 8.5 below or the in-kind imbalance resolution mechanism set forth in OBA Party's executed Operational Balancing Agreement ("OBA"), as applicable.

8.5 Cash-out Provision

It is the responsibility of the Cash-out Party to eliminate any end-of-Month imbalance quantities not resolved in accordance with Section 3.3 of Rate Schedule TABS-1, Section 2.3 of Rate Schedule MBA and Sections 8.2, 8.3 and 8.4 herein with a final resolution of such end-of-month imbalances by cash settlement with Pipeline. Pipeline and the Cash-out Party shall settle in cash any net imbalance remaining between actual quantities received, adjusted for Applicable Shrinkage, and actual quantities delivered unless otherwise mutually agreed. Prior to or with the monthly transportation invoice, Pipeline will render each Cash-out Party a statement detailing the unresolved imbalance quantity. In the second month after the imbalance occurred, a bill for the amount due Pipeline or a credit of the amount due Cash-out Party, as determined below, will be rendered with the monthly transportation invoice pursuant to Section 10.2 of these General Terms and Conditions. Rendered is defined as postmarked, time-stamped and delivered to the designated site.

(A) Determination of Index Price:

Spot Index Price(s) shall be established as set forth below:

(1) A Spot Index Price will be derived for each of the following Zones by calculating the arithmetic average of each of the High Common, Low Common, and Midpoint prices of the following spot price postings as published in Platts Gas Daily's "Daily Price Survey," by using each day of the relevant month and the first seven days of the subsequent month, applicable to the following geographical regions:

(a) STX Zone: Tx. Eastern, STX.

(b) ETX Zone: Carthage Hub.

(c) WLA Zone: Tx. Eastern, WLA.

(d) ELA Zone: Tx. Eastern, ELA.

(e) Market Zone 1: Tx. Eastern, ELA.

(f) Market Zone 2: Texas Eastern, M-2 receipts.

(g) Market Zone 3: Tx. Eastern, M-3.

In the event that the prices described in this Section 8.5(A)(1) are no longer available or valid, Pipeline will file to change its tariff and may, at its discretion, select a representative price in the interim period, subject to refund.

(2) [Reserved for Future Use]

(B) Imbalance Due Pipeline:

In the event of an imbalance, when actual deliveries exceed actual receipts, Pipeline will bill the Cash-out Party for such excess delivery or deficiency of receipts.

(1) Each Month a Total Monthly Imbalance Percentage will be calculated by using the lesser of the operational imbalance level, stated as a percentage, or the actual imbalance level stated as a percentage. The operational imbalance percentage shall be determined on a month-to-date basis by dividing operational imbalances by the scheduled receipt quantities. The actual

imbalance percentage shall be determined by dividing actual imbalances by the scheduled receipt quantities. Operating data and actual data will be accessible via the LINK® System or other mutually agreeable form of communication. Imbalances resulting from capacity restrictions caused by Pipeline beyond the period allowed under Section 3 of any of Pipeline's applicable firm rate schedules and force majeure will be Cashed-out at the monthly average spot price. Such imbalance quantities will be excluded from the determination of imbalance percentages and the monthly Cash-out bill determined pursuant to Section 8.5(B)(2).

(2) If a Cash-out Party's imbalance is less than or equal to 5%, the monthly Cash-out bill will be based on the monthly average Midpoint spot price posting for the applicable Zone. If a Cash-out Party's imbalance is greater than 5%, the monthly Cash-out bill will be based on the accumulated sum of the results of the formulas listed below such that and until the total monthly imbalance is fully accounted for:

Imbalance Level	Factor	Applicable Spot Index by Zone
0% - =<5%	1.00	average High Common
>5% - =<10%	1.10	(average High Common x quantity >5%) + level above
>10% - =<15%	1.20	(average High Common x quantity >10%) + levels above
>15% - =<20%	1.30	(average High Common x quantity >15%) + levels above
>20% - =<25%	1.40	(average High Common x quantity >20%) + levels above
>25%	1.50	(average High Common x quantity >25%) + levels above

The amount due Pipeline shall be determined by multiplying the corresponding Imbalance Level Factor for the Month by the applicable monthly average High Common spot price posting for the applicable Zone times the actual quantities of excess delivery or deficiency of receipts for the Month. For Rate Schedule SCT Customers, such Imbalance Level shall be determined after Pipeline subtracts up to 4,828 Dth, as necessary, from each Rate Schedule SCT Customer's total monthly imbalance. Such amount subtracted up to 4,828 Dth will be Cashed-out at the monthly average. When the Total Monthly Imbalance Percentage is calculated based on the operational imbalance level, actual quantities in excess of that level will be multiplied by the Imbalance Level Factor corresponding to the Total Monthly Imbalance Percentage.

(3) [Reserved for Future Use]

(4) The Cash-out Party shall pay Pipeline as provided herein and in accordance with Section 10 of the General Terms and Conditions. If payment is not received within ten (10) days of the date of the bill, Cash-out Party shall then have thirty (30) days to either pay the bill with accrued interest or provide evidence of intent to pay. If payment, or other good and sufficient security is not received, Pipeline shall give notice to Cash-out Party, and Pipeline may suspend service to Cash-out Party effective immediately upon notice to Cash-out Party and the Commission. Pipeline will not suspend service in the case of a valid billing dispute, however, in the event of default by a TABS-1, TABS-2 or MBA Party, the transportation Customer(s) is responsible for the payment provisions contained in this section; provided, however, that in the event that more than one transportation Customer is receiving service from a TABS-1 or TABS-2 Service Point or MBA Zone, such Customer will be Cashed-out according to the predetermined allocation given to Pipeline by the supplier. If predetermined allocation is unavailable, each Customer's pro rata share of actual quantities received will be used to determine Cash-out bills.

(C) Imbalance Due Cash-out Party:

In the event of an imbalance, when actual deliveries are less than actual receipts, Pipeline will purchase from the Cash-out Party such excess receipts or deficiency of deliveries.

(1) Imbalance Due Cash-out Party

Each Month a Total Monthly Imbalance Percentage will be calculated by using the lesser of the operational imbalance level, stated as a percentage, or the actual imbalance level stated as a percentage. The operational imbalance percentage shall be determined on a month-to-date basis by dividing operational imbalances by the scheduled receipt quantities. The actual imbalance percentage shall be determined by dividing actual imbalances by the scheduled receipt quantities. Operating data and actual data will be accessible via the LINK® System or other mutually agreeable form of communication.

(2) If a Cash-out Party's imbalance is less than or equal to 5%, the monthly Cash-out bill will be based on the monthly average Midpoint spot price posting for the applicable Zone. If a Cash-out Party's imbalance is greater than 5%, the monthly Cash-out bill will be based on the accumulated sum of the results of the formulas

listed below such that and until the total monthly imbalance is fully accounted for:

Imbalance Level	Factor	Applicable Spot Index by Zone
0% - =<5%	1.00	average Low Common
>5% - =<10%	.90	(average Low Common x quantity >5%) + level above
>10% - =<15%	.80	(average Low Common x quantity >10%) + levels above
>15% - =<20%	.70	(average Low Common x quantity >15%) + levels above
>20% - =<25%	.60	(average Low Common x quantity >20%) + levels above
>25%	.50	(average Low Common x quantity >25%) + levels above

The amount due Cash-out Party shall be determined by multiplying the corresponding Imbalance Level Factor for the Month by the applicable monthly average Low Common spot price posting for the applicable Zone times the actual quantities of excess receipts or deficiency of deliveries for the Month. For Rate Schedule SCT Customers, such Imbalance Level shall be determined after Pipeline subtracts up to 4,828 Dth, from each Rate Schedule SCT Customer's total monthly imbalance. Such amount subtracted up to 4,828 Dth will be Cashed-out at the monthly average. When the Total Monthly Imbalance Percentage is based on the operational imbalance level, actual quantities in excess of that level will be multiplied by the Imbalance Level Factor corresponding to the Total Monthly Imbalance Percentage.

(3) [Reserved for Future Use]

(D) If an imbalance is caused by a failure of Pipeline to meet its contractual pressures or if all of the Customer's Point(s) of Delivery are on flow control and are controlled by the Pipeline, Cash-out will be performed at the monthly Spot Index Price.

(E) If an imbalance or any portion of an imbalance is a direct result of Customer's inability to reconcile during the Month due to issuance of operational flow orders pursuant to Section 4.3 or to the provisions of TABS-2, then Pipeline will extend the Customer's time for volumetric reconciliation to the end of the next calendar Month. Any imbalance remaining at the end of the extended period will be subject to the Cash-out provisions of this Section 8.

(F) Disposition of Cash-out Quantities:

Pipeline, at its discretion, may dispose of the net excess quantities purchased under this Section 8.5 in accordance with the procedures contained in Section 8.7 of the General Terms and Conditions.

(G) Disposition of Cash-out Proceeds:

Pipeline, at its discretion, may use proceeds received from Cash-out of imbalances due Pipeline pursuant to Section 8.5(B) to purchase at any time and from time to time Quantities of Gas.

(H) Disposition of Net Cash-out Proceeds:

Pipeline shall credit to the Applicable Shrinkage Deferred Account as provided in Section 15.6(D)(1) herein, the net proceeds from the operation of the imbalance resolution procedures contained in this Section 8. Such net proceeds shall be credited on a monthly basis.

(I) [Reserved for Future Use]

8.6 Suspense Gas

(A) All Suspense Gas shall be subject to the provisions of this Section 8.6. Pipeline shall have the right to dispose of Suspense Gas in accordance with this Section. Pipeline shall give notice to the operator of the applicable Point of Receipt where the Suspense Gas was received, that the Suspense Gas is subject to these provisions and will be posted on the LINK® System. On the first Business Day following the fifteenth of each Month, Pipeline shall post on the LINK® System the quantity, production Day(s) received on the system, and the Point(s) of Receipt for any Suspense Gas received in prior production Months. Pipeline will continue to post on the LINK® System for the lesser of four (4) Business Days, inclusive of the initial date of posting, or until a Valid Claim has been submitted by a Claimant. In order to be a Valid Claim for purposes hereof, a claim must (1) be provided to Pipeline in writing; (2) identify the specific Suspense Gas received by Pipeline; (3) provide evidence of ownership of the Suspense Gas claimed; (4) agree to indemnify Pipeline and provide evidence acceptable to Pipeline of Claimant's ability to so indemnify Pipeline fully with respect to any adverse claims to ownership of the Suspense Gas or to the proceeds resulting from the sale thereof; and (5) identify an existing transportation service agreement with Pipeline that contains the Point of Receipt at which the Suspense Gas was received under which such quantity shall be allocated. Claimant, as a Customer, agrees to pay the applicable transportation rate and a charge equivalent up to the maximum ISS-1 Space Charge on the average daily balance for each Month applicable to the period beginning when the Suspense Gas was received by Pipeline and ending when the quantity of Suspense Gas is delivered. All such claimed Suspense Gas must be transported and delivered before the end of the Month following the Month in which the Gas is claimed. Claimant's failure to transport and deliver all of such Suspense Gas quantity before the end of such period shall subject such undelivered quantities to Section 8.1 of the General Terms and Conditions net of the accumulated equivalent ISS-1 Space Charge on the average daily balance for each Month.

(B) Applicable Penalties Pursuant to Claiming Suspense Gas:

Once a Valid Claim is submitted, the Gas becomes subject prospectively to all Cash-out provisions at Point(s) of Delivery and scheduling penalties contained in this FERC Gas Tariff.

(C) Disposition of Suspense Gas:

(1) If a Valid Claim is not submitted during the notice period, title to the unclaimed Suspense Gas is vested in Pipeline and Pipeline shall retain the unclaimed Gas with no payment required from Pipeline and without recourse from any party. At Pipeline's discretion, Pipeline has the option of either retaining the Gas for its own use or for disposing of it in accordance with procedures contained in Section 8.7 of the General Terms and Conditions.

(2) If Pipeline desires to retain the Gas for its own use, it shall be valued, for accounting purposes, at zero cost.

(D) [Reserved for Future Use]

8.7 Disposition of Excess Quantities

If Pipeline desires to auction at any time the net excess quantities purchased under Section 8.5 of the General Terms and Conditions or the quantities of unclaimed Suspense Gas and Gas not withdrawn pursuant to Section 2.2 of Rate Schedule ISS-1 and retained under Section 8.6 of the General Terms and Conditions or the net quantities available to Pipeline as a result of over-realization of in-kind compensation pursuant to Section 15.6 of the General Terms and Conditions or the Quantity of Gas retained under Section 7.5 of Rate Schedule PAL, Pipeline shall post a notice of such auction on the LINK® System at least three (3) Business Days prior to the date on which bids will be accepted. Such notice shall specify the Quantity of Gas to be auctioned, the date on which the bids will be accepted, and the evaluation method that will be used to determine the highest bid. Pipeline shall accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CT on the Business Day that bids are due. Prior to 4:00 p.m. CT of the same day, Pipeline shall notify the Customer submitting the highest bid; provided, however, Pipeline reserves the right to reject all bids. When the Gas is purchased at auction, Customer must provide identification of the existing transportation service agreement with Pipeline under which Customer shall nominate, transport and deliver all Gas by the end of the Month following the Month in which the Gas is purchased. Customer agrees to pay the applicable transportation rate and a charge equivalent to the maximum ISS-1 Space Charge on the average daily balance for each Month applicable to the period beginning when the bid was accepted at auction and ending when the Quantity of Gas is delivered. Customer further agrees that the Gas is subject to Section 8.5, prospectively from the date of Customer's purchase pursuant to this Section 8.7, at the Point(s) of Delivery, net of the accumulated equivalent ISS-1 Space Charge and subject to all penalties contained in Pipeline's FERC Gas Tariff. All auction proceeds shall be handled in accordance with Section 15.6.

8.8 Operational Balancing Agreements

(A) Any imbalances arising under any transportation agreement between Customer and Pipeline that are attributable to variances (1) between actual receipts of Natural Gas and scheduled and confirmed receipts of Natural Gas at Point(s) of Receipt into Pipeline's system, or (2) between actual deliveries of Natural Gas and scheduled and confirmed deliveries of Natural Gas at Point(s) of Delivery from Pipeline's system, which Point(s) of Receipt and/or Point(s) of Delivery are subject to Operational Balancing Agreements, as more fully described in Section 8.8(B), on the Day or Days such variances arise, will be resolved by Pipeline and OBA Party pursuant to the terms of the applicable Operational Balancing Agreement and Customer shall not be subject to any imbalance charges or penalties pursuant to its transportation agreements with Pipeline for such imbalances.

(B) For the purpose of minimizing operational conflicts between various pipeline facilities with respect to the delivery of Gas to and from Pipeline's facilities, Pipeline is willing to negotiate and execute Operational Balancing Agreements with appropriate parties that operate Natural Gas facilities which interconnect with Pipeline's system (herein called OBA Party). Such Operational Balancing Agreements shall be in the form contained in this FERC Gas Tariff; provided, however, that Pipeline and OBA Party at interconnections with interstate or intrastate pipelines may execute an Operational Balancing Agreement in another mutually agreeable form. Such Operational Balancing Agreements shall specify the Gas custody transfer procedures to be followed by Pipeline and OBA

Party for the confirmation of scheduled quantities to be received by Pipeline at Point(s) of Receipt and delivered by Pipeline at Point(s) of Delivery. Such Operational Balancing Agreements will provide that any variance between actual quantities and scheduled and confirmed quantities for any Day shall be resolved in-kind promptly or Cash-out pursuant to the terms of the Operational Balancing Agreement. To facilitate such determination of variances on a timely basis, Pipeline and the OBA Party will agree in the Operational Balancing Agreement on necessary measurement and accounting procedures. Pipeline shall post on the LINK® System those Point(s) of Receipt and Point(s) of Delivery which are subject to an Operational Balancing Agreement. Pipeline will also provide to any party upon request a copy of any executed Operational Balancing Agreement.

(C) It is Pipeline's intent to negotiate and execute Operational Balancing Agreements on a non-discriminatory basis with any OBA Party. However, Pipeline shall have no obligation to negotiate and execute Operational Balancing Agreements with any OBA Party that:

(1) is not creditworthy as determined pursuant to Section 3.3 of the General Terms and Conditions; for purposes of such provision, references to Customer shall refer to the OBA Party.

(2) does not maintain dispatching operation which is staffed on a continuous, around-the-clock basis 365 days per year;

(3) would cause the level of regulation which Pipeline is subject to prior to the execution of the applicable Operational Balancing Agreement to increase; or

(4) does not commit to timely determination of variances based on reasonable available measurement technology.

(D) Nothing in this Section 8.8 nor any executed Operational Balancing Agreement shall limit Pipeline's rights to take action as may be required to adjust receipts and deliveries under any transportation agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Pipeline's system, including maintenance of service to higher priority Customers and/or services.

GENERAL TERMS AND CONDITIONS

9. SCHEDULING, CURTAILMENT AND IMBALANCES (Cont'd)

9.7 Resolution of Monthly Imbalances

This Section 9.7 is applicable to Shippers under Rate Schedules FTS, SFT and ITS. This Section also applies to Shippers under Rate Schedules TSS and STS to the extent Shipper's storage inventory balance is less than the amount of net withdrawals.

An imbalance results when a Shipper delivers or causes delivery to Southern Star at the receipt point(s) of a quantity of gas which, after appropriate reduction for fuel and loss, is less than or greater than the quantity of gas taken from Southern Star at the delivery point(s). Shippers shall maintain thermal balancing of receipts and deliveries on a daily basis to the maximum extent possible. Any monthly imbalances which do remain, however, shall be subject to the provisions of this Section 9.7.

(a) All transportation agreements with each Shipper within the same area (production/market) will be combined for purposes of determining whether a net monthly imbalance exists. If a Shipper utilizes more than one agreement to transport the same gas sequentially within the same area, Southern Star will utilize original receipts and ultimate deliveries for purposes of determining the monthly imbalance. An imbalance statement shall be generated for each Shipper at the same time or prior to the generation of the transportation invoice, which will state their level of imbalance for the preceding calendar month. Shippers may elect to resolve their imbalances by the end of the calendar month following the month in which the imbalance occurs by any of the following means:

(i) imbalance trading among Shippers in the same area,

(ii) treating the imbalance as if it had been injected into or withdrawn from the Shipper's storage account to the extent Shipper has storage capacity available or Shipper's storage inventory is sufficient to cover the imbalance (applies only to those Shippers who also have storage agreements with Southern Star),

GENERAL TERMS AND CONDITIONS

9. SCHEDULING, CURTAILMENT AND IMBALANCES (Cont'd)

9.7 Resolution of Monthly Imbalances (Cont'd)

(iii) adjusting nominations for the remainder of the current month, or

(iv) cashing out imbalances in excess of the tolerance level, as defined in (c) below, at 100% of the index price applicable to Southern Star as published in the first issue of Platts' Gas Daily Price Guide for the month in which the imbalance occurred. If Platts' Gas Daily Price Guide does not publish an index price for Southern Star, then the index price shall be the average of the first of the month index prices as published in the first issue of Platts' Gas Daily Price Guide applicable to those pipelines categorized as Oklahoma region pipelines in Platts' Gas Daily.

(b) To assist Shippers in trading imbalances, Southern Star posts on its Informational Postings Web site the Posted Imbalance Quantity available to be traded for any Shipper or OBA Operator who has authorized Southern Star to post such information, and instructions for how to complete such trades, consistent with the applicable NAESB business standards.

(c) Net monthly imbalances which are not resolved by the end of the month following the month in which the imbalance occurred and which exceed the greater of (1) 1,000 Dth, or (2) plus or minus 5% of actual deliveries to the Shipper shall be cashed-out according to the schedule set forth in (i) and (ii) below. Spot price refers to the index price as defined in (a)(iv) above.

(i) Receipts in excess of deliveries shall be purchased by Southern Star from the Shipper at the following prices:

Percent by which receipts exceed deliveries	Purchase Price
Up to 5% or 1,000 Dth	N/A
≥5% but less than 10%	.7 x spot price
≥10% but less than 15%	.6 x spot price
≥15%	.5 x spot price

GENERAL TERMS AND CONDITIONS

9. SCHEDULING, CURTAILMENT AND IMBALANCES (Cont'd)

9.7 Resolution of Monthly Imbalances (Cont'd)

(ii) Deliveries in excess of receipts shall be sold by Southern Star to the Shipper at the following prices:

Percent by which deliveries exceed receipts	Sales Price
Up to 5% or 1,000 Dth	N/A
≥5% but less than 10%	1.3 x spot price
≥10% but less than 15%	1.4 x spot price
≥15%	1.5 x spot price

(d) During each twelve month period beginning on the effective date of this Section 9, Southern Star shall refund any net revenue (sales revenue less purchase cost) received from operation of paragraph (c) to all Shippers on a pro-rata basis based on quantity delivered under rate schedules applicable to this Section 9.7 to each Shipper during such twelve month period. This refund shall be net of costs Southern Star incurs for purchases made for operational purposes. If Southern Star incurs a net cost during such twelve month period, the amount will be deferred and offset against revenue received in the next twelve month period. Carrying costs shall be calculated on the net balance each month (either net revenue or net cost) utilizing the rate set forth in Section 154.501 of the Commission's regulations. Southern Star will file a report and, if necessary, a refund plan no later than December 1 of each year of net cash-out activity for the twelve months ended September 30 of that year. Southern Star will make refunds to Shippers with refund amounts greater than $100 within 60 days of filing the report. All refunds will be first applied to Shippers' past due balances. To reduce the administrative burden associated with checks for *de minimis* amounts, the total of remaining refund amounts of $100 or less will be distributed evenly between the Low Income Home Energy Assistance Programs (LIHEAPs) in Kansas and Missouri.

(e) In the event a monthly imbalance exceeding the tolerance set forth in Section 9.7(c) results directly from (1) compliance with an operational flow order issued by Southern Star pursuant to Section 10, (2) inaccurate information provided by Southern Star, or (3) a force majeure event, such Shipper shall be allowed an additional month to resolve such imbalances.

(f) No imbalance penalty will be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty.

GENERAL TERMS AND CONDITIONS

9. SCHEDULING, CURTAILMENT AND IMBALANCES (Cont'd)

9.7 Resolution of Monthly Imbalances (Cont'd)

(g) In the event actual or expected imbalances threaten the integrity of its system, Southern Star may take whatever actions it deems necessary to protect such system integrity, including, but not limited to, adjusting or rejecting Shipper nominations. Any actions taken by Southern Star pursuant to this paragraph shall not be unduly discriminatory.

(h) Imbalances will not be cashed-out more than once.

9.8 Imbalances with Inactive Shippers

Shippers with no scheduled receipts or deliveries on any of their transportation agreements for 90 consecutive days from the end of the month that quantities were last scheduled under any of their transportation agreements shall be deemed inactive shippers and be subject to this Section 9.8. Imbalances remaining and not resolved pursuant to Section 9.7 above will be purchased by Southern Star from the inactive Shipper at a price equal to 100% of the spot market price applicable to Southern Star as published in the first issue of Platts' Gas Daily Price Guide for the last month the inactive Shipper had scheduled quantities or sold by Southern Star to the inactive Shipper at 100% of such spot market price for the last month the inactive shipper had scheduled quantities. If Platts' Gas Daily Price Guide does not publish an index price for Southern Star, then the index price shall be based on the alternative method as described in Section 9.7(a)(iv) above. Southern Star shall include any cash-out activity resulting from this Section 9.8 in its cash-out report and/or refund plan filed pursuant to Section 9.7(d). Other than being subject to this Section 9.8, inactive shippers shall continue to have all rights and responsibilities that they would otherwise have pursuant to their service agreement(s) and this tariff.

GENERAL TERMS AND CONDITIONS

9. SCHEDULING, CURTAILMENT AND IMBALANCES (Cont'd)

9.9 Imbalances at Termination of Agreement

Imbalances existing when all agreements with a shipper have terminated shall be eliminated by the end of the first month following the termination of the last active agreement with a shipper. Shippers may eliminate their remaining imbalances by trade or requesting an immediate cash-out. Imbalances not eliminated within the one month period will be purchased by Southern Star from the Shipper at a price equal to 100% of the spot market price applicable to Southern Star as published in the first issue of Platts' Gas Daily Price Guide for the last month of the agreement or sold by Southern Star to the Shipper at 100% of such spot market price for the last month of the agreement. If Platts' Gas Daily Price Guide does not publish an index price for Southern Star, then the index price shall be based on the alternative method as described in Section 9.7(a)(iv) above. Southern Star shall include any cash-out activity resulting from this Section 9.9 in its cash-out report and/or refund plan filed pursuant to Section 9.7(d).

UNION ELECTRIC COMPANY
GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

1. Availability.
This service schedule is available: 1) to all non-residential customers on a per meter basis and 2) to the premises of "Eligible School Entities," which are the eligible school entities as defined in Section 393.310 RSMo, 3) to the premises of eligible school entities as defined in Section 393.310 RSMo which were on sales service during the immediately preceding twelve (12) months ("New Eligible School Entities"). Such service is applicable to individual customers that can individually secure and arrange for the delivery of sufficient supplies of natural gas to the Company's designated city gate and to the Eligible School Entities and New Eligible School Entities that can do so through aggregate contracts negotiated by and through a not-for-profit school association. The Company will not provide this service to any customer who uses such gas primarily to heat premises that provides temporary or permanent living quarters for individuals, unless the customer demonstrates to the Company that it has contracted for primary firm capacity with the upstream supplying intrastate and/or interstate pipelines to meet the customer's peak needs, or unless the customer demonstrates to the Company that the customer has adequate and usable alternative fuel facilities to meet the customer's energy needs.

The "transportation customer" shall be responsible for the purchase and transportation of its gas needs to the Company's city gate which serves such customer.

The Company shall not sell gas to any of its transportation customers except as specifically provided for in this service classification.

*2. Monthly Customer, EGM and Volumetric Meter Reading Rates. (4)

	Standard Transportation (1)	Large Volume Transportation (2)
Customer Charge:	$28.72	$1,451.53 per month
Electronic Gas Meter (EGM) Charges (3):		
Administrative Charge:	$43.45	$43.45 per month
Meter Equipment Charge:	Section G. Miscellaneous Charges Sheet No. 20.1, as applicable.	
Transportation Charge:		
First 7,000 Ccf	30.89¢ per Ccf	30.89¢ per Ccf
All Over 7,000 Ccf	17.28¢ per Ccf	14.84¢ per Ccf
Aggregation and Balancing Charge:		
Eligible School Entities and New Eligible School Entities Only	0.44¢ per Ccf	0.44¢ per Ccf

* Indicates Change.

FILED
Missouri Public
Service Commission
GR-2010-0363; YG-2011-0374

Issued Pursuant to the Order of the Mo.P.S.C. in Case No. GR-2010-0363.

DATE OF ISSUE January 21, 2011 DATE EFFECTIVE February 20, 2011

ISSUED BY Warner L. Baxter, President & CEO, St. Louis, Missouri
Name of Officer Title Address

UNION ELECTRIC COMPANY
GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

(1) A customer, at the date of its contract, whose annual transportation requirements are expected to be 600,000 Ccf or less.

(2) A customer, at the date of its contract, whose annual transportation requirements are expected to be greater than 600,000 Ccf.

* (3) Not applicable, to the individual meters of Eligible School Entities, and New Eligible School Entities as defined in paragraph 1. above, using less than one hundred thousand Ccfs annually.

* (4) In addition to the charges contained herein all Eligible School Entities and New Eligible School Entities shall pay all costs necessary to ensure that the Company, its other customers and local taxing authorities will not have or incur any negative financial impact as a result of the natural gas aggregation program established by Section 393.310, RSMo.

Authorized Gas Use Charge:

All Ccf of Company-owned gas consumed by customer with authorization from Company during periods of non-interruption of any sales service will be billed at the applicable service area's firm sales service Purchased Gas Adjustment (PGA) factor plus 40%. The payment of the Authorized Gas Use Charge will be in addition to the above Customer, EGM and Transportation Charges. Company will not actively market the sale of Company-owned gas to transportation customers and will sell such gas only in response to the transportation customer's request. Authorized Use gas shall not be available to a transportation customer for more than twenty (20) days out of any calendar month.

Unauthorized Gas Use Charge:

* All Ccf of Company-owned gas consumed by customer without authorization from Company, will be billed at the "Unauthorized Gas Use Charge". This charge shall be applicable to customers that are impacted by Critical Day and/or curtailment provisions. Company will provide Customer no less than two (2) hours advance notification before assessing Unauthorized Gas Use Charges. The payment of the Unauthorized Gas Use Charge will be in addition to all other charges specified in this rate. Regardless of the assessment of the Unauthorized Gas Use Charge, the Company retains the right to terminate such unauthorized use by disconnecting the customer's service if necessary to protect the reliability of service to other customers. Unauthorized Gas Use Charges shall be billed as follows:

* Indicates Change.

UNION ELECTRIC COMPANY
GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

Unauthorized Gas Use Charge:

1) $6.00 (six dollars) for each Ccf of unauthorized use, plus
2) 150% (one hundred fifty percent) of the highest cost of gas purchased by the Company during the Unauthorized Gas Use Charge Period, plus
3) all intrastate and/or interstate pipeline penalties and other charges incurred by the Company which are attributable to a customer's unauthorized use.

All intrastate and interstate pipeline penalties and other charges shall be attributed and assigned to the unauthorized gas used by the specific transportation customer.

All Unauthorized Gas Use Charge revenues billed to customers will be considered as gas cost recovery and will be used in the development of the Actual Cost Adjustment (ACA) factor of the Company's Purchased Gas Adjustment (PGA) Clause.

3. Minimum Monthly Charge. The Customer Charge, EGM Administrative Charge and, as applicable, the EGM Meter Equipment Charge.

4. Purchased Gas Adjustment.
All customers receiving transportation service will be subject to the provisions of the Company's PGA clause, Rider A. The ACA component of the Company's PGA clause shall be applicable to New Eligible School Entities for the first twelve (12) months of their participation in the gas aggregation program.

* 5. Payments.
Bills will be rendered at monthly intervals and are due and payable within ten (10) days from their date of mailing and become delinquent after twenty-one (21) days from their date of mailing. Pursuant to Section VIII.F. of Company's Rules and Regulations, any portion of any bill, other than deposit arrears, remaining unpaid after the delinquent date will have a late payment charge added thereto.

6. Term of Contract.
Service hereunder shall be for a minimum period of one (1) year.

*Indicates Change.

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Missouri Public
Service Commission
GR-2010-0363; YG-2011-0374

Issued Pursuant to the Order of the Mo.P.S.C. in Case No. GR-2010-0363.

DATE OF ISSUE January 21, 2011 DATE EFFECTIVE February 20, 2011

ISSUED BY Warner L. Baxter (Name of Officer) President & CEO (Title) St. Louis, Missouri (Address)

UNION ELECTRIC COMPANY
GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

* 7. Tax Adjustment.
Any license, franchise, gross receipts, occupation or similar charge or tax levied by any taxing authority on the amounts billed hereunder will be so designated and added as a separate item to bills rendered to the customers under the jurisdiction of the taxing authority. For New Eligible School Entities participating in aggregate purchasing contracts, all applicable taxes shall be computed based on billed revenues determined under paragraph 2. above. Additional applicable taxes shall also be levied and computed based upon the total actual gas supply and capacity release costs incurred on behalf of each of the accounts within the group of individual New Eligible School Entities. Such additional taxes applicable to the latter accounts will be paid each month directly to the appropriate taxing authority by each school or by the school's agent.

8. Terms and Conditions.

A. Transportation service under this schedule will be made available to customers upon request when the Company has sufficient distribution capacity to supply such service. If the Company determines that it does not have sufficient distribution capacity to provide the requested service it will, within 30 days of receiving a request for transportation service, provide to the customer requesting said service a written explanation of its capacity determination including a preliminary indication of changes to facilities necessary to effectuate such service, approximate cost to customer and time required to provide the requested service.

B. Service under this schedule shall require execution of a Gas Transportation Service Contract ("Contract") between the Company and the customer requesting transportation service in a form similar to that contained in Section 11 below.

* C. Service will be provided only after requisite contracts and authority have been obtained by the customer to transport gas to the Company's facilities. Eligible School Entities or New Eligible School Entities participating in the school natural gas aggregation program must make a written request for pipeline capacity release to the Company on or before close of business May 31, to be effective July 1, of each year, except where said entities have switched from Standard Transportation Service. The Company will release its firm interstate pipeline transportation capacity, at its actual capacity cost, from the applicable interstate pipeline directly to the school or to the agent acting on behalf of the school for this program. Such release will be for a minimum term of one year and will be performed in accordance with the capacity release procedures and policies contained in the applicable interstate pipeline's Federal Energy Regulatory Commission approved tariff. Such release will be provided on a recallable basis, but the Company will not recall such capacity unless requested by the school or by the school's agent.

* Indicates Change.

UNION ELECTRIC COMPANY
GAS SERVICE

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Missouri Public
Service Commission

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

D. All volumes of gas transported hereunder shall be of compatible pipeline quality

E. Gas delivered under this schedule shall not be resold by the customer.

F. Except as otherwise provided herein, gas transported for all current and future customers hereunder shall be metered by an electronic recording device with remote monitoring features for the recording of the customer's daily gas usage and real time flow data. The Company will install and the customer will pay for said meter at the monthly charge indicated in Section G. Miscellaneous Charges, Sheet No. 20.1. In addition, the customer shall arrange and pay for the installation and monthly costs of a commercial telephone line and 120 volt AC electrical power source, at a location designated by the Company, to facilitate the remote interrogation of the electronic recording meter by the Company.

G. In addition to collection of the rates and charges provided for in Section 2. above, the Company shall retain two percent (2%) of the quantities of natural gas received from the customer for reimbursement in kind from the customer for shrinkage or line losses.

* H. Nominations

The following provisions shall be utilized by customers for nomination of customer owned gas:

(a) Customer's deliveries for any day shall not exceed one hundred fifty percent (150%) of customer's peak daily usage in the past 12 months.

(b) Customer may appoint a nominating agent, but customer retains responsibility for nominations as described herein.

(c) Nomination Deadlines

1. Month Ahead: The customer or their designee shall enter each month's nomination in the Company's gas transportation system by no later than 11:30 a.m. CCT on the first business day prior to the first day of the calendar month for which gas is being nominated.

2. Day Ahead: The customer or their designee shall enter changes to nominations in the Company's gas transportation system by no later than 11:30 a.m. on the business day prior to the effective date of any subsequent change in the nomination. Such change in nomination shall be subject to approval by the Company.

*Indicates Change.

UNION ELECTRIC COMPANY
GAS SERVICE

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Missouri Public
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Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

* 3. Intra-Day: Customer desiring a change of nomination for transportation of customer-owned gas after the day-ahead deadline specified in 2) above shall notify Company by 4:00 p.m. CCT of the day, subject to confirmation by the pipeline. Company may accept such change to nomination if the Company determines in its sole discretion that such change to nomination will not adversely impact the operation of Company's gas system or adversely impact Company's purchase and receipt of gas for other service classifications. Intra-day nominations shall conform to Company's current gas transportation nomination form and must include customer's name, account number, MMBtu per day, nomination effective date, pipeline, pipeline contract number, shipper and contact information.

* I. Daily Balancing and Cash-out of Customer-Owned Gas - Daily transportation gas receipts and deliveries shall be maintained in balance by the customer to the maximum extent practicable. Any daily imbalance which does occur, not related to a Critical Day, shall be subject to the terms and conditions of this Section. Should one of the interstate/intrastate pipelines serving the Company, elect to allow balancing on their system for any of the Company's transportation customers, the customer's actual metered volumes grossed up for system losses will be allocated by the Company directly to the applicable interstate/intrastate pipeline company.

*Indicates Change.

UNION ELECTRIC COMPANY
GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE *

Group Balancing of Customer-Owned Gas - On or after October 1, 2004, Group Balancing will be available to an entity ("Group Manager"), under contract with the Company, who represents one or more Natural Gas Transportation Service customer accounts ("Customer Group") on Company's Natural Gas Transportation Service tariffs. Group Balancing is a service provided by the Company that allows a Group Manager to deliver gas to the Company, on an aggregated basis, for two or more accounts that comprise the membership in a Customer Group. The Customer Groups' metered locations must all be served by the same interstate pipeline.

Customer shall provide written notification, no later than ten (10) business days prior to the beginning of the month in which service is to begin, to the Company, of its intent that its account be managed by a Group Manager. Customer must also provide written notification, no later than ten (10) business days prior to the end of the month in which service is intended to be terminated, of its intent to terminate participation in a Customer Group. Not withstanding the foregoing notifications, a Customer's account must stay in a Customer Group for a minimum of one (1) billing cycle.

The Group Manager shall enter into a contract with Company for service hereunder on a form, prescribed by Company, which shall include without limitation, terms and provisions addressing contract term, customer account information, nomination and curtailment procedures, billing and payment, security/creditworthiness assurances, assignment limitations, and notices.

The Customer Group will be considered as one customer for purposes of calculating the daily balancing and cash-out provisions of this Section I. The Group Manager will be billed and is responsible for any such imbalance, Unauthorized Use Charges, and all intrastate and/or interstate pipeline penalties and other charges incurred by the Company which are attributable to a Customer Group's unauthorized use. All other transportation service tariff charges will be billed to the individual customer accounts, including but not limited to Customer Charges, Transportation Charges, Administrative Charges, and where applicable, Meter Equipment Charges and Transportation Charge Adder.

*Indicates Reissue.

UNION ELECTRIC COMPANY
GAS SERVICE

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Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

* Eligible School Entities or New Eligible School Entities, using less than one hundred thousand Ccfs annually, positive and negative imbalances will be netted and cashed-out on a monthly basis in accordance with the appropriate pricing provision under this Section I with the monthly PGA and the monthly average of the daily midpoint prices being used as the base for the determination of the cash-out imbalances.

* A negative imbalance is created when the customer's gas nominated to the Company as adjusted by the loss factor is less than the quantities of gas used by the customer. A negative imbalance during periods of a Company Critical Day Notification will be considered unauthorized use and billed at the Unauthorized Gas Use Charge set forth in Section 2. herein.

A negative imbalance during other times will be considered balancing use and will be billed at the following tiers and referred to as the "Balancing Gas Use Charge":

* Daily negative imbalances of 5% or less of nominations as adjusted by the loss factor will be billed at the greater of the applicable service area's firm sales service PGA factor or at the daily midpoint indexed commodity price as quoted in the publication "Platt's Gas Daily" for that date plus a transportation charge of $0.150 per Ccf. Daily negative imbalances greater than 5% of nominations as adjusted by the loss factor will be billed at the greater of the applicable service area's firm sales service PGA factor plus 10% or at the daily midpoint indexed commodity price as quoted in the publication "Platt's Gas Daily" for that date plus a transportation charge of $0.150 per Ccf.

* A positive imbalance is created when the customer's gas nominated to the Company as adjusted by the loss factor exceeds the quantities of gas used by the customer. The Company will purchase positive imbalances at the following tiers:

* Daily positive imbalances of 5% or less of nominations as adjusted by the loss factor will be purchased at the daily midpoint index commodity price as quoted in the publication "Platt's Gas Daily" for that date. Daily positive imbalances greater than 5% of nominations as adjusted by the loss factor will be purchased at ninety percent (90%) of the daily midpoint indexed commodity price as quoted in the publication "Platt's Gas Daily" for that date.

*Indicates Change.

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ISSUED BY T. R. Voss, President & CEO, St. Louis, Missouri
Name of Officer / Title / Address

GR-2007-0003

UNION ELECTRIC COMPANY
GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

* The index to be used will be specific for each transportation customer account as follows:
"Panhandle Eastern Pipe Line Co. - Panhandle, Tx.-Okla."
"Texas Eastern Transmission Corp. - Texas Eastern, ELA"
"Natural Gas Pipeline Co. of America - NGPL, Texok Zone"

In the absence of such published "Platt's Gas Daily" index, the Company will determine, subject to Commission's review in Company's Actual Cost Adjustment (ACA) filing, a suitable replacement source for such daily market price information.

The daily negative and positive imbalance billings so calculated will be applied to the customer's monthly bill. Net payments to customer will be included in the Company's PGA Clause ACA computation as purchased gas costs and net payments to Company will be included as revenue recovery.

J. Except as specifically provided for herein, all of the Company's Rules and Regulations for natural gas service which are not in conflict herewith shall apply to service rendered hereunder.

K. A contract existing between the Company and a customer on February 18, 1998 may continue in effect as an executed transportation contract, to the extent its provisions are not superseded by or in conflict with the provisions of this tariff, until such contract expires by its terms or is replaced by an executed transportation contract. Such existing contracts will be assigned to the Standard Transportation Rate if deliveries to the customer during the preceding calendar year totalled 600,000 Ccf or less and to the Large Volume Transportation Rate if deliveries during such period totalled in excess of 600,000 Ccf. For customers who do not have gas usage history for the preceding calendar year, such existing contracts will be assigned the applicable transportation rate based on estimated or projected deliveries.

*Indicates Change.

UNION ELECTRIC COMPANY
GAS SERVICE

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NATURAL GAS TRANSPORTATION SERVICE

* L. The Company shall have the right to interrupt, curtail or discontinue transportation service, in whole or in part at any time for reasons of force majeure or when in the Company's sole judgment, capacity or operating conditions so require, or it is desirable or necessary to make modifications, repairs or operating changes to its system. The Company shall provide customer such notice of the interruption, curtailment or discontinuance of service as is reasonable under the circumstances. The Company shall not discriminate between transportation and sales customers for purposes of determining the order and priority of interruption. The Company shall not be liable for and the customer shall indemnify the Company against and hold the Company harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any interruption, curtailment or discontinuance of transportation service invoked by the Company.

**M. All transportation service is firm in nature. If the Company's local distribution system capacity is inadequate to meet all of its demands for service, the services supplied under this schedule will be curtailed in accordance with the Curtailment of Service Schedule contained in the Company's Rules and Regulations.

*9. Rules and Regulations. Service will be rendered in accordance with the Company's Rules and Regulations for Gas Service on file with the Missouri Public Service Commission.

*Indicates Reissue.
**Indicates Change.

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ISSUED BY T. R. Voss President & CEO St. Louis, Missouri
Name of Officer Title Address

GR-2007-0003

UNION ELECTRIC COMPANY
GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

*10. Critical Day.

A. Critical Day Declaration:

A Critical Day may be declared by the Company for a specific area or the Company's entire gas system whenever, in the Company's sole judgement, one of the following conditions occurs or is anticipated to occur.

1. Company experiences failure of transmission, distribution, or gas storage facilities
2. Transmission or distribution system pressures or other unusual conditions that may jeopardize the operation of Company's gas system
3. Company's transportation, storage, or supply resources are being used at or near their maximum rated, tariff, or contractual limits
4. Any of Company's transporters or suppliers declares the functional equivalent of a Critical Day or force majeure conditions

B. Unauthorized Use Related to Critical Days:

Unauthorized Use Related to Critical Days shall mean the unauthorized use of Company-supplied gas on a Critical Day. If such unauthorized use of gas occurs, the Company shall charge the customer, and the customer shall pay a penalty for all unauthorized use as indicated below.

If the Company declares a Critical Day for its gas system or for a specific area of its gas system and Customer or Customer Group has an imbalance on such Critical Day in the same direction as an imbalance for Company's gas system or area thereof that results in the Company incurring penalties or fees for the day from one or more pipelines, customer or Customer Group may be billed Unauthorized Gas Use charges set forth in Section 2 herein.

*Indicates Change.

UNION ELECTRIC COMPANY
GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

* C. Critical Day Notification:

The Company shall give notice to all Natural Gas Transportation Service customers impacted by the Critical Day of all Critical Day periods. Where feasible, notice shall be provided to the customer once Company receives such notice from the pipeline. The notice shall specify the expected duration of the Critical Day period. The means by which notification is given, whether by phone, fax, electronic mail, or some other means, shall be at the Company's option. Each holder of a Contract shall provide notification information, which may include but is not limited to a telephone number, fax number, or e-mail address, by which to receive notice on a 24-hour basis. The customer shall be deemed to have received notice upon issuance of the notice to the customer by the Company. The customer shall be deemed to have received notice if the telephone is not answered when called by the Company, or in the event of a mechanical breakdown or interruption of telephone service which prevents the call from being received.

*Indicates Addition.

EXPERIMENTAL SCHOOL TRANSPORTATION PROGRAM
STP

This program is established pursuant to section 393.310 RSMo.

AVAILABLE

Available to any seven-director, urban or metropolitan school district as defined pursuant to section 160.011, RSMo. Also available to any school for elementary or secondary education whether a charter, private or parochial school or school district. Such eligible school entities ("ESEs") purchasing gas on an aggregated basis through a not-for-profit school association("Association") may enroll in this transportation program as provided hereinafter.

NET MONTHLY BILL

The bill for each billing period shall be the sum of the Customer Charge, the Delivery Charge, the Aggregation Fee, the Balancing Fee (if applicable), and the EGM Charge (if applicable). Service hereunder is subject to the Tax Adjustment (TA) schedule and other provisions as hereinafter described.

Customer Charge and Delivery Charge

The Customer Charge and the Delivery Charge shall be those applicable based upon the class of service under which the ESE took service immediately prior to enrolling in the STP; provided that changes in usage volumes while enrolled in the STP shall result in a change in class of service (and rates) as provided in the applicable rate schedules of this tariff.

In the event that a billing cycle has usage in more than one calendar month, the Delivery Charge will be prorated.

EXPERIMENTAL SCHOOL TRANSPORTATION PROGRAM
STP

Aggregation Fee

An ESE enrolled in the STP shall be assessed an Aggregation Fee of $0.003 per Ccf for all gas delivered. This fee is subject to adjustment on an annual basis.

Balancing Fee

An ESE enrolled in the STP shall be assessed a Balancing Fee of $0.002 per Ccf for all gas delivered through any meter on which EGM equipment is not installed. This fee is intended to recover costs for such customers associated with any difference between actual daily deliveries and actual daily consumption. This fee shall be credited to the Purchased Gas Adjustment Clause and is subject to adjustment on an annual basis.

Incremental Cost

So as to ensure that this aggregation program will not have any negative impact on the Company or its other customers, and that the charges for the service produce revenues sufficient to recover all incremental costs of the service, charges for this service shall be adjusted, as necessary, to fully recover the incremental cost of providing the service, to the extent such costs are not otherwise recovered through other provisions of this tariff. Any under collection shall be recovered over a period of twelve months.

EGM

An ESE enrolled in the STP shall be required to have EGM equipment installed for individual meters reasonably expected to register more than 100,000 Ccf of usage per year. The terms and conditions governing the installation of such EGM equipment are found in Sheet Nos. 17, 17.1, and 17.2.

EXPERIMENTAL SCHOOL TRANSPORTATION PROGRAM
STP

Adjustments and Surcharges

Service hereunder is further subject to the following terms and conditions as approved by the Missouri Public Service Commission:

1. Tax Adjustment (TA)
2. General Terms and Conditions (GTC)
3. Transportation Provisions (excluding cashout provisions) (TRPR)
4. Electronic Gas Measurement Equipment (EGM)
5. Small General Service (SGS)
6. Large General Service (LGS)

OTHER TERMS AND CONDITIONS

Service hereunder is also subject to the following terms and conditions as approved by the Commission:

1. Gross Receipts Taxes--To enroll in the STP, an ESE must agree to pay local gross receipts taxes, or local franchise taxes, or other similar local fees or taxes, on the basis of actual gas supply costs in a manner similar to the way such taxes would be paid if service were not taken under the STP but as traditional sales service under rate schedules SGS, LGS or LVS. It shall be the responsibility of the school aggregator or administrator to make the tax payments directly to the appropriate taxing authority.

2. Contract--To enroll in the STP, an ESE shall execute and provide to the Company the contract contained in Sheet Nos. 25 through 25.3

3. Billing through Designated Agent--Billing of charges will occur through the association, or its designated agent. The company will render bills to the Association, or its designated agent, which shall in turn render bills to the participating individual ESEs.

4. Capacity Release--Provisions for dealing with the Company's pipeline capacity costs shall be the same as those for large industrial or commercial basic transportation customers served under rate schedule LGS. Schools billed under the SGS rate schedule will be treated the same as transportation customers served under the LGS rate schedule.

EXPERIMENTAL SCHOOL TRANSPORTATION PROGRAM
STP

OTHER TERMS AND CONDITIONS (continued)

5. Delivery Points--So long as volumes delivered under the STP do not, and are not reasonably expected to, exceed 30,000,000 Ccf in a twelve (12) month period, volumes of natural gas to be transported on the Company's distribution system under this schedule STP shall be delivered into the Company's Kansas City market area and the Company will deliver such thermally equivalent volumes of gas less any retainages to the outlet side of the Company's meters at customer's premises. The gas retained by the Company shall be two percent of the volume delivered to the Company for transportation to the customer as compensation for Company's lost and unaccounted for and Company use gas. Gas transported hereunder will be delivered to the Company in the state in which it will ultimately be consumed.

6. Nominations— An Association may aggregate the usage of ESEs enrolled in the STP for purposes of nominations, balancing, assessment of unauthorized use charges and billing. ESEs enrolled in the STP with EGM shall not be pooled with ESEs enrolled in the STP without EGM

Associations shall make reasonable good faith efforts to avoid imbalances. If the ESEs are not pooled on the same billing cycle, the Association will prepare its monthly nomination by taking into account weather and an estimated imbalance. During the months of November through March, after the Association receives the Company's invoice with new actual usage information, the Association will, within a reasonable time, revise its nomination for the remainder of the month as necessary to reflect such information and any adjustments based on weather. At the Company's request, the Association will provide the Company (i) monthly nominations and supporting data prior to the start of each month, and (ii) revised nominations and supporting data during the months November through March.

The Company may recommend an adjustment to a nomination at any time, and the Association shall make such adjustment within two business days after receipt. If the Association fails or refuses to timely adjust a nomination, the Association agrees that Company may adjust the nomination with the transporting pipeline. If an Association fails or refuses to adjust a nomination three or more times within a 12 month period, Company shall be entitled, upon not less than 10 days' notice, to suspend or terminate that Association's aggregation program and convert the ESEs to regular sales service for a period of up to one (1) year.

Company expects that the transporting pipeline will notify Company confirming the Associations pool's daily nomination of MMBTUs to be transported and any changes to that nomination.

For purposes of coordinating nominations, confirmations, scheduling, and delivery of volumes with the transporting pipeline (s), Company may at its sole discretion, communicate customers' daily usage information and/or grant electronic access to such information as requested by transporting pipelines.

EXPERIMENTAL SCHOOL TRANSPORTATION PROGRAM
STP

OTHER TERMS AND CONDITIONS (continued)

6. Nominations (continued)

The Association shall, at all times, cause gas to be delivered to a "city gate" (an interconnection point between the delivering upstream pipeline system and the Company's local distribution system over which the gas is being delivered to the customer's facilities where it is to be ultimately consumed) which is acceptable to the Company.

The Company will not accept gas where the Association causes gas to be delivered at a city gate location which could jeopardize, at any time, delivery of gas purchased by the Company for resale to its firm customers.

The Company shall retain all records associated with its decision to deny a pool transportation service and/or to deny service at any specific city gate interconnection point. The Company will provide an explanation of its decision and supporting documentation to the Association, or its designated agent, upon request. The Company will also provide pertinent records to the staff of the Missouri Public Service Commission and the Office of Public Counsel upon request, subject to claims of privilege.

7. Refunds--Except for the Balancing Fee as provided hereinabove, it is the Company's general intention that reconciling factors within the Purchased Gas Adjustment clause not apply to volumes transported under the STP; provided, however, that the Commission shall retain authority to order otherwise upon good cause shown.

8. General Transportation Provisions -- The following Transportation Provisions (TRPR) also apply to service under this schedule STP:

(a). Responsibility for Transported Gas (Sheet No. 16)
(b). Daily Quantity (Sheet No. 16.2);
(c). Quality, Heat Content and Delivery Pressure for Transportation (Sheet Nos. 16.2, 16.3 and 16.4);
(d). Priority of Service (Sheet Nos. 16.7, 16.8, 16.9, 16.10 and 16.11);
(e). Unauthorized Deliveries and Penalties (Sheet Nos. 16.12, 16.13 and 16.14)

TRANSPORTATION PROVISIONS
TRPR

A. REQUIREMENTS FOR TRANSPORTATION SERVICE: The provisions of this schedule apply to the transportation service provided to customers qualified to receive such service, in accordance with the Company's applicable rate schedules.

1 Company's Responsibility: Company shall deliver to a customer volumes of gas which are thermally equivalent to the volumes of gas received for the customer at a receipt point, less any amount retained by Company according to Section A-6 Retainage.

2 Customer's Responsibility: A customer, by taking service under a transportation service rate schedule, warrants and agrees that:

(a) Gas delivered to the Company for transport shall be free from all adverse claims, liens and encumbrances and shall indemnify and save the Company harmless from and against all suits, actions, causes of action, claims and demands, including attorneys' fees and costs, arising from or out of any adverse claims by third parties claiming ownership of or an interest in said gas, caused by the failure to provide clear title to the gas,

(b) Company shall not be responsible in any way for damages or claims relating to the customer's gas or the facilities of the customer or others containing such gas prior to receipt into Company's facilities or after delivery to the customer, and

(c) The customer's gas shall at all times remain vested in the customer.

3 Customer's Agent: Agents shall be allowed to deliver gas to Company's system for a transportation service customer.

(a) Agent's Responsibilities: An agent arranging for delivery of gas for a transportation service customer must receive Company authorization prior to delivering gas to Company's system. Agents may obtain Company authorization to aggregate balancing as described in Section A-4 Aggregation by entering into a signed agreement with Company, which shall acknowledge the agent's responsibilities under Section A-9 Cash Out and Section B-5 Penalties for Unauthorized Usage.

TRANSPORTATION PROVISIONS
TRPR

A. REQUIREMENTS FOR TRANSPORTATION SERVICE: (continued)

3 Customer's Agent: (continued)

(b) Affidavit: A customer to be represented by an agent must provide Company with an affidavit identifying its agent. This authorization shall be in a form agreeable to Company and shall remain in effect until a signed replacement is received by Company.

(c) Billing: Company may accept payment from the customer's agent; however, the customer shall continue to be responsible for all charges on the account. In the event of any billing dispute, Company shall notify the customer directly and shall not be required to notify the customer's agent.

4 Aggregation: Customers' agents shall be allowed to aggregate their customers' usages for purposes of nominating and balancing transportation deliveries on the same pipeline.

(a) Aggregation Groups (Pools): An agent shall establish its customers within each aggregation area into a pool or pools. Customers may not belong to more than one pool. Customers not assigned to a pool shall be individually balanced.

(b) Changes to Pools: Company must receive changes to pools, in writing, no later than four (4) business days prior to the end of each month. Changes shall become effective on the first day of the following month except that pools shall be as designated prior to the first effective day of an OFO or POC. In the event an OFO or POC overlaps the end of one month and the beginning of another, no changes to pools will become effective until the first day of the month following.

(c) Monthly Imbalances: The agent selecting pooling or individual customers not belonging to a pool shall be responsible for clearing the monthly imbalance according to Section A-9, Cash Out.

5 Nominations: A transportation service customer or the customer's agent shall be responsible for nominating volumes of gas to be received by Company for delivery to the delivery point in order to meet customer's or pool's daily requirement for flowing gas plus retainage.

TRANSPORTATION PROVISIONS
TRPR

A. REQUIREMENTS FOR TRANSPORTATION SERVICE: (continued)

6 Retainage: The gas retained by the Company shall be two percent of the volume delivered to the Company for transportation to the customer as compensation for Company's lost and unaccounted for and Company use gas; provided however, that upon agreement of the Company and customer in situations where actual lost and unaccounted for gas attributable to facilities serving the customer may be measured accurately, such actual measurement may be used in lieu of the two percent retainage otherwise provided in this subsection.

7 Daily Quantity of Transportation Service Gas: The customer will, as nearly as practicable, have delivered to the Company, and shall take redelivery from Company at the same uniform rate. Variations in such deliveries or redeliveries which cause the Company operating problems of any kind shall give the Company the right to discontinue receipts of such gas until such variations are corrected.

8 Quality and Pressure of Transportation Service Gas: The gas delivered by a producer, supplier or pipeline to the Company for transportation to the customer or the customer's agent shall conform to the standards prescribed in the Company's applicable rate schedules and General Terms and Conditions and shall at all times be merchantable gas of a quality otherwise required for the system of the Company to which the gas is being delivered. Such gas shall be free from any foreign materials such as dirt, dust, gums, iron particles, water, entrained liquids, and other impurities which might render it unmerchantable or interfere with the proper operation of pipelines, meters, regulators or other facilities through which it flows or is. Company may refuse to receive gas not meeting the quality requirements of Section A-8-a Specifications. Acceptance by the Company of any gas not meeting the applicable quality requirements shall not obligate the Company to continue such receipts, nor shall it remove the customer's obligation to deliver gas meeting those specifications:

(a) Specifications: Unless stated otherwise in specific agreements, gas shall conform to the following specifications:

(i). It shall not contain more than one (1) grain of hydrogen sulfide per 100 cubic feet, nor more than twenty (20) grains of total sulphur per 100 cubic feet,
(ii). Its temperature shall not exceed 70° Fahrenheit.

TRANSPORTATION PROVISIONS
TRPR

A. REQUIREMENTS FOR TRANSPORTATION SERVICE: (continued)

8 Quality and Pressure of Transportation Service Gas: (continued)

(a) Specifications (continued)

(iii). It shall not contain more than seven (7) pounds of water vapor per 10,000 Ccf,
(iv). It shall not contain more than 2% carbon dioxide by volume, nor more than 1% oxygen by volume,
(v). Its Btu content shall be no less than that normally provided or currently flowing from interconnected pipelines, nor less than as provided for in an existing contract for Company's gas from that source.

(b) Determination of Quality: If the customer or customer's agent contracts for the purchase of gas from a producer or pipeline who is not currently delivering gas to the Company and such gas is to be delivered directly into Company facilities, the customer will bear all expense connected with the determination of the quality of gas being delivered and any required interconnections. However, the Company's obligation to transport such gas is also contingent upon the execution of an agreement between the Company and such producer or pipeline which the Company shall not unreasonably withhold setting forth the terms of interconnection, quality standards, and the respective rights of the Company and such producer or pipeline in connection with deliveries of such gas.

(c) Heat Content: The heat content of the gas delivered to the customer by the Company shall be the heat content available in its system at the particular point of delivery at the time of delivery. It is recognized that the heat content at the various delivery points will vary from point to point and from time to time and nothing herein contained shall be construed as obligating the Company to alter the usual operation of its facilities to achieve deliveries of a prescribed heating value at any point or points.

TRANSPORTATION PROVISIONS
TRPR

A. REQUIREMENTS FOR TRANSPORTATION SERVICE: (continued)

8 Quality and Pressure of Transportation Service Gas: (continued)

(d) Measuring Heat Content of Gas Received: The heat content of the gas tendered shall be the heat content stated in BTU per cubic foot of all gas received from transporting pipeline(s) into the distribution system.

(e) Measuring Heat Content of Gas Delivered: On Company's distribution systems served by a single transporting pipeline, the heat content of natural gas stated in BTU per cubic foot shall be the heat content of the gas delivered by the transporting pipeline. For customers transporting all gas requirements on a single transporting pipeline into a distribution system served by multiple pipelines, the BTU contents of customers' gas will be the same as the BTU contents of the transporting pipeline. For customers transporting gas on more than one pipeline, into distribution systems served by multiple pipelines, the heat content of gas delivered to customers shall be calculated utilizing the BTU per cubic foot for each transporting pipeline multiplied by a pro rate share of the delivered transportation gas.

(f) Additional Equipment for Measuring Heat Rate: If additional BTU measurement is required by the Company or the customer, the Company shall determine the type and location of such measurement equipment and cause the same to be installed at the customer's sole expense. For customers requesting the installation of BTU measurement equipment hereunder, thermal balancing shall be performed on the basis of such measurement for a minimum period of twelve consecutive months following such installation. In all cases where BTU measurement devices requiring periodic or continuous sampling of the gas are to be installed, the customer shall pay the Company a monthly charge reasonably calculated to reimburse the Company for its operating expenses related to such sampling as well as other expenses incurred to measure and account for the heat content of the.

(g) Delivery Pressure of Transportation Service Gas: Delivery pressures to customers shall be mutually agreed upon from time to time and shall take into account system capacity, customer requirements, and other pertinent factors.

TRANSPORTATION PROVISIONS
TRPR

A. REQUIREMENTS FOR TRANSPORTATION SERVICE: (continued)

9 Cash Out: Monthly volumes of gas delivered to a transportation service customer should, to the extent practicable, match Company's receipts for the customer less any amount retained by Company according to Section A-6, Retainage. Agents may balance the aggregated volumes of gas for each pool of customers they represent, according to the terms of Section A-4, Aggregation.

(a) Monthly Cash Out: Differences between deliveries and retainage-adjusted receipts shall be reconciled on a monthly basis between Company and a customer or the customer's agent.

(i) If Company's retainage-adjusted receipts (nomination) for the customer are less than deliveries (usage) to the customer, the customer or the customer's agent shall pay:

- 1.0 times the index price for each MMbtu of imbalance up to and including 5% of nominations, plus
- 1.2 times the index price for each MMbtu of imbalance which is greater than 5%, up to and including 10% of nominations, plus
- 1.4 times the index price for each MMbtu of imbalance which is greater than 10% of nominations, plus
- For each MMbtu of imbalance Southern Star Central's maximum tariff transportation rate, plus the incremental/variable storage withdrawal cost rate.

(ii) If Company's retainage-adjusted receipts (nomination) for the customer exceed deliveries (usage) to the customer, the customer or the customer's agent shall receive:

- 1.0 times the index price for each MMbtu of imbalance up to and including 5% of nominations, plus
- 0.8 times the index price for each MMbtu of imbalance which is greater than 5% of nominations, up to and including 10%, plus
- 0.6 times the index price for each MMbtu of imbalance which is greater than 10% of nominations, plus
- For each MMbtu of imbalance Southern Star Central's maximum tariff transportation rate, minus the incremental/variable storage injection rate.

TRANSPORTATION PROVISIONS
TRPR

A. REQUIREMENTS FOR TRANSPORTATION SERVICE: (continued)

9 Cash Out: (continued)

(b) Index Price: The index price shall be determined as the arithmetic average of the first-of-the-month index prices published in Inside F.E.R.C.'s Gas Market Report for the month immediately following the month in which the imbalance occurred, for

Southern Star Central Gas Pipeline, Inc. (Texas, Kansas, Oklahoma) (If Inside FERC's Gas Market Report does not publish an index price for Southern Star, then the alternate index price approved by FERC for use by Southern Star Central will be substituted.)
And
Panhandle Eastern Pipe Line Company (Texas and Oklahoma)

10 Limitations: If the Company's system capacity is inadequate to meet all of its other demands for sales and transportation service, the services supplied under this schedule may be curtailed in accordance with the Priority of Service rules in the Company's General Terms and Conditions, R-16 and R-17. If a supply deficiency occurs in the volume of gas available to the Company for resale, and the customer's supply delivered to the Company for transportation continues to be available, then the customer may continue to receive full transportation service even though sales gas of the same or higher priority is being curtailed. The determination of system capacity limitations shall be in the sole discretion of the Company reasonably exercised. If capacity limitations restrict the volume of gas which the customer desires to be transported, the customer may request the Company to make reasonable enlargements in its existing facilities, which requests the Company shall not unreasonably refuse, provided that the actual cost (including indirect costs) of such system enlargements are borne by the customer. Title to such expanded facilities shall be and remain in the Company free and clear of any lien or equity by the customer. Nothing herein contained shall be construed as obligating the Company to construct any extensions of its facilities.

11 Limitation of Transportation Service and Other Charges: Transportation shall be available only where the gas supply contracts, tariffs and schedules under which the Company obtains its gas supplies permit. Any conditions or limitations on transportation by the Company imposed by such contracts, tariffs and schedules shall be applicable to service hereunder. In the event that this transportation service causes the incurrence of demand charges, standby charges, reservation charges, penalties or like charges from the Company's gas suppliers or transporters, which charges are in addition to charges for gas actually received by the Company, such charges shall be billed to the customer in addition to amounts for service rendered hereunder.

TRANSPORTATION PROVISIONS
TRPR

A. REQUIREMENTS FOR TRANSPORTATION SERVICE: (continued)

12 Third Party Metering: When the gas delivered to the Company for transportation to the customer is delivered through meters which are not owned and operated by the Company or the customer, customer's agent(s) or supplier(s) shall, at the earliest practicable time, but not later than the last day of each month, furnish the Company a statement showing the amount of gas in Ccf or MMBTU per day delivered for the customer's account to the Company during the billing period. The customer, upon request, shall furnish to the Company all charts, or satisfactory copies thereof, or other documentation in the case of electronic metering, upon which the statements provided for above were based. Any original charts furnished shall be returned within thirty days. By accepting natural gas transported hereunder, the customer agrees to maintain records of the volumes of transportation gas delivered to the Company on its account and to permit the Company to inspect such records upon request during the customer's regular business hours.

B. PRIORITY OF SERVICE

1 Notice: Notice of Operational Flow Orders (OFO's) and Periods of Curtailment shall be provided as far in advance as practicable and prospectively may be changed by Company upon reasonable advance notice as conditions warrant. Where practicable, OFO's will be issued by 12 noon Central time and will be effective the second day after issuance, thereby providing time for Transportation Customers to adjust their nominations in accordance with the OFO. Company may make OFO's effective with a shorter notice if necessary to protect the integrity of its system and/or where such actions are necessary to insure compliance with the requirements of upstream pipeline companies and shall permit Transportation Customers to adjust nominations as necessary to reasonably comply with the OFO.

Notice shall be given to each affected customer by telephone and in writing, in the manner elected by the customer or its agent, including facsimile and electronic mail. Notification of the customer's agent shall fulfill the requirement of this paragraph. During emergency situations, if providing notice to customers by one of the previously identified methods is not practicable, Company may use commercial radio and/or television to notify customers.

Spire West will also make every reasonable effort to provide direct notification by electronic or telephonic means to each affected customer.

TRANSPORTATION PROVISIONS
TRPR

B. PRIORITY OF SERVICE (continued)

Notice of an OFO shall specify the nature of the problem sought to be addressed, the anticipated duration of the required compliance and the parameters of such compliance. Upon termination of an OFO, Spire West will post on its website the rationale for lifting that particular OFO.

2 Operational Flow Orders: Company may issue Operational Flow Orders (OFO's) to Transportation Customers as necessary to protect the integrity of its system or any portion thereof and/or to insure compliance with the requirements of upstream pipeline companies. Any OFO, along with associated conditions and penalties, shall be limited, as practicable to address only the problem(s) giving rise to the need for the OFO. Company may issue notice of an OFO as provided in section (1) above to instruct all customers or agents served through a given pipeline segment, on a distribution system or any portion thereof or any individual agent or customer to control their usage to avoid either Under-Deliveries or Over-Deliveries. The Company will specify in the OFO whether customers or agents are required to avoid Under-Deliveries, Over-Deliveries, or both. Conditions which threaten the integrity of the Company's distribution system may include but are not limited to, exceeding the maximum allowable operating pressure of the distribution system segment, loss of sufficient line pressure to meet distribution system delivery obligations, or other conditions which may cause the Company to be unable to deliver natural gas consistent with its tariff. Conditions relevant to compliance with the requirements of upstream pipelines may include, but are not limited to, 1) situations where relevant Company resources are being used at or near their maximum tariff or contractual limits; and, 2) situations where actions are necessary to comply with a relevant OFO or the functional equivalent of a relevant upstream pipeline OFO, Critical Notice or force majeure. Company's actions with respect to its OFO's shall be reasonable, objective, non-discriminatory and consistent with the General Terms and Conditions for Gas Service, R-16 Priority of Service, and R-17. Before issuing an OFO, Spire West will attempt to identify specific customers causing the conditions that give rise to the need for the OFO, and attempt to remedy those problems through requests for voluntary action; provided, however, exigent circumstances may exist which require immediate issuance of an OFO.

TRANSPORTATION PROVISIONS
TRPR

B. PRIORITY OF SERVICE (continued)

2 Operational Flow Orders:

(a) Standard OFO: A Standard OFO shall require the customer to take, during a period specified by the company, preemptive or preventive actions and/or measures in order to neutralize or reduce threats to, or to otherwise preserve the integrity of all or a portion of Company's system or as necessary to insure compliance with the requirements of upstream pipeline companies.
(b) Emergency OFO: An Emergency OFO shall require the customer to take immediate actions and/or measures in order to neutralize or reduce threats to, or to otherwise preserve the integrity of all or a portion of Company's system or as necessary to insure compliance with the requirements of upstream pipeline companies.
(c) Authorized Usage: A transportation service customer's authorized usage during an OFO shall be equal to that customer's daily retainage-adjusted confirmed nomination in MMBtus.
(d) Interrupted Supply: On any day on which a transportation service customer's supply is partially or totally interrupted for any reason, that customer's authorized usage shall be limited to the retainage-adjusted confirmed nomination in MMBtus being delivered to Company on behalf of that customer.
(e) Spire West will not apply an OFO penalty to a Transportation Customer whose conduct during an OFO is compliant with the OFO or Spire West directives.
(f) Curtailment of Transportation Service: A transportation service customer shall not be required to curtail as long as the customer's gas is delivered to Company's delivery system and the Company's system capacity is adequate to make deliveries as provided in Section A-10, Limitations.

3 Period of Curtailment: Consistent with the provisions of Section A(10) Limitations, curtailment may be initiated due to a supply deficiency or limitation of pipeline capacity or a combination of both. Company may require its sales service and transportation service customers to limit, in whole or in part, their use of Company's facilities during a Period of Curtailment (POC), taking into consideration priority of use or other factors it deems necessary to ensure public health and safety.

(a) Authorized Usage: Company shall, at its sole discretion, authorize customers a usage level which is appropriate to the conditions of the POC.
(b) Curtailment Priority: Curtailment shall first apply to the lowest priority category (Category Three) and successively to each higher priority category as required.

TRANSPORTATION PROVISIONS
TRPR

B. PRIORITY OF SERVICE (continued)

3 Period of Curtailment: (continued)

(b) Curtailment Priority (continued)

The categories to be used by Company to allocate available service, listed from highest to lowest priority, are:

(i) For a Spire West Sales Service Supply Deficiency

(a) Category 1.
Sales service to residential customers, public housing authorities, public schools, hospitals, and other human needs customers receiving firm sales service from the Company

(b) Category 2.
Commercial sales service

(c) Category 3.
Industrial sales service

(ii) For a Spire West Distribution System Capacity Deficiency

(a) Category 1.
Sales or transportation service to residential customers, public housing authorities, public schools, hospitals, and other human needs customers receiving firm sales service from the Company

(b) Category 2.
Commercial sales service and commercial transportation service

(c) Category 3.
Industrial sales service and industrial transportation service

TRANSPORTATION PROVISIONS
TRPR

B. PRIORITY OF SERVICE (continued)

3 Period of Curtailment: (continued)

(c) Exception to Curtailment Priority: Company may curtail customers in higher priority categories before curtailing customers in lower priority categories only if curtailing lower priority category customers would not be useful in maintaining deliveries to the higher priority customers.

(d) Allocation of Partial Capacity: Should partial service only be available to an affected category, deliveries to individual customers shall be limited to the customer's pro rata share of available supply, such allocation to be based on the ratio of the customer's requirements in the category for which partial service is available to the aggregate requirements of all the Company's customers in the same category.

(e) Emergency Usage during POCs: A customer may request to use gas above authorized levels to forestall irreparable injury to life or property. Requests by telephone shall be followed immediately by a written request. Written requests shall state the nature, cause, and expected duration of the emergency and may be submitted by facsimile (fax) or electronic transmission. The customer must act to eliminate the cause of the emergency as soon as practicable. The charge for usage above authorized levels shall be determined at the time Company receives the customer's request. Disputes concerning this charge shall be referred to the Commission for resolution.

(f) Relief from Liability: Company shall be relieved of all liabilities, penalties, charges, payments, and claims of whatever kind, contractual or otherwise, resulting from or arising out of Company's failure to deliver all or any portion of the volumes of gas desired by a customer or group of customers during a POC. Company's relief shall apply if curtailment is according to these General Terms and Conditions or any other orders or directives of duly constituted authorities including, but not limited to, the Missouri Public Service Commission.

TRANSPORTATION PROVISIONS
TRPR

B. PRIORITY OF SERVICE (continued)

4 Unauthorized Deliveries: Over-Deliveries and/or Under-Deliveries which vary from customer's authorized usage level under an OFO or during a POC, shall be subject to the penalties described in Section B-5 Penalties for Unauthorized Usage.

(a) Individual Customers: Unauthorized Deliveries for individually balanced customers shall be calculated by comparing each customer's retainage-adjusted confirmed nominations with actual usage less contract demand.

(b) Pools: Unauthorized Deliveries for pools subject to aggregated balancing as defined under Section A-4 Aggregation, shall be calculated by comparing the group members' total retainage-adjusted confirmed nominations with their total actual usage less contract demand.

(c) Meter Reading: Actual usage during an OFO shall normally be provided by electronic gas measurement (EGM) equipment. If Company is unable to obtain data from a customer's EGM device, the customer's usage shall be determined by actual meter reads.

(d) Refusal to Comply: Company may disconnect from its system or refuse to accept the nomination of a customer which endangers system stability and/or safety by continuing to incur Unauthorized Deliveries.

TRANSPORTATION PROVISIONS
TRPR

B. PRIORITY OF SERVICE (continued)

5 Penalties for Unauthorized Usage: A customer or pool's unauthorized usage under an OFO or during a POC shall cause the incurrence of penalties. All revenues received from unauthorized use charges will be considered as gas cost recovery and will be used in the development of the gas cost recovery amount during the ACA audit as set forth in the Purchased Gas Adjustment schedule (PGA).

(a) Tolerance Levels: Penalties shall be assessed:

(i) During an OFO or POC, when Unauthorized Over- Deliveries to EGM meters exceed 5% of authorized daily delivery levels.

(ii) During an OFO, when Unauthorized Under-Deliveries to EGM meters exceed 5% of authorized daily delivery levels.

(b) Penalties during POCs shall be:

(i) The greater of $10 or 5 times the daily midpoint stated on Gas Daily's Index for Southern Star Central Gas Pipeline (Oklahoma) for each day of the POC, for each MMbtu of Unauthorized Over Delivery that exceeds the Tolerance Levels set in Section B-5-a Tolerance Levels but is no greater than 10% of the authorized delivery level for the customer or the aggregated balancing group, and

(ii) The greater of $20 or 10 times the daily midpoint stated on Gas Daily's Index for Southern Star Central Gas Pipeline (Oklahoma) for each day of the POC, for each MMbtu of Unauthorized Over Delivery in excess of 10% of the authorized delivery level for the customer or the aggregated balancing group.

TRANSPORTATION PROVISIONS
TRPR

B. PRIORITY OF SERVICE (continued)

5 Penalties for Unauthorized Usage: (continued)

(c) Penalties during OFOs: Penalties for Unauthorized Over-deliveries or Under-deliveries shall be calculated as follows:

(i) Standard OFO Penalties: For each day of the Standard OFO, the greater of $5 or 2½ times the daily midpoint stated on Gas Daily's Index for Southern Star Central Gas Pipeline (Oklahoma) times the MMBtu of Unauthorized Over- or Under-deliveries that exceed the tolerance level applicable under Section B-5-a Tolerance Levels.

(ii) POC and Emergency OFO Penalties: For each day of the POC or Emergency OFO, the greater of $10 or 5 times the daily midpoint stated on Gas Daily's Index for Southern Star Central Gas Pipeline (Oklahoma) times the MMBtu of Unauthorized Over-or Under-deliveries that exceed the tolerance level applicable under Section B-5-a Tolerance Levels.

(d) Responsibility for Payment: Unauthorized Over- or Under-Delivery Penalties for individually balanced customers shall be billed to and collected from the applicable customer. Unauthorized Over- or Under- Delivery Penalties for pools shall be billed to and collected from the agent representing the aggregated customers. Customers will continue to have ultimate responsibility for all charges on the account.

SCHEDULE KBP-r5

HAS BEEN DEEMED

CONFIDENTIAL

IN ITS ENTIRETY

SCHEDULE KBP-r6

HAS BEEN DEEMED

CONFIDENTIAL

IN ITS ENTIRETY

EXPERIMENTAL SCHOOL TRANSPORTATION PROGRAM
STP

A. Overview:

Pursuant to Section 393.310 of the RSMo, the Company shall permit eligible school entities ("ESEs"), as defined in such section, to participate in an experimental program under which the natural gas supply and transportation requirements of participating ESEs are aggregated by a not-for-profit school association ("Association") on behalf of such ESEs. The Association shall be responsible for the acquisition of the ESEs' aggregated gas supplies and delivery of such supplies to the Company's distribution system in accordance with Section C below. The Company shall provide distribution service to the ESEs by delivering such gas supplies acquired by the Association to the ESEs' premises.

B. Availability of Service:

This service shall be available to all ESEs. By September 1 of each year, the Association shall provide the Company with an initial list of each school premise, including the address and the Company account number, where such service is to be provided starting the following November. By November 1 the Association may supplement such list so long as the additional projected aggregation volumes resulting from such supplement do not exceed the original projected volumes by more than 20%. The aggregation service for any customers added between September 1 and November 1 shall commence January 1.

C. Supply Planning Obligations:

1. By October 1 each year the Company shall provide the Association with an initial temperature based equation ("Delivery Schedule") which will be used by the Association as a guide to determining the daily amount of natural gas the Association must arrange for delivery into the Company's distribution system to meet the gas supply requirements of the participating schools during the subsequent 12 months ending October 31 period ("Aggregation Year"). However, the Company and the Association may make adjustments as needed to the requirements indicated by the Delivery Schedule in order to reflect the consumption pattern of the schools throughout the year and to minimize the accumulation of the imbalances as described in Section D below. The Delivery Schedule shall consist of the sum of the estimated base load and estimated heating load for all of the participating ESEs as such estimated loads are described in Sheet No. R-25 of the Company's tariff. The Normalization Adjustment Factors described in Sheet No. R-25 are set forth in Section I. (The equation will reflect, among other factors, unaccounted-for-gas, as a percentage of sales, that will be determined annually by the Company. The Company shall notify the Association of such percentage by October 1, which percentage shall consist of a base level of 2.5%, adjusted for the departure of actual unaccounted-for-gas from such base level in the previous Actual Cost Adjustment year.) By December 1 the Company shall provide the Association with a revised Delivery Schedule which will be used by

EXPERIMENTAL SCHOOL TRANSPORTATION PROGRAM
STP

C. Supply Planning Obligations (continued):

the Association as a guide to determining the daily amount of natural gas the Association must arrange for delivery into the Company's distribution system to meet the gas supply requirements of the participating schools during the subsequent January 1 through October 31 period.

2. Once per week during the October 15 through April 30 period, the Company shall provide the Association with the forecasted daily temperature for the one week period beginning the next day. Such forecast is to be used by the Association with the Delivery Schedule, adjusted as described in Section C.1. above ("Adjusted Delivery Schedule"), to determine the daily delivery requirements for such week. If for any business day during the October 15 through April 30 period the Company or the pipeline issues a critical day flow order or period of curtailment, or the Company determines a system operational need, then by 9:00 a.m. of such day the Company shall provide the Association with the applicable following day's (days') forecasted daily temperature that is to be used by the Association with the Adjusted Delivery Schedule to determine the applicable following day's (days') delivery requirements. The information under this paragraph shall normally be provided by email.

D. Imbalances:

Any difference between the total volumes delivered to all of the participating ESEs and the volumes of gas nominated by the ESEs' agent for delivery into the Company's distribution system, after adjusting for the differences that arise from the Company's revenue cycle billing of customers and the calendar month purchases of gas supplies, shall be accumulated in an imbalance account. Any over-delivery or under-delivery of gas in such imbalance account shall be used to ratably increase or reduce the amount of gas the Association must arrange for daily delivery into the Company's distribution system in the subsequent month.

E. Transportation Capacity:

The Company will release to the participating ESEs or their agent firm transportation capacity on Mississippi River Transmission Corporation ("MRT") at the Company's cost of such capacity in accordance with the capacity release procedures contained in MRT's Federal Energy Regulatory Commission approved tariff. Such capacity shall be released to and taken by the party designated by the Association at MRT's maximum FERC-approved rate on a recallable basis, but will not be recalled by the Company unless requested by the Association and agreed to by the Company, or unless the Association fails to deliver gas supplies in accordance with the Adjusted Delivery Schedule, as further adjusted for any imbalance, as set forth in Section G. The amount of capacity released shall equal

EXPERIMENTAL SCHOOL TRANSPORTATION PROGRAM
STP

E. Transportation Capacity (continued):

during the November through March winter months and during the April through October summer months 135% and 60% respectively, of the average daily consumption of participating ESEs in the peak usage month for each such ESE that occurred during the 24 months ending September 30, 2002. If such usage history is not available, such consumption shall be estimated using the factors described in Sheet No. R-25 of the Company's tariff for such ESE and the peak monthly degree days that occurred during the 24 months ending September 30, 2002.

F. Billing, Payment and Reporting Responsibilities

Each month the Company shall bill each eligible entity for gas metered at each entity's premise at the non-gas distribution rates under which service is provided to such entity. In addition, the Company shall bill each ESE a $.004 per therm aggregation and balancing fee on every therm delivered to each ESE plus any additional charges and Incremental Costs as described in Sections G and H below. Payment for such service shall be due the later of the due date appearing on each individual bill or ten days from the date the Company submits an aggregated electronic billing statement, if any, to the Association. In the absence of such an aggregated billing statement, the Company shall provide individual ESE monthly billing data in electronic format to the Association. The Company shall be responsible for the periodic remittance of gross receipts taxes to each municipality for the most recent applicable billing period based on the non-gas distribution billings made to each customer. The Association shall be responsible for the periodic remittance of gross receipts taxes to each municipality for the most recent applicable billing period based on the natural gas and transportation services purchased directly by the Association on behalf of the ESEs located within each such municipality.

EXPERIMENTAL SCHOOL TRANSPORTATION PROGRAM
STP

G. Failure To Deliver Supplies:

As described above, the Association, on behalf of the ESEs, is obligated to deliver supplies into the Company's distribution system in accordance with the Adjusted Delivery Schedule, as further adjusted for any imbalance. In the event such supplies are not so delivered, the Company shall be entitled to convert the ESEs to regular sales service from the Company until the Association is able to resume the delivery of such supplies, and the aggregation service shall be temporarily suspended. The Company may terminate the aggregation service if the Association is unable to resume the delivery of such supplies within five business days, or if the Association has failed to make deliveries in accordance with the Adjusted Delivery Schedule for a third time within the same Aggregation Year. Except in a period when the Company's Basic Transportation customers are limited to their Daily Scheduled Quantities as described in Section C of the Company's Large Volume Transportation and Sales Service rate schedule, the ESEs shall have the option of paying the Unauthorized Use Charge for any volumes not delivered in accordance with the Adjusted Delivery Schedule. In the event the ESEs exercise this option, then such event will not be counted as a failure to deliver for purposes of this section. To the extent that the delivery failure occurs during a period when the Company's Basic Transportation customers are limited to their Daily Scheduled Quantities as described in Section C of the Company's Large Volume Transportation and Sales Service rate schedule, the Company shall bill the Association, on behalf of the ESEs, the Unauthorized Use Charge set forth in such section for each therm not delivered in accordance with the Adjusted Delivery Schedule.

H. Incremental Costs:

So as to ensure that this aggregation program will not have any negative impact on the Company or its other customers, and that the charges for the service produce revenues sufficient to recover all incremental costs of the service, charges for this service shall be adjusted, as necessary, to fully recover the incremental cost of providing the service, to the extent such costs are not otherwise recovered through other provisions of this tariff. Any under collection shall be recovered over a period of twelve months. Payments for capacity made available by the Company under Section E shall not be considered capacity release revenues, and shall be credited to the Deferred Purchase Gas Cost Account, provided that the Company may seek to recover, through an ACA adjustment, any losses in such revenues that the Company experiences as a result of making such capacity available, and provided further that the Company shall not be required to absorb the cost of any pipeline capacity formerly reserved to satisfy the requirements of the ESEs prior to the onset of the program.

DATE OF ISSUE: March 20, 2018 DATE EFFECTIVE: April 19, 2018

ISSUED BY: C. Eric Lobser, VP, Regulatory & Governmental Affairs
Spire Missouri Inc., St. Louis, MO. 63101

EXPERIMENTAL SCHOOL TRANSPORTATION PROGRAM
STP

I. Normalization Adjustment Factors:

The Normalization Adjustment Factors for each month to be used in the derivation of the Delivery Schedule described in Section C above are as follows:

October	1.2
November	1.3
December	1.6
January	1.8
February	1.7
March	1.6
April	1.3
May	1.2
June	1.1
July	1.0
August	1.0
September	1.1

J. Disposition of Gas Cost Differences Accrued Prior to November 1, 2007

Any differences accrued under the program prior to November 1, 2007 between the Association's cost of gas, including the $.004 per therm aggregation and balancing fee, and the gas costs billed to the ESEs through the Company's Purchased Gas Adjustment rates shall continue to be flowed through to the ESEs until such cost differences are extinguished.

Rate 74
General Transportation Service

Availability.
For any commercial or industrial Customer at a single location who enters into a contract with the Company hereunder, to transport Customer-owned gas from an interconnection with a pipeline supplier of the Company to the Customer's premises; and

(a) where the Customer has contracted for transportation of direct purchases from the delivery point of the seller to an existing interstate pipeline interconnection with the Company's facilities as approved by the Company, which interconnection, in the sole judgment of the Company, is capable of receiving the Customer's gas without impairment of anticipated deliveries of any gas supplies to be purchased by the Company for general system use; and

(b) where the final pipeline transporter of such Customer-owned gas agrees to provide daily delivery data for such gas to the Company; and

(c) where satisfactory evidence of Customer's contracts with seller(s) and intrastate or interstate transporters are provided to the Company; and

(d) where all such arrangements have been approved by each regulatory agency having jurisdiction over such matters, to the satisfaction of the Company; and

* (e) where 1) Customer provides a telephone line to within six (6) feet of the meter, which telephone line shall be directly accessible, or 2) Customer's existing metering location is capable of receiving daily uninterrupted wireless communications. The telephone line must terminate with an approved demarcation box. The Customer's telephone service must conform to the specifications of the Company's metering equipment, and the metering equipment will not be installed by the Company until the required telephone line is available.

Customers served hereunder shall have their metered usage and nominations daily balanced in accordance with any transportation and storage provisions.

* **Charges shall be the sum of (a) through (l).**

(a) Administrative Charge
$39.00 per month for an individual account. Group accounts will be charged $8.00 per month per account with a minimum group charge of $47.00.

(b) Recording Device Charge
$16.00 per month for each account for all meter types.

(Continued On Sheet No. 19)

Rate 74
General Transportation Service

(Continued From Sheet No. 18)

* (c) Monthly Customer Charge
The monthly Customer Charge shall be based on meter class capacity in cubic feet per hour (cfh) at low pressure delivery and one-half (1/2) inch water column pressure differential as follows:

	Meter Class
$ 25.85 per month	A. (less than 700 cfh)
$ 90.00 per month	B. (700-10,000 cfh)
$165.00 per month	C. (greater than 10,000 cfh)

* (d) Distribution Charge

	Therms Supplied in the Month
9.79¢ per therm	for the first 150
3.27¢ per therm	for the next 4,850
2.60¢ per therm	for all over 5,000

* (e) Storage Banking Service (SBS) Charge
0.52¢ per therm per month for all therms of Storage Banking Service capacity.

Customers may annually select Storage Banking Service capacity with a minimum selection of 1 times their Maximum Daily Contract Quantity (MDCQ) subject to the provisions included in Terms and Conditions.

For each therm of Company-supplied Gas delivered under this service, the charge shall be considered Authorized Use.

(f) Firm Backup Service (FBS) Charge
The monthly charge for Firm Backup Service shall be the selected Firm Backup Service quantity (in therms) multiplied by the Demand Gas Cost (DGC) as defined in Rider 6.

For each therm of Company-supplied Gas delivered under this service, the charge shall be the Rider 6 Commodity Gas Cost (CGC).

(g) Excess Storage Charge
10¢ per therm for the maximum amount in storage in excess of the Customer's Storage Banking Service capacity on any day during the billing period. If such maximum excess amount is less than five percent of the Customer's Storage Banking Service capacity, the Excess Storage Charge shall not apply. Revenues arising through the application of the Excess Storage Charge will be credited to Rider 6, Gas Supply Cost.

(Continued On Sheet No. 20)

Rate 74
General Transportation Service

(Continued From Sheet No. 19)

(h) Requested Authorized Use Charge
For each therm of Requested Authorized Use, the charge shall be the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

(i) Authorized Use Charge
For each therm of Authorized Use, the charge shall be the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

(j) Unauthorized Use Charge
For each therm of Unauthorized Use, the charge shall be the sum of $6.00 plus the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

Revenues arising from the application of the $6.00 per therm charge hereunder shall be credited to Rider 6, Gas Supply Cost.

* (k) Transportation Service Adjustment
The Transportation Service Adjustment (TSA) per therm, as determined in Rider 6, Gas Supply Cost, applied to total Customer usage less Company-supplied Gas.

(l) Operational Flow Order (OFO) Non-Performance Charge
On any day where the Company has imposed an Operational Flow Order, each therm of underdelivery of the Required Daily Delivery Range will be sold to the Customer and the charge will be 200% of the high price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance. In the event that Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used.

On any day where the Company has imposed an Operational Flow Order, each therm of overdelivery of the Required Daily Delivery Range will be purchased from the Customer and the payment will be 50% of the low price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance. In the event that Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used.

* **Storage.**
On any day in which Customer-owned gas delivered to the Company, as adjusted for unaccounted-for gas, exceeds the Customer's metered gas deliveries from the Company, the difference between such deliveries shall be the volume of gas held in storage by the Company and available for the Customer's use. The Customer may place into storage amounts up to the Storage Banking Service capacity.

(Continued On Sheet No. 21)

Rate 74
General Transportation Service

(Continued From Sheet No. 20)

* On a Critical Day or an OFO Shortage Day, withdrawal of gas from storage shall be limited to the Customer's Storage Withdrawal Factor (SWF) times 0.017 times the Storage Banking Service capacity.

On any day, other than a Critical Day or an OFO Shortage Day, in which Customer-owned gas delivered to the Company, as adjusted for unaccounted-for gas, is less than the Customer's metered gas deliveries from the Company, the balance of any gas held in storage for the Customer's account will be used.

See Terms and Conditions for Order of Deliveries.

* **Contract.**
The initial term of the contract shall be one year. The initial term shall commence when the Company begins to supply service hereunder and shall be automatically renewed each year for a period of one year. The contract will specify, in therms, the Maximum Daily Contract Quantity, the Storage Banking Service capacity and the Firm Backup Service quantity.

Company reserves the right to refuse to enter into any contract which specifies an unreasonably high Maximum Daily Contract Quantity.

The Customer shall have the right to terminate service under the contract at the end of any month on 30 days written notice to the Company; provided, however, that in the event of termination, all amounts due the Company shall forthwith be paid, including, but not limited to, the Monthly Customer, Recording Device, and Administrative Charges for the unexpired portion of the initial term of contract and, if applicable, the Storage Banking Service, Firm Backup Service and Gas Supply Cost charges until June 1. A Customer may not voluntarily discontinue transportation service and subsequently renew transportation service under this rate or different transportation service provisions within a period of 12 consecutive months at the same premise.

General.
The schedule of which this rate is a part includes certain Terms and Conditions and Riders. Service hereunder is subject to these Terms and Conditions and the Riders which are listed as applicable to this rate, including but not limited to, Transportation Limitations and Amounts, Maximum Daily Contract Quantity, definitions of Critical Day, definitions of an Operational Flow Order Day, Requested Authorized Use, Authorized Use, and Unauthorized Use.

Rate 75
Seasonal Use Transportation Service

Availability.
For any commercial or industrial Customer at a single location who enters into a contract with the Company hereunder, to transport Customer-owned gas from an interconnection with a pipeline supplier of the Company to the Customer's premises; and

(a) where the Customer's Winter Period use, December 1 through March 31, shall be less than five (5) percent of Customer's total annual usage during the twelve (12) months ending March 31; and

(b) where the Customer has contracted for transportation of direct purchases from the delivery point of the seller to an existing interstate pipeline interconnection with the Company's facilities as approved by the Company, which interconnection, in the sole judgment of the Company, is capable of receiving the Customer's gas without impairment of anticipated deliveries of any gas supplies to be purchased by the Company for general system use; and

(c) where the final pipeline transporter of such Customer-owned gas agrees to provide daily delivery data for such gas to the Company; and

(d) where satisfactory evidence of Customer's contracts with seller(s) and intrastate or interstate transporters are provided to the Company; and

(e) where all such arrangements have been approved by each regulatory agency having jurisdiction over such matters, to the satisfaction of the Company; and

*(f) where 1) Customer provides a telephone line to within six (6) feet of the meter, which telephone line shall be directly accessible, or 2) Customer's existing metering location is capable of receiving daily uninterrupted wireless communications. The telephone line must terminate with an approved demarcation box. The Customer's telephone service must conform to the specifications of the Company's metering equipment, and the metering equipment will not be installed by the Company until the required telephone line is available.

Customers served hereunder shall have their metered usage and nominations daily balanced in accordance with any transportation and storage provisions.

Winter Period Usage.
During the period of December 1 through March 31, Customer's total metered use shall be less than five (5) percent of the total annual use during the twelve (12) months ending March 31. Eligibility will be determined in April of each year based on the preceding 12 months ending March 31. Eligibility shall be further contingent upon: (i) the request by a qualified Customer, (ii) Customer receiving gas service for the twelve (12) consecutive months ending March 31, and (iii) Customer utilizing no more than 700,000 therms during such 12 month period. Absent the receipt of written notification from Customer requesting Rate 4, General Service, Customer, if deemed ineligible for this rate, shall be placed on Rate 74, General Transportation Service for a period of one (1) year.

(Continued On Sheet No. 21.4)

Rate 75
Seasonal Use Transportation Service

(Continued From Sheet No. 21.3)

* **Charges shall be the sum of (a) through (l).**

(a) Administrative Charge
$39.00 per month for an individual account. Group accounts will be charged $8.00 per month per account with a minimum group charge of $47.00.

(b) Recording Device Charge
$16.00 per month for each account for all meter types.

(c) Monthly Customer Charge
The monthly Customer Charge shall be based on meter class capacity in cubic feet per hour (cfh) at low pressure delivery and one-half (1/2) inch water column pressure differential as follows:

	Meter Class
$ 23.60 per month	A. (less than 700 cfh)
$ 75.45 per month	B. (700-10,000 cfh)
$171.20 per month	C. (greater than 10,000 cfh)

(d) Distribution Charge

	Therms Supplied in Months
2.60¢ per therm	December through March
0.48¢ per therm	April through November

(e) Storage Banking Service (SBS) Charge
0.52¢ per therm per month for all therms of Storage Banking Service capacity.

Customers may annually select Storage Banking Service capacity with a minimum selection of 1 times their Maximum Daily Contract Quantity (MDCQ) subject to the provisions included in Terms and Conditions.

For each therm of Company-supplied Gas delivered under this service, the charge shall be considered Authorized Use.

(f) Firm Backup Service (FBS) Charge
The monthly charge for Firm Backup Service shall be the selected Firm Backup Service quantity (in therms) multiplied by the Demand Gas Cost (DGC) as defined in Rider 6.

For each therm of Company-supplied Gas delivered under this service, the charge shall be the Rider 6 Commodity Gas Cost (CGC).

(Continued On Sheet No. 21.5)

Rate 75
Seasonal Use Transportation Service

(Continued From Sheet No. 21.4)

(g) Excess Storage Charge
10¢ per therm for the maximum amount in storage in excess of the Customer's Storage Banking Service capacity on any day during the billing period. If such maximum excess amount is less than five percent of the Customer's Storage Banking Service capacity, the Excess Storage Charge shall not apply. Revenues arising through the application of the Excess Storage Charge will be credited to Rider 6, Gas Supply Cost.

(h) Requested Authorized Use Charge
For each therm of Requested Authorized Use, the charge shall be the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

(i) Authorized Use Charge
For each therm of Authorized Use, the charge shall be the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

(j) Unauthorized Use Charge
For each therm of Unauthorized Use, the charge shall be the sum of $6.00 plus the higher of (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

Revenues arising from the application of the $6.00 per therm charge hereunder shall be credited to Rider 6, Gas Supply Cost.

(k) Transportation Service Adjustment
The Transportation Service Adjustment (TSA) per therm, as determined in Rider 6, Gas Supply Cost, applied to total Customer usage less Company-supplied Gas.

(l) Operational Flow Order (OFO) Non-Performance Charge
On any day where the Company has imposed an Operational Flow Order, each therm of underdelivery of the Required Daily Delivery Range will be sold to the Customer and the charge will be 200% of the high price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance. In the event that Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used.

On any day where the Company has imposed an Operational Flow Order, each therm of overdelivery of the Required Daily Delivery Range will be purchased from the Customer and the payment will be 50% of the low price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-performance. In the event that Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used.

(Continued On Sheet No. 21.6)

Filed with the Illinois Commerce Commission on September 30, 2005
Issued pursuant to Order of the Illinois Commerce Commission entered September 20, 2005 and as amended September 28, 2005 in Docket No. 04-0779

Effective November 22, 2005
Issued by – Gerald P. O'Connor
Vice President
Post Office Box 190
Aurora, Illinois 60507

Rate 75
Seasonal Use Transportation Service

(Continued From Sheet No. 21.5)

*** Storage.**
On any day in which Customer-owned gas delivered to the Company, as adjusted for unaccounted-for gas, exceeds the Customer's metered gas deliveries from the Company, the difference between such deliveries shall be the volume of gas held in storage by the Company and available for the Customer's use. The Customer may place into storage amounts up to the Storage Banking Service capacity.

On a Critical Day or an OFO Shortage Day, withdrawal of gas from storage shall be limited to the Customer's Storage Withdrawal Factor (SWF) times 0.017 times the Storage Banking Service capacity.

On any day, other than a Critical Day or an OFO Shortage Day, in which Customer-owned gas delivered to the Company, as adjusted for unaccounted-for gas, is less than the Customer's metered gas deliveries from the Company, the balance of any gas held in storage for the Customer's account will be used.

See Terms and Conditions for Order of Deliveries.

*** Contract.**
The initial term of the contract shall be one year. The initial term shall commence when the Company begins to supply service hereunder and shall be automatically renewed each year for a period of one year. The contract will specify, in therms, the Maximum Daily Contract Quantity, the Storage Banking Service capacity and the Firm Backup Service quantity.

Company reserves the right to refuse to enter into any contract which specifies an unreasonably high Maximum Daily Contract Quantity.

The Customer shall have the right to terminate service under the contract at the end of any month on 30 days written notice to the Company; provided, however, that in the event of termination, all amounts due the Company shall forthwith be paid, including, but not limited to, the Monthly Customer, Recording Device, and Administrative Charges for the unexpired portion of the initial term of contract and, if applicable, the Storage Banking Service, Firm Backup Service and Gas Supply Cost charges until June 1. A Customer may not voluntarily discontinue transportation service and subsequently renew transportation service under this rate or different transportation service provisions within a period of 12 consecutive months at the same premise.

General.
The schedule of which this rate is a part includes certain Terms and Conditions and Riders. Service hereunder is subject to these Terms and Conditions and the Riders which are listed as applicable to this rate, including but not limited to, Transportation Limitations and Amounts, Maximum Daily Contract Quantity, definitions of Critical Day, definitions of an Operational Flow Order Day, Requested Authorized Use, Authorized Use, and Unauthorized Use.

Filed with the Illinois Commerce Commission on March 31, 2009
Issued pursuant to order of the Illinois Commerce Commission
entered March 25, 2009 in Docket No. 08-0363
Items in which there are changes are preceded by an asterisk (*)

Effective April 3, 2009
Issued by -- Gerald P. O'Connor
Senior Vice President
Post Office Box 190
Aurora, Illinois 60507

Rate 76
Large General Transportation Service

Availability.
For any commercial or industrial Customer at a single location who enters into a contract with the Company hereunder, to transport Customer-owned gas from an interconnection with a pipeline supplier of the Company to the Customer's premises; and

(a) where the Customer has contracted for transportation of direct purchases from the delivery point of the seller to an existing interstate pipeline interconnection with the Company's facilities as approved by the Company, which interconnection, in the sole judgment of the Company, is capable of receiving sales and transportation Customers gas without impairment of anticipated deliveries of any gas supplies; and

(b) where the final pipeline transporter of such Customer-owned gas agrees to provide daily delivery data for such gas to the Company; and

(c) where satisfactory evidence of Customer's contracts with seller(s) and intrastate or interstate transporters are provided to the Company; and

(d) where all such arrangements have been approved by each regulatory agency having jurisdiction over such matters, to the satisfaction of the Company; and

* (e) where 1) Customer provides a telephone line to within six (6) feet of the meter, which telephone line shall be directly accessible, or 2) Customer's existing metering location is capable of receiving daily uninterrupted wireless communication. The telephone line must terminate with an approved demarcation box. The Customer's telephone service must conform to the specifications of the Company's metering equipment, and the metering equipment will not be installed by the Company until the required telephone line is available.

Customers served hereunder shall have their metered usage and nominations daily balanced in accordance with any transportation and storage provisions.

* **Charges shall be the sum of (a) through (k).**

(a) Customer Charge
$2,000.00 per month.

(b) Distribution Charge
1.86¢ per therm for all therms delivered to the Customer during the billing period.

(c) Storage Banking Service (SBS) Charge
0.52¢ per therm per month for all therms of Storage Banking Service capacity.

Customers may annually select Storage Banking Service capacity with a minimum selection of 1 times their Maximum Daily Contract Quantity (MDCQ) subject to the provisions included in Terms and Conditions.

(Continued On Sheet No. 23)

Rate 76
Large General Transportation Service

(Continued From Sheet No. 22)

For each therm of Company-supplied Gas delivered under this service, the charge shall be considered Authorized Use.

(d) Firm Backup Service (FBS) Charge
The monthly charge for Firm Backup Service shall be the selected Firm Backup Service quantity (in therms) multiplied by the Demand Gas Cost (DGC) as defined in Rider 6.

For each therm of Company-supplied Gas delivered under this service, the charge shall be the Rider 6 Commodity Gas Cost (CGC).

(e) Excess Storage Charge
10¢ per therm for the maximum amount in storage in excess of the Customer's Storage Banking Service capacity on any day during the billing period. If such maximum excess amount is less than five percent of the Customer's Storage Banking Service capacity, the Excess Storage Charge shall not apply. Revenues arising through the application of the Excess Storage Charge will be credited to Rider 6, Gas Supply Cost.

(f) Requested Authorized Use Charge
For each therm of Requested Authorized Use, the charge shall be the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

(g) Authorized Use Charge
For each therm of Authorized Use, the charge shall be the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

(h) Unauthorized Use Charge
For each therm of Unauthorized Use, the charge shall be the sum of $6.00 plus the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

Revenues arising from the application of the $6.00 per therm charge hereunder shall be credited to Rider 6, Gas Supply Cost.

* (i) Transportation Service Adjustment
The Transportation Service Adjustment (TSA) per therm, as determined in Rider 6, Gas Supply Cost, applied to total Customer usage less Company-supplied Gas.

(k) Operational Flow Order (OFO) Non-Performance Charge
On any day where the Company has imposed an Operational Flow Order, each therm of underdelivery of the Required Daily Delivery Range will be sold to the Customer and the charge will be 200% of the

(Continued On Sheet No. 24)

Rate 76
Large General Transportation Service

(Continued From Sheet No. 23)

high price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance. In the event that Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used.

On any day where the Company has imposed an Operational Flow Order, each therm of overdelivery of the Required Daily Delivery Range will be purchased from the Customer and the payment will be 50% of the low price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance. In the event that Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used.

* **Minimum Monthly Charge.**
The minimum monthly bill shall be the sum of $2,900 plus charges (c) through (k).

Storage.
On any day in which Customer-owned gas delivered to the Company, as adjusted for unaccounted-for gas, exceeds the Customer's metered gas deliveries from the Company, the difference between such deliveries shall be the volume of gas held in storage by the Company and available for the Customer's use. The Customer may place into storage amounts up to the Storage Banking Service capacity.

On a Critical Day or an OFO Shortage Day, withdrawal of gas from storage shall be limited to the Customer's Storage Withdrawal Factor (SWF) times 0.017 times the Storage Banking Service capacity.

On any day, other than a Critical Day or an OFO Shortage Day, in which Customer-owned gas delivered to the Company, as adjusted for unaccounted-for gas, is less than the Customer's metered gas deliveries from the Company, the balance of any gas held in storage for the Customer's account will be used.

See Terms and Conditions for Order of Deliveries.

Contract.
The initial term of the contract shall be one year. The initial term shall commence when the Company begins to supply service hereunder and shall be automatically renewed each year for a period of one year. The contract will specify, in therms, the Maximum Daily Contract Quantity, the Storage Banking Service capacity and the Firm Backup Service quantity.

Company reserves the right to refuse to enter into any contract which specifies an unreasonably high Maximum Daily Contract Quantity.

The Customer shall have the right to terminate service under the contract at the end of any month on 30 days written notice to the Company; provided, however, that in the event of termination, all amounts due the Company shall forthwith be paid, including , but not limited to, the Minimum Monthly Charge for the un-expired portion of

(Continued On Sheet No. 24.5)

Rate 76
Large General Transportation Service

(Continued From Sheet No. 24)

the initial term of contract and, if applicable, the Storage Banking Service, Firm Backup Service and Gas Supply Cost charges until June 1. A Customer may not voluntarily discontinue transportation service and subsequently renew transportation service under this rate or different transportation service provisions within a period of 12 consecutive months at the same premise.

* **General.**
The schedule of which this rate is a part includes certain Terms and Conditions and Riders. Service hereunder is subject to these Terms and Conditions and the Riders which are listed as applicable to this rate, including but not limited to, Transportation Limitations and Amounts, Maximum Daily Contract Quantity, defmitions of Critical Day, definitions of an Operational Flow Order Day, Requested Authorized Use, Authorized Use, and Unauthorized Use.

Rate 77
Large Volume Transportation Service

Availability.
For any commercial or industrial Customer at a single location who enters into a contract with the Company hereunder, to transport Customer-owned gas from an interconnection with a pipeline supplier of the Company to the Customer's premises; and

(a) where the Customer has contracted for transportation of direct purchases from the delivery point of the seller to an existing interstate pipeline interconnection with the Company's facilities as approved by the Company, which interconnection, in the sole judgment of the Company, is capable of receiving the Customer's gas without impairment of anticipated deliveries of any gas supplies to be purchased by the Company for general system use; and

(b) where the final pipeline transporter of such Customer-owned gas agrees to provide daily delivery data for such gas to the Company; and

(c) where satisfactory evidence of Customer's contracts with seller(s) and intrastate or interstate transporters are provided to the Company; and

(d) where all such arrangements have been approved by each regulatory agency having jurisdiction over such matters, to the satisfaction of the Company; and

* (e) where 1) Customer provides a telephone line to within six (6) feet of the meter, which telephone line shall be directly accessible, or 2) Customer's existing location is capable of receiving daily uninterrupted wireless communication. The telephone line must terminate with an approved demarcation box. The Customer's telephone service must conform to the specifications of the Company's metering equipment, and the metering equipment will not be installed by the Company until the required telephone line is available.

Customers served hereunder shall have their metered usage and nominations daily balanced in accordance with any transportation and storage provisions.

* **Charges shall be the sum of (a) through (k).**

(a) Customer Charge
$3,425.00 per month.

(b) Demand Charge

	Therms of Peak Billing Demand for the Month
180.00¢ per therm	for the first 10,000
6.00¢ per therm	for all over 10,000

(c) Commodity Charge
0.11¢ for all therms delivered to the Customer during the billing period.

(Continued On Sheet No. 26)

Rate 77
Large Volume Transportation Service

(Continued From Sheet No. 25)

* (d) Storage Banking Service (SBS) Charge
0.52¢ per therm per month for all therms of Storage Banking Service capacity.

Customers may annually select Storage Banking Service capacity with a minimum selection of 1 times their Maximum Daily Contract Quantity (MDCQ) subject to the provisions included in Terms and Conditions.

For each therm of Company-supplied Gas delivered under this service, the charge shall be considered Authorized Use.

(e) Firm Backup Service (FBS) Charge
The monthly charge for Firm Backup Service shall be the selected Firm Backup Service quantity (in therms) multiplied by the Demand Gas Cost (DGC) as defined in Rider 6.

For each therm of Company-supplied Gas delivered under this service, the charge shall be the Rider 6 Commodity Gas Cost (CGC).

(f) Excess Storage Charge
10¢ per therm for the maximum amount in storage in excess of the Customer's Storage Banking Service capacity on any day during the billing period. If such maximum excess amount is less than five percent of the Customer's Storage Banking Service capacity, the Excess Storage Charge shall not apply. Revenues arising through the application of the Excess Storage Charge will be credited to Rider 6, Gas Supply Cost.

(g) Requested Authorized Use Charge
For each therm of Requested Authorized Use, the charge shall be the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

(h) Authorized Use Charge
For each therm of Authorized Use, the charge shall be the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

(i) Unauthorized Use Charge
For each therm of Unauthorized Use, the charge shall be the sum of $6.00 plus the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to this rate.

Revenues arising from the application of the $6.00 per therm charge hereunder shall be credited to Rider 6, Gas Supply Cost.

(Continued On Sheet No. 27)

Rate 77
Large Volume Transportation Service

(Continued From Sheet No. 26)

(j) Transportation Service Adjustment
The Transportation Service Adjustment (TSA) per therm, as determined in Rider 6, Gas Supply Cost, applied to total Customer usage less Company-supplied Gas.

(k) Operational Flow Order (OFO) Non-Performance Charge
On any day where the Company has imposed an Operational Flow Order, each therm of underdelivery of the Required Daily Delivery Range will be sold to the Customer and the charge will be 200% of the high price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance. In the event that Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used.

On any day where the Company has imposed an Operational Flow Order, each therm of overdelivery of the Required Daily Delivery Range will be purchased from the Customer and the payment will be 50% of the low price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance. In the event that Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used.

* **Minimum Monthly Charge.**
The minimum monthly bill shall be the sum of $11,200 plus (d) through (k).

Storage.
On any day in which Customer-owned gas delivered to the Company, as adjusted for unaccounted-for gas, exceeds the Customer's metered gas deliveries from the Company, the difference between such deliveries shall be the volume of gas held in storage by the Company and available for the Customer's use. The Customer may place into storage amounts up to the Storage Banking Service capacity.

On a Critical Day or an OFO Shortage Day, withdrawal of gas from storage shall be limited to the Customer's Storage Withdrawal Factor (SWF) times 0.017 times the Storage Banking Service capacity.

On any day, other than a Critical Day or an OFO Shortage Day, in which Customer-owned gas delivered to the Company, as adjusted for unaccounted-for gas, is less than the Customer's metered gas deliveries from the Company, the balance of any gas held in storage for the Customer's account will be used.

See Terms and Conditions for Order of Deliveries.

(Continued On Sheet No. 28)

Rate 77
Large Volume Transportation Service

(Continued From Sheet No. 27)

Excess Facilities Charge.
Where the Customer chooses to have combined billing for more than one point of delivery on a single premises, each delivery point with maximum demand of at least 1,000 therms per day and acceptable to the Company will be metered separately but combined and billed as one account. The Customer shall pay a monthly excess facilities charge of two percent of the investment required for the Company to furnish the additional facilities. Any service pipe installation for additional delivery points shall not be subject to the Gas Service Pipe provision of Terms and Conditions.

Demand Provisions.
The Peak Billing Demand in any billing period shall be the highest gas day demand established on days within such billing period. The demand for any gas day shall be the number of therms of gas used during such day as determined by maximum demand instruments or by meter readings.

* **Contract.**
The initial term of the contract shall be one year. The initial term shall commence when the Company begins to supply service hereunder and shall be automatically renewed each year for a period of one year. The contract will specify, in therms, the Maximum Daily Contract Quantity, the Storage Banking Service capacity and the Firm Backup Service quantity.

Company reserves the right to refuse to enter into any contract which specifies an unreasonably high Maximum Daily Contract Quantity.

The Customer shall have the right to terminate service under the contract at the end of any month on 30 days written notice to the Company; provided, however, that in the event of termination, all amounts due the Company shall forthwith be paid, including, but not limited to, the Minimum Monthly Charge for the unexpired portion of the initial term of contract and, if applicable, the Storage Banking Service, Firm Backup Service and Gas Supply Cost charges until June 1. A Customer may not voluntarily discontinue transportation service and subsequently renew transportation service under this rate or different transportation service provisions within a period of 12 consecutive months at the same premise.

General.
The schedule of which this rate is a part includes certain Terms and Conditions and Riders. Service hereunder is subject to these Terms and Conditions and the Riders which are listed as applicable to this rate, including but not limited to, Transportation Limitations and Amounts, Maximum Daily Contract Quantity, definitions of Critical Day, definitions of an Operational Flow Order Day, Requested Authorized Use, Authorized Use, and Unauthorized Use.

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Items in which there are changes are preceded by an asterisk (*)

Effective April 3, 2009
Issue by – Gerald P. O'Connor
Senior Vice President
Post Office Box 190
Aurora, Illinois 60507

Terms and Conditions

(Continued From Sheet No. 45)

TRANSPORTATION AND STORAGE PROVISIONS:

* **Initial Selection of Transportation Services.**
Customers currently served on a sales service rate can select service under the provisions of Rider 25, Firm Transportation Service at any time.

Customers selecting a transportation service rate (Rates 74, 75, 76 and 77) or switching from a sales service rate to a transportation service rate must first have either 1) an appropriate telephone line installed as specified in the Rate, or 2) an existing metering location capable of receiving daily uninterrupted wireless communications, as a condition of service. Such contract shall be for service at a single premise or for an existing group of transportation Customers served under Rider 25, Firm Transportation Service. The contract shall specify an initial Storage Banking Service of 31 times (30 times as of the 1st June 1 after the Effective Date of this tariff) the Customer's Maximum Daily Contract Quantity. Customers may stipulate a Firm Backup Service level, which shall not be reduced for a period of 12 months.

Upon the acceptance of a properly executed contract, the Company shall install a daily usage recording device. For requests between May 1 and September 30, the Customer shall be placed on the requested Rate effective with the billing period beginning after acceptance of the contract. For requests accepted between October 1 and April 30, the Customer shall be placed on the requested Rate effective with the second billing period after acceptance of the contract.

Individual Customers may request to be added to a Group after the daily usage recording device is working properly. In the event the Customer's telephone line is not present or working properly or if other uninterrupted wireless communication is not available at the Customer's existing metering location at the time the recording device is to be installed, the Customer shall be placed on Rate 4 - Rider 25, Firm Transportation Service for a period of not less than 12 months.

Termination of Transportation Service.
Customers served under Rider 25 or a transportation service rate (Rates 74, 75, 76 and 77) may revert to sales service by submitting a completed Transportation Cancellation Letter of Agreement provided by the Company.

Additional Facilities.
If additional facilities are required by the Company to deliver Customer-owned gas to the Customer's premises, the Customer shall reimburse the Company for all costs thereof prior to initiation of service hereunder.

* **Quality of Gas.**
The quality of Customer-owned gas shall meet or exceed the specifications contained in 83 Illinois Administrative Code, Section 530.10 and Section 530.15. Customer-owned gas which does not meet such specifications shall be subject to the Company's approval and may be refused by the Company.

(Continued On Sheet No. 47)

Terms and Conditions

(Continued From Sheet No. 46)

Unaccounted-For Gas Adjustment.
All Customer-owned gas delivered to the Company shall be reduced by the unaccounted-for gas percentage determined annually for the most recent 12 months ended June 30 to be effective the following September 1.

* **Maximum Daily Contract Quantity Determination.**
The initial Maximum Daily Contract Quantity of a Customer without 12 months daily metering history, or for whom daily metering information is not available, shall be determined from the Customer's maximum billing period usage from the previous calendar year's billing history, adjusted to a 30-day basis, according to the following formula:

$$\frac{\text{Peak Billing Period Therms x 30}}{\text{Billing Period Days x 21}}$$

The initial Maximum Daily Contract Quantity of Customers with at least 12 months of daily metering history will be determined by the greater of:

a. the highest daily usage from the previous 12 months as recorded by the metering device; or

b. The results of a regression analysis on the usage of the most recent calendar year for January, February, and December as recorded by the metering device and applied to a 79-degree day.

Thereafter, annually, the Company shall predetermine the Maximum Daily Contract Quantity of Customers based on the previous calendar year. Customers shall be informed of the applicable Maximum Daily Contract Quantity by April 1 of each year. If the predetermined Maximum Daily Contract Quantity is within five percent (5%) of the previous year's Maximum Daily Contract Quantity, no change will be made. The Maximum Daily Contract Quantity so determined shall be effective for the next 12 billing months beginning with the Customer's first bill with an ending meter reading after June 1. The Company may accept a change to a Customer's MDCQ provided it can be substantiated. The Company reserves the right to refuse to enter into any contract which specifies an unreasonably high Maximum Daily Contract Quantity.

To determine a Maximum Daily Contract Quantity for a Group served under Rider 16, Supplier Aggregation Service, base use heat use factors will be applied to a 79 degree day in January.

Critical Day Definition.
A Critical Day shall be a day which may be declared by the Company whenever any of the following five conditions occurs or is anticipated to occur: (a) when the Company experiences failure of transmission, distribution, gas storage or gas manufacturing facilities; (b) when transmission system pressures or other unusual conditions jeopardize the operation of the Company's system; (c) when the Company's transmission, storage, and supply resources are being used at or near their maximum rated deliverability; (d) when any of the Company's transporters or suppliers call the equivalent of a Critical Day; or (e) when the Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of the Company's system.

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Terms and Conditions

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A Critical Day shall be declared by 8:00 A.M. the day prior to the Critical Day. The calling of a Critical Day shall be limited to the period from November 1 through April 30. Notice of a Critical Day will be posted on the Company's electronic bulletin board and via a recorded dial-in message.

* **Operational Flow Order (OFO)**
As provided for in Rider 16, Supplier Aggregation Service, the Company may impose an Operational Flow Order ("OFO") in order to adequately maintain its system. The Company shall first request Customers and Suppliers to voluntarily take actions to alleviate the supply situation that is threatening operational integrity, to the extent possible. If such voluntary actions do not alleviate the situation, the Company will implement an OFO. Customers and Suppliers will be notified of any OFO at least two (2) hours before the North American Energy Standards Board Timely nomination deadline on the interstate pipelines that interconnect with the Company's facilities. All OFOs will be posted on the Company's electronic bulletin board and via a recorded dial-in message. An e-mail notification will be made to customers requesting such notification and providing appropriate contact information. However, failure to receive e-mail notification shall not reduce the customer's obligations to comply with the OFO.

On days when an OFO is imposed as a result of the Company needing Customers and Suppliers to decrease their nominations (OFO Surplus Day), non-Customer Select transportation Customers shall have their Required Daily Delivery Range defined as a minimum of zero (0) and a maximum equal to the lesser of their MDN or MDCQ.

On days when an OFO is imposed as a result of the Company needing Customers and Suppliers to increase their nominations (OFO Shortage Day), non-Customer Select transportation Customers shall have their Required Daily Delivery Range defined as a minimum equal to their usage on that day less any gas that is available to be withdrawn from their storage, up to a maximum of the Customer's Storage Withdrawal Factor (SWF) times 0.017 times the Customer's Storage Banking Service capacity, and a maximum of the Customer's MDCQ times two (2).

OFO Cap Day
The Company reserves the right to limit, on any day, the volumes of Customer-owned gas delivered into the Company's system when, in the Company's sole judgment, the total gas supply to be delivered into the Company's system may cause an adverse effect on system operations.

Priority of Supply
On a Critical Day, an OFO Day (on any day an OFO is imposed), or an OFO Cap Day, when operating conditions at any receipt point(s) are such that deliveries of gas to the Company would interfere with deliveries of gas stored by the Company or exceed the Company's take-away capacity, the Company shall accept gas supplies at that receipt point(s) in the following order: 1) firm pipeline capacity with the Company designated as primary delivery point; 2) firm pipeline capacity with the Company designated as secondary delivery point; and 3) interruptible transportation and authorized excess transportation. If gas supplies are such that all gas supplies in a given priority category cannot be accepted, the gas supplies in that priority category will be prorated.

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Terms and Conditions

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*** Transportation Limitations and Amounts.**
Daily Nominations will be accepted if received electronically by the Company no later than the North American Energy Standards Board Timely nomination deadline (1:00 P.M. Central Time) on the business day prior to the gas day the Nomination is to be effective. The deadline for Nominations by any method other than the Company's electronic bulletin board is 9:30 A.M. on the business day prior to the gas day the Nomination is to be effective.

Nominations will also be accepted if received electronically by the Company no later than 4:00 P.M. (Evening Cycle Nomination) on the business day prior to the gas day the Evening Cycle Nomination is to be effective, provided however, that the aggregate volume of Evening Cycle Nominations received does not exceed the available Evening Cycle quantity posted on the Company's electronic bulletin board by 2:30 P.M. For all gas days other than OFO Surplus or OFO Cap gas days, the Company shall make available a minimum of 200,000 therms of Evening Cycle Nominations in its 2:30 P.M. posting. Evening Cycle Nominations received in excess of the posted available volume will be adjusted downward on a prorated basis. Customers may request a correction to an inadvertent pipeline designation error, when available evening cycle nomination rights are insufficient, by contacting the nominations desk no later than 4:00 P.M. on the business day prior to the gas day when Evening Cycle Nominations become effective. Corrections shall be made as long as the total volumes scheduled by the Customer do not increase and the correction does not have any adverse operational impact on the Company.

Changes to daily Nominations necessitated by the pipeline interruptions of Customer-owned gas supplies will be accepted if received by the Company and verified by the pipeline no later than 8:00 A.M. of the day the Nomination change is to be effective. On a Critical Day or an OFO Day, Nominations will be accepted if received by the Company no later than 8:00 A.M. of the day the nomination change is to be effective.

Maximum Daily Nominations.
From November 1 through March 31 of each year, Nominations may not exceed two (2) times the Customer's Maximum Daily Contract Quantity (MDCQ). From April 1 through October 31 of each year, Maximum Daily Nominations (MDN) may not exceed the simple daily average of the Customer's usage for that calendar month in the immediately preceding year plus twenty-five (25) percent of the Customer's allowed storage capacity calculated on a daily basis. Such MDN information will be provided by the Company to the Customer. The Company shall accept anticipated monthly usage provided it is substantiated by the Customer.

The Company shall not, on any day, be obligated to accept Customer-owned gas at any location when Nomination of Customer-owned gas does not conform to procedures established herein.

Order of Deliveries.
On any day, gas shall be delivered to the Customer as follows:
a. Requested Authorized Use;
b. Deliveries of Customer-owned gas to the Company from an interstate pipeline;
c. Customer-owned gas withdrawn from storage under provisions of Storage Banking Service;
d. Company-supplied gas under the Firm Backup Service;
e. Authorized Use; and
f. Unauthorized Use or OFO Non-Performance use.

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Terms and Conditions

(Continued From Sheet No. 49)

* **Storage Banking Service and Firm Backup Service.**
Supplies for Critical Day use may be contracted for under Storage Banking Service (SBS) and Firm Backup Service (FBS). The Storage Banking Service capacity selected must be a minimum of 1 times the Customer's MDCQ. SBS capacity up to 31 times (30 times as of the 1st June 1 after the Effective Date of this tariff) the Customer's MDCQ will be available. Additional SBS capacity greater than 30 times the Customer's MDCQ may be requested. Unsubscribed SBS capacity (as determined by the Company) will be allocated by the Company to all Customers requesting capacity exceeding 30 times their MDCQ.

On November 1, a Customer that can annually subscribe to SBS shall have their elected SBS capacity filled to a minimum of ninety (90) percent. A Storage Withdrawal Factor (SWF), expressed as a numerical value not to exceed 1.0, shall be determined by dividing the Customer's November 1 SBS inventory balance by 90% of their then effective SBS capacity. Any SWF value greater than or equal to 1.0 shall be 1.0. Any SWF less than 1.0 shall be rounded up to the next 0.01. A Customer's SWF shall be effective beginning November 15 of each year. From November 1 through 14, a Customer's SWF shall be one (1.0). A Customer's SWF shall be applied to their individual SBS withdrawals rights and serve to reduce their withdrawal rights on any Critical Day or OFO Shortage Day. Customers taking service under Rider 25 shall have their SWF computed based on the billing period which either crosses November 1 or includes November 1 as the bill ending date, however, such SWF shall only be applicable should Customer subsequently subscribe to transportation service under Rates 74, 75, 76 or 77.

Therms available for withdrawal from storage on a Critical Day or OFO Shortage Day shall be limited to a Customer's SWF times 0.017 times the Customer's Storage Banking Service capacity. Storage withdrawals are deemed to occur when Customer usage exceeds any available Requested Authorized Use and Customer-owned gas delivered.

A Customer may contract for delivery of Company-supplied gas under Firm Backup Service. The Company will provide gas up to the Firm Backup Service quantity on any day, including a Critical Day.

The Customer shall specify the SBS and FBS levels when initially contracting for service under any transportation rate, with the exception of Rider 25.

A request for a transfer to a firm sales service rate, or a rate or rider which provides for a higher level of SBS or FBS, will be treated as a request for a change in the SBS or FBS.

An entity taking service at more than one location may contract for service as a Group. Each member of the Group shall individually contract for SBS and FBS. Nominations, SBS and FBS will be monitored at the group level in aggregate. However, on a Critical Day or an OFO Shortage Day, Customers will be monitored on an individual basis for compliance with SBS and FBS selections. Customers electing service under Rider 25 will not be permitted to form a group with Customers electing service under any other transportation rate.

(Continued On Sheet No. 50.1)

Terms and Conditions

(Continued From Sheet No. 50)

* **SBS and FBS Selections.**
Annually, by March 1, the Company shall notify Customers of their Storage Banking Service (SBS) capacity and Firm Backup Service (FBS) quantity. SBS capacity will be shown at the higher of 31 times (30 times as of the 1st June 1 after the Effective Date of this tariff) the Customer's Maximum Daily Contract Quantity (MDCQ) or the Customer's requested amount. Any change to the SBS capacity or FBS quantity, as shown on the Company's notice, must be requested by April 1 and be based on the MDCQ effective June 1. A Customer's previous request for SBS will be considered each April 1 regardless of whether or not the Customer's request was accepted for the current period. The Company will notify Customers of additional SBS capacity awarded by May 1 and will accept a change to FBS quantity prior to June 1.

Requests for higher SBS and FBS levels will be treated in the same manner as requests by a new Customer of similar size requesting service. Requests for reduced SBS and FBS levels, as provided for in the Tariff, will be permitted. If any change can be accommodated without impairing the Company's operations or adversely affecting costs, in the Company's discretion, such change will be permitted on a mutually agreeable date. Any accepted increase in FBS service shall be for a period of not less than 12 months and any requests to reduce FBS will not be allowed until the anniversary date following the 12-month period. If no such notification is received, in writing, from Customer, current selections will stay in effect for the next 12 billing months beginning with the Customer's first bill with an ending meter reading after June 1. The Company reserves the right to lower a Customer's service selections if current selections are in violation of these rates and riders based on the Customer's predetermined MDCQ.

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Terms and Conditions

(Continued From Sheet No. 50.1)

* **Requested Authorized Use.**
Requested Authorized Use shall be available only upon prior request by the Customer and upon authorization by the Company. Authorization shall be granted only on a daily basis in volumes not to exceed the Maximum Daily Contract Quantity. Requested Authorized Use gas shall be accounted for as the first gas delivered on any day for which it has been authorized. If the volume of such Requested Authorized Use is greater than the Customer's usage on any day, the difference shall be accounted for as Customer-owned gas in storage. Requested Authorized Use is not applicable to Rider 25 customers.

Authorization shall be granted only upon determination by the Company that availability of Requested Authorized Use gas will not adversely affect the Company's operations or its cost of gas supplies.

Authorized Use.
Authorized Use in a billing period shall be the sum of Daily Authorized Use.

Daily Authorized Use shall be usage on any day, other than a Critical Day or an OFO Shortage Day, in excess of the sum of: (a) Requested Authorized Use; (b) the volume of Customer-owned gas delivered to the Company less unaccounted-for gas; (c) Customer storage withdrawals; and (d) the contracted for quantity of Firm Backup Service.

Daily Authorized Use shall also be usage on any Critical Day or an OFO Shortage Day of any Company-owned gas within the limitations of the Storage Banking Service. Authorized Use on any Critical Day or an OFO Shortage Day outside the limitations of the Storage Banking Service is not available.

Unauthorized Use.
Unauthorized Use in a billing period shall be the sum of Daily Unauthorized Use.

Daily Unauthorized Use shall be usage on any Critical Day in excess of the sum of: (a) Requested Authorized Use; (b) the volume of Customer-owned gas delivered to the Company less unaccounted for gas; (c) storage withdrawals as limited by SBS; (d) the contracted for quantity of Firm Backup Service; and (e) Authorized Use within the limitations of the SBS.

Payment of the additional charge for Unauthorized Use shall not, under any circumstances, give the Customer the right to Unauthorized Use, nor shall such payment exclude or limit the Company's right to discontinue service to the Customer for Unauthorized Use.

* Unauthorized Use which causes interference with the Company's operations or service to any other Customer of the Company shall make the Customer subject to termination of gas service hereunder upon one (1) hour notice from the Company.

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Terms and Conditions

(Continued From Sheet No. 51)

Customer-owned Gas.
Customer warrants that it owns and has clear title to all Customer-owned gas delivered to the Company for transportation and/or storage under any rate or rider. Customer grants Company a first lien upon and security interest in all Customer-owned gas delivered to the Company, as security for payment of all current and future charges of the Company under any rate or rider.

If bankruptcy or other insolvency proceedings are commenced by or against a transportation/storage Customer, all gas transported and gas used by Customer after commencement of the bankruptcy/insolvency proceedings shall be separately billed and accounted for. A Customer who desires to continue receiving gas service during the pendency of such proceedings shall immediately notify the Company of the proceedings, provide adequate assurance of payment for post-petition sales or transportation service and comply with the provisions of the applicable rate/riders, including but not limited to maintaining any required minimum storage balance.

Finaled Accounts of Transportation/Storage Customers.
An account is considered finaled when the customer is no longer receiving any service from the Company at the existing premise. For finaled accounts, Transportation/Storage customers will have the option of: 1) transferring the storage balance to another account of common ownership; or 2) having the gas valued at the price reported in Natural Gas Week, or a similar publication if Natural Gas Week is not available, for Chicago area spot gas times 0.90. The price used will be the most current published price prior to the date the account was finaled, with the value applied first to payment of any unpaid charges under any rate or rider.

In the event the account is finaled due to bankruptcy, gas in storage shall be valued as in 2) above, with the value applied first to payment of any unpaid charges under any rate or rider. Any amounts remaining after payment of unpaid charges will be forwarded to the Customer or as directed by a court of competent jurisdiction.

Fee for Group Changes.
A $25.00 service fee shall be assessed to any Customer entering or leaving a previously established group.

* **Telephone and Wireless Communication Service Outages.**
Company reserves the right to bill Customers for each service call to investigate or repair the recording device if such service call is the sole result of a Customer's telephone line service outage or other wireless communication service interruptions not caused by the Company. Frequent or prolonged telephone service outages or repeated interruptions in other wireless communication equipment due to the Customer's negligence or failure to properly protect the Company's communications equipment may result, at the sole discretion of the Company, in the Customer being removed from their current rate and placed on either Rate 4 or Rate 5 and Rider 25, Firm Transportation Service, for a period of 12 months.

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Terms and Conditions

(Continued From Sheet No. 52)

Use of Company Supplies.
Transportation Customers relying on Authorized Use to meet substantially all of their usage requirements for an extended period will be served only under Rider 25, Firm Transportation Service.

Excess Storage Balance Transfers.
An Agent, Customer or Group Manager may request a transfer of any excess storage balance as of the end of a billing period to another Customer or Group manager. The selling party must submit the request, in writing, specifying the therms to be transferred, and the accounts transferring and receiving the storage balance. Requests for transfers of excess storage will be accepted up to 20 days after the date of issue of the bill containing the excess storage charge. Such excess balance transfer shall be effective with the beginning storage balance for the month in which the request is made. A fee of $15.00 will be assessed to the account from which the transfer is being made.

* **Trading of Stored Gas.**
For customers served under the following applicable rates 74, 75, 76, 77 and Riders 13, 25 and 34, an Agent, Customer or Group Manager may, at the end of a billing period, request a transfer of a quantity of gas in storage to any other rate 74, 75, 76, 77 or Rider 13, 25 or 34 account to be effective with the beginning of the next billing period. The transferring party must submit the request, in writing, specifying the quantity of therms to be transferred, the transferring account or group number and the account or group number receiving the equal quantity of stored gas. Transfers may not result in less than a zero (0) balance for the transferring party or an excess storage condition for the receiving party. Transfers may not eliminate imbalance penalties. Requests for transfers must be received no later than fifteen (15) days after the issue date of the prior bill. Storage balance transfers for both the transferring and receiving customer shall be effective with the beginning storage balance for the subsequent bill period after which the request is made. A fee of $15.00 will be assessed to the account from which the transfer is being made.

Transfers of SBS and FBS.
An Agent, Customer, or Group Manager may request to transfer a quantity of Storage Banking Service (SBS) capacity, including its associated withdrawal rights, or Firm Backup Service (FBS) therms from a Customer served under Rate 74, 75, 76 or 77 to another Customer served under Rate 74, 75, 76 or 77. The transferring party must make the request, in writing, specifying the SBS capacity or FBS therms to be transferred, and the transferring and receiving accounts. The transfer will be effective for each party on the first day of the billing period after the request is received by the Company and will stay in effect for the remainder of the contract period or until another transfer is initiated. Customers must retain a minimum SBS capacity of 1 MDCQ. A fee of $35.00 will be assessed to the account from which a transfer is being made.

Third Party Billing Service.
Any third party desiring to have the Company to include its charges to the customer on the Company's bill shall enter into the Company's standard contract that stipulates the procedures to be followed. The Company will provide up to six (6) standard lines of text that may be used by the third party. The Company will process customer payments in a timely manner and will electronically forward payments to the third party's bank account and notify the third party of the customer's payment on a daily basis. The fee for billing and payment processing will be $0.25 per bill. If the third party would like additional services with respect to billing, the Company and third party will negotiate in good faith the fees for such additional services. The Company will report these additional services and fees to the Illinois Commerce Commission as assurance that any such additional services and fees are being offered on a non-discriminatory basis.

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Terms and Conditions

*(Continued From Sheet No. 52.5)

Nicor Gas

Nicor Gas
Gas Transportation
P.O. Box 190
Aurora, IL 60507-0190
Customer Service Center 630 983-4040

Company Use Only
Sequence ID

Transportation Cancellation Letter of Agreement

Dear Nicor Gas:
You, Nicor Gas ("Nicor Gas") and I, the Customer ("Customer"), are parties to a contract for Transportation Service.

I wish to cancel service under this Transportation Service Contract by executing this Letter of Agreement per the option selected below. I understand that I am responsible for notifying my broker or supplier that I am canceling transportation service and returning to sales service, and that I am responsible for any outstanding obligations for payment, including any remaining monthly administration fees and/or telemetering device charges (if cancellation is prior to the initial 12-month period).

I also understand that, if I have a multiple accounts contract with Nicor Gas, I have the option of either canceling service for the entire group or canceling service for certain accounts in my group which I have listed on the reverse side of this Letter of Agreement, while maintaining transportation service for the remaining accounts. I understand by leaving the group, my account will be assessed a group change fee.

I wish to cancel my existing Transportation Service Contract for the account(s) checked:

1. ☐ Individual Account ☐ Entire Group
   Choose one of the following options:
   ☐ I wish to remain on transportation service and pay applicable charges under Rider 25 until all Customer-owned gas for my account(s) is/are depleted.

   ☐ I wish to cancel my contract effective with the first complete billing period subsequent to the date this Letter of Agreement is received by Nicor Gas, thereby assigning to Nicor Gas any Customer-owned gas received or stored on behalf of my account(s) by Nicor Gas as of the ending date of such billing period. I further warrant that I have clear title to any such assigned gas and agree to provide Nicor Gas on demand sufficient documentation of such clear title.

2. ☐ Certain Accounts within a group. List accounts on reverse side.

By so executing this Letter of Agreement, I understand and agree to cancel Transportation Service for the account(s) indicated below and on the reverse side of this Letter of Agreement, and that such account(s) will return to sales service. I further understand and agree that I will not be permitted to transport Customer-owned gas for such account(s) for one (1) year from the date this Agreement becomes effective.

Company Use Only
Revised Group Data ***(if applicable)***

Maximum Daily Contract Quantity (MDCQ) ____
Maximum Daily Nomination: ____

Apr ____ May ____ June ____ July ____ Aug ____ Sept ____ Oct ____

For the Company	**For the Customer** – ***Yellow Shaded Area Required***
	Date
Date received from customer	Customer Name
Accepted by	Print Name / Signature
Official Capacity	Official Capacity
Date Accepted	Telephone / Fax
	Email Address
	Nicor Gas Account or Group No.
	New Billing Address, if applicable

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Rider 6
Gas Supply Cost

Applicable to All Rates

The Gas Charges shall be determined in accordance with the provisions of this rider.

* **Section A - Applicability**

The Gas Charges' general definitions and their applicability shall be as follows. These charges are applicable to all rates except as specifically noted. The monthly charge for each Gas Charge shall be determined in accordance with Section F.

Type	Description
CGC	Commodity Gas Cost - A commodity related, per therm, gas cost recovery mechanism applied to all Company-supplied therms delivered or estimated to be delivered.
NCGC	Non-Commodity Gas Cost - A non-commodity related, per therm, gas cost recovery mechanism applied to all Company supplied therms delivered or estimated to be delivered.
GC	Gas Cost - The sum of CGC and NCGC.
DGC	Demand Gas Cost - A non-commodity related, per contract therm, gas cost recovery mechanism applied to the contracted backup levels of transportation Customers. This charge is the backup level based counterpart to the NCGC. Revenues arising through the application of this charge will be credited to the NCGC.
CSBC	Customer Select Balancing Charge – Primarily a non-commodity related, per therm, gas cost recovery mechanism applied to all deliveries or estimated deliveries of gas to the Customer's facilities under the provisions of Rider 15, Customer Select. This charge is the usage level based counterpart to the NCGC, and excludes firm transportation costs for which the Supplier is directly responsible. The charge may also include costs associated with the purchase of supplies during periods of Operational Flow Orders necessary to maintain the reliability of the system. Revenues arising through the application of this charge will be credited to the NCGC, except for revenues associated with commodity costs during periods of Operational Flow Orders, which shall be credited to the CGC.
TSA	Transportation Service Adjustment - A per therm charge or credit recovery mechanism applied to the deliveries or estimated deliveries of Customer-owned gas to the Customer's facilities. The determination of the TSA shall include credits for collected gross revenues received by the Company from the operation of its Chicago area Hub and any other costs and revenues as approved and ordered by the Illinois Commerce Commission to be applied to transportation customers. Revenues or credits arising through the application of this adjustment will be included in the CGC.

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Rider 6
Gas Supply Cost

(Continued from Sheet No. 58)

A monthly report, in a format designated by the Illinois Commerce Commission ("Commission"), postmarked by the 20th of the filing month, shall show determinations of the Gas Charges for the effective month.

Section B - Definitions

"Base period" shall mean the effective month or the remaining months in the reconciliation year which includes the effective month.

"Effective month" shall mean the month following the filing month, during which the Gas Charges will be in effect.

"Filing month" shall mean the month in which Gas Charges are determined and filed with the Commission.

"Gas used by the Company" shall include all gas used by the Company except gas utilized in the manufacture of gas through a reforming process, and shall include gas furnished to municipalities or other governmental authorities without reimbursement in compliance with franchise, ordinance or similar requirements.

"Reconciliation year" shall mean the calendar year for which actual gas costs and associated revenues are to be reconciled.

"System average cost of gas" shall mean the weighted average cost per therm of gas estimated to be purchased, withdrawn from storage, and manufactured during the base period or reconciliation year.

Section C - Cost Basis

The Gas Charges shall represent the Company's estimate of recoverable gas costs (as prescribed in Section D) to be incurred during the base period, with an adjustment to such costs through use of Adjustment Factors (as prescribed in Sections E, F, and G). Any Gas Charges established to recover commodity gas costs (separately or in conjunction with non-commodity gas costs) shall use an estimate of the recoverable costs to be incurred during the effective month. Any Gas Charges established to recover only non-commodity gas costs shall use an estimate of the recoverable costs to be incurred during the remaining months of the reconciliation year.

Section D - Recoverable Gas Costs

a) Costs recoverable through the Gas Charges shall include the following:

1) costs of natural gas and any solid, liquid or gaseous hydrocarbons purchased for injection into the gas stream or purchased as a feedstock or fuel for the manufacture of gas, or delivered under exchange agreements;

(Continued on Sheet No. 60)

Rider 6
Gas Supply Cost

(Continued From Sheet No. 59)

2) costs for storage services purchased; and

3) transportation costs related to such natural gas and any solid, liquid or gaseous hydrocarbons and any storage services; and

4) other out-of-pocket direct non-commodity costs, related to hydrocarbon procurement, transportation, supply management, or price management, net of any associated proceeds, and Federal Energy Regulatory Commission-approved charges required by pipeline suppliers to access supplies or services described in subsections (a)(1) through (3) of this Section.

* b) Determinations of the Gas Charges shall exclude the actual cost of gas used by the Company. Gas used by the Company will be provided for by purchasing supplies separately from supplies purchased for customers except that, beginning on January 1, 2011, Franchise Gas volumes subject to Rider 2 will be purchased in conjunction with supplies purchased for customers and such volumes shall be excluded from determination of Gas Costs at the system average gas cost for the effective month.

c) The cost of gas estimated to be withdrawn from storage during the base period shall be included in the Gas Charges.

d) Recoverable gas costs shall be offset by the revenues derived from transactions at rates that are not subject to the Gas Charges if any of the associated costs are recoverable gas costs as prescribed by subsection (a) of this Section and by any collected revenues generated from the sale of services under the Company's FERC certificated services and Rate 21, Intrastate Transportation and Storage Services. This subsection shall not apply to transactions subject to rates contained in tariffs on file with the Commission, with the exception of Rate 21, or in contracts entered into pursuant to such tariffs, unless otherwise specifically provided for in the tariff. Taking into account the level of additional recoverable gas costs that must be incurred to engage in a given transaction, the Company shall refrain from entering into any such transaction that would raise the Gas Charges.

e) Revenues from penalty charges or imbalance charges, which the Commission has previously approved to prevent unauthorized actions of customers, shall offset gas costs.

f) Revenues from "cash-out" schedules, which the Commission has previously approved for transportation customers' monthly imbalances, shall offset gas costs. Under such schedules, the Company can charge customers for gas used in excess of the amount contracted for, or can refund to Customers the avoided cost of gas not taken. Refunds by the Company pursuant to any such "cash-out" schedule shall be treated as gas costs recoverable under this Section.

<u>Section E - Adjustments to Gas Costs</u>

a) The Adjustment Factors (Factors A) shall be treated as additions to or offsets against gas costs. These Adjustment Factors shall include the total of the following items:

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Rider 6
Gas Supply Cost

(Continued From Sheet No. 60)

1) refunds, directly billed pipeline surcharges, unamortized balances of adjustments in effect as of the Company's implementation date, and other separately designated adjustments;

2) the cumulative difference between actual recoverable gas costs and purchased gas adjustment ("PGA") recoveries for months preceding the filing month; and

3) the unamortized portion of any Adjustment Factors included in prior determinations of the Gas Charges.

* b) If the Company determines the need to amortize an Adjustment Factor over a period longer than the base period, this Adjustment Factor shall be amortized over a period not to exceed 12 months. The Company shall, in the monthly filing in which the Factor A is first amortized, include an amortization schedule showing the Adjustment Factor amount to be included in the base period. The associated carrying charge established by the Commission under 83 Ill. Adm. Code 280.40(g)(1) and in effect when the Adjustment Factor is first amortized shall be applied to each month's unamortized balance and included within Factor A.

Section F - Determination of Gas Charges

a) Each month, the Company shall determine the Gas Charges to be placed into effect for services rendered or estimated to be rendered during the effective month.

b) The Gas Charges shall be determined in accordance with the following formula:

Gas Charge $= (G \pm A \pm O) / T \times 100$

Where:

Gas Charge	= Each Gas Charge in cents per therm rounded to the nearest 0.01 cent; any fraction of 0.01 cents shall be dropped if less than 0.005 cents or, if 0.005 cents or more, shall be rounded up to the next full 0.01 cents.
G	= The sum of the estimated recoverable gas costs associated with the base period for each Gas Charge, as prescribed in Section D.
A	= An amount representing the total adjustments to gas costs, as prescribed in Section E. If the Company has elected to amortize the total adjustments to gas costs, Factor A shall include the amount applicable to the base period.

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Rider 6
Gas Supply Cost

(Continued From Sheet No. 61)

O = An amount representing the additional over- or under-recovery for a reconciliation year ordered by the Commission to be refunded or collected, including interest charged at the rate established by the Commission under 83 Ill. Adm. Code 280.40(g)(1) from the end of the reconciliation year to the order date in the reconciliation proceeding. If the Commission determines it is necessary to amortize additional over- or under-recovery, additional interest shall be charged in the same manner as that prescribed in Section E (b).

T = The estimated applicable therms of gas associated with the service to be rendered during the base period.

Section G - Annual Reconciliation

a) In conjunction with a docketed reconciliation proceeding, the Company shall file with the Commission an annual reconciliation statement, which shall be certified by the Company's independent public accountants and verified by an officer of the Company. This statement shall show the difference between the following:

   1) the costs recoverable through the Gas Charges during the reconciliation year, as adjusted by Factor A and Factor O; and

   2) the revenues arising through the application of all the Gas Charges to applicable therms during the reconciliation year.

b) If, after hearing, the Commission finds that the utility has not shown all costs to be prudently incurred or has made errors in its reconciliation statement for such reconciliation year, the difference determined by the Commission shall be refunded or recovered, as appropriate, under the Ordered Reconciliation Factor (Factor O), along with any interest or other carrying charge authorized by the Commission.

* **Section H – Uncollectible Factor**

An Uncollectible Factor shall be applied to the gas supply costs calculated pursuant to the provisions of this rider. The Uncollectible Factor to be applied to each monthly gas supply cost filing will be based on the Company's uncollectible expense for supply (retail gas sales) customers established in Docket No. 17-0124. The amounts billed pursuant to the Uncollectible Factors shall not be included in the Company's annual reconciliation of gas supply costs. The Uncollectible Factor shall be 1.61% for residential service classes and 0.77% for non-residential service classes. The Uncollectible Factor shall be revised in each of the Company's subsequent general rate case proceedings. The Company must reflect the inclusion of the Uncollectible Factor in its monthly gas supply cost filing with the Commission prior to it becoming effective for billing.

Rider 25
Firm Transportation Service

Applicable to Rates 4, 5, 6 and 7

Availability.
For any commercial or industrial Customer at a single location who enters into a contract with the Company hereunder, to transport Customer-owned gas from an interconnection with a pipeline supplier of the Company to the Customer's premises; and

(a) where the Customer has contracted for transportation of direct purchases from the delivery point of the seller to an existing interstate pipeline interconnection with the Company's facilities as approved by the Company, which interconnection, in the sole judgment of the Company, is capable of receiving sales and transportation Customers gas without impairment of anticipated deliveries of any gas supplies, and

(b) where the final pipeline transporter of such Customer-owned gas agrees to provide daily delivery data for such gas to the Company; and

(c) where satisfactory evidence of Customer's contracts with seller(s) and intrastate or interstate transporters are provided to the Company; and

(d) where all such arrangements have been approved by each regulatory agency having jurisdiction over such matters, to the satisfaction of the Company.

Charges shall be the sum of (a) through (g).

* (a) Administrative Charge
$39.00 per month for an individual account. Group accounts will be charged $8.00 per month per account with a minimum group charge of $47.00.

(b) System Charge
The monthly Customer, distribution, demand and commodity charges, as applicable under the rate which services the Customer, for the total Customer usage in the billing month.

* (c) Gas Supply Cost
For Customers served under Rider 25, the Gas Supply Cost shall be the sum of the following: (1) 0.49 times the Customer's Maximum Daily Contract Quantity multiplied by the Demand Gas Cost (DGC); plus (2) the Commodity Gas Cost (CGC) multiplied by the volume of Company-supplied gas delivered to the Customer in the billing period. Provided, however, if the Customer is a member of a Rider 34 group, the Commodity Gas Cost (CGC) charge shall be assessed to the Group Manager.

(Continued On Sheet No. 77)

Rider 25
Firm Transportation Service

(Continued From Sheet No. 76)

All such Gas Supply Cost charges described above shall be determined in accordance with Rider 6, Gas Supply Cost, for the billing period.

* Customers served under Rates 4 and 5 shall receive a Transportation Service Credit (TSC) consisting of the sum of (1) a 0.06 cent per therm storage withdrawal adjustment credit, and (2) a 0.20 cent per therm credit for gas in storage multiplied by the quantity of customer-owned gas used during a Customer's billing period. Customers served under Rate 6 shall receive a Transportation Service Credit (TSC) consisting of the sum of (1) a 0.02 cent per therm for the storage withdrawal adjustment credit, and (2) a 0.06 cent per therm credit for gas in storage multiplied by the quantity of customer-owned gas used during a Customer's billing period.

If, in any billing period, there is no Customer-owned gas available from storage or delivered to the Customer, the Gas Supply Cost Section of the Charges provision of the rate under which the Customer is served shall apply in lieu of the Gas Supply Cost Section hereunder.

* (d) Excess Storage Charge
10¢ per therm for each therm in storage in excess of 31 (30 times as of the first June 1 after the Effective Date of this tariff) times the Customer's Maximum Daily Contract Quantity during the billing period. If such excess amount is less than five percent of the Customer's allowed Storage Banking Capacity, the Excess Storage Charge shall not apply. Such revenues arising through the application of the Excess Storage Charge will be credited to Rider 6, Gas Supply Cost. Provided, however, if the Customer is a member of a Rider 34 Group, the Excess Storage Charge shall be assessed to the Group Manager.

(e) Transportation Service Adjustment
The Transportation Service Adjustment (TSA) per therm, as determined in Rider 6, Gas Supply Cost, applied to total Customer usage less Company Supplied Gas.

* (f) Optional Recording Device Charge

$16.00 per month for each account for all meter types.

(g) Operational Flow Order (OFO) Non-Performance Charge
On any day where the Company has imposed an Operational Flow Order, each therm of overdelivery of the Required Daily Delivery Range will be purchased from the Customer and the payment will be 50% of the low price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance. In the event that Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used. Provided, however, if the Customer is a member of a Rider 34 Group, the OFO Non-Performance Charge shall be assessed to the Group Manager.

(Continued On Sheet No. 78)

Rider 25
Firm Transportation Service

(Continued From Sheet No. 77)

* **Storage.**
In any billing period in which Customer-owned gas delivered to the Company, as adjusted for unaccounted-for gas, exceeds the Customer's metered gas deliveries from the Company, the difference between such deliveries shall be the volume of gas held in storage by the Company and available for the Customer's use. In any billing period in which Customer-owned gas delivered to the Company, as adjusted for unaccounted-for gas, is less than the Customer's metered gas deliveries from the Company, the balance of any gas held in storage for the Customer's account will be used to reduce the amount of Company-supplied gas otherwise required to meet the Customer's demands for the billing period. The Customer may place into storage up to 31 times (30 times as of the first June 1 after the Effective Date of this tariff) the Customer's Maximum Daily Contract Quantity without additional charge.

Contract.
The term of the Customer's Rider 25 contract shall be the same as and determined by the term of the Customer's Gas Service Contract. The contract will specify the Maximum Daily Contract Quantity which shall be the maximum amount of transportation gas which the Company shall be required to accept on behalf of the Customer from pipeline deliveries.

General.
Except as specified, all other provisions of the Customer's rate shall apply. The schedules of which this rider is a part includes certain Terms and Conditions. Service hereunder is subject to these Terms and Conditions including but not limited to: Transportation Limitations and Amounts and Determination of Maximum Daily Contract Quantity.

Rider 34
Supplier Firm Transportation Service

Applicable to Rates 4, 5, 6 and 7

Availability.
This rider shall be available (Available Date) the earlier of (i) one-hundred eighty (180) days from the Effective Date, or (ii) the date the Company has completed the required systems necessary to accommodate service, and shall be available for any Customer or Supplier representing group accounts being served under Rates 4, 5, 6 and 7. Such Customer or Supplier shall be referred to hereafter as the Group Manager. Each Group shall be limited to accounts served under Rider 25 – Firm Transportation Service and a maximum of 150 accounts. The Company agrees to work with the Group Manager to accommodate its requests for forming groups of individual member accounts; however, the Company shall retain the right to place individual member accounts into a Group Manager's group based on the most efficient use of the Company's resources.

Charges shall be the sum of (a) through (e).
The following charges will be billed at the Group Manager level.

(a) Group Charge
$95.00 per month per Group.

(b) Excess Storage Charge
10¢ per therm applied to the maximum amount of gas in storage in excess of the Group's Storage Banking Service capacity for the billing period. If such maximum excess amount is less than five percent (5%) of the Group's Storage Banking Service capacity, the Excess Storage Charge shall not apply. Revenues arising through the application of the Excess Storage Charge will be credited to Rider 6, Gas Supply Cost.

(c) Authorized Use Charge
For each therm of Authorized Use, the charge shall be the Commodity Gas Cost (CGC) as defined in Rider 6 – Gas Supply Cost. If in any billing period, there is no group-owned gas available from storage or delivered to the group, the Gas Supply Cost section of the Charges provision of the rate under which the individual Customer is served shall apply.

(d) Unauthorized Use Charge
Applicable to Rates 6 and 7, for each therm of Unauthorized Use, the charge shall be the sum of $6.00 plus the Gas Cost (GC) as defined in Rider 6 - Gas Supply Cost.

Revenues arising from the application of the $6.00 per therm charge hereunder shall be credited to Rider 6, Gas Supply Cost.

(e) Operational Flow Order (OFO) Non-Performance Charge
On any day where the Company has imposed an Operational Flow Order, each therm of over-delivery of the Required Daily Delivery Range will be purchased from the Customer and the payment will be 50% of the low price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance. In the event Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used.

(Continued On Sheet No. 87.1)

Rider 34
Supplier Firm Transportation Service

(Continued From Sheet No. 87)

* All other charges will be billed to the individual member accounts, including but not limited to, the firm backup service component of the Rider 25 - Gas Supply Cost (0.49 times the individual account's Maximum Daily Contract Quantity (MDCQ) times the Demand Gas Cost (DGC)), Administrative, Monthly Customer, Distribution, Demand and Commodity, Recording Device, Transportation Service Credit and Transportation Service Adjustment.

Contract.
Prior to service under this rider, the Group Manager must provide adequate assurances of payment to the Company. Such assurances may include prior payment of an amount equivalent to two months of service, including gas costs, under this rider or an irrevocable standby letter of credit drawn on a bank acceptable to the Company.

The contract between the Company and the Group Manager shall provide for: (a) the measurement of Group-owned gas delivered to the Company; (b) the rate or rates of delivery of gas transported for any Group Manager hereunder; and (c) the procedure by which the Group Manager shall nominate daily delivery quantities of Group-owned gas to the Company. The Group Manager shall arrange to have the pipeline transporter and the seller/shipper provide the Company with the daily delivery data for all Group-owned gas delivered to the Company's system.

The Company shall waive the Fee for Group Changes for the first occurrence of an existing Rider 25 account entering a Rider 34 group for a period of time not to exceed one (1) year from the initial Effective Date of this rider.

Storage.
During any billing period in which Group-owned gas delivered to the Company, as adjusted for unaccounted-for gas, exceeds the Group member's aggregate metered gas deliveries from the Company, the difference between such deliveries shall be the volume of gas injected into storage by the Company and available for the Group's use. The Group Manager may place into storage amounts up to the aggregate of the individual Group members' Storage Banking Service capacity.

During any billing period in which Group-owned gas delivered to the Company, as adjusted for unaccounted-for gas, is less than the Group members' aggregate metered gas deliveries from the Company, the balance of any gas held in storage for the Group's account will be used.

Individual member accounts taking service under this rider shall have their Storage Withdrawal Factor (SWF) computed based on the billing period which either crosses November 1 or includes November 1 as the bill ending date; however, such SWF shall only be applicable should an individual account subsequently subscribe to transportation service under Rates 74, 75, 76 and 77. Groups managed by the same Group Manager shall not be combined for the purpose of determining an individual account's SWF.

General.
The schedule of which this rider is a part includes certain Terms and Conditions. Service hereunder is subject to these Terms and Conditions including, but not limited to, Transportation Limitations and Amounts, Maximum Daily Contract Quantity, definitions of Critical Day, definitions of an Operational Flow Order Day, Authorized Use, and Unauthorized Use.