

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

LARGE GENERAL GAS SERVICE
LGS

TRANSPORTATION SERVICE

Transportation service under this schedule will be available to schools receiving transportation service under the School Transportation Program (STP) tariff schedule and those customers whose annual usage exceeds 30,000 Ccf in the preceding calendar year (LGS Transportation Customers).

MGE shall offer the new LGS transportation Customer a contract extending until November 1, 2012, or a contract extending until November 1, 2011, at the customer's option, even if that period would be less than 12 months. Beginning in the third contract year (November 1, 2012 – October 31, 2013), Customers shall apply by May 1 of each year for service to begin no later than November 1 of the same year. Applications MGE receives after May 1 are subject to establishing a service date by mutual agreement. The minimum service period after November 1, 2012, is a Contract Year, which is a 12 month period starting November 1. MGE may provide transportation service for more than a Contract Year, if service begins prior to November 1 in a given year, subject to FERC regulations regarding capacity release timeframes.

Qualifying transportation customers will be added on a first-come, first-served basis. In the first twelve months the LGS transportation service is available, up to a maximum of 75 LGS transportation customers will be added, but not less than 50 customers (if 50 customers apply and qualify for such service). Additional customers will be allowed to go to transportation in future years up to a maximum of 100 customers per year, but not less than 50 customers (if more than 50 customers apply and qualify for such service). However, in any year, if MGE determines that it is feasible to convert more customers than specified above, MGE will do so on a first-come, first-served basis.

Telemetry will be required (as described in rate schedule EGM) for all non-school customers taking transportation service under this schedule.

Customers must be part of an aggregation group (pool). Customers desiring to change Agents shall provide the Company forty-five (45) days' notice prior to the effective date of the change in Agents. The effective date will be the first day of a calendar month. Company will consider notice complete only with the submission of a Customer Application to Change Agents; Notification to Agent of Termination and Capacity Recall; Aggregation Agent Affidavit – LGS; Agent Aggregation Service Agreement – LGS

As a condition of Customer being able to transfer from sales service to transportation service, pool operator agrees to accept a pro-rata release of Company's prorata share of the applicable interstate pipeline's firm capacity excluding storage capacity. This pro-rata share shall be based on the customer's peak month demand volume in order to pay the pipeline for that released capacity.

- a. The capacity will be released as a non-biddable release to a marketer participating in a state-regulated retail access program pursuant to the requirements of the Federal Regulatory Energy Commission as set forth in 18 C.F.R. § 284.8(h)(4), as it may be amended, restated or revised from time to time.
- b. The capacity will be released on a temporary, recallable basis.
- c. The release shall be at the average of MGE's interstate pipeline transportation capacity costs.

DATE OF ISSUE September 8, 2010
month day year

DATE EFFECTIVE September 15, 2010
month day year

ISSUED BY: Michael R. Noack

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- d. Not less than forty-five (45) days prior to renewing the release of capacity for a customer for the next twelve-month period, MGE will provide notice to the customer and/or the customer's agent of the volumes to be released for such customer.
- e. After the capacity is released, Customers and Agent will deal directly with the applicable Interstate Pipeline during the period of release on all matters concerning this capacity. In the event a Customer changes Agent before the expiration of a pipeline capacity agreement, the Customer's Interstate Pipeline capacity will revert to the Company for reassignment to the new Agent.
- f. If a Customer wishes to return to firm sales services, Company shall accept the Customer as a firm sales customer, provided MGE has sufficient Interstate Pipeline capacity.
- g. Capacity released to Agent shall be immediately recallable under any of the following conditions:
 - i. a bankruptcy filing by the Customer or Agent;
 - ii. failure to pay the Pipeline for the released capacity,
 - iii. failure to deliver the quantity of gas required to serve the firm Customer load under OFO conditions,
 - iv. the customer reverts to sales service or changes to a new supplier,
 - v. the customer ceases operations or otherwise terminates service; or
 - vi. MGE determines that released capacity is necessary to maintain the operational integrity of MGE's distribution system
- h. After October 1, 2013, the sales customers that converted to transportation service prior to that date, or the customer's agent, will be responsible for acquiring transportation capacity for the customer and MGE will have no obligation to release pipeline capacity to those customers or pool operators
- i. Any revenues or credits MGE receives from capacity release as a result of transfer of sales customers to LGS transportation service, prior to October 1, 2013 will not be included in the capacity release sharing grid and one-hundred percent of the revenue or credits from such capacity release shall be flowed to sales customers through MGE's ACA account
- j. Customers must give the Company 12 months' written notice to switch from transportation service to a general sales service rate schedule, unless sales gas is otherwise available and the customer has paid the Company the incremental cost of providing such service in the period prior to when such notice would have otherwise become effective. Such costs may include incremental pipeline transportation and storage capacity and higher gas supply costs.

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